

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
June 30, 2004 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2004

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



Sikich Gardner & Co, LLP
CONSULTANTS AND ACCOUNTANTS

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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June 30, 2004 and
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2004**

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**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

AGENCY OFFICIALS

Director (April 1, 2003 to current)	Mr. Joel Brunsvold
Former Director (July 1, 2002 through March 31, 2003)	Mr. G. Brent Manning
Assistant Director (July 1, 2002 to November 30, 2003)	Ms. Andrea Moore
Deputy Director (July 1, 2002 to March 31, 2004)	Mr. Jim Reimer
Deputy Director (May 1, 2003 to June 30, 2004)	Mr. Roger Frazier
Deputy Director (May 1, 2003 to current)	Ms. Leslie Sgro
Deputy Director (May 11, 2004 to current)	Mr. Brice Sheriff
Chief Fiscal Officer (July 1, 2002 to April 30, 2003)	Mr. John M. Bandy
Chief Fiscal Officer, Acting (May 1, 2003 to June 15, 2004)	Mr. James E. Fisher
Chief Fiscal Officer (June 16, 2004 to current)	Ms. Ann L. Sundeen
Chief Internal Auditor (July 1, 2002 to September 30, 2003)	Mr. Bradley Hammond
Legal Counsel (April 1, 2003 to June 30, 2004)	Mr. Jonathon Furr
Legal Counsel, Acting (January 2003 to March 2003)	Mr. Stan Yonkauski
Legal Counsel (Through December 2002)	Mr. Robert Lawley

Department office is located at:

One Natural Resources Way
Springfield, Illinois 62702-1271



Illinois Department of Natural Resources

One Natural Resources Way • Springfield, Illinois 62702-1271
<http://dnr.state.il.us>

Rod R. Blagojevich, Governor

Joel Brunsvold, Director

February 9, 2005

Sikich Gardner & Co, LLP
Certified Public Accountants
1000 Churchill Road
Springfield, IL 62702

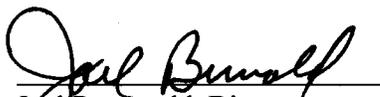
Ladies and Gentlemen:

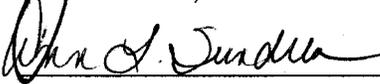
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2004. Based on this evaluation, we assert that during the years ended June 30, 2003 and June 30, 2004, the Agency has materially complied with the assertions below.

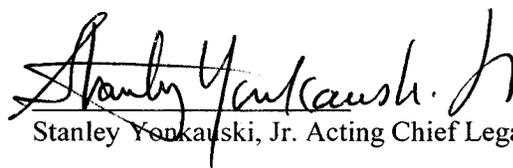
- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Department of Natural Resources


Joel Brunsvold, Director


Ann L. Sundeen, Fiscal Officer


Stanley Yonkauskis, Jr. Acting Chief Legal Counsel

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

COMPLIANCE REPORT

SUMMARY

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

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	29	12
Repeated findings	9	3
Prior recommendations implemented or not repeated	3	7

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

SUMMARY OF FINDINGS

FINDINGS (GOVERNMENT AUDITING STANDARDS)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
04-3	19	Inadequate controls over the calculation and submission of capital asset information for GAAP reporting purposes
04-4	22	Inaccurate property control records

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
04-1	12	Efficiency Initiative Payments
04-2	16	Inadequate preparation of GAAP packages
04-5	24	Failure to maintain accurate commodity inventory records for GAAP reporting purposes

SUMMARY OF FINDINGS

FINDINGS (STATE COMPLIANCE) - Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
04-6	26	Failure to ensure reimbursement policies for legislatively designated non-competitive (line item) grants are consistent with other program grant guidelines
04-7	28	Transfers to General Revenue Fund not in accordance with federal law
04-8	29	Failure to deposit fines from off-highway vehicle operators into the Off-Highway Vehicle Trails Fund
04-9	30	Failure to consistently use Programmatic Accounting System
04-10	32	Circumvention of federal reporting process
04-11	34	Failure to follow overtime policies and procedures for Conservation Police Sergeants
04-12	36	Timekeeping system is not automated
04-13	38	Employee performance evaluations not completed
04-14	39	Inadequate controls over fringe benefits for the personal use of a State vehicle
04-15	41	Inadequate procedures regarding State vehicles
04-16	45	Failure to ensure employees assigned State vehicles and using private vehicles are duly licensed and properly insured
04-17	47	Untimely approval of invoice vouchers
04-18	48	Inadequate controls over telecommunications expenditures and records
04-19	50	Telephone calling cards not cancelled on a timely basis
04-20	51	Inadequate controls over travel credit card accounts
04-21	53	State Police Traffic Information Planning System (TIPS) not updated in a timely manner
04-22	55	Failure to follow policies and procedures for the campground host program

SUMMARY OF FINDINGS

FINDINGS (STATE COMPLIANCE) - Continued

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
04-23	56	Hunting and fishing license consignees not remitting license fees and/or licenses in a timely manner
04-24	57	Failure to maintain adequate documentation for returned checks
04-25	58	Inadequate controls over petty cash funds
04-26	60	Reports not submitted to the Governor and General Assembly
04-27	61	Reviews of effects of high capacity water wells not performed
04-28	62	Weaknesses in accounts receivable reporting
04-29	64	Time sheets not maintained in compliance with the State Officials and Employees Ethics Act

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
04-30	65	Improper fiscal year expenditures
04-31	65	Noncompliance with Governor's Administrative Order Number 1
04-32	65	Failure to suspend boat registrations and titles after the applicant's check was returned to the Department for insufficient funds

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on March 8, 2005. Attending were:

DEPARTMENT OF NATURAL RESOURCES

Joel Brunsvold, Director
Leslie Sgro, Deputy Director
Ann Sundeen, Chief Fiscal Officer
James E. Fisher, Assistant Chief Fiscal Officer
Truman Schiller, Manager, Payroll and Expenditures
Ellen King-Piehzak, Contractor
Guy Beggs, Chief Accountant
Stan Yonkauski, Acting Legal Counsel

OFFICE OF THE AUDITOR GENERAL

Jane Clark, Audit Manager

SIKICH GARDNER & CO, LLP

Nick Appelbaum, Partner
Laura Scott, Manager

Responses to the recommendations were provided by Ms. Ann Sundeen, Chief Fiscal Officer, in a letter dated March 30, 2005.



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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Natural Resources' compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the years ended June 30, 2003 and 2004. The management of the State of Illinois, Department of Natural Resources is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Natural Resources' compliance based on our examination.

- A. The State of Illinois, Department of Natural Resources has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Natural Resources has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Natural Resources has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois, Department of Natural Resources are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Natural Resources on behalf of the State or held in trust by the State of Illinois, Department of Natural Resources have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Natural Resources' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Natural Resources' compliance with specified requirements.

In our opinion, the State of Illinois, Department of Natural Resources complied, in all material respects, with the aforementioned requirements during the years ended June 30, 2003 and 2004. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 04-7, 04-8, 04-16, 04-17, 04-23, 04-26, 04-27.

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

Internal Control

The management of the State of Illinois, Department of Natural Resources is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Department of Natural Resources' internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 04-1, 04-2, 04-3, 04-4, 04-5, 04-6, 04-9, 04-10, 04-11, 04-12, 04-13, 04-14, 04-15, 04-18, 04-19, 04-20, 04-21, 04-22, 04-24, 04-25, 04-28, 04-29.

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2003 and 2004 Supplementary Information for State Compliance Purposes, except for information on the Illinois First Projects and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2002 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

Delish Handman & Co, LLP

Springfield, Illinois
February 9, 2005



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the Schedule of Capital Assets of the State of Illinois, Department of Natural Resources, as of June 30, 2004, and have issued our report thereon dated February 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Illinois, Department of Natural Resources' internal control over financial reporting of the Schedule of Capital Assets in order to determine our auditing procedures for the purpose of expressing our opinion on the schedule and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Illinois, Department of Natural Resources' ability to record, process, summarize, and report financial data consistent with the assertions of management in the Schedule of Capital Assets. Reportable conditions are described in the accompanying schedule of findings as items 04-3 and 04-4.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the Schedule of Capital Assets being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 04-3 to be a material weakness.

Compliance and Other Matters

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

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.

Sehich Handman & Co, LLP

Springfield, Illinois
February 9, 2005

04-1 FINDING: (Efficiency Initiative Payments)

The Department of Natural Resources (Department) made payments for efficiency initiative billings from improper line item appropriations and funds.

Public Act 93-0025, in part, outlines a program for efficiency initiatives to reorganize, restructure and reengineer the business processes of the State. The State Finance Act details that the amount designated as savings from efficiency initiatives implemented by the Department of Central Management Services (CMS) shall be paid into the Efficiency Initiatives Revolving Fund. **“State agencies shall pay these amounts...from the line item appropriations where the cost savings are anticipated to occur.”** (30 ILCS 105/6p-5)

During FY04, the Department received three billings totaling \$4,176,774 from CMS for savings from efficiency initiatives. The initiatives and amounts billed to the Department were:

<i>Billing Date</i>	<i>Initiative</i>	<i>Billed Amount</i>
9/19/03	Procurement Efficiency	\$3,317,300
9/19/03	Vehicle Fleet Management	\$587,675
9/19/03	Information Technology	\$271,799
Total:		\$4,176,774

The Department did not receive guidance or documentation with the billings from CMS detailing from which line item appropriations savings were anticipated to occur. According to Department staff, they received no documentation or information from CMS detailing the nature and/or type of savings that CMS anticipated. The only guidance received on the billings was the amount of payments that should be taken from General Revenue Funds (\$1,354,154) versus Other Funds (\$2,822,620) for the September 2003 billings.

Department personnel questioned the benefit to the agency (i.e., what services are they receiving to have a savings against) with the Governor’s Office of Management and Budget (GOMB). A September 23, 2003 GOMB correspondence to the Department stated “CMS is very confident they will be able to generate the cost savings for the State in total. The billings to the agencies were based upon the best information we have to date, however, we realize these numbers are estimates and are not perfect. If during implementation, it comes to our attention that an agency was overcharged, we will review the impact on the agency and consider the best way to address the overcharge.”

Based on our review, we question whether the appropriate appropriations, as required by the State Finance Act, were used to pay for the anticipated savings. Additionally, we question the sources of funds used by the Department to pay some of the efficiency billings.

We found that the Department made payments for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred, as provided for in the State Finance Act. Rather, the Department prorated the amounts evenly across all non-federal and unrestricted federal funds, including those in lump sum accounts. For example, the Department used:

- \$755,975 from the Conservation 2000 Program Fund (Fund #0608) for CMS billings relative to the Procurement Efficiency and Vehicle Fleet Management Initiatives. The specific appropriation was “for the Conservation 2000 Program to implement ecosystem-based management for Illinois’ natural resources.” State law (30 ILCS 105/6z-32) designates that moneys from the Conservation 2000 Fund may be used “for purposes relating to natural resource protection, recreation, tourism, and compatible agricultural and economic development activities.”
- \$4,500 from the Wildlife and Fish Fund (Fund #0041) for a CMS billing relative to the Procurement Efficiency Initiative. The specific appropriations were “For an Urban Fishing Program in conjunction with the Chicago Park District to provide fishing and resource management at the park district lagoons;” and “For workshops, training and other activities to improve the administration of fish and wildlife federal aid programs from federal aid administrative grants received for such purposes.” State law (520 ILCS 5/1.28) designates that appropriations from the Fund “shall be made only to the Department for the carrying out of the powers and functions vested by law in the Department, including but not limited to the purchase of land for fish hatcheries, wildlife refuges...and the feeding and care of wild birds, wild animals and fish.”
- \$52,000 from the Illinois Wildlife Preservation Fund (Fund #0909) for a CMS billing relative to the Procurement Efficiency Initiative. The specific appropriation was “For the Purposes of the ‘Illinois Non-Game Wildlife Protection Act’.” State law (30 ILCS 155/4 (c)) designates that the monies be “used for the purposes of preserving, protecting, perpetuating and enhancing non-game wildlife in this State.”
- \$40,200 from the Illinois Beach Marina Fund (Fund #0982) for a CMS billing relative to the Procurement Efficiency Initiative. The specific appropriation was “For operating expenses of the North Point Marina at Winthrop Harbor.” State law (30 ILCS 105/8.25c (b)) designates that the Department can “use monies in the Illinois Beach Marina Fund to pay for operation, maintenance, repairs or improvements to the marina project...”
- \$109,200 from the Abandoned Mined Lands Reclamation Council Federal Trust Fund (Fund #0991) for a CMS billing relative to the Procurement Efficiency Initiative. The specific appropriation was “For expenses associated with Environmental Mitigation Projects, Studies, Research and Administrative Support.”

Efficiency initiative payments were also made from two license and stamp funds (Wildlife and Fish Fund #0041 and Salmon Fund #0042) which would be considered an illegal diversion of license revenues under federal law. The Department receives approximately \$17 million per year in federal aid from the U.S. Fish and Wildlife Service (USFWS) from three areas:

- Sport Fish Restoration
- Wildlife Restoration
- CARA Lites

To be eligible for these funds, the State had to pass assent legislation to assure the USFWS there would be no diversion of fish and wildlife license revenues (required by the federal Dingell-Johnson Sport Fish Restoration Act and the Pittman-Robertson Wildlife Restoration Act). The assent legislation was passed by the State as part of the Fish and Aquatic Life Code (515 ILCS 5/30-15) and the Wildlife Restoration Cooperation Act (520 ILCS 15/2) which states that no funds accruing to the State from license fees paid by fishermen or hunters shall be diverted for any other purpose than the administration of the Department. Diversion of these funds through efficiency initiative payments could invalidate past and future funding from the USFWS.

The table below provides an illustration of the specific funds and line items the Department used to make payments for the efficiency initiatives. Additionally, the table illustrates which efficiency initiatives were paid from the various line item appropriations.

Fund ¹	Line Item Appropriation	Amount Paid ²	Total Appropriation for Line Item	Efficiency Initiative ¹
0001, 0039, 0041	For Personal Services	\$258,400	\$31,721,200	P, IT
0001, 0039, 0041	For Employer Paid Retirement	\$11,200	\$1,342,700	P, IT
0001, 0039, 0041	For Contributions to SERS	\$38,000	\$4,262,900	P, IT
0001, 0039, 0041	For Contributions to Social Security	\$21,699	\$2,098,400	P, IT
0039	For Group Insurance	\$27,200	\$168,200	IT
0001, 0039, 0040, 0041, 0042 0137, 0261, 0298, 0375	For Contractual Services	\$790,700	\$14,163,600	P
0001, 0039, 0040, 0041, 0261 0298	For Travel	\$25,900	\$800,700	P
0001, 0039, 0040, 0041, 0137 0261, 0298, 0375	For Commodities	\$276,100	\$3,811,800	P
0001, 0039, 0040, 0041, 0137 0261, 0298, 0905	For Equipment	\$163,100	\$2,705,800	P
0001, 0039, 0041, 0137, 0261	For EDP	\$9,800	\$418,800	P
0001, 0039, 0040, 0041, 0137 0261, 0298	For Telecommunications	\$173,000	\$2,115,300	P

0001, 0039, 0040, 0041, 0137 0261, 0298	For Operation of Auto	\$61,400	\$2,124,200	P
0001, 0039, 0040, 0041, 0111 0137, 0145, 0146, 0147, 0294 0298, 0299, 0608, 0831, 0840 0905, 0909, 0914, 0962, 0982 0991	For Lump Sum and Other Operational Purposes	\$1,705,675	\$58,542,900	P,V
¹ Legend: 0001-General Revenue Fund; 0039-State Boating Act Fund; 0040-State Parks Fund 0041-Wildlife and Fish Fund; 0042-Salmon Fund; 0111-Toxic Pollution Prevention Fund 0137-Plugging and Restoration Fund; 0145-Explosives Regulatory Fund 0146-Aggregate Operations Regulatory Fund; 0147-Coal Mining Regulatory Fund 0261-Underground Resources Conservation Enforcement Fund 0294-Used Tire Management Fund 0298-Natural Areas Acquisition Fund; 0299-Open Space Lands Acquisition and Development Fund 0375-Natural Heritage Fund; 0608-Conservation 2000 Fund 0831-Natural Resources Restoration Trust Fund; 0840-Hazardous Waste Research Fund 0905-Illinois Forestry Development Fund; 0909-Illinois Wildlife Preservation Fund 0914-Natural Resources Information Fund; 0962-Park and Conservation Fund 0982-Illinois Beach Marina Fund 0991-Abandoned Mined Lands Reclamation Council Federal Trust Fund P-Procurement; IT-Information Technology; V-Vehicle Fleet Management				
² Total paid by the Department for Procurement Efficiency was \$2,702,700, which was \$614,600 less than billed by CMS.				

