

**State of Illinois**  
**DEPARTMENT OF FINANCIAL AND**  
**PROFESSIONAL REGULATION**

**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2016**

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

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
COMPLIANCE EXAMINATION  
For The Two Years Ended June 30, 2016

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**AGENCY OFFICIALS**

Secretary	Mr. Bryan Schneider (Effective February 2015)
Acting Secretary	Mr. Jay Stewart (Through February 2015) Mr. Manuel Flores (Through January 2015)
Chief of Staff	Mr. Brandon Purcell (Effective February 2016) Mr. Tony Esposito (Through February 2016) Ms. Nellie Ridsdale (Through January 2015) Mr. Matthew Glavin (Through August 2014)
Acting Chief of Staff	Ms. Susan Gold (Through October 2014)
Chief Financial Officer	Mr. Bryan Martin
General Counsel	Ms. Dina Masiello (Effective February 2017) Ms. Sadzi Oliva (Through January 2017) Ms. Jessica Baer (Through October 2016) Mr. Richard DiDomenico (Through March 2015)
Senior Deputy General Counsel	Ms. Sherry Eshoo (Effective October 2016) Ms. Susan Gold (Through October 2016)
Director of Administrative Services	Mr. Nick Kanellopoulos (Through January 2015)
Acting Director of Information Technology	Mr. Bryan Martin (Through September 2015)
Director of Information Technology	Mr. Sunil Thomas (Effective September 2015) Mr. Alan Harling (Through July 2014)
Director of Legislative Affairs	Mr. John Webb (Effective February 2015) Ms. Jennifer Acker (Through December 2014)
Acting Director of the Division of Professional Regulation	Ms. Jessica Baer (Effective September 2016)
Director of the Division of Professional Regulation	Mr. Jay Stewart (Through July 2016)

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**AGENCY OFFICIALS**

Director of the Division of Financial Institutions	Mr. Francisco Menchaca
Acting Director of the Division of Banking	Ms. Kerri Doll (Effective March 2016) Ms. Sheila Saegh Henretta (Through January 2015)
Director of the Division of Banking	Mr. Michael Mannion (Through March 2016)
Acting Director of the Division of Real Estate	Mr. Kreg Allison (Effective January 2016)
Director of the Division of Real Estate	Vacant (Through December 2015)

Department offices are located at:

320 West Washington Street  
3rd Floor  
Springfield, IL 62786

James R. Thompson Center  
100 West Randolph, 9th Floor  
Chicago, IL 60601

9511 Harrison Street, Suite LL50  
Des Plaines, IL 60016

8620 South Pulaski Road  
Chicago, IL 60652



# Illinois Department of Financial and Professional Regulation

## Office of the Secretary

BRUCE RAUNER  
Governor

BRYAN A. SCHNEIDER  
Secretary

### MANAGEMENT ASSERTION LETTER

February 9, 2017

E.C. Ortiz & Co., LLP  
Certified Public Accountants  
333 S. Des Plaines, Suite 2-N  
Chicago, Illinois 60661

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 State of Illinois, Department of Financial and Professional Regulation. 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 State of Illinois, Department of Financial and Professional Regulation compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2016 and June 30, 2015, the State of Illinois, Department of Financial and Professional Regulation has materially complied with the assertions below.

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

Yours truly,

State of Illinois, Department of Financial and Professional Regulation

**SIGNED ORIGINAL ON FILE**

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Bryan Schneider, Secretary

**SIGNED ORIGINAL ON FILE**

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Bryan Martin, Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Dina Masiello, General Counsel

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
COMPLIANCE EXAMINATION  
For The Two Years Ended June 30, 2016

**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.

**ACCOUNTANT'S REPORTS**

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> Findings	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Repeated findings	9	13
Prior recommendation implemented or not repeated	5	9
	8	5

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2016-001	11	Department Boards and Committees Not Fully Staffed	Noncompliance and significant deficiency
2016-002	15	Deficiencies Identified in Controls over Interagency Agreements	Noncompliance and significant deficiency
2016-003	17	Employee Performance Evaluations Not Completed or Timely Completed	Noncompliance and significant deficiency
2016-004	19	Voucher Processing Weaknesses	Noncompliance and significant deficiency
2016-005	21	Inadequate Control over Monitoring Licensee Documentation	Noncompliance and significant deficiency

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**COMPLIANCE REPORT**

**SUMMARY**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2016-006	23	Noncompliance with Currency Exchange Act	Noncompliance and significant deficiency
2016-007	25	Noncompliance with State Records Act	Noncompliance and significant deficiency
2016-008	28	Noncompliance with Various Statutory Mandates	Noncompliance and significant deficiency
2016-009	30	Weaknesses Regarding Payment Card Industry Data Security Standards	Noncompliance and significant deficiency

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	32	Inadequate Controls over Computer Inventory
B	32	Enforcement Activities Not Performed Timely and/or Not Sufficiently Documented
C	32	Inadequate Controls over Vehicle Reporting, Usage, and Maintenance
D	33	Inadequate Controls over Property Records
E	33	Inadequate Controls over Telecommunications Services and Expenditures
F	33	Noncompliance with the Pharmacy Practice Act
G	34	Noncompliance with the Residential Mortgage License Act of 1987
H	34	Noncompliance with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004

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**COMPLIANCE REPORT**

**SUMMARY**

**EXIT CONFERENCE**

The Department waived having an exit conference in a letter dated January 20, 2017, from the Department's Director of Statewide Enforcement – Division of Professional Regulation and Audit Liaison.

The responses to the recommendations were provided by Susan Gold, Director of Statewide Enforcement – Division of Professional Regulation and Audit Liaison, in a letter dated February 9, 2017.



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

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Financial and Professional Regulation's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2016. The management of the State of Illinois, Department of Financial and Professional Regulation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Financial and Professional Regulation's compliance based on our examination.

- A. The State of Illinois, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation on behalf of the State or held in trust by the State of Illinois, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Financial and Professional Regulation's compliance with specified requirements.

In our opinion, the State of Illinois, Department of Financial and Professional Regulation complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. 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 2016-001 through 2016-009.

### **Internal Control**

Management of the State of Illinois, Department of Financial and Professional Regulation 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, Department of Financial and Professional Regulation's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Financial and Professional Regulation's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Financial and Professional Regulation's internal control over compliance.

*A deficiency in 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 internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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. 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2016-001 through 2016-009, 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 to your office.

The State of Illinois, Department of Financial and Professional Regulation's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Department of Financial and Professional Regulation's 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, 2016 and June 30, 2015 in Schedules 1 through 21 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, 2016 and June 30, 2015 accompanying supplementary information in Schedules 1 through 21. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014 accompanying supplementary information in Schedules 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, and 18 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.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
February 9, 2017

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF FINDINGS**  
For The Two Years Ended June 30, 2016

**CURRENT FINDINGS – STATE COMPLIANCE**

2016-001. **FINDING** (Department Boards and Committees Not Fully Staffed)

The Department of Financial and Professional Regulation (Department) did not ensure the appointment of the required number of members to various boards and committees to fill vacancies.

- The Department was not in compliance with the provisions of the Real Estate License Act of 2000 regarding appointment of members to the Real Estate Administration and Disciplinary Board (Board). We noted two of nine (22%) positions (one public member and one broker/managing broker) were vacant since October 2013 and May 2014, respectively. Subsequent to June 30, 2016, the two vacant positions were filled.

The Real Estate License Act of 2000 (225 ILCS 454/25-10) requires the Governor to appoint nine members to the Board. The Board shall consist of six members who have been actively engaged as managing brokers or brokers or both for at least the 10 years prior to the appointment and three public members who represent consumer interests.

- The Department was not in compliance with the provisions of the Pharmacy Practice Act regarding the appointment of members to the State Board of Pharmacy (Board). We noted three of nine (33%) positions (one pharmacist and two public members) were held by individuals whose service terms expired in April 2007, April 2010, and April 2015. Two of the three referenced members have effectively served beyond two full terms. Subsequent to June 30, 2016, a new public member was appointed to replace a member who served on expired service term and beyond two full terms.

The Pharmacy Practice Act (225 ILCS 85/10) requires the Governor to appoint members to the Board. The Board shall consist of nine members, seven of whom shall be licensed pharmacists in good standing in the State, graduates of accredited colleges of pharmacy or holders of a Bachelor of Science degree in pharmacy, and have at least five years of practical experience in pharmacy subsequent to the dates of their licensures as licensed pharmacists in the State and two voting public members who shall not be licensed pharmacists in the State or any other state. Members shall be appointed to five year terms and no member shall serve more than two full terms in his or her lifetime.

- The Department was not in compliance with the provisions of Physician Assistant Practice Act of 1987 regarding the appointment of members to the

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**SCHEDULE OF FINDINGS**  
For The Two Years Ended June 30, 2016

Physician Assistant Advisory Committee (Committee). We noted five of seven (71%) positions (one physician, three physician assistants, and one public member) were vacant. We also noted two of seven (29%) positions were held by individuals with terms that expired in November 2000 and January 2016. One of the two members has effectively served more than two consecutive terms.

The Physician Assistant Practice Act of 1987 (225 ILCS 95/11) requires the establishment of the Committee to the Department and the Medical Licensing Board (Board). The seven members of the Committee shall be composed of three physicians, two of whom shall be members of the Board and appointed to the Committee by the chairman and one physician who is not a member of the Board shall be a supervisor of a licensed physician assistant and shall be approved by the Governor from a list of Illinois physicians supervising licensed physician assistants; three physician assistants; and one public member who is not employed or having any material interest in any healthcare field. Upon the expiration of the term of any member, the successor shall be appointed for a term of four years. No member shall serve more than two consecutive terms.

- The Department was not in compliance with the provisions of the Perfusionist Practice Act regarding the appointment of members to the Board of Licensing for Perfusionists (Board). We noted one of five (20%) positions (public member) was vacant since November 2002. In addition, the Board did not elect a vice-chairperson upon the expiration of the former vice-chairperson's term.

The Perfusionist Practice Act (225 ILCS 125/25) requires the Department to appoint members to the Board of Licensing for Perfusionists which shall serve in an advisory capacity to the Department. The Board shall be comprised of five persons appointed by the Department, of which two members must hold an active license to engage in the practice of perfusion in the State, one member must be a physician licensed under the Medical Practice Act of 1987 who is board certified in and actively engaged in the practice of cardiothoracic surgery, one member must be a licensed registered professional nurse certified by the Association of Operating Room Nurses, and one public member who is not licensed under this Act or a similar act of another jurisdiction and who has no connection with the profession. The Board shall annually elect a chairperson and a vice-chairperson who shall preside in the absence of the chairperson.

- The Department was not in compliance with the provisions of the Occupational Therapy Practice Act regarding the appointment of members to the Illinois Occupational Therapy Licensure Board (Board). We noted two of

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For The Two Years Ended June 30, 2016

seven (29%) positions (one public member and one occupational therapist) were vacant since April 2012 and June 2016, respectively. Subsequent to June 30, 2016, an occupational therapist was appointed to fill the vacant position.

The Illinois Occupational Therapy Practice Act (225 ILCS 75/5) requires the Department to appoint the Board consisting of seven members who shall serve in an advisory capacity to the Department. The Board shall be composed of four licensed occupational therapists in good standing and actively engaged in the practice of occupational therapy in the State, two licensed occupational therapy assistants in good standing and actively engaged in the practice of occupational therapy in the State, and one public member who is not licensed under the Act or a similar act of another jurisdiction and is not a provider of healthcare service.

The Department was not in compliance with the provisions of the Credit Union Act regarding the appointment of members to the Board of Credit Union Advisors (Board). We noted three of seven (43%) positions were vacant since May 2014, January 2015, and April 2015, respectively.

The Illinois Credit Union Act (205 ILCS 305/11) requires the Governor to appoint members to the Board. The Board shall consist of seven members who have credit union experience.

Department management stated in some boards, candidates are either identified or in the preliminary stages of application and vetting. There are also challenges inherent in recruiting volunteers willing to donate time to serve on various boards and committees. Regarding the Physician Assistant Advisory Committee (Committee), management stated the Committee has not met since 1997. Previous attempts to abolish the Committee legislatively were unsuccessful. Candidates are not recruited for appointment to this Committee due to its inactivity.

Failure to appoint board and committee members may prevent the boards and committees from carrying out their mandated duties of regulating these professions in accordance with the acts cited. Members should be appointed in a timely manner to properly perform the function of the boards and committees as intended. Full boards and committees are necessary to properly conduct meetings and operate effectively and efficiently. (Finding Code No. 2016-001, 2014-003, 12-3, 10-9, 08-14, 07-12, 06-28, 05-25, BRE 04-16)

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For The Two Years Ended June 30, 2016

**RECOMMENDATION**

We recommend the Department continuously appoint qualified members to these boards and committees as required by the acts cited. We also recommend the Department continue to work with the Governor's Office to ensure the board and committee vacancies are filled in a timely manner for those cases where the Governor's Office is required to appoint the board and committee members.

**DEPARTMENT RESPONSE**

Agree.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF FINDINGS**  
For The Two Years Ended June 30, 2016

2016-002. **FINDING** (Deficiencies Identified in Controls over Interagency Agreements)

The Department of Financial and Professional Regulation's (Department) controls over interagency agreements were deficient.

During our testing of eight interagency agreements, we noted the following:

- Seven of eight (88%) interagency agreements tested pertained to the assignment and sharing of certain employees' salaries among the Department and other State agencies. Five of the seven referenced agreements were entered into among the Department, the Governor's Office of Management and Budget (GOMB), and the Office of the Governor wherein the employees' full salaries, including benefits, were paid by the Department. One of the referenced agreements was between the Department and GOMB wherein the employee's full salary, including benefits, was to be paid by GOMB. One of the seven referenced agreements was between the Department and the Office of the Governor wherein the employee's full salary, including benefits, was paid by the Department.
- One of eight (13%) interagency agreements tested for Fiscal Year 2015 was not signed by the Department prior to the effective date of the agreement. The agreement was signed 45 days after the effective date.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently and effectively and obligations and costs are in compliance with applicable laws. Good internal controls require the approval of agreements prior to their effective dates.

Department management stated all interagency agreements are between the Department and agencies that report to and operate under the direction of the Governor. The Office of the Governor, GOMB, and the Department have mutual interests in establishing an effective and efficient organizational and administrative structure, and agreed that hiring employees subject to the agreements directly advance the objectives, functions, goals, and policies of both the Department and the respective office. Furthermore, if the contract clearly specifies the effective date, then the contract is valid from the effective date regardless when the signatures are dated.

Failure to appropriately allocate the cost of employees' services distorts the appropriation process and may result in inaccurate allocation of expenditures among agencies. Failure to approve interagency agreement prior to the effective date prevents all parties from timely assessing whether the agreement is reasonable and appropriate and results in each party's responsibilities not being sufficiently

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For The Two Years Ended June 30, 2016

documented in a timely manner. (Finding Code No. 2016-002, 2014-004, 12-4, 10-3, 08-3, 07-2, 06-2)

**RECOMMENDATION**

We recommend the Department ensure all interagency agreements are signed by all parties prior to the effective date of the agreement. We also recommend the Department revisit its existing interagency agreements to ensure that salaries and benefit costs are appropriately allocated to agencies sharing the services of the employees.

**DEPARTMENT RESPONSE**

Agree. Going forward, the Department will ensure that interagency agreement costs are properly allocated and documented. In addition, the Department will ensure that interagency agreements are signed prior to the respective effective dates.

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For The Two Years Ended June 30, 2016

2016-003. **FINDING** (Employee Performance Evaluations Not Completed or Timely Completed)

The Department did not complete or timely complete employee performance evaluations.

During testing of 40 employee performance evaluations, we noted the following:

- Three (8%) employees tested did not have performance evaluations during the employee probationary period, one for Fiscal Year 2016 and two for Fiscal Year 2015.
- Three (8%) employees' performance evaluations during the employees' probationary periods were completed 22 to 135 days after they were due, one for Fiscal Year 2016 and two for Fiscal Year 2015.
- Two (5%) employees tested did not have performance evaluations completed, both for Fiscal Year 2016.
- Three (8%) employees' performance evaluations were completed 132 to 352 days after they were due, one for Fiscal Year 2016 and two for Fiscal Year 2015.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270(d)) states that for a certified employee, each agency shall prepare performance evaluation not less often than annually.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270 (b) to 302.270 (c)) states that for any employee serving a six month probationary period the agency shall prepare two evaluations, one at the end of the third month of the employee's probationary period and another 15 days before the conclusion thereof. For an employee serving a four month probationary period, the agency shall prepare an evaluation form three and one half months after the commencement of the probationary period.

Department management stated failure to complete or timely complete performance evaluations was due to staff changes.

Performance evaluations are a necessary and beneficial process used for the development of employees and communication of performance expectations to employees. Failure to complete performance evaluations inhibits the Department in providing timely feedback on employees' performance and areas for improvements. Further, performance evaluations provide systematic judgment to support salary

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increases, promotions, transfers, demotions, and terminations. (Finding Code No. 2016-003, 2014-005, 12-7, 10-5, 08-9, 07-7, 06-12, 05-13, DPR 04-6, 03-4, 01-4, 99-17, 97-20, 95-17, 93-26, BRE 04-9)

**RECOMMENDATION**

We recommend the Department evaluate its procedures for monitoring performance evaluations to ensure completion on a timely basis.

**DEPARTMENT RESPONSE**

Agree.

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For The Two Years Ended June 30, 2016

2016-004. **FINDING** (Voucher Processing Weaknesses)

The Department of Financial and Professional Regulation (Department) did not exercise adequate control over voucher processing.

During our testing, we noted the following:

- The Department used incorrect dates in calculating the interest penalty due to vendors under the State Prompt Payment Act. The Department used the approval for payment processing date instead of the receipt date of invoices in calculating interest penalty. Thirty-four of 263 (13%) vouchers tested had interest penalty payments in Fiscal Year 2016. Twenty-six of 34 (76%) vouchers, totaling \$493,403, had interest penalties under calculated by \$14,434.

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires any bill approved for payment must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 0.033% of any amount approved and unpaid for each day, after the end of this 90-day period, until final payment is made.

- Two of 263 (1%) vouchers tested, totaling \$33,520, were not approved within 30 days from receipt of the vendor's invoice.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70 (b)) requires the Department to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

- Two of 263 (1%) vouchers tested, totaling \$650, were not coded with the correct detail object code.