Use of appropriations unrelated to the cost savings initiatives results in non-compliance with the State Finance Act and federal law. Furthermore, use of appropriations for purposes other than those authorized by the General Assembly effectively negates a fundamental control established in State government. Finally, use of funds unrelated to the savings initiative may result in an adverse effect on services the Department provides.

According to staff from CMS, efficiency initiatives billings will continue into the next fiscal year. (Finding Code No. 04-1)

RECOMMENDATION:

We recommend that the Department only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Department should seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Department’s budget.

DEPARTMENT RESPONSE:

We agree. We will make savings payments from appropriation lines for which we obtain savings. CMS will provide information to the Department on the method by which savings were derived.

04-2 FINDING: (Inadequate preparation of GAAP packages)

The Department's preparation and submission of year end accounting reports (GAAP Package Forms) to the Office of the State Comptroller were not performed in an accurate manner. The inaccurate preparation of this submission could potentially impact the statewide financial statements prepared by the Office of the Comptroller.

We noted the following problems with the Department's fiscal year 2004 GAAP packages:

- During our testing of 13 of the Department's 56 funds, 3 (23%) funds required auditor adjustments because of material misstatements. Five adjustments totaling over \$4 million were required to agree GAAP Reporting Packages to actual expenditures.
- During our review of 18 Federal programs, significant changes were required for 10 (56%) programs. Revisions were needed for receipts, expenditures, receivables, deferred revenue, and subrecipient amounts. Due to these changes, the Schedule of Expenditures of Federal Awards (SEFA) required significant revision.
- The Department incorrectly prepared the *Compensated Absences* form (SCO-580). The Department used incorrect rates when calculating the salary related costs.
- The *SAMS to GAAP Reconciliation – Capital Assets* (SCO-537) and the *Capital Asset Summary* (SCO-538) were prepared incorrectly. We noted numerous inaccuracies with the preparation of these forms. See Finding No. 04-3 for a detailed explanation of these inaccuracies.
- The Department had inadequate procedures to identify liabilities for capital projects and land acquisition costs payable to local governments from reappropriated accounts. In response to this prior finding, the Department implemented procedures during the June 30, 2003 GAAP reporting process whereby grant managers were to poll local subrecipients to determine the expenditures incurred by the local projects as of June 30, 2003. The Department used this polling process in an attempt to more accurately estimate a liability from reappropriated accounts.

During June 30, 2004 GAAP preparation, the Department learned the June 30, 2003 polling process was flawed. Projects significantly overestimated the June 30, 2003 liability. This was due to miscommunications between the Department and local governments and other entities project managers. For example, in Fund 0299, the Open Space Lands Acquisition and Development Fund, June 30, 2003 accounts payable were estimated to be \$18,254,000. Fiscal year 2004 SAMS expenditures were only \$17,524,000, indicating prior accounts payable were significantly overstated.

Due to the overstatement of liabilities at June 30, 2003, fiscal year 2004 GAAP basis expenditures for Fund 0299 were only \$2,815,000, which appears to be significantly understated.

At June 30, 2004, the Department ceased the polling process and based liabilities from reappropriated accounts on an analysis of vouchers paid from 7/1/04 – 8/15/04, which was the same process used at June 30, 2002. As a result, the same situation could again occur as noted in the June 30, 2002 finding 02-1. Department liabilities reported as part of the fiscal year 2004 GAAP reporting process may be understated by an undetermined amount.

An important element of internal control is the timely review, reconciliation and reporting of accounting data.

Department personnel stated the inaccurate GAAP preparation and reporting was due to deadlines established by the Office of the State Comptroller that require submission before final information is received from accounting systems and program personnel as well as antiquated accounting systems that do not allow for timely extraction of accurate expenditure data. Although GAAP reporting packages are due by August 27, final reports from the Programmatic Accounting System were not available until October 13, 2004.

Accurate preparation of the Department's financial information for GAAP reporting purposes is important due to the complexity of the Department, the impact adjustments have on the statewide financial statements, and the impact on other agencies who rely on Department information for their financial reporting. The failure to provide accurate information to the Office of the Comptroller could result in inaccuracies in the statewide financial statements.

In addition, during the prior engagement, the Department did not timely submit their GAAP packages. The GAAP packages were submitted 29 to 69 days after their approved extensions date. During the current engagement, the Department submitted all GAAP packages in a timely manner. (Finding Code No. 04-2, 02-1, 00-1)

RECOMMENDATION:

We recommend the Department implement procedures to ensure that year end accounting reports (GAAP Package Forms) are prepared in an accurate and complete manner. Further, the Department should review and revise, as necessary, its current system of gathering programmatic expenditure information to improve the accuracy of its financial reporting, as well as devote sufficient personnel to the task.

DEPARTMENT RESPONSE:

We disagree. In response to the prior period audit finding, the Department implemented those actions that were submitted by prior management and were accepted as resolving the finding. Most significant being the Department's acquisition of additional resources to deliver 56, not just the 13 packages selected for examination, GAAP fund packages by the due date. Furthermore, the differences characterized as "inaccuracies or problems" are based on data that did not exist and was not available when the packages were due and was collected two or more months after the due dates. Additionally, since GAAP packages are due, in many instances prior to the availability of final financial data, management must make informed estimates of the final figures. Until the time issue is addressed, GAAP packages will always require adjusting entries, many of which may be substantial.

AUDITOR COMMENT:

This is a repeat finding. In the prior audit, we noted similar problems with a failure to timely and accurately prepare the Department's GAAP packages and identify liabilities for capital projects and land acquisition cost payable to local governments from reappropriated accounts.

Nevertheless, we found similar problems in the current audit. This finding only addressed significant adjustments; there were numerous other inaccuracies. Making informed estimates takes planning, effort and resources. The Department also had two years to deal with its capital asset issues and liabilities issue and neither was resolved in this audit. In addition the proper use of the Programmatic Accounting System noted in finding 04-9 would help accuracy of the Departments' GAAP forms submitted to the Office of the State Comptroller.

04-3 FINDING: (Inadequate controls over the calculation and submission of capital asset information for GAAP reporting purposes)

The Department's preparation and submission of year end accounting reports (GAAP Package Forms) to the Office of the State Comptroller related to the capital asset account were not performed accurately, causing financial reporting delays. The inaccurate preparation of this submission could potentially impact the statewide financial statements prepared by the Office of the Comptroller.

An important element of internal control is the accurate review, reconciliation and reporting of accounting data. In addition, the Statewide Accounting Management System (SAMS) (Procedure 27.20.38) requires a State agency to report capital assets and related accumulated depreciation.

We noted the following problems with the Department's fiscal year 2004 GAAP packages submission of the *SAMS to GAAP Reconciliation – Capital Assets* (SCO-537) and the *Capital Asset Summary* (SCO-538) forms:

- The previous audit noted numerous errors regarding the SCO-537 and 538 at June 30, 2002 in order to meet the new reporting requirements under GASB 34. After a great deal of effort, ending balances at June 30, 2002 were recalculated based on 30 years of historical information obtained from the Department and the Capital Development Board (CDB). However, at that time, the ending balances did not reconcile to property listings on the Common Inventory System (CIS). As of June 30, 2004, the Department had not agreed the ending recalculations with CIS.
- Due to the incompleteness of CIS records, the Department did not obtain ending balances for each capitalization category from property control records. Without these amounts, we cannot determine whether ending balances are reasonably stated.
- Since the Department was not relying on CIS for calculations, accumulated depreciation was being calculated manually. These amounts were calculated incorrectly and individual transaction amounts were not substantiated.
- The Department calculated additions based upon expenditure amounts, and did not reconcile these additions to the CIS system transactions for the year.
- The Department calculated deletions and transfers based upon CIS activity. These amounts are overstated due to the manner in which the Department makes adjustments on the CIS system.

- We noted inconsistencies in the manner in which historical treasures, works of art and other collections were recorded in the Department's records. While the Department maintains detailed records of its collections, in accordance with generally accepted governmental accounting standards, it is the Department's policy not to capitalize such collections. However, we observed that some collection items were capitalized in the Department's property records. In addition, the Department did not have adequate documentation regarding the amounts of historical treasures and works of art that are not capitalized.
- The Department did not include Department of Transportation (IDOT) managed projects related to bikeways on its property control records. The total amount related to these projects is approximately \$26,274,295, which was omitted from the Department's capital asset account.
- The Department did not include Capital Development Board (CDB) managed state-wide projects on property control records. Only sites that were readily identifiable were included on CIS, and therefore these amounts were not included within transfer amounts, and omitted from the capital asset account. The total amount related to these projects is approximately \$895,977.
- The Department did not include Office of Water Resources sites on property control records. These sites included dams, seawalls, levees, and other properties, and therefore these amounts were omitted from the capital asset account. The amount related to these projects is approximately \$37 million.
- The Department prepared the SCO-537 based upon incorrect C-15 amounts. All eight C-15's prepared during the examination period were prepared incorrectly. See Finding Code No. 04-4 for additional information.
- Due to the complexity of the above issues, revised amounts related to capital assets and accumulated depreciation were not available until January 12, 2005, more than four months after the initial due date.

Based on the prior recommendation, the Department attempted to reconcile its CIS records to previously recomputed GAAP balances. However, the Department did not devote sufficient resources, including technical expertise, to facilitate these reconciliations.

Accurate preparation of the Department's financial information related to capital assets as needed for GAAP reporting purposes is important due to the complexity of the Department capital assets and the impact adjustments have on the statewide financial statements. This is especially important as the Department has approximately \$1.035 billion of capital assets. The failure to provide accurate information to the Office of the State Comptroller could result in errors and delays in the statewide financial statements. (Finding Code No. 04-3)

RECOMMENDATION:

We recommend the Department implement procedures to ensure capital assets are reported in an accurate and complete manner. Also, the Department should reconcile the Common Inventory System to capital asset reporting amounts to ensure the property control system can be utilized for capital asset reporting. Further, the Department should review and revise, as necessary, its current system of gathering property control information to improve the accuracy of the Common Inventory System records and devote necessary personnel to these tasks.

DEPARTMENT RESPONSE:

We agree. The Department will continue to pursue solutions to the 30-odd years of previous management staff's questionable practices for capital asset recording, the Capital Development Board's misclassification of capital assets in its transfer reports and the Common Inventory System's inability to provide reports on capital assets that do not require further substantial amounts of analysis by Department staff.

AUDITOR COMMENT:

The Department did not devote sufficient time and resources to properly address GASB 34 when it first became effective in fiscal year 2002. This exacerbated the capital asset issues on a go forward basis. The Department is ultimately responsible for reviewing the information obtained from other State Agencies and ensuring the information is properly classified and reported.

04-4 FINDING: (Inaccurate property control records)

The Department did not maintain accurate property control records.

The Department had property and equipment totaling in excess of \$1.035 billion at June 30, 2004. We selected a sample of 256 equipment items from 10 Department locations as of June 30, 2004 to test whether the equipment was in the correct location and was properly maintained on the Common Inventory System (CIS). As a result of our testing, we noted the following:

- Five (2%) items were not properly tagged with a Department property control tag.
- Five (2%) items were located at sites, but were not listed on the property control records.
- Three (1%) items were obsolete or unusable, but still maintained on property control listings.
- Three (1%) items could not be located during our testing. These items represented equipment that was surplus, transferred, or loaned without proper documentation, resulting in items being retained on property control listings that are no longer maintained by the site and/or the Department.

In addition, we noted inconsistencies in the manner in which historical treasures, works of art and other collections were recorded in the Department's records. While the Department maintains detailed records of its collections, in accordance with generally accepted governmental accounting standards, it is the Department's policy not to capitalize such collections. However, we observed that some collection items were capitalized in the Department's property records. Many of these errors were not rectified during the subsequent annual property control certifications in which all property control items must be inventoried and any discrepancies with property control records documented.

During our review of the *Agency Report of State Property* form (C-15), we noted the Department improperly completed all quarterly reports filed with the Office of the State Comptroller. The Department had inaccurately calculated additions, deletions, and transfers, and was unable to reconcile amounts to the property control system. See Finding No. 04-3 for additional information.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control. In addition, good internal control procedures require the proper tracking of property and equipment. The Department has procedures to track the movement of equipment throughout the Department, but these procedures were not followed in all cases.

Department management stated that many of the property control issues noted above were a result of errors or misunderstanding on the part of property control location supervisors. They further stated the Department has established policies and procedures related to property control, but it is the responsibility of each property control location supervisor to ensure property control records are accurate and complete.

Failure to maintain accurate property control records increases the potential for theft or misappropriation of State assets. In addition, property improperly included on the Department's inventory may result in inaccurate fixed assets reports and misstated financial information. (Finding Code No. 04-4, 02-2)

RECOMMENDATION:

We recommend the Department remind employees of its property control procedures to ensure that such procedures are followed. Property control supervisors should be held responsible for accurate and complete property control records.

DEPARTMENT RESPONSE:

We agree. Since the infrastructure reporting requirements of GASB are relatively new to the Department and its office that manages these assets and there were previously no, not even State property, reporting requirements for these assets, we will, as efficiently as possible within existing resources, remind all employees of property control and capital asset reporting responsibilities.

04-5 FINDING: (Failure to maintain accurate commodity inventory records for GAAP reporting purposes)

The Department did not maintain accurate and complete commodity inventory records for GAAP reporting purposes.

During our review of the fiscal year 2004 accounting report (GAAP Package Forms) submissions to the Office of the State Comptroller, we noted the Department did not record the value of printed publications for sale as inventories. We also noted the Department erroneously included postage amounts as commodity inventories, but these amounts should have been recorded as pre-paid postage.

As part of our fiscal year 2003 and 2004 engagement, we observed publication inventory at each of the five scientific institutions (Illinois State Museum, Illinois State Natural History Survey, Illinois State Geological Survey, Illinois State Water Survey, and the Waste Management and Research Center). The Department did not count and value these materials for GAAP reporting purposes.

Department personnel stated publications for sale were omitted from the GAAP reporting packages due to the immaterial value of these items and the difficulty in valuing these items. The underlying cause for the misclassification of pre-paid postage was due to lack of knowledge of GAAP package preparation.

We cannot determine the Department's assertion these commodities are immaterial as the Department has not counted and valued these items. We are basing our conclusion on physical observation of publication inventory at the various locations. The Department's scientific institutions expended approximately \$108,963 and \$84,200 in total in fiscal years 2004 and 2003, respectively, on printing.

The Comptroller's Statewide Accounting Management System (SAMS) Procedure 27.20.77 requires the total value of the agency's inventory to be reported to the Comptroller at fiscal year end. Further, good business practice would include maintaining accurate and complete inventory records to ensure all commodity inventories are properly recorded and classified, including the value of publications.

Accurate counting and valuation of commodity inventory are important to strengthen internal control over commodities and to ensure accurate reporting for GAAP statewide financial statement preparation. (Finding Code No. 04-5, 02-3)

RECOMMENDATION:

We recommend the Department maintain a record of all printed material for sale as part of its commodity inventories and properly record and classify amounts on year end accounting report (GAAP Package Form) submissions to the Office of the State Comptroller.

DEPARTMENT RESPONSE:

We partially agree. While we acknowledge that the Surveys and Museum publications inventories were not included in our GAAP reports, we believe they do have records that have counted and valued these items that were not requested during testing.

AUDITOR COMMENT:

This is a repeat finding. In the prior audit, we noted the same issue that the Department did not maintain accurate and complete commodity inventory records for GAAP reporting purposes. It is not the auditors' responsibility to gather this information and post it to GAAP.

04-6 FINDING: (Failure to ensure reimbursement policies for legislatively designated non-competitive (line item) grants are consistent with other program grant guidelines)

The Department did not ensure line item land acquisition project policies were consistent with Department policies for other land acquisition grant programs.

The Department receives appropriations for competitive grant land acquisition programs (i.e. the Open Space Land Acquisition and Development (OSLAD) program, the Open Lands Trust program, and the Bike Path program), as well as specific legislatively designated non-competitive (line item) land acquisition grant programs.

During our testing of one non-competitive land acquisition grant program (an appropriation from the General Revenue Fund for \$3 million for a grant), we noted the Department reimbursed the Forest Preserve District (FPD) \$52,506 over the certified fair market value (CFMV) of \$2,955,054 on 7 of 16 (44%) parcels of land acquired by the FPD. One parcel of land was reimbursed \$20,000 (7%) over the CFMV and another parcel of land was reimbursed \$10,000 (4%) over the CFMV.

The Department's policies and procedures for competitive grant land acquisition programs require that reimbursements for land acquisition projects will be based upon the approved certified fair market value of the land and associated costs or in the event of eminent domain, a judgment order amount. The policies and procedures related to non-competitive line item land acquisition projects require appraisals to be conducted and reviewed by Department staff for general compliance. However, the policies do not clearly define the basis of line item acquisition reimbursement, and do not limit reimbursement amounts to either the CFMV or a judgment amount.

Department personnel stated the reason for reimbursements in excess of CFMV was to avoid costly eminent domain proceedings and other legal fees. The Department also stated that it reviewed reimbursement amounts to ensure purchase price amounts appeared to be "within reason."

Good business practice would require the basis for reimbursement for all land acquisition programs be standardized. The absence of standardized procedures for determining when a negotiated settlement is "within reason" produces the potential for abuse and subjectivity when approving acquisition reimbursements based on a negotiated settlement rather than the CFMV. (Finding Code No. 04-6)

RECOMMENDATION:

We recommend the Department develop standardized procedures for line item grant acquisition projects which are consistent with Department's policies for other grant programs. We also recommend reimbursements to grantees be made in accordance with these standardized procedures.

DEPARTMENT RESPONSE:

We partially agree. The Department has adopted Administrative Rules for those grant programs created and as required by their laws. We are not aware of any requirement for Administrative Rules for “line item grants”. Additionally, we have developed guidelines for these “line item grants” which are followed and include the processing of payments as reimbursements through the Illinois Office of Comptroller which are pre-audited, at least twice, for compliance with the law, i.e., appropriation that authorizes the payment. Finally, we do not believe we have the requisite authority to impose any further constraints on these appropriations as it may thwart the Legislative intent of the appropriation.

04-7 FINDING: (Transfers to General Revenue Fund not in accordance with federal law)

Transfers were made to the General Revenue Fund (GRF) totaling \$57,000 in fiscal year 2004 from the Abandoned Mined Lands Reclamation Set-Aside Fund which were not in accordance with federal law.

The State Finance Act (Act) (30 ILCS 105/8h) authorized the Director of the Governor's Office of Management and Budget (GOMB) to direct the State Treasurer and Comptroller to transfer a specified sum from any fund held by the State Treasurer to the GRF in order to help defray the State's operating costs. The Act states this "...does not apply to any funds that are restricted by federal law to a specific use...".

We noted GOMB transferred \$57,000 from the Set-Aside Fund to the GRF. The purpose of the Set-Aside Fund is to receive and retain federal grant monies (together with all interest earned on such monies) for future abandoned mine reclamation. The federal Surface Mining Control and Reclamation Act of 1977 (SMCRA), as amended (Title I Section 402 (g)(3)) states the monies deposited in a special trust fund established under State law together with interest are State funds, but may only be expended to achieve the coal priorities outlined in Section 403(a) of the SMCRA. Transfers to the GRF do not achieve these coal priorities and are not in accordance with the SMCRA.

Department officials stated GOMB made these transfers and since the Set-Aside Fund was a State trust fund, must not have realized these transfers violated federal law. (Finding Code No. 04-7)

RECOMMENDATION:

We recommend the Department work with GOMB to return \$57,000 to the Set-Aside Fund. We also recommend the Department work with GOMB to ensure future transfers do not violate federal law.

DEPARTMENT RESPONSE:

We agree. The Department will initiate a dialogue with the GOMB to restore the inadvertently transferred funds. In addition, we will jointly explore with GOMB avenues available in Federal law, i.e. indirect cost recoveries, for the Abandoned Mined Lands Reclamation Set-Aside Fund to bear its fair share of financial management costs currently borne by the General Revenue Fund.

04-8 FINDING: (Failure to deposit fines from off-highway vehicle operators into the Off-Highway Vehicle Trails Fund)

The Department is not depositing monies collected as a result of fines from citations to off-highway vehicle operators into the Off-Highway Vehicle Trails Fund.

The Recreational Trails of Illinois Act (Act) (20 ILCS 862/15) establishes the Off-Highway Vehicle Trails Fund (Fund). The Act states, “Fines assessed by the Department of Natural Resources for citations issued to off-highway vehicle operators shall be deposited into the Fund. All interest accrued on the Fund shall be deposited into the Fund.”

Fines are collected by the Circuit Clerks and forwarded to the Department. The Department’s Division of Law Enforcement has been mistakenly depositing these fines into the General Revenue Fund. Department personnel stated they were unaware these fines were being deposited into the wrong fund. Department records do not break out totals for these fines, but Department personnel estimate they collect approximately \$5,000 per year from these fines.

Failure to deposit fines for citations issued to off-highway vehicle operators into the proper fund is in violation of the Act. (Finding Code No. 04-8)

RECOMMENDATION:

We recommend the Department establish procedures to track the fines from citations to off-highway vehicle operators and ensure that the monies are deposited in the Off-Highway Vehicle Trails Fund in compliance with the Act or seek legislative remedy to this statutory requirement.

DEPARTMENT RESPONSE:

We agree. The Department’s Office of Fiscal Management will validate that the enabling legislation of the fund permits deposit of said monies and seek the requisite ‘receipt account (r/a)’ from the Illinois Office of Comptroller. If the ‘r/a’ is approved we will then incorporate this source of revenue into the Department’s revenue application and inform appropriate Office of Law Enforcement staff to handle this revenue accordingly.

04-9 FINDING: (Failure to consistently use Programmatic Accounting System)

The Department failed to consistently use its Programmatic Accounting System (PAS) as outlined in its policies and procedures related to federal aid coordination.

During our review of federal reimbursements as part of GAAP reporting testing, we noted instances in which the Department did not consistently use PAS to capture and track costs related to federal projects.

During our testing, we noted the following:

- The Office of Land Management did not properly use PAS to record all expenditures related to Federal Emergency Management Agency (FEMA) declared disaster areas at State parks. The Department failed to capture costs related to vendor payments and employees' timesheets related to the Mississippi River Area Roads and Levees disaster. Initially, FEMA inspectors estimated disaster repairs to be \$122,827, but PAS has only captured \$63,992 in costs associated with the repairs. The Department is unable to seek reimbursement in excess of \$63,992 due to the lack of information entered on PAS documenting actual work completed at various sites.
- The Office of Land Management did not properly use PAS to record all expenditures related to its Agriculture Lease program. Because the majority of expenditures had not been properly recorded on PAS, OLM had to separately accumulate all expenditures for each applicable cost center, match the list of centers with a list of eligible federal aid sites, and determine total expenditures.

Department policies and procedures require all Offices which participate in federal financial assistance programs to use PAS to document their program expenditures and the Department's matching costs. This includes maintaining programmatic time sheets and the coding of vouchers for the purpose of accumulating cost information in accordance with the procedures established by the Office of Fiscal Management. All Offices are also required to review cost reports from PAS for accuracy.

Department personnel stated the failure to consistently use PAS was due to management's failure to enforce the use of PAS.

Failure to properly utilize the Programmatic Accounting System, as required by Department policies and procedures related to billings for federal programs, results in eligible expenditures that can not be reimbursed by federal funding sources. In addition, the lack of controls over the federal reporting process could jeopardize federal grant funds. Adequate controls over the federal billing process is especially important due to the large number of federal programs administered by the Department, which totaled \$29.2 and \$27.8 million in federal expenditures during fiscal years 2004 and 2003, respectively. (Finding Code No. 04-9)

RECOMMENDATION:

We recommend the Department educate field staff of policies and procedures regarding the Programmatic Accounting System and enforce these procedures to ensure all applicable costs are captured for the federal reporting process.

DEPARTMENT RESPONSE:

We disagree. While we do generally agree with the recommendation and that the Office of Land Management (OLM) did not consistently use PAS on this project, we do not believe this caused the loss of federal reimbursements as the nonfederal funding required to be expended prior to being reimbursed was not available. Additionally, we would point out the \$122,827 in repairs are “estimated” and it is unclear whether this represents total costs or maximum federal reimbursements. Further, the Management staff of OLM, which state they were not contacted on this issue, believe that the PAS figures represent the amount of work actually performed on this project. Finally, the Agriculture Lease program is not managed by the Office of Resource Conservation and is not a federal program.

AUDITOR COMMENT:

Department policies and procedures require the Department to use the PAS system for billings for federal programs. The Department did not consistently follow their own policies and procedures. Therefore, the auditors were unable to determine if all time was captured and claimed. The issue with FEMA was one example of this problem. In addition, although the Agriculture Lease Program is not a federal program, the Department is required to report all Agriculture Lease Program expenditures to the federal government for all sites purchased with federal funds. We still contend PAS should be used to properly accumulate this information.

04-10 FINDING: (Circumvention of federal reporting process)

Department employees circumvented the federal reporting process, as outlined within the Department's policies and procedures, resulting in federal reimbursements in excess of allowable costs.

During our review of federal reimbursements as part of GAAP reporting testing, we noted two instances in which the Department received payments totaling \$4,755 for expenditures that had not been incurred by the Department.

- During fiscal year 2004, an Office of Resource Conservation employee submitted expenses paid directly by the Illinois Conservation Foundation (ICF) to the Natural Resource Conservation Service (NRCS). Based upon this submission, NRCS reimbursed the Department for amounts totaling \$4,255. This amount represented expenditures that were eligible as matching expenditures, but not eligible for direct federal reimbursement.
- During fiscal year 2004, an Office of Resource Conservation employee submitted a vendor invoice totaling \$500 to NRCS for payment. This amount was reimbursed to the Department, although the invoice was never processed by the Department and the vendor was never paid.

Department policies and procedures assign responsibilities and define relationships and tasks for all Department offices. The Office of Fiscal Management is assigned to monitor federal awards Department-wide and ensure compliance with common requirements of all federal assistance programs. PAS is the system utilized by the Department to capture and track costs related to federal projects.

Department personnel stated these ineligible requests for reimbursement were submitted by field staff that were unaware of policies and procedures that require the Office of Fiscal Management's coordination of the billing process.

Failure to adhere to Department policies and procedures related to billings for federal programs results in reimbursement for ineligible expenditures and could jeopardize federal grant funds. Adequate controls over the federal billing process is especially important due to the large number of federal programs administered by the Department, which totaled \$29.2 and \$27.8 million in federal expenditures during fiscal years 2004 and 2003, respectively. (Finding Code No. 04-10)

RECOMMENDATION:

We recommend the Department educate field staff of policies and procedures regarding federal billings and enforce these procedures to ensure there is no future circumvention of the federal reporting process. Also, the Department should file corrected federal expenditure reports with the NRCS.

DEPARTMENT RESPONSE:

We agree. The Department will once again, as we have in past years, reemphasize its federal grant policies to all staff via memorandum and posting of information on its intranet. Also, we will further examine the circumstances involved with the \$4,255 in ineligible federal reimbursements and promptly refund this money to the Federal grantor if warranted.

04-11 FINDING: (Failure to follow overtime policies and procedures for Conservation Police Sergeants)

The Department did not pay overtime for Conservation Police Sergeants in accordance with the Department's Timekeeping Handbook.

During our testing, we noted that Conservation Police Sergeants were paid overtime incorrectly at the end of each pay period. Cash overtime payments to the Department's 20 Sergeants totaled \$186,564 during the engagement period.

The Department's Timekeeping Handbook, Section 15 VII, Overtime Calculation for Conservation Police Sergeants states, "Hours worked in excess of nine (9) hours per work day, which have been pre-approved by the Sergeant's supervisor, will be accrued at the straight time rate in the form of compensatory time... All overtime on the books at the end of the fiscal year will be liquidated by cash payment." The objective is to allow overtime to be first liquidated through compensatory time off, not cash payment. This policy was adopted by the Department pursuant to a 1992 Settlement Agreement filed in the U.S. District Court for the Central District of Illinois between Conservation Police Sergeants and the State of Illinois.

Department personnel stated two reasons for providing overtime cash payment to Sergeants as it was accrued. First, they stated many Sergeants were accumulating overtime balances beyond the funds that may be available at the end of the fiscal year and felt overtime payment should be handled in the same manner as it is for Conservation Police Officers. Second, Department personnel stated Sergeants would use a majority of their overtime as compensatory time off at the end of the fiscal year in the months of May and June. They stated this is the most important time during the year to have the Sergeants on duty.

Paying cash for overtime as it is accrued is in direct violation of the Department's Timekeeping Handbook and the Settlement Agreement. By providing compensation throughout the year, the Department is not allowing the Sergeants to liquidate the accrued overtime in the form of compensatory time off. (Finding Code No. 04-11)

RECOMMENDATION:

We recommend the Department reevaluate its current policies and procedures regarding the overtime payment for Conservation Police Sergeants and follow the procedures that are formally adopted in the Department's Timekeeping Handbook. Further, the Department should implement controls to monitor overtime balances to ensure compensatory time is used during non-peak work periods and to monitor personnel services funds to ensure adequate funds are available at the end of the fiscal year to pay all accrued overtime.

DEPARTMENT RESPONSE:

We agree. The Department's Offices of Law Enforcement and Human Resources will initiate a reevaluation of the affected Timekeeping Handbook policies and adjust these as needed to comply with court agreements. Further, the Office of Law Enforcement continues to and will continue to closely monitor its personal services funding monthly. Additionally, the Department has implemented, in the current fiscal year, a process for evaluating budget to actual variances on a monthly basis which should assist this effort.

04-12 FINDING: (Timekeeping system is not automated)

The Department-wide timekeeping system is not automated, resulting in inefficiencies and errors in accurately calculating employee accumulated leave.

Each division within the Department maintains a manual timekeeping system for their several hundred employees. The divisions appoint timekeepers who are required to keep employee attendance daily. All notifications of absences and call-in reports are forwarded to the timekeepers. The timekeepers are also required to recalculate accrued absences monthly for their employees.

During our testing we noted the following weaknesses:

- The Department calculated accrued leave incorrectly for 11 of 60 (18%) employees selected for testing. One of these errors resulted in accrued vacation being overstated at the end of the month by 19 hours for an individual.
- The Department's timekeeping process is not universal throughout the Department. The Division of Mines and Minerals uses the CMS Timekeeping System (CTAS), Illinois Waste Management Resource Center and the Illinois State Water Survey have their own timekeeping systems, but most DNR divisions use the DNR Manual Timekeeping System. The Department's Manual Timekeeping System is a manual process which is paper intensive allowing for human errors.

Department internal auditors previously noted the Department had reviewed automated timekeeping options with other State systems, but due to technological and financial barriers at that time, was unable to implement an automated system. Department management stated the current lack of funding has deterred its efforts to implement an automated timekeeping system. They further stated the Department is in the process of developing an internal database system, but the system has yet to be implemented and the current status of the project is unclear.

Prudent business practice suggests the Department automate its timekeeping system due to the size (over 1,800 full time employees) and decentralization of the Department, as well as technological advances since the Department last reviewed automated systems.

Controls available through an automated timekeeping system can provide greater efficiency and reduce the potential for costly errors and mathematical mistakes. (Finding Code No. 04-12, 02-5 and 00-3)

RECOMMENDATION:

We recommend the Department implement an automated timekeeping system, such as a spreadsheet or database system, to strengthen internal controls and eliminate the multiple timekeeping systems currently used by the Department.