The Statewide Accounting Management System (SAMS) (Procedure 11.10.50) states the purpose of assigning a correct detail object code is to report expenditure information at a more refined level within a common object.

Department management stated the exception on interest penalties was due to incorrect dates entered in the system when the vouchers were processed. The other exceptions were due to oversight.

Failure to use proper dates in interest penalty calculations can result in incorrect interest payments to vendors. Failure to approve or deny an invoice for payment

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within 30 days from receipt date may result in unnecessary interest penalties. Inaccurate detail object codes reduce the overall accuracy and control over expenditures. (Finding No. 2016-004)

**RECOMMENDATION**

We recommend the Department review its procedures for calculating required interest penalties and approve or deny invoices in compliance with the requirements of the State Prompt Payment Act. Further, the Department should implement and maintain controls to ensure vouchers are coded with the correct SAMS detail object code.

**DEPARTMENT RESPONSE**

Agree. The Department has recalculated the prompt payment interest amount owed. For any vendor who is owed in excess of \$5, the Department has sent C-13 invoice vouchers for these amounts to the Comptroller's Office for payment to the vendors.

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2016-005. **FINDING** (Inadequate Control over Monitoring Licensee Documentation)

The Department of Financial and Professional Regulation (Department) did not have adequate controls over monitoring licensees to ensure it complies with licensee requirements.

During examination of license applications and supporting documentations for Consumer Installment Loan Providers, we noted the following:

- Five of 25 (20%) license applications were not approved within 60 days from receipt of a complete application. The applications were approved 64 to 177 days after the applications were received. The Consumer Installment Loan Act (Act) (205 ILCS 670/4) requires the Department's Director of Financial Institution to approve or deny every application for license within 60 days from the filing thereof with the fee.
- Five of 25 (20%) licensees did not pay their annual license fees timely. The licensees paid their annual fees to renew their licenses to December 31, 2016, 28 to 365 days after the December 15, 2015 due date. In addition, a licensee did not pay the annual license fee due on December 15, 2015, but continued to have an active license until December 31, 2016. The same licensee's surety bonds also expired in December 2015. The Department could not provide evidence that licenses automatically expired by December 31 for nonpayment of annual license fees. The Act (205 ILCS 670/8) states before the 15th day of each December, the licensee must pay to the Director, and the Department must receive, the annual license fee for the next succeeding calendar year. The license shall expire on the first of January unless the license fee has been paid prior thereto. If a licensee fails to renew his or her license by the 31st day of December, it shall automatically expire and the licensee is not entitled to a hearing; however, the Director, in his or her discretion, may reinstate an expired license upon payment of the annual renewal fee and proof of good cause for failure to renew.

During examination of license applications and supporting documentation of 19 Appraisal Management Company Registrants (registrants), we noted one (5%) registrant's surety bond posted as a requirement for registration expired on June 10, 2015; however, the registrant continued to have active registration until December 31, 2016. Upon auditors' inquiry, the Department terminated the registration of the registrant.

The Appraisal Management Company Registration Act (Act) (225 ILCS 459/50) requires all registrants to maintain a bond for the recovery of expenses, fines, or fees

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due to or levied by the Department in accordance with this Act. The bond shall be payable when the registrant fails to comply with any provisions of this Act and shall be in the form of a surety bond in the amount of \$25,000 as prescribed by the Department by rule. The bond shall be payable to the Department and shall be issued by an insurance company authorized to do business in the State. A copy of the bond, including any and all riders and endorsements executed subsequent to the effective date of the bond, shall be placed on file with the Department within 10 days of the execution thereof.

Department management stated these errors were due to staff changes.

Inadequate controls over monitoring licensees to ensure they continue to meet the license requirement as stipulated in the statutes increases the risk that public interest is not protected by allowing unlicensed or unqualified applicants to engage in business. (Finding Code No. 2016-005, 2014-011)

**RECOMMENDATION**

We recommend the Department ensure adequate monitoring of licensees of all professions to ensure only licensed or qualified licensees engage in the business for which they are licensed. We recommend the Department monitor the expiration dates of surety bonds submitted by all licensees to protect the Department from future liabilities.

**DEPARTMENT RESPONSE**

Agree. With regard to the Consumer Installment Loan Act (CILA) licensees, on February 23, 2016, the Division of Financial Institutions converted to the CLEAR computer system for licensing and regulating CILA licensees. On January 1 of each year, the CLEAR system will place all licensees who have not paid the licensee fee by December 31 into an expired (not renewed) status. CLEAR will also track application deficiencies which was not an option under the prior in-house system.

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2016-006. **FINDING** (Noncompliance with Currency Exchange Act)

The Department of Financial and Professional Regulation (Department) did not ensure compliance with the Currency Exchange Act (Act).

During testing, we noted the following:

- One of four (25%) suspension orders tested was mailed to the licensee 24 days from the effective date of the suspension order or the suspension order's filing date. The Act (205 ILCS 405/19) requires copies of all findings, orders, and decisions mailed to the parties affected thereby by United States mail within five days of filing.
- The Department did not mail notice to all licensees of any changes to the administrative rules of the Act. The Act (205 ILCS 405/19) requires all rules and directions, which are of a general character be made available in electronic form to all licensees within 10 days after filing and all licensees shall receive by mail notice of any changes.
- One of four (25%) consolidation applications was approved 34 days from receipt of the complete application. The Act (205 ILCS 405/13.1) requires the Department to approve or reject the application for consolidation within 30 days after receipt of such application.
- Nine of 25 (36%) currency exchange licensees filed the required annual reports to the Department 1 to 13 days after they were due. The Act (205 ILCS 405/16) requires each licensee annually, on or before the 1st day of March, file a report with the Department for the calendar year period from January 1st through December 31st, giving such relevant information as the Department may reasonably require concerning, and for the purpose of examining, the business and operations during the preceding fiscal year period of each licensed currency exchange conducted by such licensee within the State.
- Twenty-two of 25 (88%) currency exchange licensees have insurance policies that expired prior to the December 31, 2016, licensees' licenses expiration date. The Act (205 ILCS 405/6) requires every applicant for a license, after his or her application for a license has been approved, file with and have approved by the Department, a policy or policies of insurance issued by an insurance company or indemnity company authorized to do business under the law of the, State, which shall insure the applicant against loss by theft, burglary, robbery, or forgery.

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Department management stated the delay in mailing of the suspension order and the approval of a consolidation application were due to oversight. The Department does not mail notices to all licensees of any changes to the administrative rules of the Act since new and amended rules can be accessed from the Department's website. A written notice of extension for filing the annual report was sent to all licensees. Some licensees were granted a further verbal extension. The Department has no existing mechanism to track or monitor that blanket insurance policies on file are current and not expired.

Failure to ensure compliance with the Currency Exchange Act increases the risk that the public interest is not protected against individuals, firm, or entities engaged in the business of currency exchange. (Finding Code No. 2016-006)

**RECOMMENDATION**

We recommend the Department mail suspension orders and notifications of administrative rule changes and approve or reject consolidation applications in a timely manner. Furthermore, we recommend the Department adequately monitor the timely filing of annual reports and the expiration dates of licensees' insurance policies.

**DEPARTMENT RESPONSE**

Agree. The Department will pursue an amendment to Section 19 of the Currency Exchange Act regarding the requirement to mail notices of Rule changes to all licensees.

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2016-007. **FINDING** (Noncompliance with State Records Act)

The Department of Financial and Professional Regulation (Department) did not ensure compliance with the State Records Act.

During testing, we noted the following:

- The Department did not ensure financial interest statements were on file. During testing of investigators employed by the Department to investigate complaints and cases under the Funeral Directors and Embalmers Licensing Code, the Department could not provide documentation that three of five (60%) investigators did not have financial interests in businesses licensed under the Funeral Directors and Embalmers Licensing Code.

The Funeral Directors and Embalmers Licensing Code (Code) (225 ILCS 41/15-100) states no investigator shall have a financial interest in a business licensed under the Code.

- The Department did not maintain documentation of licensee accreditations or proof of inspections under the Home Medical Equipment and Services Provider License Act. For 15 of 25 (60%) home medical equipment and service providers license renewals tested, the Department could not provide documentation that licensees submitted either proof of accreditations by a recognized national accrediting body or proof that the Department inspected the licensees' facilities.

The Home Medical Equipment and Services Provider License Act (225 ILCS 51/50) states an entity may renew its license by meeting the renewal requirements adopted by the Department. The Illinois Administrative Code (68 Ill. Adm. Code 1253.80(b)) requires for submission with the renewal application proof of accreditation, if a licensee is currently certified by a recognized national accrediting body such as Joint Commission on Accreditation of Health Care Organizations or Accreditation Commission for Home Care Inc. If a licensee does not submit the certification or is not certified by a recognized accrediting body, the Department is required to inspect the licensee's facility.

- The Department could not locate the application file and other records for 1 of 25 (4%) title insurance agents tested. As such, the auditors were unable to test whether the issuance of the license is in compliance with the Title Insurance Act.

The Title Insurance Act (215 ILCS 155/16(b) through 215 ILCS 155/16(c)) requires each application for registration to be made on a form specified by the Secretary and prepared by each title insurance company which the agent represents. In addition, every applicant for registration, except a firm, partnership,

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association, limited liability company, or corporation, must be 18 years or more of age. Included in every application for registration of a title insurance agent, including a firm, partnership, association, limited liability company, or corporation, shall be an affidavit of the applicant title insurance agent, signed and notarized in front of a notary public, affirming that the applicant and every owner, officer, director, principal, member, or manager of the applicant has never been convicted or pled guilty to any felony or misdemeanor involving a crime of theft or dishonesty or otherwise accurately disclosing any such felony or misdemeanor involving a crime of theft or dishonesty.

- For one of 25 (4%) certified pharmacy technicians tested, the Department could not provide documentation to show the certified pharmacy technician (applicant) had graduated from a pharmacy technician training or verification from the pharmacist-in-charge of the pharmacy where the applicant is employed that the applicant completed the required training program.

The Pharmacy Practice Act (225 ILCS 85/9.5(a)(4)) states an individual registered as a pharmacy technician under this Act may be registered as a certified pharmacy technician if he or she has graduated from pharmacy technician training meeting the requirements set forth in subsection (a) of Section 17.1 of this Act or obtained documentation from the pharmacist-in-charge of the pharmacy where the applicant is employed verifying that he or she has successfully completed a training program and has successfully completed an objective assessment mechanism prepared in accordance with rules established by the Department.

The State Records Act (5 ILCS 160/8) requires the preservation of records containing adequate and proper documentation of the functions, policies, decisions, procedures, and essential transactions.

Department management stated the failure to maintain documentation of investigators' financial interest statements, licensees' accreditations or proof of inspection, and pharmacy technicians' training certifications were due to staff changes/turnovers which resulted in some files being misfiled or misplaced. Furthermore, the missing application file and other records for the Title Insurance licensee were misplaced.

Failure to ensure investigators provide financial interest certifications may result in conflicts of interest not timely identified and addressed before assigning cases to investigators to protect the public interest. Additionally, failure to maintain documentations of licensee accreditations or proof of inspections, applications, and proof of required training of applicants may result in issuance of licenses to ineligible applicants. (Finding Code No. 2016-007)

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**RECOMMENDATION**

We recommend the Department obtain and maintain adequate documentation to ensure compliance with all applicable statutes. Also, we recommend the Department ensure adequate record keeping processes are followed to prevent files being misplaced or lost.

**DEPARTMENT RESPONSE**

Agree. With regard to the financial interest statements for investigators under the Funeral Directors and Embalmers Licensing Code, the Department has put a new procedure in place. On September 29, 2016, the Department provided the new procedure and the forms signed by the investigators to the auditors.

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2016-008. **FINDING** (Noncompliance with Various Statutory Mandates)

The Department of Financial and Professional Regulation (Department) did not ensure compliance with various statutory mandates.

During testing, we noted the following:

- The Department did not promulgate rules as required by the Savings Bank Act and Illinois Banking Act to ensure consistency and due process in the examination process of savings and State banks operating under these Acts.

The Savings Bank Act (205 ILCS 205/9004 (f)) and Illinois Banking Act (205 ILCS 5/48 (2.1)) requires the Secretary to adopt rules that ensure consistency and due process in the examination process.

- The Department did not provide the notice of preliminary hearing to the disciplined licensee timely. During testing of notices of preliminary hearings of licensees disciplined under the Professional Counselor and Clinical Professional Licensing and Practice Act, one of nine (11%) notices of preliminary hearings tested was mailed to the licensee 20 days prior to the date set for the hearing.

The Professional Counselor and Clinical Professional Counselor Licensing and Practice Act (Act) (225 ILCS 107/90) states the Department shall, before refusing to issue or renew a license or disciplining a licensee under this Act, at least 30 days prior to the date set for the hearing notify the accused, in writing, of any charges made and the time and place for the hearing of the charges, direct him or her to file a written answer to the charges with the Professional Counselor Licensing and Disciplinary Board under oath within 20 days after the service of the notice, and inform the applicant or licensee that failure to file an answer shall result in default being taken against the applicant or licensee.

- During testing, we noted the Supervisor of Currency Exchanges position was vacant.

The Financial Institutions Code (20 ILCS 1205/16) states the Director shall appoint a Supervisor of Currency Exchanges.

Department management stated the failure to notify licensee at least 30 days prior to the date set for the hearing was due to oversight. Also, the rules required by the Savings Bank Act and Illinois Banking Act were drafted in July 2016 and are in the process of being finalized. Department management further stated the Department has not yet found a suitable person for the position of Currency Exchange Supervisor. The Director

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of Division of Financial Institutions is currently responsible for the duties of the Currency Exchange Supervisor while that position is vacant.

Failure to adopt rules may result in inconsistent implementation of the Savings Bank Act and the Illinois Banking Act. Failure to notify disciplined licensees timely may not provide the licensee sufficient time to comply with the requirements of the notice of hearing. Failure to fill vacant position may prevent the Currency Exchange Section from carrying out its mandated duties and responsibilities in accordance with the Financial Institutions Code. (Finding Code No. 2016-008, 2014-013)

**RECOMMENDATION**

We recommend the Department adopt rules as required by the Savings Bank Act and the Illinois Banking Act, ensure notices of preliminary hearing are mailed to licensees timely to provide the licensees sufficient time to comply with the requirements of the hearing, and appoint a qualified supervisor of Currency Exchanges as required.

**DEPARTMENT RESPONSE**

Agree.

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2016-009. **FINDING** (Weaknesses Regarding Payment Card Industry Data Security Standards)

The Department of Financial and Professional Regulations (Department) did not complete all the requirements to demonstrate compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department accepted credit card payments for online license applications and renewals for various professions. In Fiscal Year 2016, the Department handled approximately 323,000 transactions estimated at approximately \$29 million.

Upon review of the Department's compliance with PCI DSS, we noted the Department had not:

- Completed a Self-Assessment Questionnaire (SAQ) addressing all elements of its environment used to store, process, and transmit cardholder data.
- Formally assessed its program of accepting credit card payments and the methods in which payments could be made, matched those methods to the appropriate SAQ, or ensured its compliance with PCI DSS.

PCI DSS was developed to detail security requirement for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the PCI Council established SAQs for validating compliance with PCI's core requirements. At a minimum, PCI DSS required completion of SAQ A which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. If additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions are utilized, additional PCI DSS requirements apply.

Department management stated the exceptions were due to employee turnover.

Confidential and personally identifiable information collected by the Department should be adequately secured at all times. Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could result in identity theft or other unintended use. (Finding Code No. 2016-009)

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**RECOMMENDATION**

We recommend the Department complete the appropriate SAQ(s) for its environment and assess each program accepting credit card payments and the methods in which payments can be made, and match these methods to the appropriate SAQ on a regular basis.

**DEPARTMENT RESPONSE**

Agree. All personally identifiable information data stored across multiple databases is encrypted.

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**PRIOR FINDINGS NOT REPEATED**  
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A. **FINDING** (Inadequate Controls over Computer Inventory)

During the prior examination period, the Department of Financial and Professional Regulation (Department) was not able to locate four pieces of computer equipment consisting of one desktop and three central processing units.

During the current examination period, the Department deleted the missing assets from the property listing. There was no missing computer equipment identified on the Fiscal Year 2016 Inventory Certification. (Finding Code No. 2014-001, 12-1, 10-1, 08-1)

B. **FINDING** (Enforcement Activities Not Performed Timely and/or Not Sufficiently Documented)

During the prior examination period, the Department did not perform and/or document enforcement activities in a timely or sufficient manner. Review of the investigation files had the following exceptions: in 4 of 40 (10%) case files reviewed, the investigator contacted the complainant 38 to 559 days after the assignment of case; in 2 of 40 (5%) case files reviewed, the investigative reports were not signed by the investigator and/or supervisor; in 6 of 40 (15%) case files reviewed, the investigative reports were completed 135 to 678 days after the investigative activity; in 3 of 40 (8%) prosecution files reviewed, the Notice of Informal Conference, Notice of Complaint, and Notice of Preliminary Hearing were sent to the licensee 65 to 80 days after the case was assigned to an attorney; and in 2 of 40 (5%) probation files reviewed, the Department contacted the licensee beyond 30 days from case assignment.

During the current examination period, our testing disclosed minimal instances of exceptions; thus, this was reported to the Department in the Report of Immaterial Findings. (Finding Code No. 2014-002, 12-2, 10-2, 08-2, 07-1, 06-3, 05-5, DPR 04-12)

C. **FINDING** (Inadequate Controls over Vehicle Reporting, Usage, and Maintenance)

During the prior examination period, the Department did not maintain adequate controls over vehicle reporting, usage, and maintenance. Our testing disclosed the following exceptions: Motorist's Report of Illinois Motor Vehicle Accident were not timely filed with the Department of Central Management Services (DCMS) Risk Management; pool vehicle records had incomplete entries; vehicles were not in compliance with DCMS oil change intervals; the Fiscal Year 2013 Vehicle Odometer Verification/Update and Inspection Verification Report and the Individually Assigned Vehicle Report were not submitted to DCMS timely; and the Department's vehicle use policy did not contain the information required by the State Vehicle Use Act.