DEPARTMENT RESPONSE:

We partially agree. The Department is not aware of any authoritative State requirement to implement an automated timekeeping system. The automated application currently used by one Department Office is not linked to payroll, is susceptible to keying and manipulative errors by those entering data and is cost prohibitive to extend coverage to other Offices of the Department. Nevertheless, we will seek to make available to timekeepers currently owned and licensed software that can minimize calculation errors.

AUDITOR COMMENT:

This is a repeat finding. In the prior audit, we noted the same issues with the Department being unable to properly calculate accrued leave and incurring a large number of manual errors. The Department agreed with our prior recommendation to implement an automated system.

We again emphasize that due to the size and decentralization of the Department and the continued errors noted, it would be prudent business practices to implement an automated timekeeping system, even as simple as a spreadsheet or database system.

04-13 FINDING: (Employee performance evaluations not completed)

The Department is not completing employee performance evaluations in a timely manner.

The Department employed over 1,800 full time employees during the engagement period. During our testing, we noted 11 of the 60 (18%) personnel files sampled, current performance evaluations were not on file or were not performed in a timely manner. Department policies require these evaluations to be performed annually. During our testing, we noted the following weaknesses:

- Two employees were missing 2002, 2003 and 2004 evaluations;
- Five employees were missing 2003 evaluations;
- Two employees were missing 2002 and 2003 evaluations;
- The Department could not locate any employee evaluations for two employees.

The Department of Natural Resources “Policy and Procedure Manual – September 2002” Chapter 3, Section 3C-4 states, “The supervisor shall complete an evaluation on each of his/her respective subordinate staff annually.” Department officials stated supervisors and managers are aware of the policy regarding performance evaluations. Reminders are sent out to locations and sections encouraging the completion of performance evaluations. Department officials do not know why supervisors and managers ignore the reminder notices.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall and reinstatement decisions. (Finding Code No. 04-13)

RECOMMENDATION:

We recommend the Department review the annual evaluation process and ensure completion of annual performance evaluations for all employees. Immediate supervisors should be held responsible for completing evaluations in a timely manner.

DEPARTMENT RESPONSE:

We agree. The Department’s Office of Human Resources has already begun a review of the timeliness of completing employee performance evaluations. In support of this effort, the Department’s Executive staff have endorsed the necessary reorganizations within its offices to establish a first level of responsibility for these documents at the regional level. Further, past due notices are being sent and a quarterly list of delinquents is planned to be run and sent to the Department’s Deputy Directors.

04-14 FINDING: (Inadequate controls over fringe benefits for the personal use of a State vehicle)

The Department did not have adequate controls in place to ensure employee's assigned State vehicles for their personal use were charged the correct amount for fringe benefits.

The Department's "Policy and Procedure Manual" Chapter 7, Section 7-2 states, "Federal Internal Revenue Service rules require employers to treat the fair market value of employees' personal use of company vehicles as a fringe benefit, includable in gross income, subject to Social Security, Medicare, unemployment taxes and withholding for Federal income tax. It is the policy of the Department to effectively and efficiently comply with duly prescribed Federal rules pertaining to employee fringe benefits accruing through the use of a State vehicle." The manual requires each employee who has been assigned a vehicle to complete a Commuting with State Vehicle Report Form each quarter so the Department can calculate and add the fair market value of the employee's vehicle to the employee's taxable gross income quarterly.

During our testing of personal use of a State vehicle reporting, we noted the following weaknesses:

- The Department could not locate the employee's Commuting with State Vehicle Form for 3 of 25 (12%) employees tested.
- We noted 15 of 25 (60%) employees tested did not disclose any information regarding commuting distance or number of one-way commutes on the Commuting with State Vehicle Form. Department personnel later informed us these individuals are using "Dedicated" vehicles. "Dedicated" vehicles remain at the Department site and are used for business purposes only. These individuals would not need to complete a Commuting with State Vehicle Form, and the Department should change their procedures to track individuals that only drive "Dedicated" vehicles.
- During calendar year 2003, the Department restructured its reporting system and did not report personal use of a State vehicle with the Comptroller on a quarterly basis. Instead, the Department summarized all of the accumulated taxable income for personal use of a State vehicle by individual on a spreadsheet and submitted this after year end to the Comptroller's Office. This was done after the 2003 State payroll system was closed down, requiring the Comptroller to issue revised W-2 Forms to these individuals. In addition, we could not verify this information with State payroll vouchers.

Department personnel stated they were trying to revise the reporting system due to previous audit recommendations (immaterial weaknesses were noted during the previous two audits), but underestimated the work involved to prepare timely reports.

Failure to maintain proper records of fringe benefits could cause incorrect amounts to be withheld by the Department. (Finding Code No. 04-14)

RECOMMENDATION:

We recommend the Department comply with its policies and implement controls to ensure timely reporting of fringe benefits for the personal use of a State vehicle and ensure employees properly complete the Commuting with State Vehicle Form.

DEPARTMENT RESPONSE:

We agree. During the audit period the Department Office responsible for managing this reporting requirement experienced a transition period during which all aspects of the Department's vehicle fleet were reexamined including the reporting forms used to capture this data. Moreover, another Department Office temporarily took control of the files and data compilation effort and experimented with an alternative software. However, this effort was terminated before showing any positive results. Subsequently, the original office responsible has resumed its efforts on this requirement including the assignment of new staff whose extraordinary efforts have dramatically improved compliance with policies and implementation of controls.

04-15 FINDING: (Inadequate procedures regarding State vehicles)

The Department did not have adequate procedures over its State vehicles. We noted personally assigned vehicles were not approved in writing by the Director as required, personally assigned vehicles were not evaluated annually to determine the assignment was still justifiable and in the best interest of the State, Department employees did not effectively utilize the Department's vehicle fleet, accidents involving State vehicles were not reported in a timely manner, odometer readings were not maintained, and the Department did not have documentation to ensure personally assigned vehicles were adequately maintained.

- We noted 4 of 60 (7%) Department vehicle assignments to individual employees tested were not approved in writing by the Director. Title 44 Part 5040.340 of the Illinois Administrative Code states, "Vehicles may be assigned to specific individuals if authorized in writing by the head of the agency to which the vehicle is assigned."

Department personnel stated they made a concerted effort during the period to update the Director's approval of all vehicle assignments. They stated the 4 exceptions were due to oversight. Failure to ensure that proper documentation exists in the form of written approval by the Director could allow for the unauthorized assignment of a Department vehicle.

- We noted the Department did not regularly review vehicle assignments to determine whether the assignments were in the best interest of the State. The Department has 264 state vehicles that are assigned to individual employees. This total excludes law enforcement vehicles that are mandated to be assigned to Conservation Police Officers (CPOs). The Department employs, on average, a full-time staff of approximately 1,800 employees. Approximately 1 of 8 (13%) full-time employees was assigned a State vehicle.

To comply with the Internal Revenue Regulation 1.61-21 "Taxation of Fringe Benefit", the Department requires all employees with assigned vehicles other than CPO employees to submit quarterly reports documenting the number of days the employees used their assigned vehicles to calculate the personal use income to be included in the employee's gross wages. On the quarterly reports, employees also are required to document the number of miles their vehicles were used during the quarter. However, quarterly reports were not issued in 2003. Instead, employee commuting information was compiled into a yearly report and sent to the Comptroller to be handled accordingly. During our review of this documentation for fiscal year 2004, we noted that some employees did not properly complete vehicle usage information on their quarterly reports, resulting in inconsistencies of vehicle assignments and mileage reporting. During fiscal year 2004, we noted that 4 of 264 (2%) employees reported driving their assigned vehicles less than 1,000 miles during the applicable quarter. Agency officials did not annually review reported mileage to verify that it was properly reported and to evaluate the efficiency of vehicle assignments.

Department personnel stated the Department periodically reviews vehicle assignments on an Agency-wide basis. The last such review was performed in 1999. Annual reviews of vehicle assignments have not been performed because the travel demands of employees with assigned vehicles remain stable over time. If an employee's job duties change, it is the supervisor's responsibility to evaluate the impact of such change on vehicle assignment.

Good business practice would require the Department evaluate its assignments to ensure that the assignments are justified based on the business miles driven or determine if it would be in the better interest of the Department to transfer the vehicle to the motor pool where it could be used by numerous staff. Not reviewing vehicle assignments annually allows for employees whose job description changes to still be assigned a Department vehicle. Not reviewing job descriptions allows for unjustifiable assignments which are not in the best interest of the State.

- During our testing of the Department's top travelers for fiscal years 2003 and 2004, we noted that 1 of the 10 (10%) top travelers did not regularly utilize the Department's motor vehicle fleet. This traveler was approved to use his personal vehicle for 7,810 miles, resulting in reimbursement totaling \$2,851. The Department did not utilize the existing motor vehicle fleet, but instead incurred additional costs by allowing this individual to use his personal vehicle.

Department personnel stated the one top traveler worked for its Special Events Division. The Special Events Division does not have a motor vehicle fleet vehicle assigned to its location. Department personnel stated they do not encourage employees to use motor fleet vehicles from other Department divisions. Allowing employees to use their personal vehicles is not an efficient use of the Department's motor vehicle fleet. The Department has incurred costs to purchase 1,402 vehicles, and allowing individuals to use a personal vehicle when fleet vehicles are available, regardless of Division, causes the Department to incur additional costs.

- During our review of accidents involving State owned vehicles we obtained reports from the Department of Central Management Services (CMS) showing the total number of accidents for the fiscal year. During fiscal year 2003, the Department reported 46 accidents to CMS and 9 (20%) were reported late. Furthermore, during fiscal year 2004, the Department reported 71 accidents to CMS and 3 (4%) were reported late. The CMS "Vehicle Guide" states that accident reports are "to be submitted to (CMS) Risk Management no later than seven calendar days following the accident. As outlined by the state's insurance plan, the driver risks forfeiture of coverage for failure to properly and timely report a motor vehicle accident within seven days." We noted the reports were submitted between 1 to 124 days late.

The Department's Vehicle Coordinator stated the reason for most accident reports not being filed timely was due to employees not submitting the accident reports in a timely manner to the Vehicle Coordinator. The Vehicle Coordinator submits the information to Central Management Services on the same day he receives the report. When accident reports are not submitted, facts of the accident may become clouded and it is more difficult to follow up on any possible liability to the Department or State of Illinois. Furthermore, failure to report accidents to CMS in a timely manner may result in the forfeiture of State insurance coverage leaving the employee totally and solely financially liable for all damages incurred.

- The Department does not maintain and monitor records of odometer readings for all vehicles in a consistent manner. The Vehicle Coordinator maintains use documentation for all vehicles assigned to the Department's Springfield motor pool, while employees with assigned vehicles are required to document vehicle usage in their quarterly commuting reports. The usage of other vehicles is to be documented and monitored by the Department office to which the vehicles are assigned. However, Agency procedures do not specifically define documentation and monitoring requirements.

Good business practice requires that the Department properly monitor all vehicle usage, which would require maintaining adequate records of odometer readings. Without this documentation, the Department loses the ability to monitor usage and plan for future maintenance.

- Additionally, the Department could not readily provide documentation that all of the Department's approximately 1,400 vehicles were maintained properly (i.e., periodic oil changes). Per Agency policy, the Vehicle Coordinator monitors maintenance records of vehicles assigned to the Springfield motor pool, but it is the responsibility of employees and offices with assigned vehicles to ensure that such vehicles are properly maintained. The Department does not maintain maintenance records on these vehicles on a centralized basis.

Good business practice would require the Department to monitor vehicles to ensure adequate maintenance is being performed. Failure to adequately maintain vehicles will cost the Department significant amounts in future years via additional repair bills and a shortened lifespan of vehicles.

The Department should establish and enforce procedures related to the operation of automobiles in accordance with the Illinois Administrative Code (Title 44, Subtitle D, Chapter 1, Part 5040). The Illinois Administrative Code outlines general procedures regarding State vehicles including acquisition, use, maintenance, and other miscellaneous areas relating to State vehicles. In addition, the Department should take measures to ensure that it is in compliance with any additional requirements imposed by the Department of Central Management Services related to vehicles. (Finding Code No. 04-15, 02-6)

RECOMMENDATION:

We recommend the Department strengthen its controls regarding State vehicles as follows:

- Ensure vehicles assigned to individual employees are approved in writing by the Director as required by the Illinois Administrative Code.
- Annually review vehicles assigned to individual employees and document how the assignments are justifiable and in the best interest of the State.
- Ensure employees utilize the Department motor vehicle fleet when available and require supervisors to document the rationale for allowing employees to use their personal vehicles in lieu of a pool vehicle.
- Communicate the requirement to file accident reports in a timely manner to those employees whose jobs involve travel. We also recommend that the Vehicle Coordinator monitor the submission of accident reports to ensure that CMS requirements are being followed.
- Maintain odometer readings on all vehicles. This information is critical for monitoring vehicle usage and planning for future maintenance.
- Track and strictly enforce the maintenance of Department vehicles. This would include developing documentation of all annual certifications of vehicles, as well as documentation of routine vehicle maintenance.

DEPARTMENT RESPONSE:

We agree. The Department's Offices of Administration and Fiscal Management will co-lead an initiative to reenergize and further enhance the evaluations of the Department's vehicle fleet management which were initially completed in 2003 and implement as many of the recommendations as is determined viable within existing resources.

04-16 FINDING: (Failure to ensure employees assigned State vehicles and using private vehicles are duly licensed and properly insured)

The Department did not have adequate controls to ensure Department employees assigned State vehicles and using private vehicles for State business were duly licensed and carried at least the minimum insurance coverage.

- The Illinois Vehicle Code (625 ILCS 5/7-601) requires employees assigned State owned vehicles file a statement annually with the Chief Executive Officer of his/her agency certifying that they are duly licensed and carry at least the minimum insurance coverage. The certification shall be provided during the period July 1 through July 31 of each calendar year or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later. During our testing, we noted for one of 25 (4%) employees tested, the “Certification of License and Automobile Insurance Form” was not properly completed. The employee did not list his insurance company and agent. In addition, the Department could not locate another employee’s certification. Department personnel stated these exceptions were due to oversight.
- The Illinois Department of Natural Resources Policy and Procedure Manual (Chapter 7, Section 7-1) requires employees using their personal vehicles for Department business certify to the Department’s Travel Coordinator (Office of Fiscal Management) annually that they have insurance for such vehicles. During our detail testing, we noted employees using their private vehicle for State business did not have the proper statement certifying that they were duly licensed and carried the required insurance on file at the Department. Department personnel stated the insurance certification should be typed on each travel voucher and therefore the Department no longer requires employees to certify annually with the Department’s Travel Coordinator that they have proper insurance for such vehicles. However, we noted that during the audit period, the insurance certification was not stamped on travel vouchers.

Failure to ensure persons assigned State vehicles and using private vehicles for State business carry the minimum insurance coverage is in noncompliance with the Illinois Vehicle Code and Department policy and increases the risk that the State’s potential liability could increase. These same weaknesses were noted as immaterial findings during the previous two engagements. The Department has yet to take corrective action. (Finding Code No. 04-16)

RECOMMENDATION:

We recommend the Department comply with the Illinois Vehicle Code and ensure all employees assigned a State vehicle certify annually that they are duly licensed and carry the minimum required insurance. Further, the Department should comply with its policy and procedures and ensure employees using a private vehicle for State business file a statement annually with the Department’s Travel Coordinator certifying that the employee is duly licensed and properly insured.

DEPARTMENT RESPONSE:

We agree. The Department will ensure that all employees with an assigned vehicle certify their license and insurance requirement in July 2005. Additionally, we will abolish the last sentence in Policy and Procedure Manual Chapter 7, Section 7-1 VIII during FY2006 or sooner.

04-17 FINDING: (Untimely approval of invoice vouchers)

The Department did not approve or deny invoice vouchers within 30 days as required by State Rules.

We noted 100 of 503 (20%) vouchers tested (\$44 million of \$111 million or 40% of the amounts tested) were approved for payment from 2 to 414 days late.

State Rules (74 Ill. Adm. Code 900.70) states, "A State agency shall review in a timely manner each bill after its receipt to determine if the bill is a Proper Bill." The Rules further state, "An agency shall approve Proper Bills or deny bills with defects, in whole or in part, within 30 days after receipt."