During the current examination period, our testing of the vehicle maintenance records disclosed that vehicles were not in compliance with DCMS oil change interval, tire rotation,

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and inspection policy. This was not considered to be as significant as in the prior year; thus, this was reported to the Department in the Report of Immaterial Findings. (Finding Code No. 2014-006, 12-8, 10-7, 08-12, 07-11, 06-16, 05-16, DPR 04-10, 03-9, BRE 04-7)

D. **FINDING** (Inadequate Controls over Property Records)

During the prior examination period, the Department did not maintain adequate controls over property records. Our testing disclosed the following exceptions: the Department could not physically locate equipment items tested; obsolete assets were maintained; transfers of equipment items to DCMS were not properly documented; errors existed in the completion of the Agency Report of State Property (C-15); and the Fiscal Year 2014 Annual Real Property Utilization Report was not filed with DCMS.

During the current examination period, our testing disclosed some errors in the completion of the C-15 report. This was not considered to be as significant as in the prior year; thus, this was reported to the Department in the Report of Immaterial Findings. (Finding Code No. 2014-007)

E. **FINDING** (Inadequate Controls over Telecommunications Services and Expenditures)

During the prior examination period, the Department did not maintain adequate control over telecommunications services and expenditures. Our testing disclosed the Department did not consistently observe the standard closeout procedures to ensure all portable telecommunication devices were returned before employee separation. Eight of 15 (53%) cellphones of inactive employees were returned, disconnected, surplus, or reassigned 5 to 317 days after the employees left the Department. Two of 15 (13%) inactive employees tested did not have paperwork to show when the devices assigned to the employees were returned to the Department.

During the current examination period, our testing disclosed 6 of 23 (26%) cellphones of inactive employees were returned, surplus, or reassigned 2 to 19 days after the employee left the Department. This was not considered to be as significant as in the prior year; thus, this was reported to the Department in the Report of Immaterial Findings. (Finding Code No. 2014-008, 12-9, 10-6, 08-11, 07-10, 06-15, 05-15, DPR 04-9, 03-8, BRE 04-10)

F. **FINDING** (Noncompliance with the Pharmacy Practice Act)

During the prior examination period, two Deputy Pharmacy Coordinator positions within the Pharmacy Unit of the Department were vacant.

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During the current year examination, the Department, through Senate Bill 0902 filed on February 7, 2017, introduced an amendment to the statute to remove the requirement to hire two deputy pharmacy coordinators to conform to the Department's current practice and capability. Due to its pending removal, this was reported to the Department in the Report of Immaterial Letter (Finding Code No. 2014-009, 12-11)

G. **FINDING** (Noncompliance with the Residential Mortgage License Act of 1987)

During the prior examination period, our testing disclosed the Department did not report any mortgage loan originator's violations or enforcement actions to the National Mortgage Licensing System and Registry (NMLS). In addition, the Department did not monitor residential mortgage licensees with default rates equal to or greater than 5%.

During the current examination period, our testing sample disclosed the Department reported all tested enforcement actions to the NMLS. In addition, the Residential Mortgage License Act (Act) of 1987 was amended by P.A. 99-015, effective January 1, 2016, to remove the requirement to conduct an examination of each licensee having a default rate equal to or greater than 5%. Instead, the Act requires the Department to conduct, as part of its examination of each licensee, a review of the licensee's loan delinquency data. (Finding Code No. 2014-010, 12-13, 10-10, 08-18, 07-17, 06-21, 05-23, BRE 04-12, 02-3)

H. **FINDING** (Noncompliance with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004)

During the prior examination period, the Department did not comply with the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004 (Act). One of four (25%) investigators employed by the Department did not meet the two-year minimum investigative experience required by the Act. All 25 fingerprint vendors tested did not have certification on file from the Department of State Police that the vendors' fingerprint equipment and software meets all specifications required by the Department of State Police.

During the current examination period, the experience requirement was met by continuous employment of the investigator with the Department. Our testing disclosed the Department implemented the auditors' recommendation in prior years by requiring fingerprint vendors to submit certifications from the Department of State Police (DSP) that the vendors' fingerprint equipment and software meets all specifications required by the DSP. However, 7 of 25 (25%) fingerprint vendors tested did not have the DSP certifications on file because the fingerprint vendors were approved prior to the issuance of the Fiscal Year 2014 Compliance Report. Further, the Department, through Senate Bill 0747, filed on January 30, 2017 and House Bill 1772 filed on February 1, 2017, introduced an amendment to the

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statute to remove this requirement. Due to its pending removal, this was reported to the Department in the Report of Immaterial Findings (Finding Code No. 2014-012).

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**STATUS OF PROGRAM AUDIT**  
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**Program Audit of the Department's Disciplining of Physicians (August 2006)**

Illinois House of Representatives Resolution Number 16 directed the Auditor General to conduct a program audit of the disciplining of physicians who violate provisions of the Medical Practice Act of 1987. The Resolution directed the Auditor General to determine the Department's compliance with State law regarding the disciplining of physicians; the procedures for determining the need for, and nature of, any recommended disciplinary actions; process for ensuring that its recommended disciplinary actions are implemented and that any specified corrective steps are instituted; and the process for communicating results of disciplinary action to the public.

The program audit contained 24 recommendations to the Department. The Department made progress in implementing findings 1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, and 24 during follow-ups in previous compliance examinations. The following is the status of the remaining recommendations:

Recommendation

7. *The Department of Financial and Professional Regulation should take the steps necessary to assist the Medical Coordinators with backlogs and improve case timeliness.*

Partially implemented. The number of complaints received decreased from 2,227 in fiscal year 2014 to 2,068 in fiscal year 2016. However, the number of outstanding cases increased from 255 as of June 30, 2014 to 441 as of June 30, 2016. 158 of the 255 outstanding cases as of June 30, 2014, were closed during fiscal years 2015 and 2016. 344 of the 441 outstanding cases as of June 30, 2016, were received during fiscal years 2015 and 2016. The Department management stated the increase in outstanding cases is attributable to staff changes/turnovers and the complexity of the cases. In addition, the Department management stated that the Chief of Medical Prosecutions conducts monthly case reviews with staff. During these case reviews, the status of each case is discussed and directives are given regarding the next course of action to move the case towards a timely and appropriate resolution with priority given to older cases. These directives are documented in the Integrated Licensing and Enforcement System (ILES) and deadlines are imposed as needed. These reviews are conducted with Department standards set forth in the 2013 Enforcement Guidelines. Moreover, the Enforcement Unit has developed and implemented a plan that promotes team effort, collaboration, and strengthens communication across units to enhance efficiency and productivity.

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**STATUS OF PROGRAM AUDIT**  
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- 11. The Department of Financial and Professional Regulation should develop and implement management controls to ensure that prosecution activities are timely and properly documented.*

Partially implemented. The Chief of Medical Prosecutions conducts monthly case reviews with staff. During these case reviews, the status of each case is discussed and directives are given regarding the next course of action to move the case towards a timely and appropriate resolution with priority given to older cases. These directives are documented in Integrated Licensing and Enforcement System (ILES) and deadlines are imposed as needed. Attorneys are instructed to note case activities and upload documents when appropriate in ILES. These reviews are conducted in conformity with Department standards set forth in the enforcement guidelines. However, during the current examination, we noted the Enforcement Unit did not perform and/or document enforcement activities in a timely or sufficient manner. During the current examination period, testing disclosed minimal instances of noncompliance as compared to testing performed in the prior examination period. As a result, this finding has been moved to the Department's Report of Immaterial Findings.

- 19. The Department of Financial and Professional Regulation should work to assure that all members, including public members, are appointed to the Medical Disciplinary Board (Board) as required by the Medical Practice Act.*

Not implemented. As of June 30, 2016, there was one vacancy in the Board.

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COMPLIANCE EXAMINATION  
For The Two Years Ended June 30, 2016

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

- Fiscal Schedules and Analysis

- Schedule of Appropriations, Expenditures and Lapsed Balances by Fund

- Fiscal Year 2016

- Fiscal Year 2015

- Schedule of Appropriations, Expenditures and Lapsed Balances by Major Object Code

- Fiscal Year 2016

- Fiscal Year 2015

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances by Fund

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances by Major Object Code

- Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally Held Funds

- Schedule of Locally Held Funds - Depository Fund - 1132

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts by Fund

- Comparative Schedule of Cash Receipts by Division by Revenue Category

- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

- Fiscal Year 2016

- Fiscal Year 2015

- Analysis of Significant Variations in Expenditures by Division by Fund

- Analysis of Significant Variations in Expenditures by Major Object Code

- Analysis of Significant Variations in Receipts by Division by Fund

- Analysis of Significant Variations in Receipts by Division by Revenue Category

- Analysis of Significant Lapse Period Spending by Major Object Code

- Analysis of Accounts Receivable

- June 30, 2016

- June 30, 2015

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
COMPLIANCE EXAMINATION  
For The Two Years Ended June 30, 2016

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

- Analysis of Operations (Not Examined)

- Agency Functions and Planning Program (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2016 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Memorandums of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016 and June 30, 2015 accompanying supplementary information in Schedules 1 through 21. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
Expenditure Authority for Fiscal Year 2016

**For the Fourteen Months Ended August 31, 2016**

	Expenditure Authority (Net After Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Public Act 99-0524, 99-0491, and Court-Ordered Expenditures					
<b>APPROPRIATED FUNDS</b>					
<b>DIVISION OF FINANCIAL INSTITUTIONS</b>					
Financial Institution Fund - 0021	\$ 7,582,300	\$ 6,071,373	\$ 158,372	\$ 6,229,745	\$ 1,352,555
TOMA Consumer Protection Fund - 0241	-	-	-	-	-
Credit Union Fund - 0243	4,323,400	3,223,640	232,194	3,455,834	867,566
Total - Division of Financial Institutions	11,905,700	9,295,013	390,566	9,685,579	2,220,121
<b>DIVISION OF BANKING</b>					
Savings and Residential Finance Regulatory Fund - 0244	3,157,405	3,032,502	61,865	3,094,367	63,038
Pawnbroker Regulation Fund - 0562	199,400	174,026	1,758	175,784	23,616
Savings Institutions Regulatory Fund - 0579	600,000	421,952	35,951	457,903	142,097
Bank and Trust Company Fund - 0795	19,980,100	15,313,449	1,106,629	16,420,078	3,560,022
Total - Division of Banking	23,936,905	18,941,929	1,206,203	20,148,132	3,788,773
<b>DIVISION OF PROFESSIONAL REGULATION</b>					
General Professions Dedicated Fund - 0022	5,044,200	3,002,451	67,908	3,070,359	1,973,841
Illinois State Pharmacy Disciplinary Fund - 0057	1,783,300	981,652	40,184	1,021,836	761,464
Compassionate Use of Medical Cannabis Fund - 0075	1,200,000	1,038,301	12,633	1,050,934	149,066
Illinois State Medical Disciplinary Fund - 0093	4,223,100	3,654,959	142,769	3,797,728	425,372
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	650,000	541,938	11,495	553,433	96,567
Professional Regulation Evidence Fund - 0192	300	-	-	-	300
Professions Indirect Cost Fund - 0218	39,169,400	16,963,066	8,974,909	25,937,975	13,231,425
Nursing Dedicated and Professional Fund - 0258	2,493,900	1,599,137	83,612	1,682,749	811,151
Optometric Licensing and Disciplinary Board Fund - 0259	291,800	249,508	7,850	257,358	34,442
Athletics Supervision and Regulation Fund - 0505	225,000	130,618	12,556	143,174	81,826
Cemetery Oversight Licensing and Disciplinary Fund - 0792	1,200,000	956,834	89,388	1,046,222	153,778
Illinois State Dental Disciplinary Fund - 0823	1,145,500	956,378	10,696	967,074	178,426
Design Professions Administration and Investigation Fund - 0888	1,006,100	834,948	56,916	891,864	114,236
Illinois State Podiatric Disciplinary Fund - 0954	7,900	-	284	284	7,616
Total - Division of Professional Regulation	58,440,500	30,909,790	9,511,200	40,420,990	18,019,510

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
Expenditure Authority for Fiscal Year 2016

**For the Fourteen Months Ended August 31, 2016**

	Expenditure Authority (Net After Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1 to August 31, 2016	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Public Act 99-0524, 99-0491, and Court-Ordered Expenditures					
<b>DIVISION OF REAL ESTATE</b>					
Appraisal Administration Fund - 0386	1,290,385	1,157,584	16,796	1,174,380	116,005
Home Inspector Administration Fund - 0746	111,200	68,605	511	69,116	42,084
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	253,345	87	253,432	140,268
Real Estate Research and Education Fund - 0849	19,000	-	10,891	10,891	8,109
Real Estate License Administration Fund - 0850	5,797,400	5,256,939	56,876	5,313,815	483,585
Total - Division of Real Estate	<u>7,611,685</u>	<u>6,736,473</u>	<u>85,161</u>	<u>6,821,634</u>	<u>790,051</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u>\$ 101,894,790</u>	<u>65,883,205</u>	<u>11,193,130</u>	<u>77,076,335</u>	<u>\$ 24,818,455</u>
<b>NON-APPROPRIATED FUND</b>					
<b>DIVISION OF PROFESSIONAL REGULATION</b>					
Real Estate Recovery Fund - 0629	N/A	5,359	-	5,359	N/A
<b>GRAND TOTAL - ALL FUNDS</b>		<u>\$ 65,888,564</u>	<u>\$ 11,193,130</u>	<u>\$ 77,081,694</u>	

Note 1: Expenditure authority, appropriation, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2016, and have been reconciled to Department records.

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

Note 3: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 vs. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages (for all State employees) at their normal rates of pay". As such, the Department's court-ordered payroll payments were merged into the enacted appropriation within all funds of the Department. Further, the Department incurred non-payroll obligations within all its funds, which the Department was unable to pay until the passage of Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 85 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
APPROPRIATIONS FOR FISCAL YEAR 2015

**For the Fourteen Months Ended August 31, 2015**

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Public Acts 98-0679 and 99-0001					
<b><u>APPROPRIATED FUNDS</u></b>					
<b>DIVISION OF FINANCIAL INSTITUTIONS</b>					
Financial Institution Fund - 0021	\$8,457,000	\$6,301,250	\$263,705	\$6,564,955	\$ 1,892,045
TOMA Consumer Protection Fund - 0241	8,700	-	-	-	8,700
Credit Union Fund - 0243	4,838,500	3,349,815	174,730	3,524,545	1,313,955
Total - Division of Financial Institutions	13,304,200	9,651,065	438,435	10,089,500	3,214,700
<b>DIVISION OF BANKING</b>					
Savings and Residential Finance Regulatory Fund - 0244	3,484,700	2,448,525	92,159	2,540,684	944,016
Pawnbroker Regulation Fund - 0562	193,400	160,433	11,115	171,548	21,852
Savings Institutions Regulatory Fund - 0579	1,400,000	146,497	24,528	171,025	1,228,975
Bank and Trust Company Fund - 0795	23,769,700	17,552,442	795,434	18,347,876	5,421,824
Total - Division of Banking	28,847,800	20,307,897	923,236	21,231,133	7,616,667
<b>DIVISION OF PROFESSIONAL REGULATION</b>					
General Professions Dedicated Fund - 0022	5,796,900	4,093,658	160,853	4,254,511	1,542,389
Illinois State Pharmacy Disciplinary Fund - 0057	1,586,500	1,067,500	62,061	1,129,561	456,939
Compassionate Use of Medical Cannabis Fund - 0075	964,700	373,299	41,360	414,659	550,041
Illinois State Medical Disciplinary Fund - 0093	4,503,100	2,984,925	173,015	3,157,940	1,345,160
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	550,000	262,512	12,939	275,451	274,549
Professional Regulation Evidence Fund - 0192	9,700	-	-	-	9,700
Professions Indirect Cost Fund - 0218	39,734,300	25,989,830	2,200,592	28,190,422	11,543,878
Nursing Dedicated and Professional Fund - 0258	2,317,200	1,895,308	86,373	1,981,681	335,519
Optometric Licensing and Disciplinary Board Fund - 0259	334,300	261,186	8,885	270,071	64,229
Athletics Supervision and Regulation Fund - 0505	400,000	83,047	37,392	120,439	279,561
Cemetery Oversight Licensing and Disciplinary Fund - 0792	2,318,300	969,655	47,525	1,017,180	1,301,120
Illinois State Dental Disciplinary Fund - 0823	1,218,600	845,165	35,760	880,925	337,675
Design Professionals Administration and Investigation Fund - 0888	1,012,500	732,770	24,740	757,510	254,990
Illinois State Podiatric Disciplinary Fund - 0954	10,800	3,869	-	3,869	6,931
Total - Division of Professional Regulation	60,756,900	39,562,724	2,891,495	42,454,219	18,302,681

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
APPROPRIATIONS FOR FISCAL YEAR 2015

**For the Fourteen Months Ended August 31, 2015**

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Public Acts 98-0679 and 99-0001</u>					
<b>DIVISION OF REAL ESTATE</b>					
Appraisal Administration Fund - 0386	1,174,700	695,553	56,283	751,836	422,864
Home Inspector Administration Fund - 0746	162,200	94,576	4,283	98,859	63,341
Community Association Manager Licensing and Disciplinary Fund - 0829	393,700	153,795	10,341	164,136	229,564
Real Estate Research and Education Fund - 0849	19,000	-	9,000	9,000	10,000
Real Estate License Administration Fund - 0850	6,136,600	4,510,584	231,046	4,741,630	1,394,970
Total - Division of Real Estate	<u>7,886,200</u>	<u>5,454,508</u>	<u>310,953</u>	<u>5,765,461</u>	<u>2,120,739</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u>\$ 110,795,100</u>	<u>74,976,194</u>	<u>4,564,119</u>	<u>79,540,313</u>	<u>\$ 31,254,787</u>
<b><u>NON-APPROPRIATED FUNDS</u></b>					
<b>DIVISION OF PROFESSIONAL REGULATION</b>					
Real Estate Recovery Fund - 0629	N/A	24,558	-	24,558	N/A
<b>TOTAL - ALL NON-APPROPRIATED FUNDS</b>		<u>24,558</u>	<u>-</u>	<u>24,558</u>	
<b>GRAND TOTAL - ALL FUNDS</b>		<u>\$ 75,000,752</u>	<u>\$ 4,564,119</u>	<u>\$ 79,564,871</u>	

Note 1: Appropriation, expenditures, and lapsed balances were obtained from the State Comptroller records as of August 31, 2015, and have been reconciled to Department records.  
 Note 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 FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY MAJOR OBJECT CODE**  
Expenditure Authority for Fiscal Year 2016

**For the Fourteen Months Ended August 31, 2016**

	Expenditure Authority (Net After Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			July 1 to August 31, 2016	August 31, 2016		
Public Act 99-0524, 99-0491, and Court-Ordered Expenditures						
<b><u>APPROPRIATED FUNDS</u></b>						
Personal services	\$ 42,097,978	\$ 33,529,262	\$ 128,181	\$ 33,657,443	\$ 8,440,535	
Retirement - employer contribution	18,787,213	15,323,678	58,448	15,382,126	3,405,087	
Social security	3,213,411	2,504,331	11,705	2,516,036	697,375	
Group insurance	12,275,088	8,786,939	14,822	8,801,761	3,473,327	
Contractual services	9,804,300	680,497	6,702,004	7,382,501	2,421,799	
Travel	1,774,000	-	1,321,793	1,321,793	452,207	
Commodities	110,900	-	34,871	34,871	76,029	
Printing	40,000	-	241	241	39,759	
Equipment	20,000	-	111	111	19,889	
Electronic data processing	2,500,000	-	2,080,110	2,080,110	419,890	
Telecommunications	400,000	-	397,038	397,038	2,962	
Operation of automotive equipment	50,000	-	27,150	27,150	22,850	
Lump sums and other purposes	8,347,700	3,323,005	342,414	3,665,419	4,682,281	
Lump sum, operations	2,050,000	1,460,253	49,428	1,509,681	540,319	
Awards and grants	330,000	275,240	2,400	277,640	52,360	
Other refunds	94,200	-	22,414	22,414	71,786	
<b>TOTAL - APPROPRIATED FUNDS</b>	<b>\$ 101,894,790</b>	<b>\$ 65,883,205</b>	<b>\$ 11,193,130</b>	<b>\$ 77,076,335</b>	<b>\$ 24,818,455</b>	
<b><u>NON-APPROPRIATED FUND</u></b>						
Awards and grants, lump sums and other purposes		5,359	-	5,359		
<b>GRAND TOTAL - ALL FUNDS</b>		<b>\$ 65,888,564</b>	<b>\$ 11,193,130</b>	<b>\$ 77,081,694</b>		

Note 1: Expenditure authority, appropriation, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2016, and have been reconciled to Department records.

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

Note 3: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 vs Mungler* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages (for all State employees) at their normal rates of pay". As such, the Department's court-ordered payroll payments were merged into the enacted appropriation within all funds of the Department. Further, the Department incurred non-payroll obligations within all its funds, which the Department was unable to pay until the passage of Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 85 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY MAJOR OBJECT CODE**  
APPROPRIATIONS FOR FISCAL YEAR 2015

**For the Fourteen Months Ended August 31, 2015**

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to August 31, 2015	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Public Acts 98-0679 and 99-0001</u>					
<b><u>APPROPRIATED FUNDS</u></b>					
Personal services	\$ 46,031,600	\$ 34,323,694	\$ 1,600,237	\$ 35,923,931	\$ 10,107,669
Retirement - employer contribution	19,490,000	14,565,864	678,989	15,244,853	4,245,147
Social security	3,522,000	2,562,167	121,210	2,683,377	838,623
Group insurance	12,676,200	7,999,546	345,132	8,344,678	4,331,522
Contractual services	10,539,000	7,592,879	853,284	8,446,163	2,092,837
Travel	2,066,800	1,328,303	128,412	1,456,715	610,085
Commodities	115,900	97,674	9,175	106,849	9,051
Printing	156,500	-	-	-	156,500
Equipment	100,000	1,023	-	1,023	98,977
Electronic data processing	2,917,300	1,430,049	321,062	1,751,111	1,166,189
Telecommunications	600,000	333,247	39,590	372,837	227,163
Operation of automotive equipment	180,000	41,938	2,646	44,584	135,416
Lump sums and other purposes	9,605,000	4,119,695	356,862	4,476,557	5,128,443
Lump sum, operations	2,614,700	520,392	65,888	586,280	2,028,420
Awards and grants	30,000	3,960	25,800	29,760	240
Other refunds	150,100	55,763	15,832	71,595	78,505
<b>TOTAL - APPROPRIATED FUNDS</b>	<b>\$ 110,795,100</b>	<b>\$ 74,976,194</b>	<b>\$ 4,564,119</b>	<b>\$ 79,540,313</b>	<b>\$ 31,254,787</b>
<b><u>NON-APPROPRIATED FUND</u></b>					
Awards and grants, lump sums and other purposes		24,558	-	24,558	
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 110,795,100</b>	<b>\$ 75,000,752</b>	<b>\$ 4,564,119</b>	<b>\$ 79,564,871</b>	

Note 1: Appropriation, expenditures, and lapsed balances were obtained from the State Comptroller records as of August 31, 2015, and have been reconciled to Department records.

Note 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 FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<u>Division of Financial Institutions</u>			
<b>Financial Institution Fund - 0021</b>			
Appropriations (Net after transfers)	\$ 7,582,300	\$ 8,457,000	\$ 7,560,000
Personal services	3,429,545	3,727,584	3,714,769
Retirement - employer contribution	1,567,865	1,582,073	1,500,580
Social security	252,803	274,906	273,755
Group insurance	828,977	804,272	833,418
Contractual services	4,553	10,986	7,841
Travel	146,002	164,652	179,602
Other refunds	-	482	-
Total Expenditures	<u>\$ 6,229,745</u>	<u>\$ 6,564,955</u>	<u>\$ 6,509,965</u>
Lapsed Balances	<u>\$ 1,352,555</u>	<u>\$ 1,892,045</u>	<u>\$ 1,050,035</u>
<b>TOMA Consumer Protection Fund - 0241</b>			
Appropriations (Net after transfers)	\$ -	\$ 8,700	\$ 8,700
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ -</u>	<u>\$ 8,700</u>	<u>\$ 8,700</u>
<b>Credit Union Fund - 0243</b>			
Appropriations (Net after transfers)	\$ 4,323,400	\$ 4,838,500	\$ 4,375,800
Personal services	1,827,668	1,916,694	1,822,494
Retirement - employer contribution	834,530	812,342	735,460
Social security	135,299	141,790	134,739
Group insurance	449,282	432,226	432,733
Contractual services	22,964	17,039	17,216
Travel	186,091	204,259	193,986
Other refunds	-	195	-
Total Expenditures	<u>\$ 3,455,834</u>	<u>\$ 3,524,545</u>	<u>\$ 3,336,628</u>
Lapsed Balances	<u>\$ 867,566</u>	<u>\$ 1,313,955</u>	<u>\$ 1,039,172</u>
<b><u>Total Division of Financial Institutions</u></b>			
Appropriations (Net after transfers)	\$ 11,905,700	\$ 13,304,200	\$ 11,944,500
Total Expenditures	<u>9,685,579</u>	<u>10,089,500</u>	<u>9,846,593</u>
Lapsed Balances	<u>\$ 2,220,121</u>	<u>\$ 3,214,700</u>	<u>\$ 2,097,907</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<u>Division of Banking</u>			
<b>Savings and Residential Finance Regulatory Fund - 0244</b>			
Appropriations (Net after transfers)	\$ 3,157,405	\$ 3,484,700	\$ 3,665,300
Personal services	1,677,325	1,449,589	1,522,997
Retirement - employer contribution	766,281	614,786	614,972
Social security	121,808	106,465	111,150
Group insurance	467,088	338,610	426,545
Contractual services	40,043	8,258	41,723
Travel	21,822	20,276	21,641
Other refunds	-	2,700	5,450
Total Expenditures	<u>\$ 3,094,367</u>	<u>\$ 2,540,684</u>	<u>\$ 2,744,478</u>
Lapsed Balances	<u>\$ 63,038</u>	<u>\$ 944,016</u>	<u>\$ 920,822</u>
<b>Pawnbroker Regulation Fund - 0562</b>			
Appropriations (Net after transfers)	\$ 199,400	\$ 193,400	\$ 313,400
Personal services	100,540	100,632	94,350
Retirement - employer contribution	45,893	42,655	38,088
Social security	7,466	7,478	7,001
Group insurance	20,127	13,914	15,978
Contractual services	-	-	3,628
Travel	1,758	4,869	4,206
Other refunds	-	2,000	-
Total Expenditures	<u>\$ 175,784</u>	<u>\$ 171,548</u>	<u>\$ 163,251</u>
Lapsed Balances	<u>\$ 23,616</u>	<u>\$ 21,852</u>	<u>\$ 150,149</u>
<b>Savings Institutions Regulatory Fund - 0579</b>			
Appropriations (Net after transfers)	\$ 600,000	\$ 1,400,000	\$ 1,400,000
Lump sums and other purposes	457,903	171,025	48,490
Total Expenditures	<u>\$ 457,903</u>	<u>\$ 171,025</u>	<u>\$ 48,490</u>
Lapsed Balances	<u>\$ 142,097</u>	<u>\$ 1,228,975</u>	<u>\$ 1,351,510</u>
<b>Bank and Trust Company Fund - 0795</b>			
Appropriations (Net after transfers)	\$ 19,980,100	\$ 23,769,700	\$ 23,040,400
Personal services	8,648,934	9,358,036	9,821,106
Retirement - employer contribution	3,953,532	3,971,662	3,967,884
Social security	637,155	688,756	721,172
Group insurance	2,125,895	2,077,206	2,297,790
Contractual services	183,658	205,436	221,037
Travel	870,061	934,783	955,072
Lump sums and other purposes	843	1,111,997	-
Total Expenditures	<u>\$ 16,420,078</u>	<u>\$ 18,347,876</u>	<u>\$ 17,984,061</u>
Lapsed Balances	<u>\$ 3,560,022</u>	<u>\$ 5,421,824</u>	<u>\$ 5,056,339</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b><u>Total Division of Banking</u></b>			
Appropriations (Net after transfers)	\$ 23,936,905	\$ 28,847,800	\$ 28,419,100
Total Expenditures	20,148,132	21,231,133	20,940,280
Lapsed Balances	<u>\$ 3,788,773</u>	<u>\$ 7,616,667</u>	<u>\$ 7,478,820</u>
<b><u>Division of Professional Regulation</u></b>			
<b><u>General Professions Dedicated Fund - 0022</u></b>			
Appropriations (Net after transfers)	\$ 5,044,200	\$ 5,796,900	\$ 6,049,000
Personal services	1,600,006	2,331,877	2,148,344
Retirement - employer contribution	730,538	989,529	870,541
Social security	120,534	175,143	162,416
Group insurance	508,149	618,097	644,033
Contractual services	98,170	118,368	178,927
Travel	3,574	9,802	7,748
Other refunds	9,388	11,695	12,535
Total Expenditures	<u>\$ 3,070,359</u>	<u>\$ 4,254,511</u>	<u>\$ 4,024,544</u>
Lapsed Balances	<u>\$ 1,973,841</u>	<u>\$ 1,542,389</u>	<u>\$ 2,024,456</u>
<b><u>Illinois State Pharmacy Disciplinary Fund - 0057</u></b>			
Appropriations (Net after transfers)	\$ 1,783,300	\$ 1,586,500	\$ 1,685,900
Personal services	544,275	587,436	638,870
Retirement - employer contribution	249,025	249,490	258,424
Social security	39,259	42,494	46,145
Group insurance	155,676	153,860	179,188
Contractual services	32,032	92,105	97,571
Travel	975	2,171	3,118
Other refunds	594	2,005	1,940
Total Expenditures	<u>\$ 1,021,836</u>	<u>\$ 1,129,561</u>	<u>\$ 1,225,256</u>
Lapsed Balances	<u>\$ 761,464</u>	<u>\$ 456,939</u>	<u>\$ 460,644</u>
<b><u>Compassionate Use of Medical Cannabis Fund - 0075</u></b>			
Appropriations (Net after transfers)	\$ 1,200,000	\$ 964,700	\$ -
Lump sums and other purposes	1,050,934	414,659	-
Total Expenditures	<u>1,050,934</u>	<u>414,659</u>	<u>-</u>
Lapsed Balances	<u>\$ 149,066</u>	<u>\$ 550,041</u>	<u>\$ -</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b>Illinois State Medical Disciplinary Fund - 0093</b>			
Appropriations (Net after transfers)	\$ 4,223,100	\$ 4,503,100	\$ 4,526,100
Personal services	1,970,559	1,682,753	1,803,082
Retirement - employer contribution	899,706	713,633	727,983
Social security	152,435	129,736	140,588
Group insurance	534,330	387,739	405,109
Contractual services	220,920	183,959	258,201
Travel	11,703	16,220	13,566
Other refunds	8,075	43,900	13,258
Total Expenditures	<u>\$ 3,797,728</u>	<u>\$ 3,157,940</u>	<u>\$ 3,361,787</u>
Lapsed Balances	<u>\$ 425,372</u>	<u>\$ 1,345,160</u>	<u>\$ 1,164,313</u>
<b>Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151</b>			
Appropriations (Net after transfers)	\$ 650,000	\$ 550,000	\$ 327,600
Lump sums and other purposes	553,433	275,451	258,607
Total Expenditures	<u>\$ 553,433</u>	<u>\$ 275,451</u>	<u>\$ 258,607</u>
Lapsed Balances	<u>\$ 96,567</u>	<u>\$ 274,549</u>	<u>\$ 68,993</u>
<b>Professional Regulation Evidence Fund - 0192</b>			
Appropriations (Net after transfers)	\$ 300	\$ 9,700	\$ 9,700
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 300</u>	<u>\$ 9,700</u>	<u>\$ 9,700</u>
<b>Professions Indirect Cost Fund - 0218</b>			
Appropriations (Net after transfers)	\$ 39,169,400	\$ 39,734,300	\$ 40,711,600
Personal services	8,504,550	9,644,790	9,268,644
Retirement - employer contribution	3,884,882	4,090,602	3,742,668
Social security	651,189	734,200	719,233
Group insurance	2,301,585	2,337,395	2,416,806
Contractual services	6,541,132	7,469,707	8,254,135
Travel	41,945	47,698	60,498
Commodities	34,871	106,849	100,741
Printing	241	-	46,095
Equipment	111	1,023	37,879
Electronic data processing	2,080,110	1,751,111	2,008,834
Telecommunication	397,038	372,837	455,128
Operation of automotive equipment	27,150	44,584	53,272
Lump sums and other purposes	1,473,171	1,589,626	1,774,851
Total Expenditures	<u>\$ 25,937,975</u>	<u>\$ 28,190,422</u>	<u>\$ 28,938,784</u>
Lapsed Balances	<u>\$ 13,231,425</u>	<u>\$ 11,543,878</u>	<u>\$ 11,772,816</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b>Nursing Dedicated and Professional Fund - 0258</b>			
Appropriations (Net after transfers)	\$ 2,493,900	\$ 2,317,200	\$ 2,649,000
Personal services	770,416	951,034	881,404
Retirement - employer contribution	356,441	407,951	359,851
Social security	56,920	70,682	65,424
Group insurance	242,494	239,822	215,664
Contractual services	65,826	115,551	112,723
Travel	4,890	5,134	4,121
Lump sums and other purposes	185,097	189,324	15,943
Other refunds	665	2,183	2,940
Total Expenditures	<u>\$ 1,682,749</u>	<u>\$ 1,981,681</u>	<u>\$ 1,658,070</u>
Lapsed Balances	<u>\$ 811,151</u>	<u>\$ 335,519</u>	<u>\$ 990,930</u>
<b>Optometric Licensing and Disciplinary Board Fund - 0259</b>			
Appropriations (Net after transfers)	\$ 291,800	\$ 334,300	\$ 334,500
Personal services	124,084	120,253	71,747
Retirement - employer contribution	56,686	51,042	29,288
Social security	9,162	8,441	5,066
Group insurance	30,914	43,023	26,931
Contractual services	34,999	46,741	15,128
Travel	1,513	571	929
Other refunds	-	-	20
Total Expenditures	<u>\$ 257,358</u>	<u>\$ 270,071</u>	<u>\$ 149,109</u>
Lapsed Balances	<u>\$ 34,442</u>	<u>\$ 64,229</u>	<u>\$ 185,391</u>
<b>Athletics Supervision and Regulation Fund - 0505</b>			
Appropriations (Net after transfers)	\$ 225,000	\$ 400,000	\$ 400,000
Lump sums and other purposes	143,174	120,439	157,050
Total Expenditures	<u>\$ 143,174</u>	<u>\$ 120,439</u>	<u>\$ 157,050</u>
Lapsed Balances	<u>\$ 81,826</u>	<u>\$ 279,561</u>	<u>\$ 242,950</u>
<b>Cemetery Oversight Licensing and Disciplinary Fund - 0792</b>			
Appropriations (Net after transfers)	\$ 1,200,000	\$ 2,318,300	\$ 2,318,300
Lump sums and other purposes	1,046,222	1,017,180	1,003,841
Total Expenditures	<u>\$ 1,046,222</u>	<u>\$ 1,017,180</u>	<u>\$ 1,003,841</u>
Lapsed Balances	<u>\$ 153,778</u>	<u>\$ 1,301,120</u>	<u>\$ 1,314,459</u>