Department personnel stated the late approvals of these vouchers resulted from the untimely review and approval by Offices' administrative staff.

Failure to promptly approve vouchers may result in late payment of bills to vendors and resulted in interest charges being paid by the Department totaling \$10,108 in fiscal year 2003 and \$31,438 in fiscal year 2004. This weakness was noted as an immaterial finding in the previous three audits, but continues to go uncorrected. (Finding Code No. 04-17)

RECOMMENDATION:

We recommend the Department comply with State Rules and implement controls to ensure vouchers are approved within the required time frame.

DEPARTMENT RESPONSE:

We agree. As an adjunct to its newly implemented "Budget-Actual-Variance (BAV) process, the Office of Fiscal Management will lead a team comprised of members from all Office's staff that are involved in the expenditure processing cycle to develop and disseminate to the initial point of contact in the Department, guidelines for full implementation of the "State Rules" on payment processing.

04-18 FINDING: (Inadequate controls over telecommunications expenditures and records)

The Department does not maintain adequate controls over processes related to telecommunications equipment and expenditure records. During our testing, we noted the following:

- The Department failed to maintain records of phone calls for fiscal year 2003. Due to the implementation of a new phone system, the Department did not retain, either electronically or in paper form, detailed information during fiscal year 2003, and only began printing summarized information during fiscal year 2004. Information is deleted from the system after six months, and although this information is electronically backed up, the Department is currently unable to access this information.

The State Records Act (5 ILCS 160) requires records of this nature be created, maintained, and properly administered.

- The Department did not require supervisors to adequately review and verify a monthly itemized listing of local and long distance calls. Long distance calls lasting over 20 minutes in duration must be justified by the employee making the call then approved in writing by the supervisor. We reviewed phone bills for two months during fiscal year 2004, selecting 25 calls for testing. We noted 10 of 25 (40%) calls selected were not approved in writing by the supervisor.

We inquired with Department personnel about the purposes or circumstances of these calls. In 3 of 25 instances (12%), Department personnel could not identify the purpose of the call, or if the call was work related. A fourth instance was noted for a personal long distance call in which the employee reimbursed the Department for the cost of the call over seven months after the date of the call.

The Department's Policy and Procedure Manual does not include any formalized procedures regarding review of telephone bills. The Department's current procedures are stated in a memo sent monthly to division managers requiring the review and approval of a listing of phone calls. However, the procedures only require justification or explanation for long distance calls longer than 20 minutes.

Good business practices require that standardized procedures be implemented for the review of telephone bills. This is especially important due to the size and decentralization of the Department (telecommunication expenditures total over \$2 million per year).

- Our testing noted that telecommunications records are not updated for changes in assignments of equipment, such as cell phones and pagers. Information regarding past cancellations and reassignments is not accurately retained by the Department's Telecommunications Coordinator. During our testing of 50 assignments, we noted 6 (12%) instances where cell phones or pagers were either lost, unnecessary, or not currently used by the person listed by the Telecommunications Coordinator.

Good business practices require that telecommunications equipment be properly assigned and adequate records be maintained. This is especially important due to the size and decentralization of the Department.

Department personnel stated that due to time restraints and shortage of resources, review of phone bills concentrated on any lengthy out of state calls, versus local calls. The Department currently maintains printed copies of telecommunications billing information, but in a summarized version.

Failure to ensure adequate controls over telecommunications equipment and records, including performing and documenting a detailed review of telecommunications billings, increases the risk that inappropriate phone usage or billing errors will not be detected. (Finding Code No. 04-18, 02-10).

RECOMMENDATION:

We recommend the Department modify the record retention policy for telecommunications expenditures and equipment to ensure all required information is properly retained and available for review. Also, the Department should document its review of telecommunications charges and phone calls and insure such review is performed in a consistent manner throughout the Department. Further, the Department should incorporate the specific documentation procedures in the Department's Policy and Procedure Manual.

DEPARTMENT RESPONSE:

We agree. The Offices of Administration and Fiscal Management will collaborate on an extensive and exhaustive review of the Department's telecommunications functions as a whole and will develop and implement policies and procedures as well as modify pertinent existing procedures to achieve an adequate level of management control to the extent possible within existing resources.

04-19 FINDING: (Telephone calling cards not cancelled on a timely basis)

The Department did not cancel telephone calling cards in a timely manner when use of the calling card is not justified.

We reviewed 25 individuals assigned telephone calling cards during the engagement period. When inquiring as to the necessity of these cards, we noted that 3 telephone calling cards (12%) assigned to individuals were not cancelled when the employees' use of the calling card was no longer necessary.

Good internal control procedures dictate that Department calling cards be cancelled when an employees' job no longer necessitates a calling card.

Department personnel stated that when an employee no longer needs a calling card, the employee's supervisor should forward the cancellation request and information to the Telecommunications Coordinator in the Office of Administration. The Office of Administration completes the termination request and forwards the request to the Department of Central Management Services. It is the employee's supervisor who has the responsibility to notify the Office of Administration when the employee no longer needs the calling card. Supervisors are not forwarding the proper cancellation requests to the Office of Administration, resulting in the calling cards not being cancelled.

Failure to cancel telephone calling cards could result in misuse of the calling cards and misuse of State funds. (Finding Code No. 04-19, 02-11)

RECOMMENDATION:

We recommend the Department implement procedures to cancel all telephone calling cards immediately when an employee no longer needs the calling card.

DEPARTMENT RESPONSE:

We agree. The Department will reevaluate its need for telephone calling cards and will promptly cancel all those cards of former employees as well as all calling cards.

04-20 FINDING: (Inadequate controls over travel credit card accounts)

The Department does not maintain adequate records related to travel credit card accounts and does not comply with policies and procedures established for the monitoring of government credit cards.

According to Department policies and procedures for travel, the Department encourages the use of government credit cards in accordance with the agreement negotiated by the Governor's Travel Control Board. An employee who direct bills State travel expenses at least four times per year should be issued a government credit card. The credit card may only be used for business-related travel expenses, specifically transportation, lodging, meals, and other expenses considered reimbursable under this policy or under the rules of the Travel Regulation Council (80 Ill. Adm. Code 3000, Subparts C, D, E, and F).

During our testing, we noted the following:

- The Department failed to maintain records of credit card statements during fiscal years 2004 and 2003. Currently, the Department receives a monthly expense activity analysis in an electronic format. This report lists all employees with credit card activity for the month. The report summarizes amounts by category, such as lodging, airlines, car rental, or restaurants, but does not include specific information, such as dates or vendors. This report is maintained electronically for three months, at which point it is deleted. Only the most recent month is maintained in paper form.

The State Records Act (5 ILCS 160) requires records of this nature be maintained and properly administered.

- The Department did not require supervisors to review and verify a monthly itemized listing of credit card expenditures. The Department's Policy and Procedure Manual states that the Department will be responsible for monitoring the government credit card system to ensure compliance with the rules of the Governor's Travel Control Board and the terms of the credit card agreement. No reviews of credit card billing reports were performed during fiscal years 2003 or 2004.

Good business practices require that existing Department procedures be followed for the review of credit card statements. This is especially important due to the size and decentralization of the Department. Department personnel stated that due to time restraints and insufficient resources, review of credit card statements was not performed.

Failure to ensure adequate controls over credit cards, including performing and documenting a detailed review of credit card statements, increases the risk that inappropriate usage or other violations of the terms of the agreement may occur. (Finding Code No. 04-20)

RECOMMENDATION:

We recommend the Department modify the record retention procedures for Department credit card reports to ensure all required information is properly retained and available for review. Further, the Department should perform a review of credit card charges to ensure compliance with all travel rules and terms of the credit card agreement.

DEPARTMENT RESPONSE:

We agree. The Department will reassess its need to use credit cards of any type and modify its record retention policies as well as its travel policy on determining when a credit card should be used.

04-21 FINDING: (State Police Traffic Information Planning System (TIPS) not updated in a timely manner)

The Department did not enter citations and written warnings issued by Conservation Police Officers (CPO) into the TIPS in a timely manner.

The TIPS is a computerized system administered by the State Police that provides law enforcement officials information on citations and written warnings. It is the Department's responsibility to enter information regarding citations and written warnings issued by CPO's into the TIPS. Department personnel stated CPO's issue approximately 15,000 citations and 10,000 written warnings per year.

We noted that as of the date of our testing (November 12, 2004), citations dated June 1, 2004 to present were not entered into TIPS. Also, written warnings dating from July 1999 to present were not entered into TIPS. The Department is solely responsible for entering CPO ticket and written warning information into TIPS.

Department personnel stated the position assigned the task of entering ticket and written warning information has been vacant since February 2002. Also, the position has experienced high turnover in the past. The Department's Law Enforcement Section Secretary and Administrative Assistant have been updating the TIPS system since February 2002 when they have free time from their other duties.

Failure to enter ticket information into TIPS presents a safety issue for all law enforcement officers in the field. Officers are unaware of tickets issued by CPO's if Department personnel fail to enter the information into TIPS. Timely updates of the TIPS system ensure that officers have access to current, complete, relevant, and important prior ticket information. Officers need this information to be as current as possible in order to carry out their duties and responsibilities in a safe and efficient manner.

Also, failure to enter written warning tickets into TIPS results in field officers being unaware that prior warnings were issued. Repeat offenders may be issued multiple written warnings for the same violation unbeknownst to the officer. An officer is more likely to issue a formal citation if he/she realizes that the offender was issued a prior written warning for an offense. (Finding Code No. 04-21, 02-8)

RECOMMENDATION:

We recommend the Department enter all past and future tickets and written warnings issued by CPO's into TIPS in a timely manner.

DEPARTMENT RESPONSE:

We agree. However, we feel compelled to add, the Department had already identified this problem as a number of highly specifically trained staff were experiencing an extended period of health related problems. We have now made substantial progress in addressing the back-log, we estimate it has been cut in half, and believe we will be reasonably current in the near future. Additionally, we hasten to add that some delays may occur as they are beyond our control because they are dependent on judicial actions at the circuit clerk level.

04-22 FINDING: (Failure to follow policies and procedures for the campground host program)

The Department did not ensure that the policies and procedures relating to the campground host program as outlined in the Department's Volunteer Reference Manual were properly followed.

The Department utilizes hundreds of volunteers each year to assist with interpretive programs, special events, and daily operations. The Department developed a Volunteer Reference Manual to assist in the recruitment, orientation, placement, training, supervision, education, and recognition of volunteers.

We selected the campground host program for testing by obtaining a listing of all individuals who worked as hosts in Region IV (there are five regions) (a total of 63 hosts selected). We noted 18 of 63 (29%) campground hosts did not have a signed volunteer job description contract or waiver of liability, and, therefore, were not covered under the medical and personal liability insurance offered by the Department. In addition, the Department was not properly protected from liabilities as these agreements legally bind the State to indemnify and represent in court a volunteer who causes injury or damage.

According to the Department's Volunteer Reference Manual, all campground hosts and all volunteers should sign a volunteer job description agreement and waiver of liability, which covers the volunteer under the Department's volunteer insurance and protects the Department from liabilities.

Department personnel stated these weaknesses were a result of a temporary lapse in management oversight during the transition to an improved organizational structure.

By not ensuring the existence of a signed campground host job description agreement and a waiver of liability, the hosts were not covered under the medical and personal liability insurance and the Department was not legally protected from liabilities. (Finding Code No. 04-22)

RECOMMENDATION:

We recommend the Department follow its policies and procedures regarding the campground host program and ensure all camp hosts are operating under a signed volunteer job description agreement and waiver of liability.

DEPARTMENT RESPONSE:

We agree. The Department's Office of Land Management, which was recently assigned to oversee this program, has tasked its Division of Parks and Recreation with oversight of this program and has already taken steps to correct the deficiencies noted.

04-23 FINDING: (Hunting and fishing license consignees not remitting license fees and/or licenses in a timely manner)

Vendors who are consigned hunting and fishing licenses for sale to the public are not remitting license fees and/or unsold licenses to the Department at the end of the license year as required by Department rules.

The Department consigns hunting and fishing licenses to vendors for resale to the public. During our testing of 60 of approximately 1,200 total vendors, we noted 5 (8%) did not remit license fees and/or unsold licenses to the Department in a timely manner. At June 30, 2004, we noted 3 vendors with outstanding balances totaling \$44,615 for the license year ended April 30, 2003 which should have been remitted by May 31, 2003. We also noted 2 vendors with outstanding balances totaling \$14,730 for the license year ended April 30, 2004 which should have been remitted by May 31, 2004.

The Department requires each vendor to post a bond to cover potential losses. We noted the outstanding balances exceeded the bond for 3 of the 5 vendors by a total of \$9,144.

Department rules (17 Ill. Adm. Code Part 2520, Section 2520.30) states, "Within 30 days after the expiration of the time in which any class of license, stamp or permit is usable, the final payment for licenses, stamps and permits sold shall be made in full to the Department, and all unsold or void licenses, stamps and permits shall be returned to the Department. Accounts not closed out within the 30 days specified shall be suspended or terminated, and referred to the security company for action or referral to other agencies for assistance."

Department personnel indicated they did not follow up on these outstanding account balances due to an oversight.

Failure to suspend or terminate accounts with vendors whose account balances are not closed within the required timeframe could cause the Department to potentially lose revenue. This could also lead into more vendors not paying and closing their account in a timely manner knowing there may not be any ramifications for delinquency. (Finding Code No. 04-23)

RECOMMENDATION:

We recommend the Department implement procedures to closely review all outstanding account balances at license year end and ensure all revenues and/or unsold licenses be remitted within 30 days of the end of the season.

DEPARTMENT RESPONSE:

We agree. The Department anticipates that its newly acquired Point-of-Sale system will be operational in the very near future, which will significantly address and correct the weaknesses noted.

04-24 FINDING: (Failure to maintain adequate documentation for returned checks)

The Department did not maintain adequate records supporting checks returned for insufficient funds.

During our testing of 60 not sufficient funds (NSF) or stop payment checks, we noted 4 (7%) checks had no supporting documentation regarding the status of the related title, registration or permit. When a check and appropriate application is received by the Department, a related title, registration or permit is sent to the applicant. If this is a NSF or stop payment check, the title, registration or permit should be suspended or revoked. The Department failed to maintain documentation for these 4 checks to determine if a suspension or revocation actually occurred. Department personnel stated there were 819 NSF checks totaling \$42,148 during the engagement period.

The State Records Act (5 ILCS 160/3) requires that any records coming into the custody of the State "...may not be mutilated, destroyed, transferred, removed, or otherwise damaged or disposed of, in whole or in part, except as provided by law."

Department personnel indicated they were unaware of the missing documentation and upon further investigation no records of any type could be traced back to the returned checks.

Failure to document and maintain detailed records for NSF checks increases the risk of invalid titles, registrations and permits. (Finding Code No. 04-24)

RECOMMENDATION:

We recommend the Department implement controls to ensure records are maintained to support the disposition of all NSF checks and to support the suspension or revocation of the related title, registration or permit.

DEPARTMENT RESPONSE:

We agree. The Department's Point-of-Sale system is due to come on-line in the immediate future, which we believe will free up additional resources that may be reassigned to handle the detail and time consuming tasks associated with debt collection. Moreover, the Office of Fiscal Management is planning to take a fresh look at its debt collection responsibilities department-wide.

04-25 FINDING: (Inadequate controls over petty cash funds)

The Department did not ensure adequate controls were implemented in the management of its petty cash funds and in accordance with State Comptroller requirements (SAMS Procedures 9.10.40).

The Department maintains approximately 190 petty cash funds. During our testing of 15 funds maintained in Springfield and at sites throughout the State, we noted the following:

- The Department did not ensure that the authorized amounts assigned to each petty cash fund were turning over approximately six times a year. We noted that 8 out of the 15 (53%) funds tested had annual turnover rates for the year that ranged from 0.836 to 4.8. Also, we noted 1 out of the 15 (7%) funds did not submit an Annual Petty Cash Turnover Report for the year ended 12/31/02.

SAMS Procedure 9.10.40 requires an annual petty cash turnover report be submitted to the Comptroller every January. An important part of this report is the Petty Cash Turnover Rate, which is calculated by taking the annual disbursements and dividing them by the approved level of the fund. The SAMS procedure requires that the petty cash fund be turned over approximately six times to ensure the proper dollar level of the fund. If the turnover rate falls below six, the Agency should reevaluate the authorized amount of the fund and request the fund be reduced or provide reasonable justification for the low turnover rate.

Department personnel stated various reasons for the low turnover rates such as staffing shortages, high seasonal usage, and slow reimbursements from the Comptroller. However, the high percentage of funds with turnover rates below six (53%) of those judgmentally selected for testing, indicates the Department should look at reducing the petty cash fund level accordingly or document within the Petty Cash Turnover Report submission why the current level of the Fund is necessary.

Failure to properly evaluate petty cash annual turnover in compliance with SAMS procedures will result in excessive petty cash balances.

- The Department did not conduct monthly reconciliations in 3 out of 15 of their petty cash funds tested. We noted 3 out of the 15 (20%) funds tested did not have petty cash reconciliations performed every month. One fund was not reconciled for 7 months from 7/1/02 to 1/31/03. Another petty cash fund was not reconciled for the month of March 2003. Also, 4 out of the 15 (27%) funds were reconciled by the Custodian.

SAMS Procedure 9.10.40 requires petty cash funds to be reconciled every month by someone other than the Custodian. Department personnel stated reconciliations were not always performed due to the turnover in experienced custodians in the past two years and the transition period associated with the realignment of staff to achieve cost savings in performing independent compliance reviews of petty cash funds.

Failure to properly reconcile petty cash on a monthly basis may result in improper use of the funds and inaccurate or duplicate reimbursement requests. (Finding Code No. 04-25)

RECOMMENDATION:

We recommend the Department comply with SAMS procedure 9.10.40 and implement controls to ensure petty cash fund's authorized amounts result in annual turnover rates of approximately six or document within the Petty Cash Turnover Report submission why the current level of the Fund is necessary. We also recommend the Department implement controls to ensure petty cash funds are reconciled on a monthly basis by individuals other than the Custodian.

DEPARTMENT RESPONSE:

We disagree. The low turnover rates are historically characteristic of the Department's petty cash funds due to the nature of the Department's programs, particularly seasonality and, the remoteness of many petty cash fund locations. Moreover, the Comptroller is aware and has tacitly approved this condition as stated in the SAMS Procedure 9.10.40 VI F. 2.; "...If the turnover rate is less than six ... wishes to maintain the current fund level, ... an explanation ... stating why...".

AUDITOR COMMENT:

The Department's response that low turnover is due to seasonality and remoteness of petty cash fund locations is inaccurate. All 8 funds noted were maintained at the Central Office. There does not appear to have been any effort to evaluate these funds' usage once the Department was consolidated into the new building. In addition, the Department did not document on the Petty Cash Turnover Report submission their reasoning why the current funding level of the petty cash funds was necessary. Lastly, the Department did not address our recommendation to ensure petty cash funds are reconciled on a monthly basis by an individual other than the custodian.

04-26 FINDING: (Reports not submitted to the Governor and General Assembly)

The Department did not prepare and file annual progress reports on the implementation and development of the Open Space Lands Acquisition and Development Act (Act) (525 ILCS 35/11).

The Act requires the Department to prepare and submit to the Governor and General Assembly annual reports which are to include a statement of goals and objectives, supporting expenditure documentation, and the allocation of funds by location. The reports due for fiscal years 2003 and 2004 were not submitted at all. The most recent OSLAD annual report was submitted for fiscal year 2001.

Department personnel stated annual reports for the OSLAD program have not been submitted since 2001 due to management's initiative to reevaluate the controllable costs of production and the turnover in management during this reevaluation period.

Failure to prepare and submit reports to the Governor and General Assembly lessens governmental oversight and is in noncompliance with a statutory mandate.

During the prior audit period, the Department did not file required reports to the Governor and General Assembly evaluating the effectiveness of the energy assistance and weatherization policies required by the Energy Assistance Act of 1989 (305 ILCS 20/8). During the current engagement period, reports were filed in accordance with the Act. (Finding Code No. 04-26, 02-12, 00-7)

RECOMMENDATION:

We recommend the Department comply with the Open Space Lands Acquisition and Development Act by preparing and submitting required annual reports to the Governor and General Assembly.

DEPARTMENT RESPONSE:

We agree. The Department will reexamine the statute to verify the requirements and prepare an annual report as soon as fiscal year ending data is available for fiscal year 2005 and each year thereafter.

04-27 FINDING: (Reviews of effects of high capacity water wells not performed)

The Department's State Water Survey did not provide the required assistance in the review of the effects of high capacity water wells.

The Water Use Act of 1983 (Act) (525 ILCS 45/5) requires the Department to assist the Soil and Water Conservation Districts (SWCD's) in reviewing the effect upon other users who may be impacted by the proposed water withdrawal point. The reviews are to be completed within 30 days of the receipt of the notice and the findings of such reviews are to be made public.

In fiscal years 2003 and 2004, the State Water Survey received 56 and 55 notifications, respectively. No reviews were performed for any of the notifications received.

Department personnel stated no reviews have been conducted due to State Water Survey Division staff misunderstanding the Department's Executive Management commitment to reprioritizing available resources to ensure performance of statutory mandates.

This finding was previously noted in the 1999 and 2000 reports as findings 99-13 and 00-8. During the previous engagement, we noted the Department developed a plan in November 2001 to address concerns relating to groundwater and aquifer systems in Illinois. Department personnel indicated this would resolve the finding, but subsequent funding never materialized.

Failure to provide the necessary assistance constitutes noncompliance with the Act, and as a result, fails to inform the public of potential effects and dangers associated with major water withdrawals. (Finding Code No. 04-27)

RECOMMENDATION:

We recommend the Department of Natural Resources allocate resources and funding to assist the Soil and Water Conservation Districts in conducting reviews on the potential effects of major water withdrawals.

DEPARTMENT RESPONSE:

We agree. The Department's Illinois State Water Survey Division will reexamine this activity, previously believed to be an unfunded mandate and, reprioritize within existing resources to fully implement statutory requirements.

04-28 FINDING: (Weaknesses in accounts receivable reporting)

The Department did not submit quarterly accounts receivable reports to the Comptroller in a timely manner. In addition, the Department did not maintain a formal quarterly aging schedule for accounts receivable.

During our testing, we noted the following weaknesses:

- The Comptroller's Statewide Accounting Management System (SAMS) Procedure 26.30.10 requires agencies to submit 4 separate accounts receivable reports (Forms C-97, C-98, C-99, and C-99A) no later than the last day of the month following the end of the quarter. These reports were submitted late 4 of the 8 quarters (50%) during the audit period. In addition, another quarter was submitted after the initial due date, but with an extension granted by the Illinois Office of the Comptroller. The reports were submitted from 1 to 21 days late, averaging 5.3 days late.
- The Department's Fiscal Office did not maintain centralized records supporting accounts receivable and aged accounts receivables submitted to the Comptroller. SAMS Procedure 26.30.20 requires agencies to maintain records regarding aging of accounts receivable and file a report of the aged receivables with the Comptroller on a quarterly basis. The Department had previously produced an internal quarterly aging schedule summarizing receivable information on a Department wide basis, but stopped producing the report as Department personnel stated it was unnecessary. As a result, there was no centralized detail information to support receivable reports submitted to the Comptroller.

Several Department Sections/Offices (i.e. Oil and Gas Division, North Point Marina, Concessions, State Geological Survey) compile summary data from their detailed receivable records. Fiscal personnel compile the information received from the various sections to generate and submit the quarterly report to the Comptroller. Fiscal personnel stated that receivable information from individual sections was submitted late to the Fiscal Office; therefore, the Fiscal Office was late submitting the reports to the Comptroller. The Fiscal Office did not maintain the support for the Department-wide aging schedule, so it was difficult to analyze receivables for the entire Department.

Failure to file accounts receivable quarterly reports in a timely manner is in noncompliance with SAMS and hinders the Comptroller's ability to provide an accurate and comprehensive fiscal data base of accounts receivable for the State of Illinois.

Failure to maintain a current aging schedule of accounts receivable hinders the Department's ability to effectively estimate the collectibility of its receivables and properly focus collection efforts. (Finding Code No. 04-28)

RECOMMENDATION:

We recommend the Department implement procedures to file all required accounts receivable reports with the Office of the State Comptroller in a timely manner as required by SAMS. Further, the Department should maintain a current aging schedule of accounts receivable for each quarter of the fiscal year.

DEPARTMENT RESPONSE:

We disagree. The information cited in the finding failed to consider whether or not extensions of time to file had been granted. Additionally, the due date established by the Office of the Comptroller is arbitrary and was formerly 45 days after the end of the reporting period. Furthermore, the Office of Fiscal Management, we do not recognize the "Fiscal Division" cited, does have files of records supporting its receivables reports from the Division where they originate since these Divisions submit information that contains amounts and their age. Moreover, the Comptroller's reports, by design, age the receivables reported and provide for estimating collectibility where the Division deems it appropriate to do so. Finally, the collectibility estimate is of use to the Department, as a whole, only at year end because it is required for GAAP reporting, since collection efforts are the responsibility of Offices.

AUDITOR COMMENT:

The auditors did consider extensions and added suggested language to the first bullet of the finding addressing the extension. No other documentation was given to the auditors noting any other extensions. It is the Fiscal Office's responsibility to file accounts receivable reports with the Comptroller and to maintain all necessary support for the information on the forms. The Department's audit liaison did not provide documentation to support the Department's accounts receivables numbers and it is not the auditor's responsibility to search the Department to find documentation to support the Department's accounts receivable numbers.

04-29 FINDING: (Time sheets not maintained in compliance with the State Officials and Employees Ethics Act)

The Department is not maintaining time sheets for its employees in compliance with the State Officials and Employees Ethics Act (Act).

The Act requires the Department to adopt personnel policies consistent with the Act. The Act (5 ILCS 430/5-5(c)) states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.”

We noted the Department’s employees (other than senior management) did not maintain time sheets in compliance with the Act. Employees’ time is tracked using a “negative” timekeeping system whereby the employee is assumed to be working unless noted otherwise. No time sheets documenting the time spent each day on official State business to the nearest quarter hour are maintained. The Department’s senior management staff did maintain timesheets in compliance with the Act.

Department management stated they relied on advice from the Governor’s Office staff which initially stated that agencies using the Department of Human Services (DHS) payroll system (the Department uses this system) would be in compliance with the Act.

By not maintaining appropriate time sheets, the Department is not in compliance with the Act. (Finding Code No. 04-29)

RECOMMENDATION:

We recommend the Department amend its policies to require all employees maintain time sheets in compliance with the Act.

DEPARTMENT RESPONSE:

We agree. The Department will have its Ethics Officer confirm with the Governor’s Office the actions necessary to fully comply with the Act.

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

04-30 FINDING: (Improper fiscal year expenditures)

During the prior audit period, the Department improperly prepaid costs totaling \$50,234 from lapsing appropriations in violation of the State Finance Act.

During the current period, we noted no instances in which the Department circumvented fiscal year constraints by prepaying for services for the future fiscal year. (Finding Code No. 02-4)

04-31 FINDING: (Noncompliance with Governor's Administrative Order Number 1)

During the prior audit period, the Department did not receive written approval from the Illinois Bureau of the Budget (BOB) for out of state travel expenses incurred after September 25, 2001, in compliance with the Governor's Administrative Order Number 1 "General Funds Spending Restrictions".

During the current period, we noted no instances in which the Department failed to obtain necessary approvals for out of state travel. (Finding Code No. 02-7)

04-32 FINDING: (Failure to suspend boat registrations and titles after the applicant's check was returned to the Department for insufficient funds)

During the prior audit period, the Department did not properly suspend or revoke boat registrations and titles after the applicant's check was returned to the Department for insufficient funds or stop payments.

During the current period, we noted no instances in which the Department failed to suspend or revoke boat registrations and titles after the applicant's check was returned to the Department for insufficient funds. (Finding Code No. 02-9)

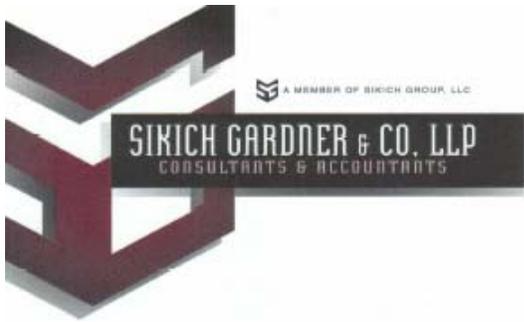
**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

FINANCIAL SCHEDULE REPORT

SUMMARY

The audit of the accompanying Schedule of Capital Assets of the State of Illinois, Department of Natural Resources was performed by Sikich Gardner & Co, LLP.

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



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INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying Schedule of Capital Assets of the State of Illinois, Department of Natural Resources as of June 30, 2004. This schedule is the responsibility of the State of Illinois, Department of Natural Resources' management. Our responsibility is to express an opinion on this schedule based on our audit.

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

As discussed in Note 2, the schedule presents only the Capital Asset Account and does not purport to, and does not, present fairly the financial position of the State of Illinois, Department of Natural Resources as of June 30, 2004, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule of Capital Assets referred to above presents fairly, in all material respects, the Capital Asset Account of the State of Illinois, Department of Natural Resources, as of June 30, 2004 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 2005 on our consideration of the State of Illinois, Department of Natural Resources' internal control over financial reporting of the Capital Asset Account and on our tests of the State of Illinois, Department of Natural Resources' compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Schedule of Capital Assets of the State of Illinois, Department of Natural Resources. The accompanying Schedule of Changes in Capital Assets is presented for the purpose of additional analysis and is not a required part of the Schedule of Capital Assets. The Schedule of Changes in Capital Assets has been subjected to the auditing procedures applied in the audit of the Schedule of Capital Assets and, in our opinion, is fairly stated in all material respects in relation to the Schedule of Capital Assets taken as a whole.

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

Deborah Handman & Co, LLP

Springfield, Illinois
February 9, 2005

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

Schedule of Capital Assets

**June 30, 2004
(expressed in thousands)**

	<u>Balance At June 30, 2004</u>
Capital Assets not being depreciated:	
Land and land improvements	\$ 302,254
Total Capital Assets not being depreciated:	<u>302,254</u>
 Capital Assets being depreciated:	
Site improvements	315,156
Building and building improvements	280,252
Infrastructure	36,954
Equipment	70,499
Capital leases - equipment	<u>145</u>
Total Capital Assets being depreciated:	<u>703,006</u>
 Less Accumulated Depreciation for:	
Site improvements	131,834
Building and building improvements	93,949
Infrastructure	20,876
Equipment	56,686
Capital leases - equipment	<u>105</u>
Total Accumulated Depreciation	<u>303,450</u>
 Total Capital Assets, being depreciated, net	<u>399,556</u>
 Total Capital Assets, net	<u><u>\$ 701,810</u></u>

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

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO SCHEDULE OF CAPITAL ASSETS**

June 30, 2004

1. DESCRIPTION OF CAPITAL ASSET ACCOUNT

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO FINANCIAL STATEMENT – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The schedule presents only the capital assets administered by the State of Illinois, Department of Natural Resources and does not purport to, and does not, present fairly the financial position of the State of Illinois, Department of Natural Resources as of June 30, 2004, and changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Capital Asset Account balances are reported under the State of Illinois' Comprehensive Annual Financial Report. For its reporting purposes, the Department has presented the Schedule of Capital Assets using a columnar format that presents capital assets, net of accumulated depreciation, as of June 30, 2004.

(c) Basis of Accounting

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

(d) Use of Estimates

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

(e) Valuation

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

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

Capital assets are depreciated using the straight-line method.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO FINANCIAL STATEMENT – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(f) Capitalization policies

Capitalization thresholds and the estimated useful lives are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Land	\$ 100,000	N/A
Infrastructure	250,000	5-40
Site Improvements	25,000	3-50
Buildings	100,000	10-60
Building Improvements	25,000	10-45
Equipment	5,000	3-25

(g) Infrastructure

The Department maintains infrastructure assets, including waterways, dams, tunnels, and drainage systems. The Department maintains certain infrastructure networks, composed of all assets that provide a particular type of service for the Department.