STATE OF ILLINOIS  
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For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b>Illinois State Dental Disciplinary Fund - 0823</b>			
Appropriations (Net after transfers)	\$ 1,145,500	\$ 1,218,600	\$ 1,079,500
Personal services	513,080	466,968	505,669
Retirement - employer contribution	234,336	198,064	204,517
Social security	41,764	38,311	35,517
Group insurance	118,953	113,681	151,827
Contractual services	55,609	59,528	74,259
Travel	1,332	273	1,556
Other refunds	2,000	4,100	1,840
Total Expenditures	<u>\$ 967,074</u>	<u>\$ 880,925</u>	<u>\$ 975,185</u>
Lapsed Balances	<u>\$ 178,426</u>	<u>\$ 337,675</u>	<u>\$ 104,315</u>
<b>Design Professionals Administration and Investigation Fund - 0888</b>			
Appropriations (Net after transfers)	\$ 1,006,100	\$ 1,012,500	\$ 1,061,700
Personal services	455,251	397,729	424,464
Retirement - employer contribution	208,043	169,227	171,393
Social security	33,546	29,459	31,086
Group insurance	138,663	94,819	123,510
Contractual services	53,033	62,172	58,753
Travel	2,617	3,814	3,637
Other refunds	711	290	130
Total Expenditures	<u>\$ 891,864</u>	<u>\$ 757,510</u>	<u>\$ 812,973</u>
Lapsed Balances	<u>\$ 114,236</u>	<u>\$ 254,990</u>	<u>\$ 248,727</u>
<b>Illinois State Podiatric Disciplinary Fund - 0954</b>			
Appropriations (Net after transfers)	\$ 7,900	\$ 10,800	\$ 10,800
Contractual services	226	2,784	2,325
Travel	58	65	-
Other refunds	-	1,020	-
Total Expenditures	<u>\$ 284</u>	<u>\$ 3,869</u>	<u>\$ 2,325</u>
Lapsed Balances	<u>\$ 7,616</u>	<u>\$ 6,931</u>	<u>\$ 8,475</u>
<b><u>Total Division of Professional Regulation</u></b>			
Appropriations (Net after transfers)	\$ 58,440,500	\$ 60,756,900	\$ 61,163,700
Total Expenditures	<u>40,420,990</u>	<u>42,454,219</u>	<u>42,567,531</u>
Lapsed Balances	<u>\$ 18,019,510</u>	<u>\$ 18,302,681</u>	<u>\$ 18,596,169</u>

STATE OF ILLINOIS  
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**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<u>Division of Real Estate</u>			
<b>Appraisal Administration Fund - 0386</b>			
Appropriations (Net after transfers)	\$ 1,290,385	\$ 1,174,700	\$ 1,312,200
Personal services	498,151	408,053	356,150
Retirement - employer contribution	227,531	172,994	143,813
Social security	36,802	30,102	26,210
Group insurance	121,034	79,877	79,901
Contractual services	10,792	27,647	25,837
Travel	1,985	3,403	7,096
Awards and grants - shared revenue payments	277,640	29,760	229,240
Other refunds	445	-	500
Total Expenditures	<u>\$ 1,174,380</u>	<u>\$ 751,836</u>	<u>\$ 868,747</u>
Lapsed Balances	<u>\$ 116,005</u>	<u>\$ 422,864</u>	<u>\$ 443,453</u>
<b>Home Inspector Administration Fund - 0746</b>			
Appropriations (Net after transfers)	\$ 111,200	\$ 162,200	\$ 160,500
Personal services	32,398	48,997	44,019
Retirement - employer contribution	14,782	20,745	17,745
Social security	2,185	3,482	3,131
Group insurance	19,240	25,435	24,040
Contractual services	511	-	-
Other refunds	-	200	-
Total Expenditures	<u>\$ 69,116</u>	<u>\$ 98,859</u>	<u>\$ 88,935</u>
Lapsed Balances	<u>\$ 42,084</u>	<u>\$ 63,341</u>	<u>\$ 71,565</u>
<b>Real Estate Audit Fund - 0750</b>			
Appropriations (Net after transfers)	\$ -	\$ -	\$ 38,800
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,800</u>
<b>Community Association Manager Licensing and Disciplinary Fund - 0829</b>			
Appropriations (Net after transfers)	\$ 393,700	\$ 393,700	\$ 393,700
Lump sums and other purposes	253,432	164,136	164,380
Total Expenditures	<u>\$ 253,432</u>	<u>\$ 164,136</u>	<u>\$ 164,380</u>
Lapsed Balances	<u>\$ 140,268</u>	<u>\$ 229,564</u>	<u>\$ 229,320</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
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For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b>Real Estate Research and Education - Fund 0849</b>			
Appropriations (Net after transfers)	\$ 19,000	\$ 19,000	\$ 19,000
Lump sums and other purposes	10,891	9,000	19,000
Total Expenditures	<u>\$ 10,891</u>	<u>\$ 9,000</u>	<u>\$ 19,000</u>
Lapsed Balances	<u>\$ 8,109</u>	<u>\$ 10,000</u>	<u>\$ -</u>
<b>Real Estate License Administration Fund - 0850</b>			
Appropriations (Net after transfers)	\$ 5,797,400	\$ 6,136,600	\$ 6,235,000
Personal services	2,960,661	2,731,506	2,250,962
Retirement - employer contribution	1,352,055	1,158,058	908,982
Social security	217,709	201,932	166,351
Group insurance	739,354	584,702	527,312
Contractual services	18,033	25,882	19,022
Travel	25,467	38,725	27,327
Other refunds	536	825	1,570
Total Expenditures	<u>\$ 5,313,815</u>	<u>\$ 4,741,630</u>	<u>\$ 3,901,526</u>
Lapsed Balances	<u>\$ 483,585</u>	<u>\$ 1,394,970</u>	<u>\$ 2,333,474</u>
<b><u>Total Division of Real Estate</u></b>			
Appropriations (Net after transfers)	\$ 7,611,685	\$ 7,886,200	\$ 8,159,200
Total Expenditures	<u>6,821,634</u>	<u>5,765,461</u>	<u>5,042,588</u>
Lapsed Balances	<u>\$ 790,051</u>	<u>\$ 2,120,739</u>	<u>\$ 3,116,612</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>			
Appropriations (Net after transfers)	\$ 101,894,790	\$ 110,795,100	\$ 109,686,500
Total Expenditures - Appropriated Funds	<u>77,076,335</u>	<u>79,540,313</u>	<u>78,396,992</u>
Lapsed Balances	<u>\$ 24,818,455</u>	<u>\$ 31,254,787</u>	<u>\$ 31,289,508</u>
<b><u>NON-APPROPRIATED FUNDS</u></b>			
Division of Professional Regulation			
<b>Real Estate Recovery Fund - 0629</b>			
Awards and grants, lump sums and other purposes	\$ 5,359	\$ 24,558	\$ 10,546
Total Expenditures	<u>\$ 5,359</u>	<u>\$ 24,558</u>	<u>\$ 10,546</u>
Total Expenditures - Non-Appropriated Funds	<u>\$ 5,359</u>	<u>\$ 24,558</u>	<u>\$ 10,546</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$ 77,081,694</u>	<u>\$ 79,564,871</u>	<u>\$ 78,407,538</u>

STATE OF ILLINOIS  
 DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
<b>APPOINTED STATE OFFICERS' SALARIES</b>			
General Revenue Fund - 0001	\$ 374,784	\$ 367,310	\$ 374,784
Bank and Trust Company Fund - 0795	100,514	136,217	26,435
Total - State Officers' Salaries	<u>\$ 475,298</u>	<u>\$ 503,527</u>	<u>\$ 401,219</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016 Public Acts 99-0524, 99-0491	2015 Public Acts 98-0679, 99-0001	2014 Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
Appropriations (Net after transfers)	\$ 101,894,790	\$ 110,795,100	\$ 109,686,500
Expenditures			
<u>Division of Financial Institutions</u>			
Financial Institution Fund - 0021	6,229,745	6,564,955	6,509,965
TOMA Consumer Protection Fund - 0241	-	-	-
Credit Union Fund - 0243	3,455,834	3,524,545	3,336,628
Total - Division of Financial Institutions	<u>9,685,579</u>	<u>10,089,500</u>	<u>9,846,593</u>
<u>Division of Banking</u>			
Savings and Residential Finance Regulatory Fund - 0244	3,094,367	2,540,684	2,744,478
Pawnbroker Regulation Fund - 0562	175,784	171,548	163,251
Savings Institutions Regulatory Fund - 0579	457,903	171,025	48,490
Bank and Trust Company Fund - 0795	16,420,078	18,347,876	17,984,061
Total - Division of Banking	<u>20,148,132</u>	<u>21,231,133</u>	<u>20,940,280</u>
<u>Division of Professional Regulation</u>			
General Professions Dedicated Fund - 0022	3,070,359	4,254,511	4,024,544
Illinois State Pharmacy Disciplinary Fund - 0057	1,021,836	1,129,561	1,225,256
Compassionate Use of Medical Cannabis Fund - 0075	1,050,934	414,659	-
Illinois State Medical Disciplinary Fund - 0093	3,797,728	3,157,940	3,361,787
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	553,433	275,451	258,607
Professional Regulation Evidence Fund - 0192	-	-	-
Professions Indirect Cost Fund - 0218	25,937,975	28,190,422	28,938,784
Nursing Dedicated and Professional Fund - 0258	1,682,749	1,981,681	1,658,070
Optometric Licensing and Disciplinary Board Fund - 0259	257,358	270,071	149,109
Athletics Supervision and Regulation Fund - 0505	143,174	120,439	157,050
Cemetery Oversight Licensing and Disciplinary Fund - 0792	1,046,222	1,017,180	1,003,841
Illinois State Dental Disciplinary Fund - 0823	967,074	880,925	975,185
Design Professionals Administration and Investigation Fund - 0888	891,864	757,510	812,973
Illinois State Podiatric Disciplinary Fund - 0954	284	3,869	2,325
Total - Division of Professional Regulation	<u>40,420,990</u>	<u>42,454,219</u>	<u>42,567,531</u>
<u>Division of Real Estate</u>			
Appraisal Administration Fund - 0386	1,174,380	751,836	868,747
Home Inspector Administration Fund - 0746	69,116	98,859	88,935
Community Association Manager Licensing and Disciplinary Fund - 0829	253,432	164,136	164,380
Real Estate Research and Education Fund - 0849	10,891	9,000	19,000
Real Estate License Administration Fund - 0850	5,313,815	4,741,630	3,901,526
Total - Division of Real Estate	<u>6,821,634</u>	<u>5,765,461</u>	<u>5,042,588</u>
Total Expenditures - Appropriated Funds	<u>77,076,335</u>	<u>79,540,313</u>	<u>78,396,992</u>
Lapsed Balances	<u>\$ 24,818,455</u>	<u>\$ 31,254,787</u>	<u>\$ 31,289,508</u>

STATE OF ILLINOIS  
 DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND**  
 For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>NON-APPROPRIATED FUNDS</u></b>			
Expenditures			
<u>Division of Professional Regulation</u>			
Real Estate Recovery Fund - 0629	5,359	24,558	10,546
Total Expenditures - Non-Appropriated Funds	\$ 5,359	\$ 24,558	\$ 10,546
<b>GRAND TOTAL - ALL FUNDS</b>	<b>\$ 77,081,694</b>	<b>\$ 79,564,871</b>	<b>\$ 78,407,538</b>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES BY MAJOR OBJECT CODE**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
	Public Acts 99-0524, 99-0491	Public Acts 98-0679, 99-0001	Public Act 98-0064
<b><u>APPROPRIATED FUNDS</u></b>			
Appropriations (Net after transfers)	\$ 101,894,790	\$ 110,795,100	\$ 109,686,500
Expenditures			
Personal services	33,657,443	35,923,931	35,369,071
Retirement - employer contribution	15,382,126	15,244,853	14,292,189
Social security	2,516,036	2,683,377	2,648,984
Group insurance	8,801,761	8,344,678	8,800,785
Contractual services	7,382,501	8,446,163	9,388,326
Travel	1,321,793	1,456,715	1,484,103
Commodities	34,871	106,849	100,741
Printing	241	-	46,095
Equipment	111	1,023	37,879
Electronic data processing	2,080,110	1,751,111	2,008,834
Telecommunications	397,038	372,837	455,128
Operation of automotive equipment	27,150	44,584	53,272
Lump sums and other purposes	3,665,419	4,476,557	3,393,672
Lump sum, operations	1,509,681	586,280	48,490
Awards and grants	277,640	29,760	229,240
Other refunds	22,414	71,595	40,183
Total Expenditures	<u>77,076,335</u>	<u>79,540,313</u>	<u>78,396,992</u>
Lapsed Balances	<u>\$ 24,818,455</u>	<u>\$ 31,254,787</u>	<u>\$ 31,289,508</u>
<b><u>NON-APPROPRIATED FUNDS</u></b>			
Expenditures			
Awards and grants, lumps sums and other purposes	\$ 5,359	\$ 24,558	\$ 10,546
Total Expenditures - Non-Appropriated Funds	<u>\$ 5,359</u>	<u>\$ 24,558</u>	<u>\$ 10,546</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$ 77,081,694</u>	<u>\$ 79,564,871</u>	<u>\$ 78,407,538</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE (CASH BASIS)**  
**LOCALLY HELD FUNDS**

For the Years Ended June 30, 2015 and 2016

	Liquiated Currency Exchange Fund 1133	Official Advance Fund 1249	Bank Examiner's Education Fund 1296 (Note 1)	Total
Cash balance at July 1, 2014	\$ 388,595	\$ 9,782	\$ 219,154	\$ 617,531
Receipts	90,089	6,454	223,663	320,206
Disbursements	<u>(182,076)</u>	<u>(3,128)</u>	<u>(200,757)</u>	<u>(385,961)</u>
Cash balance at June 30, 2015	<u>\$ 296,608</u>	<u>\$ 13,108</u>	<u>\$ 242,060</u>	<u>\$ 551,776</u>
	Liquiated Currency Exchange Fund 1133	Official Advance Fund 1249	Bank Examiner's Education Fund 1296 (Note 1)	Total
Cash balance at July 1, 2015	\$ 296,608	\$ 13,108	\$ 242,060	\$ 551,776
Receipts	114,880	723	23,899	139,502
Disbursements	<u>(225,520)</u>	<u>(1,205)</u>	<u>(7,274)</u>	<u>(233,999)</u>
Cash balance at June 30, 2016	<u>\$ 185,968</u>	<u>\$ 12,626</u>	<u>\$ 258,685</u>	<u>\$ 457,279</u>

The above locally held funds are held at the following institutions:

Liquiated Currency Exchange Fund	MB Financial Bank, First Midwest Bank, First Illinois Bank, Castle Bank, Byline Bank, Republic Bank
Official Advance Fund	Chase Bank
Bank Examiner's Education Fund	Marine Bank

Note 1: In addition to its account at Marine Bank, the Bank Examiner's Education Fund had certificates of deposit, totaling \$3,075,000 at June 30, 2015 and June 30, 2016, on deposit with various banks throughout Illinois with time varying from 12 to 36 months.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF LOCALLY HELD FUNDS**  
**DEPOSITORY FUND - 1132**

For the Years Ended June 30, 2015 and 2016

(Expressed in Thousands)

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,006	\$ 107	\$ 6	\$ 1,107
Investments	20,879	2,445	2,795	20,529
Total assets	<u>\$ 21,885</u>	<u>\$ 2,552</u>	<u>\$ 2,801</u>	<u>\$ 21,636</u>
<b>LIABILITY</b>				
Other liabilities	<u>\$ 21,885</u>	<u>\$ 2,552</u>	<u>\$ 2,801</u>	<u>\$ 21,636</u>
	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,107	\$ 170	\$ 473	\$ 804
Investments	20,529	2,833	3,660	19,702
Total assets	<u>\$ 21,636</u>	<u>\$ 3,003</u>	<u>\$ 4,133</u>	<u>\$ 20,506</u>
<b>LIABILITY</b>				
Other liabilities	<u>\$ 21,636</u>	<u>\$ 3,003</u>	<u>\$ 4,133</u>	<u>\$ 20,506</u>

Note: The Depository Fund - 1132 is a non-appropriated locally held agency fund. The Title Insurance Act (215 ILCS 155/4) requires each approved applicant to file with and have approved by the Secretary cash or bonds of the United States, this State or body politic of this State with a current value of \$1,000,000.

All data on this schedule has been taken from State Comptroller records (C-17s) and reconciled to those of the Department. In Fiscal Years 2015 and 2016, the C-17s were prepared using the par value of securities on deposit.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Years Ended June 30, 2015 and 2016

	<u>Capital Lease Equipment</u>	<u>Equipment</u>	<u>Total</u>
Balance, July 1, 2014	\$ 100,985	\$ 3,165,385	\$ 3,266,370
Additions:			
Purchases	230,222	2,711	232,933
Transfers in	-	303	303
Total Additions	<u>230,222</u>	<u>3,014</u>	<u>233,236</u>
Deductions:			
Deletions	(100,985)	(635,268)	(736,253)
Transfers out	-	(180,539)	(180,539)
Total Deductions	<u>(100,985)</u>	<u>(815,807)</u>	<u>(916,792)</u>
Balance, June 30, 2015	<u>\$ 230,222</u>	<u>\$ 2,352,592</u>	<u>\$ 2,582,814</u>
Balance, July 1, 2015	<u>\$ 230,222</u>	<u>\$ 2,352,592</u>	<u>\$ 2,582,814</u>
Additions:			
Purchases	281,771	-	281,771
Transfers in	-	9,340	9,340
Total Additions	<u>281,771</u>	<u>9,340</u>	<u>291,111</u>
Deductions:			
Deletions	(74,241)	(74,997)	(149,238)
Transfers out	-	(293,708)	(293,708)
Total Deductions	<u>(74,241)</u>	<u>(368,705)</u>	<u>(442,946)</u>
Balance, June 30, 2016	<u>\$ 437,752</u>	<u>\$ 1,993,227</u>	<u>\$ 2,430,979</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS BY FUND**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
<u>Division of Financial Institutions:</u>			
Financial Institution Fund - 0021	\$ 6,626,205	\$ 6,901,577	\$ 7,988,224
TOMA Consumer Protection Fund - 0241	177,600	852,760	277,240
Credit Union Fund - 0243	4,528,886	4,230,223	4,818,303
Protest Fund - 0401	-	7,600	-
Debt Settlement Consumer Protection Fund - 0615	-	225,000	-
Debt Management Service Consumer Protection Fund - 0616	-	80	-
Subtotal - Division of Financial Institutions	11,332,691	12,217,240	13,083,767
<u>Division of Banking:</u>			
Savings and Residential Finance Regulatory Fund - 0244	5,581,220	4,947,660	4,988,819
Pawnbroker Regulation Fund - 0562	275,000	312,855	243,082
Savings Institution Regulatory Fund - 0579	1,070,735	1,079,749	1,051,956
Bank and Trust Company Fund - 0795	22,448,084	26,121,018	23,165,270
Subtotal - Division of Banking	29,375,039	32,461,282	29,449,127
<u>Division of Professional Regulation:</u>			
General Professions Dedicated Fund - 0022	12,750,138	15,771,131	13,954,011
Illinois State Pharmacy Disciplinary Fund - 0057	5,183,615	2,162,079	4,778,360
Compassionate Use of Medical Cannabis Fund - 0075	184,102	2,510,000	-
Illinois State Medical Disciplinary Fund - 0093	4,010,753	11,758,088	31,518,461
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	3,168,413	1,745,714	409,680
Professions Indirect Cost Fund - 0218	(1,376)	4,142	1,078
Nursing Dedicated and Professional Fund - 0258	16,016,337	3,689,551	12,052,326
Optometric Licensing and Disciplinary Board Fund - 0259	979,641	73,291	975,036
Athletics Supervision Regulation Fund - 0505	154,126	100,882	239,973
Cemetery Oversight Licensing and Disciplinary Fund - 0792	4,599	23,626	15,195
Illinois State Dental Disciplinary Fund - 0823	3,686,496	1,766,159	371,025
Design Professionals Administration and Investigation Fund - 0888	1,545,156	1,402,955	1,513,755
Illinois State Podiatric Disciplinary Fund - 0954	53,946	504,715	51,736
Subtotal - Division of Professional Regulation	47,735,946	41,512,333	65,880,636
<u>Division of Real Estate:</u>			
Appraisal Administration Fund - 0386	2,274,038	894,800	2,593,692
Real Estate Recovery Fund - 0629	230,086	148,155	99,948
Home Inspector Administration Fund - 0746	110,414	716,345	112,480
Community Association Manager Licensing and Disciplinary Fund - 0829	349,770	238,518	347,135
Real Estate License Administration Fund - 0850	8,207,865	6,335,108	7,571,331
Subtotal - Division of Real Estate	11,172,173	8,332,926	10,724,586
Total - All Funds	\$ 99,615,849	\$ 94,523,781	\$ 119,138,116