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

(h) Historical treasures and works of art

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO FINANCIAL STATEMENT – Continued

3. CAPITAL ASSET MANAGEMENT SYSTEM

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

4. REPORTING REQUIREMENTS

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

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

Schedule of Changes in Capital Assets

**For the Year Ending June 30, 2004
(expressed in thousands)**

	<u>Balance At June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Transfers</u>	<u>Balance At June 30, 2004</u>
Capital Assets not being depreciated:					
Land and land improvements	\$ 300,916	\$ 914	\$ -	\$ 424	\$ 302,254
Total Capital Assets not being depreciated:	<u>300,916</u>	<u>914</u>	<u>-</u>	<u>424</u>	<u>302,254</u>
Capital Assets being depreciated:					
Site improvements	286,102	478	-	28,576	315,156
Building and building improvements	270,395	330	-	9,527	280,252
Infrastructure	36,839	115	-	-	36,954
Equipment	68,578	2,466	650	105	70,499
Capital leases - equipment	156	-	11	-	145
Total Capital Assets being depreciated:	<u>662,070</u>	<u>3,389</u>	<u>661</u>	<u>38,208</u>	<u>703,006</u>
Less Accumulated Depreciation for:					
Site improvements	123,600	8,234	-	-	131,834
Building and building improvements	85,389	8,560	-	-	93,949
Infrastructure	19,883	993	-	-	20,876
Equipment	53,247	4,089	650	-	56,686
Capital leases - equipment	65	51	11	-	105
Total Accumulated Depreciation	<u>282,184</u>	<u>21,927</u>	<u>661</u>	<u>-</u>	<u>303,450</u>
Total Capital Assets, being depreciated, net	<u>379,886</u>	<u>(18,538)</u>	<u>-</u>	<u>38,208</u>	<u>399,556</u>
Total Capital Assets, net	<u>\$ 680,802</u>	<u>\$ (17,624)</u>	<u>\$ -</u>	<u>\$ 38,632</u>	<u>\$ 701,810</u>

See accompanying Independent Auditor's Report.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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:**
 - Expenditures of Federal Awards and Related Notes
 - Year Ended June 30, 2004 (Schedule 1)
 - Year Ended June 30, 2003 (Schedule 2)
 - Notes to Expenditures of Federal Awards Schedules
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Fiscal Year 2004 (Schedule 3)
 - Fiscal Year 2003 (Schedule 4)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances (Schedule 5)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances – Total All Appropriated Funds by Major Object Code (Schedule 6)
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances – Total Expenditures by Fund (Schedule 7)
 - Schedule of Efficiency Initiative Payments (Schedule 8)
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Non-appropriated Funds (Schedule 9)
 - Schedule of Changes in State Property (Schedule 10)
 - Comparative Schedule of Cash Receipts (Schedule 11)
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Year Ended June 30, 2004 (Schedule 12)
 - Year Ended June 30, 2003 (Schedule 13)
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Analysis of Significant Account Balances
- **Analysis of Operations:**
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Emergency Purchases
 - Illinois First Projects (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The auditor's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Illinois First Projects and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

Expenditures of Federal Awards

Year Ended June 30, 2004
(expressed in thousands)

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 241	\$ -
Conservation Reserve Program	10.069	433	-
Wetland Reserve Program	10.072	193	-
Cooperative Forestry Assistance	10.664	1,943	276
Schools and Roads - Grants to States	10.665	291	291
Wildlife Habitat Incentive Program	10.914	80	-
Total U.S. Department of Agriculture		3,181	567
U.S. Department of Commerce:			
Interjurisdictional Fisheries Act of 1986	11.407	12	-
Coastal Zone Management Administration Awards	11.419	991	-
Total U.S. Department of Commerce		1,003	-
U.S. Department of Defense:			
Payments to States in Lieu of Real Estate Taxes	12.112	518	518
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	57	-
Total U.S. Department of Defense		575	518
U.S. Department of Interior:			
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining	15.250	2,248	16
Abandoned Mined Land Reclamation (AMLR) Program	15.252	4,754	162
Sport Fish Restoration	15.605	5,063	1,362
Fish and Wildlife Management Assistance	15.608	124	-
Wildlife Restoration	15.611	5,277	1,384
Cooperative Endangered Species Conservation Fund	15.615	157	-
Clean Vessel Act	15.616	16	-
Sportfishing and Boating Safety Act	15.622	145	-
Wildlife Conservation and Restoration	15.625	459	-
State Wildlife Grants	15.634	255	-
Historic Preservation Fund Grants-in-Aid	15.904	10	-
National Historic Landmark	15.912	29	-
Outdoor Recreation - Acquisition, Development and Planning	15.916	242	242
Total U.S. Department of Interior		18,779	3,166
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	1	-
Total U.S. Department of Justice		1	-

The accompanying notes are an integral part of the schedule.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

Expenditures of Federal Awards

**Year Ended June 30, 2004
(expressed in thousands)**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Labor:			
Mine Health and Safety Grants	17.600	\$ 188	\$ -
Total U.S. Department of Labor		<u>188</u>	<u>-</u>
U.S. Department of Transportation:			
Pass Through Illinois Dept of Transportation/ Recreational Trails Program	20.219	804	-
Total U.S. Department of Transportation		<u>804</u>	<u>-</u>
U.S. Environmental Protection Agency:			
State Underground Water Source Protection	66.433	278	-
Pass Through Illinois Environmental Protection Agency/ Nonpoint Source Implementation Grants	66.460	22	-
Wetlands Grants	66.461	120	-
Total U.S. Environmental Protection Agency		<u>420</u>	<u>-</u>
U.S. Department of Homeland Security:			
Pass Through Illinois Emergency Management Agency/ State Domestic Preparedness Equipment Support Program	97.004	38	-
Boating Safety Financial Assistance	97.012	1,476	-
State Access to Oil Spill Liability Trust Fund	97.013	55	-
Community Assistance Program - State Support Services Element (CAP-SSSE)	97.023	240	-
Pass Through Illinois Emergency Management Agency/ Public Assistance Grants	97.036	43	-
Total U.S. Department of Homeland Security		<u>1,852</u>	<u>-</u>
Total Federal Awards and Expenditures		<u>\$ 26,803</u>	<u>\$ 4,251</u>

The accompanying notes are an integral part of the schedule.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

Expenditures of Federal Awards

Year Ended June 30, 2003
(expressed in thousands)

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Agriculture:			
Forestry Incentives Program	10.064	\$ 3	\$ -
Conservation Reserve Program	10.069	279	-
Cooperative Forestry Assistance	10.664	1,045	50
Schools and Roads - Grants to States	10.665	287	287
Total U.S. Department of Agriculture		1,614	337
U.S. Department of Commerce:			
Interjurisdictional Fisheries Act of 1986	11.407	10	-
Total U.S. Department of Commerce		10	-
U.S. Department of Defense:			
Payments to States in Lieu of Real Estate Taxes	12.112	491	491
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	57	-
Total U.S. Department of Defense		548	491
U.S. Department of Interior:			
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining	15.250	2,466	-
Abandoned Mined Land Reclamation (AMLR) Program	15.252	9,094	-
Sport Fish Restoration	15.605	4,027	-
Fish and Wildlife Management Assistance	15.608	102	-
Wildlife Restoration	15.611	3,074	28
Cooperative Endangered Species Conservation Fund	15.615	38	-
Clean Vessel Act	15.616	63	-
Sportfishing and Boating Safety Act	15.622	61	-
Wildlife Conservation and Restoration	15.625	479	-
State Wildlife Grants	15.634	66	-
Outdoor Recreation - Acquisition, Development and Planning	15.916	3,490	3,490
Total U.S. Department of Interior		22,960	3,518
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	4	-
Total U.S. Department of Justice		4	-

The accompanying notes are an integral part of the schedule.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

Expenditures of Federal Awards

**Year Ended June 30, 2003
(expressed in thousands)**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures	Subrecipient Amounts
U.S. Department of Labor:			
Mine Health and Safety Grants	17.600	\$ 260	-
Total U.S. Department of Labor		<u>260</u>	<u>-</u>
U.S. Department of Transportation:			
Boating Safety Financial Assistance	20.005	1,191	-
Pass Through Illinois Dept of Transportation/ Recreational Trails Program	20.219	<u>761</u>	<u>-</u>
Total U.S. Department of Transportation		<u>1,952</u>	<u>-</u>
U.S. Environmental Protection Agency:			
State Underground Water Source Protection	66.433	247	-
Pass Through Illinois Environmental Protection Agency/ Nonpoint Source Implementation Grants	66.460	193	-
Wetlands Grants	66.461	<u>239</u>	<u>-</u>
Total U.S. Environmental Protection Agency		<u>679</u>	<u>-</u>
Federal Emergency Management Agency:			
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	212	-
Pass Through Illinois Emergency Management Agency/ Public Assistance Grants	83.544	122	-
National Dam Safety	83.550	<u>(2)</u>	<u>-</u>
Total U.S. Federal Emergency Management Agency		<u>332</u>	<u>-</u>
U.S. Department of Health & Human Services:			
Pass Through Illinois Department of Public Health/ Rural Access to Emergency Devices Grant	93.259	<u>14</u>	<u>-</u>
Total U.S. Department of Health & Human Services		<u>14</u>	<u>-</u>
Total Federal Awards and Expenditures		<u>\$ 28,373</u>	<u>\$ 4,346</u>

The accompanying notes are an integral part of the schedule.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

NOTES TO EXPENDITURES OF FEDERAL AWARDS SCHEDULES

Years Ended June 30, 2004 and 2003

1. GENERAL

The accompanying Expenditures of Federal Awards Schedules present the federal award programs administered by the State of Illinois, Department of Natural Resources (Department). The Expenditures of Federal Awards Schedules include the expenditure of awards received directly from federal agencies and awards passed through other State and local agencies.

The Expenditures of Federal Awards Schedules were prepared for State compliance purposes only. A separate single audit of the Department was not conducted. A separate single audit of the entire State of Illinois (which includes the Department) was performed and released under separate cover.

2. BASIS OF ACCOUNTING

The Expenditures of Federal Awards Schedules are prepared on the modified accrual basis of accounting. These schedules have been reconciled to Schedules 3 through 7 presented in the supplementary information for State compliance purposes portion of this document.

3. NONCASH AWARDS

The Department does not receive any noncash awards.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004**

Fourteen Months Ended August 31, 2004

PUBLIC ACT 93-0097, 93-0587, 93-0664

<u>FUND NAME- ALL FUNDS</u>		<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapse Period</u>		<u>Balances</u>	
<u>APPROPRIATED FUNDS</u>	<u>Fund</u>	<u>(Net of Transfers</u>	<u>Through</u>	<u>Expenditures</u>	<u>Total</u>	<u>Reappropriated</u>	<u>Balances</u>
	<u>Number</u>	<u>and Reversions)</u>	<u>June 30, 2004</u>	<u>July 1 to</u>	<u>Expenditures</u>	<u>July 1, 2004</u>	<u>Lapsed</u>
				<u>August 31, 2004</u>			
General Revenue Fund	0001	\$ 108,555,961	\$ 89,456,520	\$ 4,413,877	\$ 93,870,397	\$ 5,668,903	\$ 9,016,661
State Boating Act Fund	0039	17,259,069	8,924,605	699,101	9,623,706	7,146,187	489,176
State Parks Fund	0040	9,062,222	6,897,904	946,155	7,844,059	629,193	588,970
Wildlife and Fish Fund	0041	41,386,390	30,180,563	2,975,855	33,156,418	5,333,641	2,896,331
Salmon Fund	0042	276,200	244,429	10,227	254,656	-	21,544
Mines and Minerals UIC Fund	0077	442,700	270,489	7,846	278,335	-	164,365
Forest Reserve Fund	0086	500,000	290,866	-	290,866	-	209,134
Toxic Pollution Prevention Fund	0111	90,000	58,104	104	58,208	-	31,792
Plugging and Restoration Fund	0137	1,630,089	364,769	29,217	393,986	1,000,889	235,214
Capital Development Fund	0141	149,456,307	44,408,062	-	44,408,062	117,062,818	(12,014,573)
Explosives Regulatory Fund	0145	148,000	76,486	5,760	82,246	-	65,754
Aggregate Operations Regulatory Fund	0146	361,000	257,203	9,374	266,577	-	94,423
Coal Mining Regulatory Fund	0147	372,000	254,719	18,843	273,562	-	98,438
Emergency Public Health Fund	0240	200,000	158,818	37,656	196,474	-	3,526
Abandoned Mined Land							
Reclamation Set-Aside Fund	0257	1,500,000	-	-	-	-	1,500,000
Underground Resource Conservation							
Enforcement Trust Fund	0261	673,100	424,233	10,888	435,121	-	237,979
State Furbearer Fund	0293	286,300	86,147	-	86,147	200,153	-
Used Tire Management Fund	0294	200,000	198,747	717	199,464	-	536
Natural Areas Acquisition Fund	0298	12,356,769	4,932,902	592,137	5,525,039	6,370,933	460,797
Open Space Lands Acquisition							
and Development Fund	0299	71,203,168	17,453,262	49,382	17,502,644	53,508,081	192,443
State Pheasant Fund	0353	1,473,574	591,873	-	591,873	881,701	-
Natural Heritage Fund	0375	80,000	39,329	36,041	75,370	-	4,630

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004**

Fourteen Months Ended August 31, 2004

PUBLIC ACT 93-0097, 93-0587, 93-0664

<u>FUND NAME- ALL FUNDS</u>		<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapse Period</u>		<u>Balances</u>	
<u>APPROPRIATED FUNDS</u>	<u>Fund</u>	<u>(Net of Transfers</u>	<u>Through</u>	<u>Expenditures</u>	<u>Total</u>	<u>Reappropriated</u>	<u>Balances</u>
	<u>Number</u>	<u>and Reversions)</u>	<u>June 30, 2004</u>	<u>July 1 to</u>	<u>Expenditures</u>	<u>July 1, 2004</u>	<u>Lapsed</u>
				<u>August 31, 2004</u>			
Illinois Habitat Fund	0391	\$ 2,915,647	\$ 1,541,076	\$ -	\$ 1,541,076	\$ 1,374,571	\$ -
Flood Control Land Lease Fund	0443	600,000	499,702	18,340	518,042	-	81,958
Land and Water Recreation Fund	0465	13,421,045	1,421,603	-	1,421,603	15,402,097	(3,402,655)
Wildlife Prairie Park Fund	0504	100,000	-	100,000	100,000	-	-
Petroleum Resources Revolving Fund	0573	375,000	335,498	-	335,498	-	39,502
Off Highway Vehicle Trails Fund	0574	1,600,387	66,393	-	66,393	1,533,994	-
Conservation 2000 Fund	0608	7,653,982	4,145,952	-	4,145,952	3,508,030	-
Conservation 2000 Projects Fund	0609	16,825,646	5,465,379	-	5,465,379	11,360,267	-
Fund for Illinois' Future	0611	9,350,817	818,390	335,144	1,153,534	-	8,197,283
Federal Title IV Fire Protection							
Assistance Fund	0670	688,300	275,991	-	275,991	412,309	-
Federal Surface Mining							
Control and Reclamation Fund	0765	3,539,000	2,250,929	191,961	2,442,890	-	1,096,110
Restoration Trust Fund	0831	400,000	60,455	26,176	86,631	-	313,369
Hazardous Waste Research Fund	0840	500,000	258,649	216,392	475,041	-	24,959
National Flood Insurance Program Fund	0855	325,000	146,579	93,219	239,798	-	85,202
Land Reclamation Fund	0858	350,000	1,498	-	1,498	-	348,502
Snowmobile Trail Establishment Fund	0866	198,162	101,243	-	101,243	96,919	-
Drug Traffic Prevention Fund	0878	25,000	-	7,800	7,800	-	17,200
Illinois Forestry Development Fund	0905	3,958,200	2,261,207	238,151	2,499,358	1,262,324	196,518
Illinois Wildlife Preservation Fund	0909	1,000,000	263,751	-	263,751	736,249	-
Natural Resources Information Fund	0914	253,100	190,163	7,656	197,819	-	55,281
State Migratory Waterfowl Stamp Fund	0953	3,269,800	529,132	-	529,132	2,740,668	-
Park and Conservation Fund	0962	42,385,673	13,365,443	1,261,618	14,627,061	27,773,818	(15,206)
Build Illinois Bond Fund	0971	42,960,386	25,079,724	-	25,079,724	24,298,906	(6,418,244)

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2004**

Fourteen Months Ended August 31, 2004

PUBLIC ACT 93-0097, 93-0587, 93-0664

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers and Reversions)</u>	<u>Expenditures Through June 30, 2004</u>	<u>Lapse Period Expenditures July 1 to August 31, 2004</u>	<u>Total Expenditures</u>	<u>Balances Reappropriated July 1, 2004</u>	<u>Balances Lapsed</u>
<u>APPROPRIATED FUNDS</u>							
Illinois Beach Marina Fund	0982	\$ 2,264,600	\$ 1,665,574	\$ 135,593	\$ 1,801,167	\$ 286,545	\$ 176,888
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	20,179,002	5,645,398	165,511	5,810,909	13,549,264	818,829
TOTALS - ALL APPROPRIATED FUNDS		<u>\$ 592,651,596</u>	<u>\$ 271,959,759</u>	<u>\$ 12,640,741</u>	<u>\$ 284,600,500</u>	<u>\$ 302,138,460</u>	<u>\$ 5,912,636</u>
<u>NON-APPROPRIATED FUNDS</u>							
Blue Waters Ditch Flood Control Project Fund	0252	N/A	\$ 72,000	\$ -	\$ 72,000	N/A	N/A
DNR Special Projects Funds	0884	N/A	1,055,308	1,240,335	2,295,643	N/A	N/A
DNR Federal Projects Funds	0894	N/A	1,429,871	175,356	1,605,227	N/A	N/A
J.J. Wolf Memorial for Conservation Investigation Fund	0931	N/A	15,015	(7,714)	7,301	N/A	N/A
TOTALS - ALL NON-APPROPRIATED FUNDS			<u>\$ 2,572,194</u>	<u>\$ 1,407,977</u>	<u>\$ 3,980,171</u>		
GRAND TOTAL - ALL FUNDS		<u>\$ 592,651,596</u>	<u>\$ 274,531,953</u>	<u>\$ 14,048,718</u>	<u>\$ 288,580,671</u>	<u>\$ 302,138,460</u>	<u>\$ 5,912,636</u>

Notes: 1) All data in this schedule has been obtained from State Comptroller records which have been reconciled to those of the Department.