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
**BY DIVISION BY REVENUE CATEGORY**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
<u>Division of Financial Institutions:</u>			
Licenses fees and registration:			
Credit union regulatory fees	\$ 4,456,654	\$ 4,153,853	\$ 4,749,735
Financial institution licenses and fees	4,991,720	2,696,927	3,520,596
Retaliatory fees	1,770	1,669,593	1,532,011
Financial institution examination fees	1,248,600	1,395,550	1,393,050
Licenses and fees in protest	-	7,600	-
Credit union examination fees	14,880	17,015	20,241
	<u>10,713,624</u>	<u>9,940,538</u>	<u>11,215,633</u>
Fines, penalties or violations	619,017	2,276,622	1,867,839
Miscellaneous	50	80	295
Subtotal - Division of Financial Institutions	<u>11,332,691</u>	<u>12,217,240</u>	<u>13,083,767</u>
<u>Division of Banking:</u>			
Licenses fees and registration:			
Bank examination fees	14,608,211	17,454,118	15,581,684
Mortgage banking registrations	2,469,859	2,310,822	2,575,849
Loan originator licenses and fees	2,056,500	1,792,635	1,745,955
EDP examination fees	3,101,115	3,074,690	3,077,006
Corporate fiduciary registrations	1,594,609	1,798,382	1,835,902
International bank examination fees	2,429,555	3,049,762	2,555,131
Savings and loan supervisory fees	790,573	694,389	356,666
Corporate fiduciary receivership fees	556,216	-	167
Thrift registration fees	2,000	7,500	2,000
Mortgage banking examination fees	299,604	383,585	321,698
Mortgage banking full service fees	124,750	105,250	118,000
Savings and loan examination fees	278,163	377,860	693,291
Miscellaneous banking fees	107,950	107,700	83,450
Pawnbroker licenses and fees	274,750	312,855	235,765
Miscellaneous international banking fees	19,300	18,600	18,000
Miscellaneous trust company fees	28,300	14,100	10,400
Check printer fees	2,600	2,600	2,800
	<u>28,744,055</u>	<u>31,504,848</u>	<u>29,213,764</u>
Fines, penalties or violations	630,732	953,917	234,564
Miscellaneous	252	2,517	799
Subtotal - Division of Banking	<u>29,375,039</u>	<u>32,461,282</u>	<u>29,449,127</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
**BY DIVISION BY REVENUE CATEGORY**  
For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
<u>Division of Professional Regulation:</u>			
Licenses fees and registration:			
General professions licenses and fees	12,437,291	15,419,559	13,459,591
Medical licenses and fees	3,387,846	11,201,706	30,876,285
Dental licenses and fees	3,654,346	1,709,297	263,083
Nursing licenses and fees	15,999,306	3,632,357	11,938,919
Pharmacy licenses and fees	4,805,305	1,998,135	4,665,207
Medical cannabis licenses and fees	183,002	2,510,000	-
Design professional licenses and fees	1,528,941	1,386,394	1,486,177
Podiatric physician licenses and fees	51,411	497,590	51,084
CPA licenses and fees	3,166,077	1,695,335	374,385
Optometrics licenses and fees	978,891	70,341	957,612
Athletic licenses and fees	154,126	100,882	234,873
Cemetery oversight licenses and fees	4,599	23,495	15,145
	<u>46,351,141</u>	<u>40,245,091</u>	<u>64,322,361</u>
Fines, penalties or violations	1,379,636	1,216,750	1,220,291
Miscellaneous	5,169	50,492	337,984
Subtotal - Division of Professional Regulation	<u>47,735,946</u>	<u>41,512,333</u>	<u>65,880,636</u>
<u>Division of Real Estate:</u>			
Licenses fees and registration:			
Community association manager licenses and fees	341,457	234,718	345,585
Real estate licenses and fees	7,637,978	5,731,364	6,973,370
Home inspector licenses and fees	109,890	715,962	111,375
Appraisal licenses and fees	2,202,069	893,413	2,564,074
Timeshare registration fees	530,600	546,700	387,250
Land sales fees	33,800	29,500	181,700
	<u>10,855,794</u>	<u>8,151,657</u>	<u>10,563,354</u>
Fines, penalties or violations	316,379	178,338	133,077
Miscellaneous	-	2,931	28,155
Subtotal - Division of Real Estate	<u>11,172,173</u>	<u>8,332,926</u>	<u>10,724,586</u>
Total	<u>\$ 99,615,849</u>	<u>\$ 94,523,781</u>	<u>\$ 119,138,116</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
Fiscal Year Ended June 30, 2016

	Receipts Per Department Records	Deposits in Transit Beginning of Year	Deposits in Transit End of Year	Deposits Per Comptroller Records
Financial Institution Fund - 0021	\$ 6,626,205	\$ 25,098	\$ (65,820)	\$ 6,585,483
General Professions Dedicated Fund - 0022	12,750,138	264,927	(99,136)	12,915,929
Illinois State Pharmacy Disciplinary Fund - 0057	5,183,615	19,408	(25,535)	5,177,488
Compassionate Use of Medical Cannabis Fund - 0075	184,102	30,000	(950)	213,152
Illinois State Medical Disciplinary Fund - 0093	4,010,753	62,440	(56,635)	4,016,558
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	3,168,413	198,320	(10,820)	3,355,913
Professions Indirect Cost Fund - 0218	(1,376)	-	-	(1,376)
TOMA Consumer Protection Fund - 0241	177,600	-	-	177,600
Credit Union Fund - 0243	4,528,886	298,088	(740)	4,826,234
Savings and Residential Finance Regulatory Fund - 0244	5,581,220	74,669	(49,382)	5,606,507
Nursing Dedicated and Professional Fund - 0258	16,016,337	52,987	(55,050)	16,014,274
Optometric Licensing and Disciplinary Board Fund - 0259	979,641	1,199	(3,065)	977,775
Appraisal Administration Fund - 0386	2,274,038	10,609	(1,619)	2,283,028
Athletics Supervision Regulation Fund - 0505	154,126	-	-	154,126
Pawnbroker Regulation Fund - 0562	275,000	291,050	-	566,050
Savings Institution Regulatory Fund - 0579	1,070,735	21,210	-	1,091,945
Real Estate Recovery Fund - 0629	230,086	1,191	(6,250)	225,027
Home Inspector Administration Fund - 0746	110,414	1,000	(500)	110,914
Cemetery Oversight Licensing and Disciplinary Fund - 0792	4,599	750	(50)	5,299
Bank and Trust Company Fund - 0795	22,448,084	15,460	(11,000)	22,452,544
Illinois State Dental Disciplinary Fund - 0823	3,686,496	237,224	(10,760)	3,912,960
Community Association Manager Licensing and Disciplinary Fund - 0829	349,770	28,500	(2,369)	375,901
Real Estate License Administration Fund - 0850	8,207,865	39,580	(130,276)	8,117,169
Design Professionals Administration and Investigation Fund - 0888	1,545,156	13,540	(9,540)	1,549,156
Illinois State Podiatric Disciplinary Fund - 0954	53,946	1,147	(1,211)	53,882
	<b>\$ 99,615,849</b>	<b>\$ 1,688,397</b>	<b>\$ (540,708)</b>	<b>\$ 100,763,538</b>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
Fiscal Year Ended June 30, 2015

	Receipts Per Department Records	Deposits in Transit Beginning of Year	Deposits in Transit End of Year	Deposits Per Comptroller Records
Financial Institution Fund - 0021	\$ 6,901,577	\$ 9,027	\$ (25,098)	\$ 6,885,506
General Professions Dedicated Fund - 0022	15,771,131	449,255	(264,747)	15,955,639
Illinois State Pharmacy Disciplinary Fund - 0057	2,162,079	44,476	(19,408)	2,187,147
Compassionate Use of Medical Cannabis Fund - 0075	2,510,000	-	(30,000)	2,480,000
Illinois State Medical Disciplinary Fund - 0093	11,758,088	2,077,004	(62,440)	13,772,652
Registered Certified Public Accountants' Administration and Disciplinary Fund - 0151	1,745,714	19,560	(198,320)	1,566,954
Professions Indirect Cost Fund - 0218	4,142	55	-	4,197
TOMA Consumer Protection Fund - 0241	852,760	-	-	852,760
Credit Union Fund - 0243	4,230,223	101,390	(298,088)	4,033,525
Savings and Residential Finance Regulatory Fund - 0244	4,947,660	48,677	(74,669)	4,921,668
Nursing Dedicated and Professional Fund - 0258	3,689,551	170,588	(52,987)	3,807,152
Optometric Licensing and Disciplinary Board Fund - 0259	73,291	5,031	(1,199)	77,123
Appraisal Administration Fund - 0386	894,800	13,444	(10,609)	897,635
Protest Fund - 0401	7,600	-	-	7,600
Athletic Supervision Regulation Fund - 0505	100,882	-	-	100,882
Pawnbroker Regulation Fund - 0562	312,855	-	(291,050)	21,805
Savings Institution Regulatory Fund - 0579	1,079,749	-	(21,210)	1,058,539
Debt Settlement Consumer Protection Fund - 0615	225,000	-	-	225,000
Debt Management Service Consumer Protection Fund - 0616	80	-	-	80
Real Estate Recovery Fund - 0629	148,155	5,883	(1,191)	152,847
Home Inspector Administration Fund - 0746	716,345	3,775	(1,000)	719,120
Cemetery Oversight Licensing and Disciplinary Fund - 0792	23,626	2,570	(750)	25,446
Bank and Trust Company Fund - 0795	26,121,018	250	(15,460)	26,105,808
Illinois State Dental Disciplinary Fund - 0823	1,766,159	41,115	(237,224)	1,570,050
Community Association Manager Licensing and Disciplinary Fund - 0829	238,518	2,950	(28,500)	212,968
Real Estate License Administration Fund - 0850	6,335,108	252,828	(39,580)	6,548,356
Design Professionals Administration and Investigation Fund - 0888	1,402,955	25,817	(13,540)	1,415,232
Illinois State Podiatric Disciplinary Fund - 0954	504,715	3,158	(1,147)	506,726
	<b>\$ 94,523,781</b>	<b>\$ 3,276,853</b>	<b>\$ (1,688,217)</b>	<b>\$ 96,112,417</b>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BY DIVISION  
BY FUND**

For The Two Years Ended June 30, 2016

The Department of Financial and Professional Regulation's (Department) analysis of significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances by Fund is detailed below.

We obtained explanations from Department personnel for material fluctuations in expenditures between years. We considered fluctuations in excess of 15% and \$100,000 to be significant. Explanations of material expenditure fluctuations are as follows:

Division of Banking

Savings and Residential Finance Regulatory Fund (0244) expenditures increased by \$553,683 (22%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2016.

Savings Institutions Regulatory Fund (0579) expenditures increased by \$122,535 (253%) from Fiscal Year 2014 to 2015 and \$286,878 (168%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2015. The increase in the expenditures as a result of the additional headcount continued in Fiscal Year 2016.

Division of Professional Regulation

General Professions Dedicated Fund (0022) expenditures decreased by \$1,184,152 (28%) from Fiscal Year 2015 to 2016 due to the decrease in personnel costs, retirement contribution and group insurance as a result of the decrease in headcount in Fiscal Year 2016.

Compassionate Use of Medical Cannabis Fund (0075) expenditures increased by \$414,659 (100%) from Fiscal Year 2014 to 2015 and \$636,275 (153%) from Fiscal Year 2015 to 2016. The Compassionate Use of Medical Cannabis Fund was established in Fiscal Year 2015 to receive and record monies collected under the Compassionate Use of Medical Cannabis Pilot Program Act. Monies from license and registration fees started to be collected in Fiscal Year 2015 and continued in Fiscal Year 2016. As funds became available, expenditures started to be incurred in Fiscal Year 2015 and continuously increased in Fiscal Year 2016 as a result of administering the program.

Illinois State Medical Disciplinary Fund (0093) expenditures increased by \$639,788 (20%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2016.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BY DIVISION  
BY FUND**

For The Two Years Ended June 30, 2016

Registered Certified Public Accountants' Administration and Disciplinary Fund (0151) expenditures increased by \$277,982 (101%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2016.

Nursing Dedicated and Professional Fund (0258) expenditures increased by \$323,611 (20%) from Fiscal Year 2014 to 2015 and decreased by \$298,932 (15%) from Fiscal Year 2015 and 2016 as a result of the movement in the headcount between fiscal years. There was an increase in the headcount during Fiscal Year 2015. However, throughout Fiscal Year 2016, headcount decreased due to employees' separation and/or retirement.

Optometric Licensing and Disciplinary Board Fund (0259) expenditures increased by \$120,962 (81%) from Fiscal Year 2014 to 2015 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2015.

Design Professionals Administration and Investigation Fund (0888) expenditures increased by \$134,354 (18%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2016.

Division of Real Estate

Appraisal Administration Fund (0386) expenditures increased by \$422,544 (56%) from Fiscal Year 2015 to 2016 due to the timing of expenditures related to the appraisal fees paid to the federal government for the printing of a national registry of appraisers, which occurs during the even numbered fiscal years.

Real Estate License Administration Fund (0850) expenditures increased by \$840,104 (22%) from Fiscal Year 2014 to 2015 due to the increase in personnel costs, retirement contribution and group insurance as a result of additional headcount in Fiscal Year 2015.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
BY MAJOR OBJECT CODE**

For The Two Years Ended June 30, 2016

The Department of Financial and Professional Regulation's (Department) analysis of significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances by Major Object Code is detailed below.

We obtained explanations from Department personnel for material fluctuations in expenditures between years. We considered fluctuations in excess of 15% and \$100,000 to be significant. Explanations of material expenditure fluctuations are as follows:

Electronic Data Processing

Electronic data processing expenditures increased by \$328,999 (19%) from Fiscal Year 2015 to 2016 mainly due to the payment made to the Department of Central Management Services of approximately \$0.2 million for the Department's allocated costs related to the statewide electronic resource planning expenses.

Lump Sums and Other Purposes (Appropriated)

Lump sums and other purposes expenditures (appropriated) increased by \$1,082,885 (32%) from Fiscal Year 2014 to 2015 and decreased by \$811,138 (18%) from Fiscal Year 2015 to 2016 due to the Fiscal Year 2015 payment, totaling \$1.1 million, to the receiver who was appointed to manage and liquidate the business operations and assets of a defunct trust company. This was a one-time payment in Fiscal Year 2015 and there was no similar expenditure in Fiscal Year 2016.

Lump Sum, Operations (Appropriated)

Lump sum, operations expenditures (appropriated) increased by \$537,790 (1,109%) from Fiscal Year 2014 to 2015 and \$923,401 (158%) from Fiscal Year 2015 to 2016 due to the increase in personnel costs, group insurance, retirement contribution and social security as a result of additional headcount in Fiscal Years 2015 and 2016 to administer the licensing and registration activities of the Compassionate Use of Medical Cannabis Pilot Program Act.

Award and Grants (Appropriated)

Awards and grants expenditures (appropriated) decreased by \$199,480 (87%) from Fiscal Year 2014 to 2015 and increased by \$247,880 (833%) from Fiscal Year 2015 to 2016 due to timing of expenditures related to the appraisal fees paid to the federal government for the printing of a national registry of appraisers. Payments to the federal government occur on even numbered fiscal years.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION BY FUND**  
For The Two Years Ended June 30, 2016

The Department's analysis of significant fluctuations in cash receipts as presented in the Comparative Schedule of Cash Receipts by Fund is detailed below. We considered fluctuations in excess of 20% and \$250,000 to be significant.

Division of Financial Institutions

TOMA Consumer Protection Fund (0241) receipts increased by \$575,520 (208%) from Fiscal Year 2014 to 2015 and decreased by \$675,160 (79%) from Fiscal Year 2015 to 2016. In Fiscal Year 2014, fines and penalties of the TOMA Consumer Protection Fund (0241) were incorrectly deposited into Financial Institution Fund (0021) resulting in lower TOMA Consumer Protection Fund's receipts in Fiscal Year 2014. TOMA Consumer Protection Fund receipts decreased from Fiscal Year 2015 to 2016 due to the decrease in fines and penalties as result of the decrease in the number of identified unlicensed activities by the consumer credit organizations subject to fines and penalties.

Division of Professional Regulation

In general, variances in receipts were due to fee changes, renewal periods, changes in number of licensees and changes in profession titles and qualifications. Professions have renewal periods of one, two or three years. Specific profession variances in receipts follow:

Illinois State Pharmacy Disciplinary Fund (0057) receipts decreased \$2,616,281 (55%) from Fiscal Year 2014 to 2015 and increased by \$3,021,536 (140%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the pharmacy profession, with renewals during Fiscal Years 2014 and 2016.

Compassionate Use of Medical Cannabis Fund (0075) receipts increased by \$2,510,000 (100%) from Fiscal Year 2014 to 2015 and decreased by \$2,325,898 (93%) from Fiscal Year 2015 to 2016. The Compassionate Use of Medical Cannabis Fund was established in Fiscal Year 2015 to receive and record monies collected under the Compassionate Use of Medical Cannabis Pilot Program Act. Monies from license and registration fees were received during Fiscal Year 2015.

Illinois State Medical Disciplinary Fund (0093) receipts decreased by \$19,760,373 (63%) from Fiscal Year 2014 to 2015 and \$7,747,335 (66%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the medical profession, with renewals during Fiscal Year 2014.

Registered Certified Public Accountants' Administration and Disciplinary Fund (0151) receipts increased by \$1,336,034 (326%) from Fiscal Year 2014 to 2015 and \$1,422,699 (81%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the public accounting profession, with renewals during Fiscal Year 2016. The Department received portion of the Fiscal Year 2016 renewals during Fiscal Year 2015.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION BY FUND**  
For The Two Years Ended June 30, 2016

Nursing Dedicated and Professional Fund (0258) receipts decreased by \$8,362,775 (69%) from Fiscal Year 2014 to 2015 and increased by \$12,326,786 (334%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the nursing profession, with renewals during Fiscal Years 2014 and 2016.

Optometric Licensing and Disciplinary Board Fund (0259) receipts decreased by \$901,745 (92%) from Fiscal Year 2014 to 2015 and increased by \$906,350 (1,237%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the optometry profession, with renewals during Fiscal Years 2014 and 2016.

Illinois State Dental Disciplinary Fund (0823) receipts increased by \$1,395,134 (376%) from Fiscal Year 2014 to 2015 and \$1,920,337 (109%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the dental profession, with renewals during Fiscal Year 2016. The Department received portion of Fiscal Year 2016 renewals during Fiscal Year 2015.

Illinois State Podiatric Disciplinary Fund (0954) receipts increased by \$452,979 (876%) from Fiscal Year 2014 to 2015 and decreased by \$450,769 (89%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the podiatry profession, with renewals during Fiscal Year 2015.

Division of Real Estate

In general, variances in receipts were due to fee changes, renewal periods, changes in number of licensees and changes in profession titles and qualifications. Professions have renewal periods of one, two or three years. Specific profession variances in receipts follow:

Appraisal Administration Fund (0386) receipts decreased by \$1,698,892 (66%) from Fiscal Year 2014 to 2015 and increased by \$1,379,238 (154%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the appraisal profession, with renewals during Fiscal Years 2014 and 2016.

Home Inspector Administration Fund (0746) receipts increased by \$603,865 (537%) from Fiscal Year 2014 to 2015 and decreased by \$605,931 (85%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the home inspector profession, with renewals during Fiscal Year 2015.

Real Estate License Administration Fund (0850) receipts increased by \$1,872,757 (30%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the real estate license profession, with renewals during Fiscal Year 2016.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION  
BY REVENUE CATEGORY**

For The Two Years Ended June 30, 2016

The Department's analysis of significant fluctuations in cash receipts as presented in the Comparative Schedule of Cash Receipts by Division by Revenue Category is detailed below. We considered fluctuations in excess of 20% and \$250,000 to be significant.

Division of Financial Institutions

Financial institution licenses and fees decreased by \$823,669 (23%) from Fiscal Year 2014 to 2015 and increased by \$2,294,793 (85%) from Fiscal Year 2015 to 2016. In Fiscal Year 2014, fines and penalties totaling \$0.8 million were incorrectly classified as financial institution licenses and fees due to a computer coding error resulting in higher financial institution licenses and fees in Fiscal Year 2014. In Fiscal Year 2016, retaliatory fees were incorrectly classified as financial institution licenses and fees resulting in the increase in licenses and fees in Fiscal Year 2016.

Retaliatory fees decreased by \$1,667,823 (100%) from Fiscal Year 2015 to 2016 due to the error in the classification of retaliatory fees to financial institution licenses and fees in Fiscal Year 2016.

Fines, penalties or violations increased by \$408,783 (22%) from Fiscal Year 2014 to 2015 and decreased by \$1,657,605 (73%) from Fiscal Year 2015 to 2016. In Fiscal Year 2014, fines, penalties or violations were incorrectly classified as financial institution licenses and fees due to a computer coding error. In Fiscal Year 2015, fines, penalties or violations were correctly classified to the appropriate revenue category. Fines, penalties or violations decreased from Fiscal Year 2015 to 2016 due to the decrease in the number of identified unlicensed activities by the consumer credit organizations subject to fines and penalties.

Division of Banking

International bank examination fees decreased by \$620,207 (20%) from Fiscal Year 2015 to 2016 mainly due to the credits applied in Fiscal Year 2016 amounting to \$0.4 million that resulted in lower international bank examination fees in Fiscal Year 2016.

Savings and loan supervisory fees increased by \$337,723 (95%) from Fiscal Year 2014 to 2015 mainly due to the credits applied in Fiscal Year 2014 amounting to \$0.5 million that resulted in lower savings and loan supervisory fees in Fiscal Year 2014.

Corporate fiduciary receivership fees increased by \$556,216 (100%) from Fiscal Year 2015 to 2016. The non-assessment of receivership fees due to the receivership account reaching \$4.0 million in accordance with the Corporate Fiduciary Act (205 ILCS 620 5/10b) started in Fiscal Year 2014 throughout Fiscal Year 2015. During Fiscal Year 2015, expenditures were made from the account thereby initiating assessment of receivership fees in Fiscal Year 2016.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION  
BY REVENUE CATEGORY**

For The Two Years Ended June 30, 2016

Savings and loan examination fees decreased by \$315,431 (45%) from Fiscal Year 2014 to 2015 due to the examinations of savings banks. The examinations are on an eighteen-month cycle that fell during Fiscal Year 2014 resulting in increased examinations of savings banks performed during Fiscal Year 2014.

Fines, penalties or violations increased by \$719,353 (307%) from Fiscal Year 2014 to 2015 and decreased by \$323,185 (34%) from Fiscal Year 2015 to 2016 due to the receipt of fines totaling \$0.6 million in Fiscal Year 2015 for violations of the Federal Trade Commission Act which prohibits deceptive acts or practices. There was no similar receipt in Fiscal Year 2016.

Division of Professional Regulation

Medical licenses and fees decreased by \$19,674,579 (64%) from Fiscal Year 2014 to 2015 and \$7,813,860 (70%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the medical profession. Physicians, physician assistants and surgeons renew on a triennial basis, with approximately 67,260 renewing during Fiscal Year 2014.

Dental licenses and fees increased by \$1,446,214 (550%) from Fiscal Year 2014 to 2015 and \$1,945,049 (114%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the dental profession. Dentists, dental hygienist and dentist controlled substance renew on a triennial basis, with approximately 17,940 renewing during Fiscal Year 2016. The Department received portion of Fiscal Year 2016 renewals during Fiscal Year 2015.

Nursing licenses and fees decreased by \$8,306,562 (70%) from Fiscal Year 2014 to 2015 and increased by \$12,366,949 (340%) from Fiscal Year 2015 to 2016 due to the renewal cycle of nursing profession. Nurses renew on a biennial basis, with approximately 179,020 renewing during Fiscal Year 2014 and approximately 174,840 renewing during Fiscal Year 2016.

Pharmacy licenses and fees decreased by \$2,667,072 (57%) from Fiscal Year 2014 to 2015 and increased by \$2,807,170 (140%) from Fiscal Year 2015 to 2016 due to the renewal cycle of pharmacy profession. Pharmacy, pharmacists, pharmacy technicians and pharmacy controlled substance renew on a biennial basis, with approximately 53,340 renewing during Fiscal Year 2014 and approximately 53,220 renewing during Fiscal Year 2016.

Medical cannabis licenses and fees increased by \$2,510,000 (100%) from Fiscal Year 2014 to 2015 and decreased by \$2,326,998 (93%) from Fiscal year 2015 to 2016 due to the registration of medical cannabis dispensing organizations during Fiscal Year 2015. The medical cannabis program started in Fiscal Year 2015 with 214 applications for authorization and 48 applicants for registration as a medical cannabis dispensing organization. There were no applications for authorization and only four applicants for registration in Fiscal Year 2016.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BY DIVISION  
BY REVENUE CATEGORY**

For The Two Years Ended June 30, 2016

Podiatric physician licenses and fees increased by \$446,506 (874%) from Fiscal Year 2014 to 2015 and decreased by \$446,179 (90%) from Fiscal Year 2015 to 2016 due to renewal cycle of podiatry profession. Podiatric physician and podiatry controlled substance renew on a biennial basis, with approximately 2,070 renewing during Fiscal Year 2015.

CPA licenses and fees increased by \$1,320,950 (353%) from Fiscal Year 2014 to 2015 and \$1,470,742 (87%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the public accounting profession. Public accountants renew on a triennial basis, with approximately 23,860 renewing during Fiscal Year 2016. The Department received portion of Fiscal Year 2016 renewals during Fiscal Year 2015.

Optometrics licenses and fees decreased by \$887,271 (93%) from Fiscal Year 2014 to 2015 and increased by \$908,550 (1,292%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the optometry profession. Optometrists and optometrist controlled substance renew on a biennial basis, with approximately 3,980 renewing during Fiscal Year 2014 and approximately 4,130 renewing during Fiscal Year 2016.

Miscellaneous fees decreased by \$287,492 (85%) from Fiscal Year 2014 to 2015 due to the change in the classification of certification fees from miscellaneous to licenses and fees account in Fiscal Year 2015. The change resulted in the decrease in the miscellaneous fees starting Fiscal Year 2015.

Division of Real Estate

Real estate licenses and fees increased by \$1,906,614 (33%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the real estate license profession, on a biennial basis, with approximately 38,800 renewing during Fiscal Year 2016.

Home inspector licenses and fees increased by \$604,587 (543%) from Fiscal Year 2014 to 2015 and decreased by \$606,072 (85%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the home inspector profession, on a biennial basis, with approximately 1,300 renewing during Fiscal Year 2015.

Appraisal licenses and fees decreased by \$1,670,661 (65%) from Fiscal Year 2014 to 2015 and increased by \$1,308,656 (146%) from Fiscal Year 2015 to 2016 due to the renewal cycle of the appraisal profession, on a biennial basis, with approximately 4,240 renewing during Fiscal Year 2014 and approximately 3,830 renewing during Fiscal Year 2016.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
**BY MAJOR OBJECT CODE**  
For The Two Years Ended June 30, 2016

The Department of Financial and Professional Regulation's (Department) analysis of significant lapse period spending, as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances by Major Object Code, for Fiscal Years 2016 and 2015 for lapse period expenditures exceeding 20% and \$15,000 of total expenditures are detailed below.

Fiscal Year 2016

During Fiscal Year 2016, the Department operated without enacted appropriations. When Public Act 99-0524 was signed into law in June 2016, the Department was then able to pay the non-payroll obligations during the lapse period. This mainly explained the significant lapse period spending for the following expenditures below:

- Contractual services expenditures were \$6,702,004 or 91% of total expenditures
- Travel expenditures were \$1,321,793 or 100% of total expenditures
- Commodities expenditures were \$34,871 or 100% of total expenditures
- Electronic data processing expenditures were \$2,080,110 or 100% of total expenditures
- Telecommunications expenditures were \$397,038 or 100% of total expenditures
- Operation of automotive equipment expenditures were \$27,150 or 100% of total expenditures
- Other refunds expenditures were \$22,414 or 100% of total expenditures

Fiscal Year 2015

Awards and grants expenditures (appropriated) of \$25,800 (87%) during the lapse period resulted from the timing and review of invoices for appraisal fees paid to the federal government for the printing of a national registry of appraisers. These invoices were received and reviewed towards the end of the fiscal year and paid during the lapse period.

Other refunds expenditures (appropriated) of \$15,832 (22%) during the lapse period resulted from the timing of when requests for refunds are received by the Department. Requests for refunds were received towards the end of Fiscal Year 2015 and paid during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
ANALYSIS OF ACCOUNTS RECEIVABLE  
June 30, 2016

An aging schedule of the Department's accounts receivable (expressed in thousands) at June 30, 2016, is presented below:

Aging Schedule	Financial Institution Fund 0021	General Professions Dedicated Fund 0022	Illinois State Pharmacy Disciplinary Fund 0057	Illinois State Medical Disciplinary Fund 0093	Registered CPA Administration and Disciplinary Fund 0151	Credit Union Fund 0243	Savings and Residential Finance Regulatory Fund 0244
Current	\$ 82	\$ 84	\$ 51	\$ 416	\$ -	\$ 1,229	\$ 46
31-90	12	64	7	-	-	-	1
91-180	13	5	-	21	10	-	220
181-365	62	196	-	38	20	-	539
Over 365	1,831	2,410	58	300	166	-	3,347
Accounts Receivable Gross Balance	2,000	2,759	116	775	196	1,229	4,153
Less: Estimated Uncollectibles	(1,920)	(2,674)	(78)	(375)	(196)	-	(3,673)
Accounts Receivable Net Balance	\$ 80	\$ 85	\$ 38	\$ 400	\$ -	\$ 1,229	\$ 480

(Continued)

Note: The Department uses private collection services and the State Comptroller's offset system in its efforts to collect past due receivables.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
June 30, 2016

Aging Schedule	Nursing Dedicated and Professional Fund		Optometric Licensing and Disciplinary Board Fund		Appraisal Administration Fund		Athletics Supervision and Regulation Fund		Pawnbroker Regulation Fund		Savings Institutions Regulatory Fund		Real Estate Recovery Fund	
	0258	0259	0386	0505	0562	0579	0629							
Current	\$ 7	\$ -	\$ 22	\$ -	\$ -	\$ 280	\$ 268							
31-90	1	-	8	-	-	-	12							
91-180	-	-	-	-	-	3	429							
181-365	13	-	3	-	-	-	294							
Over 365	236	74	218	8	15	47	2,822							
Accounts Receivable Gross Balance	257	74	251	8	15	330	3,825							
Less: Estimated Uncollectibles	(250)	(74)	(229)	(8)	(15)	(26)	(3,585)							
Accounts Receivable Net Balance	\$ 7	\$ -	\$ 22	\$ -	\$ -	\$ 304	\$ 240							

(Continued)

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
June 30, 2016

Aging Schedule	Home Inspector Administration Fund 0746	Bank and Trust Company Fund 0795	Illinois State Dental Disciplinary Fund 0823	Community Association Manager Licensing and Disciplinary Fund 0829	Real Estate License Administration and Investigation Fund 0850	Design Professionals Administration and Investigation Fund 0888	Illinois State Podiatric Disciplinary Fund 0954	Total
Current	\$ 2	\$ 6,345	\$ 11	\$ 19	\$ 3	\$ -	\$ -	\$ 8,865
31-90	-	-	-	-	-	-	-	105
91-180	-	-	-	-	-	-	-	701
181-365	2	4	-	25	2	-	-	1,198
Over 365	27	694	372	10	10	151	17	12,813
Accounts Receivable Gross Balance	31	7,043	383	54	15	151	17	23,682
Less: Estimated Uncollectibles	(29)	(696)	(372)	(38)	(13)	(151)	(17)	(14,419)
Accounts Receivable Net Balance	\$ 2	\$ 6,347	\$ 11	\$ 16	\$ 2	\$ -	\$ -	\$ 9,263

(Concluded)

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
ANALYSIS OF ACCOUNTS RECEIVABLE  
June 30, 2015

An aging schedule of the Department's accounts receivable (expressed in thousands) at June 30, 2015, is presented below:

Aging Schedule	Financial Institution Fund 0021	General Professions Dedicated Fund 0022	Illinois State Pharmacy Disciplinary Fund 0057		Illinois State Medical Disciplinary Fund 0093		Registered CPA Administration and Disciplinary Fund 0151		Credit Union Fund 0243	Savings and Residential Finance Regulatory Fund 0244
			Illinois State Pharmacy Disciplinary Fund 0057	Illinois State Medical Disciplinary Fund 0093	Registered CPA Administration and Disciplinary Fund 0151	Registered CPA Administration and Disciplinary Fund 0151				
Current	\$ 64	\$ 118	\$ 23	\$ 425	\$ -	\$ -	\$ 914	\$ 1,273		
31-90	108	25	1	12	-	-	-	79		
91-180	16	150	-	21	-	-	-	6		
181-365	13	353	15	40	40	40	-	28		
Over 365	1,748	1,869	45	240	127	127	-	3,364		
Accounts Receivable Gross Balance	1,949	2,515	84	738	167	167	914	4,750		
Less: Estimated Uncollectibles	(1,899)	(2,396)	(62)	(312)	(167)	(167)	(366)	(3,377)		
Accounts Receivable Net Balance	\$ 50	\$ 119	\$ 22	\$ 426	\$ -	\$ -	\$ 548	\$ 1,373		

(Continued)

Note: The Department uses private collection services and the State Comptroller's offset system in its efforts to collect past due receivables.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
ANALYSIS OF ACCOUNTS RECEIVABLE  
June 30, 2015

Aging Schedule	Nursing Dedicated and Professional Fund		Optometric Licensing and Disciplinary Board Fund		Appraisal Administration Fund		Athletics Supervision and Regulation Fund		Pawnbroker Regulation Fund		Savings Institutions and Regulatory Fund		Real Estate Recovery Fund	
	0258	0259	0386	0505	0562	0579	0629							
Current	\$ 9	\$ -	\$ 25	\$ -	\$ -	\$ 226	\$ 294							
31-90	-	-	5	-	-	4	12							
91-180	1	-	-	-	-	-	100							
181-365	2	-	8	-	-	21	143							
Over 365	236	74	222	9	15	31	2,447							
Accounts Receivable Gross Balance	248	74	260	9	15	282	2,996							
Less: Estimated Uncollectibles	(239)	(74)	(239)	(9)	(15)	(32)	(2,834)							
Accounts Receivable Net Balance	\$ 9	\$ -	\$ 21	\$ -	\$ -	\$ 250	\$ 162							

(Continued)

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
June 30, 2015

	Home Inspector Administration Fund 0746	Bank and Trust Company Fund 0795	Illinois State Dental Disciplinary Fund 0823	Community Association Manager Licensing and Disciplinary Fund 0829	Real Estate License Administration Fund 0850	Design Professionals Administration and Investigation Fund 0888	Illinois State Podiatric Disciplinary Fund 0954	Total
Aging Schedule								
Current	\$ -	\$ 6,323	\$ 37	\$ 6	\$ 4	\$ 3	\$ -	\$ 9,744
31-90	11	-	-	-	1	-	-	258
91-180	-	6	-	10	1	-	-	311
181-365	4	32	79	-	1	-	-	779
Over 365	12	660	306	-	9	156	17	11,587
Accounts Receivable Gross Balance	27	7,021	422	16	16	159	17	22,679
Less: Estimated Uncollectibles	(27)	(694)	(385)	(10)	(12)	(156)	(17)	(13,322)
Accounts Receivable Net Balance	\$ -	\$ 6,327	\$ 37	\$ 6	\$ 4	\$ 3	\$ -	\$ 9,357

(Concluded)

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)**  
For The Two Years Ended June 30, 2016

**AGENCY FUNCTIONS**

The Department of Financial and Professional Regulation (Department), through its operational components, the Division of Banking, Division of Financial Institutions, Division of Professional Regulation, and Division of Real Estate, oversees the regulation and licensure of banks and financial institutions, real estate businesses and professionals, and various licensed professions, enforces standards of professional practice and protects the rights of Illinois residents in their transactions with regulated industries.

The Department's mission is to protect consumers of financial and professional services by ensuring the integrity and standards of regulated industries and professionals through an efficiently consolidated supervisory and enforcement function.

The Department's strategic priorities include:

- Maintaining the safety and soundness of financial services businesses
- Enhancing responsiveness of regulatory enforcement
- Improving efficiency and effectiveness of licensure and enforcement functions
- Educating consumers and the public about legal rights and remedies

The Department established various performance metrics to monitor and assess its accomplishments in meeting its priorities. The Department's Fiscal Unit gathers this information from each division on a quarterly basis. The Department examines key performance metrics and the results are compiled and reported to the Governor's Office of Management and Budget (GOMB) through the GOMB's performance reporting system.

**DEPARTMENT PROGRAMS**

**Evaluation and Licensing**

The Department evaluates and acts upon license applications from regulated industries. The Department protects consumers by evaluating the safety, soundness, and professional integrity of license applicants.

**Investigation and Enforcement**

The Department safeguards the health and welfare of consumers and the public by investigating illegal activities and consumer complaints and taking enforcement actions when warranted. The Department also adjudicates formal complaints relating to violations of professional standards of practice. The Department reviews and investigates consumer complaints and allegations of professional misconduct and illegal activity; adjudicates administrative actions arising from such complaints and allegations; takes appropriate enforcement action to discipline wrongdoers; and,

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)**  
For The Two Years Ended June 30, 2016

works with other state and federal agencies and law enforcement to coordinate action against major offenders.

Regulation and Supervision

The Department maintains the safety and soundness of Illinois financial services businesses by performing regular, impartial examinations and audits of entities and professionals to ensure compliance with statutory solvency and other essential accreditation requirements. The Department conducts ongoing regulatory and supervisory functions of financial services businesses and other professions. The Department examiners perform regular examinations of regulated entities to ensure compliance with statutory requirements. Additionally, the Department educates and informs consumers about industries and individuals under its jurisdiction, and receives complaints and inquiries regarding licensees.

Consumer Awareness and Education

The Department informs and educates Illinois consumers about the industries, professions, entities, and individuals under its jurisdiction. The Department provides information about financial literacy on both its website and through outreach programs. In addition to in-person outreach, the Department has increased its outreach presence through multiple social media platforms.

**DEPARTMENT CENTER**

Legal

The General Counsel's Office (Office) provides a variety of essential legal services to the Department's operating divisions and Secretary's Office. Among other duties, the Office is responsible for providing administrative law judges to conduct formal hearings, drafting necessary legislation and administering the rule making process, drafting and administering vendor contracts, managing complex litigation, and advising the divisions regarding legal issues arising in the course of their work. The Office also conducts internal investigations and responds to inquiries from the Office of the Executive Inspector General, other governmental agencies, and the public as needed.

Information Technology

This unit provides support for the Department's technology resources including systems analysis, telecommunications networking, programming, microcomputer support, and user training.

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)**  
For The Two Years Ended June 30, 2016

Legislative Affairs

This unit develops the Department's legislative agenda, coordinates Department comments on legislation and drafts issue papers, fact sheets, and bill reviews. The unit also monitors legislation affecting the Department and its regulated industries/entities, negotiates controversial legislation with legislators, Governor's staff and special interest groups, and handles constituent inquiries referred by legislators, legislative staff, and the Governor's office.

Administrative Services

Administrative Services provides general administrative and clerical support as needed for Department staff, coordinates activities related to agency facilities and moves, including coordinating and assigning office space allocation, manages telecommunications resources, orders, maintains, and delivers essential supplies and materials to staff, sorts, files, and distributes internal and external mail, develops, implements, and administers document management and destruction policies and procedures, manages and administers the vehicle fleet assets, and identifies, classifies, and processes forms used within the Department through management of the print shop.

Fiscal Operations

Fiscal Operations is responsible for preparing, implementing, and monitoring the Department's annual budget. This unit serves as the centralized accounting area of the Department, and therefore, the unit is responsible for all revenue collections, all appropriation expenditures, the accounts receivable reporting, accounts payable, travel, and budget preparation.

Internal Audit

Internal Audit assists the Department in effectively fulfilling its responsibilities. This unit is charged with examining and evaluating the policies, procedures, and systems which are in place to ensure the reliability and integrity of information, compliance with policies, plans, laws and regulations, the safeguarding of assets, and the economical and efficient use of resources.

**OPERATING DIVISIONS**

Division of Professional Regulation

The division, comprised of two sections, Licensing and Testing and Enforcement, maintains proper standards of licensee competence and protects the public from those who abuse their licenses. This responsibility encompasses issuing licenses and renewals, administering qualifying examinations for certain professions, establishing and enforcing rules of licensee conduct, investigating complaints against licensees, and taking appropriate disciplinary action against licensees who have violated applicable statutes and rules. The division safeguards and

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)**  
For The Two Years Ended June 30, 2016

promotes the health, safety, and welfare of the public by ensuring that licensure qualifications and standards for professional practice are properly evaluated, applied, and enforced.

Division of Financial Institutions

The division licenses, examines, and investigates currency exchanges, State chartered credit unions, consumer finance companies, title insurance companies, debt management and settlement companies, and money transmitters. The division administers and enforces the laws and regulations applicable to institutions under its jurisdiction and protects the interests of Illinoisans in their dealings with the industries it regulates. The division is comprised of four operating units: the Consumer Credit, Title Insurance, Credit Union, and Currency Exchange Sections.

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Division of Real Estate

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STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**BUDGET IMPASSE DISCLOSURES (Not Examined)**  
For The Year Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Department to pay Fiscal Year 2016 costs using the Department’s Fiscal Year 2017 appropriations for non-payroll expenditures. The following chart shows the Department’s plan to expend its Fiscal Year 2017 appropriations to cover its Fiscal Year 2016 costs:

**OUTSTANDING FISCAL YEAR 2016 INVOICES**

<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
0021	Financial Institution Fund	8	\$ 2,523
0022	General Professions Dedicated Fund	1	50
0075	Compassionate Use of Medical Cannabis Fund	1	90
0218	Professions Indirect Cost Fund	53	124,332
0243	Credit Union Fund	1	192
0244	Savings and Residential Finance Regulatory Fund	1	495
0258	Nursing Dedicated and Professional Fund	6	1,542
0505	Athletics Supervision and Regulation Fund	6	402
0562	Pawnbroker Regulation Fund	1	26
0795	Bank and Trust Company Fund	18	8,071
0850	Real Estate License Administration Fund	5	2,931
		101	\$ 140,654

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND PROGRAMS TO  
ADDRESS UNTIMELY PAYMENTS TO VENDORS (Not Examined)**  
For The Year Ended June 30, 2016

Transactions Involving the Illinois Finance Authority

The Department and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

*Vendor Payment Program (VPP)*

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

During Fiscal Year 2015 and Fiscal Year 2016, none of the Department's vendors participated in the Vendor Payment Program (VPP).

*Vendor Support Initiative Program (VSI)*

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Department lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Department was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid the invoice after the Department received

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For The Year Ended June 30, 2016

appropriations or other legal expenditure authority to pay the invoice, the participating vendor received the remaining 10% due (less any offsets).

During Fiscal Year 2016, the Department had 7 vendors who participated in VSI for 115 invoices, totaling \$194,082. A summary of the amount of transactions by qualified purchaser follows:

**TRANSACTIONS BY QUALIFIED PURCHASER**

<u>Qualified Purchaser</u>	<u>Vendors</u>	<u>Invoices</u>	<u>Dollar Value</u>
Vendor Assistance Program	7	115	\$ 194,082

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**INTEREST COSTS ON FISCAL YEAR 2016 INVOICES (Not Examined)**  
For The Year Ended June 30, 2016

Prompt Payment Interest Costs

The Department calculated the prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90<sup>th</sup> day after a vendor submits an eligible proper bill to the Department. The following chart shows the Department's prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

<u>Fund #</u>	<u>Fund Name</u>	<u>Invoices</u>	<u>Vendors</u>	<u>Dollar Value</u>
0021	Financial Institution Fund	221	31	\$ 5,234
0022	General Professions Dedicated Fund	76	59	2,120
0057	Illinois State Pharmacy Disciplinary Fund	13	5	220
0075	Compassionate Use of Medical Cannabis Fund	17	6	399
0093	Illinois State Medical Disciplinary Fund	78	24	2,175
0151	Registered Certified Public Accountants' Administration and Disciplinary Fund	7	6	597
0218	Professions Indirect Cost Fund	841	98	143,569
0243	Credit Union Fund	185	24	8,281
0244	Savings and Residential Finance Regulatory Fund	42	15	3,346
0258	Nursing Dedicated and Professional Fund	39	19	732
0259	Optometric Licensing and Disciplinary Board Fund	10	5	298
0386	Appraisal Administration Fund	12	4	415
0505	Athletics Supervision and Regulation Fund	10	7	294
0562	Pawnbroker Regulation Fund	3	1	79
0579	Savings Institutions Regulatory Fund	61	31	1,737
0746	Home Inspector Administration Fund	2	2	29
0792	Cemetery Oversight Licensing and Disciplinary Fund	13	4	3,346
0795	Bank and Trust Company Fund	925	108	40,317
0823	Illinois State Dental Disciplinary Fund	14	8	378
0849	Real Estate Research and Education Fund	2	1	391
0850	Real Estate License Administration Fund	65	27	1,515
0888	Design Professionals Administration and Investigation Fund	67	31	3,025
		<u>2,703</u>	<u>516</u>	<u>\$ 218,497</u>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**AVERAGE NUMBER OF EMPLOYEES (Not Examined)**  
For The Years Ended June 30, 2016, 2015, and 2014

The following table, prepared from Department records, presents the average number of employees for the Fiscal Years ended June 30:

<b><u>Division/Unit</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Division of Professional Regulation	146	155	199
Division of Banking	122	124	134
Division of Financial Institutions	60	64	63
Division of Real Estate	47	43	-
Executive Office	8	6	5
Fiscal and Accounting Unit	3	4	4
Internal Audit	1	1	1
Information Technology Unit	14	12	15
General Counsel	18	27	5
Legislative Affairs Unit	3	4	6
Administrative Services Unit	15	14	17
Shared Services - Fiscal	6	6	10
Shared Services - Human Resources	5	5	3
<b>TOTAL</b>	<b><u>448</u></b>	<b><u>465</u></b>	<b><u>462</u></b>

STATE OF ILLINOIS  
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
**MEMORANDUMS OF UNDERSTANDING (Not Examined)**  
For The Two Years Ended June 30, 2016

The Department had Memorandums of Understanding (MOUs) with various banks and the Federal Deposit Insurance Corporation (FDIC) or the Federal Reserve Bank of Chicago (Reserve Bank). The MOUs were entered into to address unsatisfactory practices and conditions referred to in the Reports of Examinations (Reports) issued by the Department and the FDIC or the Reserve Bank. The MOUs contained the steps and procedures the banks should perform to correct the violations and findings noted or to address the credit risk management deficiencies cited in the reports. These included, among others, the following: formulating, adopting, and submitting written plans of action to address the violations and findings; not declaring or paying any dividends without the prior written consent of the Department and the FDIC or the Reserve Bank; and submitting progress reports covering each of the provisions of the MOUs until notification by the supervisory authorities that the progress reports need no longer be submitted.

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**SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)**  
For The Two Years Ended June 30, 2016

The Department of Financial and Professional Regulation (Department) is a state regulatory agency whose mission is to protect consumers of financial and professional services by ensuring the integrity and standards of regulated industries and professionals through an efficiently consolidated supervisory and enforcement function.

The Department oversees the regulation and licensure of banks and financial institutions, real estate businesses and professionals and various licensed professionals, enforces standards of professional practice, and protects the rights of Illinois residents in their transactions with regulated industries.

Division of Financial Institutions

The division licenses, examines, and investigates currency exchanges, State chartered credit unions, consumer finance companies, title insurance companies, debt management and settlement companies, and money transmitters. The division administers and enforces the laws and regulations applicable to institutions under its jurisdiction and protects the interests of Illinoisans in their dealings with the industries it regulates. The division is comprised of four operating units: the Consumer Credit, Title Insurance, Credit Union, and Currency Exchange Sections.

	Fiscal Year	
	2016 Actual	2015 Actual
<b>Consumer Credit Section</b>		
Number of licensees	2,298	2,264
Number of exams completed	2,042	2,098
Number of complaints resolved	98	46
<b>Currency Exchange Section</b>		
Number of licensed exchanges	396	418
Number of exams completed	448	514
<b>Credit Union Section</b>		
Number of licensees	214	228
Number of exams completed	189	214
<b>Title Insurance Section</b>		
Number of registrants	19,465	18,632
Number of licensees	19	19
Number of exams completed	-	19

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**SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)**  
For The Two Years Ended June 30, 2016

Division of Banking

The division licenses and regulates State chartered banks, trust companies, ATMs not owned by financial institutions, check printers, pawnbrokers, savings banks, mortgage banks, mortgage brokers, and loan originators. The division protects and educates the public and promotes confidence in the regulated industries through administration of statutory responsibilities in an efficient, professional, responsive, and innovative manner. The division is comprised of three operating units: the Bureau of Banks, Trust Companies and Savings Institutions, and the Bureau of Residential Finance.

	Fiscal Year	
	2016	2015
	Actual	Actual
Bureau of banks, Trust Companies and Savings Institutions		
Number of domestic commercial banks	326	342
Number of foreign bank offices	10	10
Number of domestic corporate fiduciaries	151	155
Number of financial information systems entities	389	387
Number of pawnbroker licensees	271	277
Number of examinations performed	432	485
Number of applications reviewed	195	210
Percentage of pawnshop complaints investigated within established time frames	100%	100%

	Fiscal Year	
	2016	2015
	Actual	Actual
Bureau of Residential Finance		
Number of residential mortgage licensees	822	771
Number of savings banks	31	32
Number of service organizations	4	4
Number of thrift examinations	12	13
Number of mortgage examinations	295	285
Number of license applications processed	102	71

Division of Professional Regulation

The division, comprised of two sections, Licensing and Testing and Enforcement, maintains proper standards of licensee competence and protects the public from those who abuse their licenses. This responsibility encompasses issuing licenses and renewals, administering qualifying examinations for certain professions, establishing and enforcing rules of licensee conduct, investigating complaints against licensees, and taking appropriate disciplinary action

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**SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)**  
For The Two Years Ended June 30, 2016

against licensees who have violated applicable statutes and rules. The division safeguards and promotes the health, safety, and welfare of the public by ensuring that licensure qualifications and standards for professional practice are properly evaluated, applied, and enforced.

	Fiscal Year	
	2016 Actual	2015 Actual
Division and Licensing and Testing		
Phone calls received by call center (combined for Division of Professional Regulation and Real Estate)	365,035	343,897
New licenses issued	76,307	72,086
License renewal received	447,873	245,207
Initial applications received	81,123	81,500
Average call center waiting time (minutes) (combined for Division of Professional Regulation and Real Estate)	8	8
Percentage of mail-in renewals processed	7%	19%
Percentage of e-batch renewals processed	1%	6%
Percentage of internet credit card renewals processed	92%	75%
Percentage of renewals processed electronically	93%	81%

	Fiscal Year	
	2016 Actual	2015 Actual
Division of Enforcement		
Complaints received	9,095	8,881
Complaints closed	3,019	3,284
Cases closed at investigations	119	136
Cases referred to prosecutions	2,198	2,701
Cases closed at prosecutions	1,027	1,738
Licensees placed on probation	391	408
Percentage of complaints closed	33%	37%
Percentage of complaints to investigations	41%	50%
Percentage of cases referred to closure in prosecutions	19%	15%
Percentage of child support cases processed	3%	5%
Percentage of Illinois student assistance commission cases processed	1%	2%
Percentage of revenue cases processed	7%	3%

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**SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)**  
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	Fiscal Year	
	2016 Actual	2015 Actual
Division and Licensing and Testing		
New licenses issued	9,058	8,018
License renewal received	42,781	23,240
Initial applications received	9,202	8,980
Percentage of mail-in renewals processed	2%	23%
Percentage of internet credit card renewals processed	98%	76%
Percentage of renewals processed electronically	98%	76%

Division of Enforcement		
Complaints received	1,560	1,361
Complaints closed	198	198
Cases closed at investigations	241	248
Cases referred to prosecutions	490	303
Cases closed at prosecutions	467	395

	Fiscal Year	
	2016 Actual	2015 Actual
Licensees placed on probation	34	34
Percentage of complaints closed	13%	15%
Percentage of complaints to investigations	97%	94%
Percentage of child support cases processed	2%	1%
Percentage of Illinois student assistance commission cases processed	1%	1%
Percentage of revenue cases processed	11%	3%