2) Appropriations are net of reversions. If an amount is reappropriated from a fund with a reversion, it may result in a negative balance lapsed.

3) Appropriations are also net of transfers totaling \$280,308 to the Department of Central Management Services in accordance with Executive Order No. 10.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2003**

Fourteen Months Ended August 31, 2003

PUBLIC ACT 92-0538, 92-0717

<u>FUND NAME- ALL FUNDS</u>		Appropriations	Expenditures	Lapse Period		Balances	
<u>APPROPRIATED FUNDS</u>	Fund	(Net of Transfers	Through	Expenditures	Total	Reappropriated	Balances
	Number	and Reversions)	June 30, 2003	July 1 to	Expenditures	July 1, 2003	Lapsed
				August 31, 2003			
General Revenue Fund	0001	\$ 135,012,305	\$ 105,197,849	\$ 7,510,294	\$ 112,708,143	\$ 8,100,169	\$ 14,203,993
State Boating Act Fund	0039	17,671,605	9,804,624	440,649	10,245,273	6,661,767	764,565
State Parks Fund	0040	8,570,011	6,526,813	464,138	6,990,951	501,422	1,077,638
Wildlife and Fish Fund	0041	37,451,498	27,320,797	2,459,627	29,780,424	4,211,889	3,459,185
Salmon Fund	0042	258,900	223,365	10,147	233,512	-	25,388
Mines and Minerals UIC Fund	0077	452,200	226,965	19,759	246,724	-	205,476
Forest Reserve Fund	0086	500,000	287,236	-	287,236	-	212,764
Toxic Pollution Prevention Fund	0111	90,000	89,919	-	89,919	-	81
Plugging and Restoration Fund	0137	1,463,960	405,213	9,362	414,575	670,389	378,996
Capital Development Fund	0141	214,920,441	80,375,266	586,728	80,961,994	163,343,802	(29,385,355)
Explosives Regulatory Fund	0145	151,900	135,569	6,048	141,617	-	10,283
Aggregate Operations Regulatory Fund	0146	337,700	260,811	16,000	276,811	-	60,889
Coal Mining Regulatory Fund	0147	342,600	234,557	5,516	240,073	-	102,527
Patent and Copyright Fund	0247	25,000	-	-	-	-	25,000
Abandoned Mined Land							
Reclamation Set-Aside Fund	0257	1,500,000	-	-	-	-	1,500,000
Underground Resource Conservation							
Enforcement Trust Fund	0261	716,800	418,108	53,657	471,765	-	245,035
State Furbearer Fund	0293	251,329	74,423	-	74,423	176,300	606
Used Tire Management Fund	0294	200,000	192,430	7,569	199,999	-	1
Natural Areas Acquisition Fund	0298	16,736,823	4,855,261	287,865	5,143,126	2,896,168	8,697,529
Open Space Lands Acquisition							
and Development Fund	0299	79,794,828	20,221,435	70,397	20,291,832	50,148,367	9,354,629
State Pheasant Fund	0353	1,138,642	215,068	-	215,068	923,574	-
Natural Heritage Fund	0375	80,000	14,772	10,131	24,903	-	55,097

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2003**

Fourteen Months Ended August 31, 2003

PUBLIC ACT 92-0538, 92-0717

<u>FUND NAME- ALL FUNDS</u>		<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapse Period</u>		<u>Balances</u>	
<u>APPROPRIATED FUNDS</u>	<u>Fund</u>	<u>(Net of Transfers</u>	<u>Through</u>	<u>Expenditures</u>	<u>Total</u>	<u>Reappropriated</u>	<u>Balances</u>
	<u>Number</u>	<u>and Reversions)</u>	<u>June 30, 2003</u>	<u>July 1 to</u>	<u>Expenditures</u>	<u>July 1, 2003</u>	<u>Lapsed</u>
				<u>August 31, 2003</u>			
Illinois Habitat Fund	0391	\$ 2,146,345	\$ 630,699	\$ -	\$ 630,699	\$ 1,515,646	\$ -
Flood Control Land Lease Fund	0443	600,000	491,522	-	491,522	-	108,478
Land and Water Recreation Fund	0465	5,305,545	2,015,000	-	2,015,000	10,623,700	(7,333,155)
Petroleum Resources Revolving Fund	0573	375,000	177,908	62,366	240,274	-	134,726
Off Highway Vehicle Trails Fund	0574	1,240,305	239,918	-	239,918	1,000,387	-
Conservation 2000 Fund	0608	9,055,471	3,872,490	-	3,872,490	2,253,981	2,929,000
Conservation 2000 Projects Fund	0609	17,411,104	5,835,458	-	5,835,458	11,575,646	-
Fund for Illinois' Future	0611	12,170,486	1,502,049	1,271,882	2,773,931	9,350,813	45,742
Federal Title IV Fire Protection Assistance Fund	0670	412,870	49,549	-	49,549	363,300	21
Federal Surface Mining Control and Reclamation Fund	0765	3,598,000	2,609,594	366,585	2,976,179	-	621,821
Restoration Trust Fund	0831	1,000,000	20,154	-	20,154	-	979,846
Hazardous Waste Research Fund	0840	500,000	352,302	102,568	454,870	-	45,130
National Flood Insurance Program Fund	0855	325,000	115,023	95,649	210,672	-	114,328
Land Reclamation Fund	0858	350,000	-	-	-	-	350,000
Snowmobile Trail Establishment Fund	0866	179,334	101,173	-	101,173	78,161	-
Illinois Forestry Development Fund	0905	3,812,977	2,096,764	191,420	2,288,184	1,206,999	317,794
Illinois Wildlife Preservation Fund	0909	1,000,000	125,033	98,494	223,527	-	776,473
Natural Resources Information Fund	0914	324,200	170,187	5,481	175,668	-	148,532
State Migratory Waterfowl Stamp Fund	0953	3,159,876	710,063	-	710,063	2,449,800	13
Park and Conservation Fund	0962	43,386,789	14,685,538	1,528,837	16,214,375	27,848,070	(675,656)
Build Illinois Bond Fund	0971	45,674,350	7,131,514	-	7,131,514	43,660,383	(5,117,547)

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2003**

Fourteen Months Ended August 31, 2003

PUBLIC ACT 92-0538, 92-0717

<u>FUND NAME- ALL FUNDS</u>	<u>Fund Number</u>	<u>Appropriations (Net of Transfers and Reversions)</u>	<u>Expenditures Through June 30, 2003</u>	<u>Lapse Period Expenditures July 1 to August 31, 2003</u>	<u>Total Expenditures</u>	<u>Balances Reappropriated July 1, 2003</u>	<u>Balances Lapsed</u>
<u>APPROPRIATED FUNDS</u>							
Illinois Beach Marina Fund	0982	\$ 2,292,368	\$ 1,909,114	\$ 147,655	\$ 2,056,769	\$ 178,600	\$ 56,999
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	19,916,342	8,392,908	154,309	8,547,217	10,472,501	896,624
TOTALS - ALL APPROPRIATED FUNDS		<u>\$ 691,902,904</u>	<u>\$ 310,314,441</u>	<u>\$ 15,983,133</u>	<u>\$ 326,297,574</u>	<u>\$ 360,211,834</u>	<u>\$ 5,393,496</u>
<u>NON-APPROPRIATED FUNDS</u>							
Blue Waters Ditch Flood Control Project Fund	0252	N/A	\$ 8,500	\$ -	\$ 8,500	N/A	N/A
DNR Special Projects Funds	0884	N/A	2,011,116	527,983	2,539,099	N/A	N/A
DNR Federal Projects Funds	0894	N/A	299,237	77,610	376,847	N/A	N/A
J.J. Wolf Memorial for Conservation Investigation Fund	0931	N/A	1,925	324	2,249	N/A	N/A
TOTALS-ALL NON-APPROPRIATED FUNDS			<u>\$ 2,320,778</u>	<u>\$ 605,917</u>	<u>\$ 2,926,695</u>		
GRAND TOTAL- ALL FUNDS		<u>\$ 691,902,904</u>	<u>\$ 312,635,219</u>	<u>\$ 16,589,050</u>	<u>\$ 329,224,269</u>	<u>\$ 360,211,834</u>	<u>\$ 5,393,496</u>

Notes: 1) All data in this schedule has been obtained from State Comptroller records which have been reconciled to those of the Department.

2) Appropriations are net of reversions. If an amount is reappropriated from a fund with a reversion, it may result in a negative balance lapsed.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>GENERAL REVENUE FUND - 0001</u>			
Appropriations (net of transfers and reversions)	\$ 108,555,961	\$ 135,012,305	\$ 157,507,761
Expenditures:			
Personal services	43,228,116	48,645,702	49,592,200
Employee retirement - contributions paid by employer	1,068,048	1,823,349	1,986,512
State contributions to State Employees' Retirement System	3,870,210	5,036,979	4,994,825
State contributions to Social Security	2,901,385	3,249,660	3,276,361
Contractual services	5,586,872	6,197,877	6,917,135
Conferences, vendor payments	6,100	27,000	27,000
Travel	349,992	344,133	378,048
Commodities	1,344,588	1,385,397	1,515,707
Printing	102,615	95,486	114,982
Equipment	354,034	422,106	594,971
Electronic data processing	188,706	235,417	233,229
Telecommunications	923,527	865,108	1,018,822
Operation of automotive equipment	850,701	953,907	887,723
Lump sums	6,312,322	9,126,377	16,108,015
Lump sums operations	23,086,647	23,022,645	24,127,633
Awards & grants	3,014,300	2,914,300	2,914,300
Grants to local governments	-	1,033,985	462,343
Construction grants	-	4,494,632	5,542,475
Awards & grants, lump sum & other purposes	-	81,266	3,982,627
Permanent improvements	-	1,500,000	175,121
Permanent improvements, lump sum & other purposes	682,234	507,791	1,263,238
Highway and waterway construction	-	745,026	626,843
Refunds	-	-	260
Total expenditures	<u>93,870,397</u>	<u>112,708,143</u>	<u>126,740,370</u>
Reappropriations	<u>5,668,903</u>	<u>8,100,169</u>	<u>23,561,199</u>
Lapsed balances	<u>\$ 9,016,661</u>	<u>\$ 14,203,993</u>	<u>\$ 7,206,192</u>

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	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>STATE BOATING ACT FUND - 0039</u>			
Appropriations (net of transfers)	\$ 17,259,069	\$ 17,671,605	\$ 15,490,610
Expenditures:			
Personal services	4,386,555	4,422,644	4,293,545
Employee retirement - contributions paid by employer	143,805	196,620	197,393
State contributions to State Employees' Retirement System	597,532	456,796	431,489
State contributions to Social Security	200,029	192,915	174,956
Group insurance	916,570	803,184	814,379
Contractual services	858,375	754,423	766,185
Travel	3,436	1,956	1,827
Commodities	83,469	81,026	78,738
Printing	148,727	158,032	148,088
Equipment	156,302	103,652	128,436
Electronic data processing	82,085	124,039	86,500
Telecommunications	87,803	112,514	143,228
Operation of automotive equipment	173,008	256,863	252,281
Lump sums	23,427	51,758	48,684
Lump sums operations	43,597	46,759	51,173
Grants to local governments	150,000	150,000	150,000
Awards & grants, lump sum & other purposes	1,098,934	779,085	1,179,593
Permanent improvements, lump sum & other purposes	461,648	1,543,853	595,514
Refunds	8,404	9,154	11,962
Total expenditures	<u>9,623,706</u>	<u>10,245,273</u>	<u>9,553,971</u>
Reappropriations	<u>7,146,187</u>	<u>6,661,767</u>	<u>5,339,703</u>
Lapsed balances	<u>\$ 489,176</u>	<u>\$ 764,565</u>	<u>\$ 596,936</u>

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>STATE PARKS FUND - 0040</u>			
Appropriations (net of transfers)	\$ 9,062,222	\$ 8,570,011	\$ 8,284,918
Expenditures:			
Personal services	1,678,099	1,745,608	1,772,249
Employee retirement - contributions paid by employer	67,650	75,350	78,563
State contributions to State Employees' Retirement System	226,297	180,617	179,809
State contributions to Social Security	88,797	94,020	99,461
Group insurance	391,179	339,504	362,908
Contractual services	2,663,989	2,469,419	2,515,661
Travel	16,578	28,825	18,899
Commodities	477,808	477,958	475,487
Equipment	758,867	518,304	860,694
Telecommunications	316,270	325,388	331,924
Operation of automotive equipment	265,310	265,753	265,766
Lump sums	854,664	419,940	293,727
Permanent improvements, lump sum & other purposes	22,229	34,789	21,108
Refunds	16,322	15,476	9,969
Total expenditures	<u>7,844,059</u>	<u>6,990,951</u>	<u>7,286,225</u>
Reappropriations	<u>629,193</u>	<u>501,422</u>	<u>386,210</u>
Lapsed balances	<u>\$ 588,970</u>	<u>\$ 1,077,638</u>	<u>\$ 612,483</u>

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	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>WILDLIFE AND FISH FUND - 0041</u>			
Appropriations (net of transfers and reversions)	\$ 41,386,390	\$ 37,451,498	\$ 34,228,798
Expenditures:			
Personal services	14,892,089	14,703,781	14,223,717
Employee retirement - contributions paid by employer	462,705	581,408	596,925
State contributions to State Employees' Retirement System	2,006,176	1,520,626	1,432,286
State contributions to Social Security	883,913	914,875	869,614
Group insurance	2,930,571	2,555,498	2,550,405
Contractual services	3,382,996	2,599,623	2,874,081
Contractual services, N.E.C.	9,860	10,185	12,075
Travel	121,667	145,829	150,028
Commodities	1,661,194	1,533,501	1,537,342
Printing	413,405	388,261	404,462
Equipment	783,829	461,327	1,094,808
Electronic data processing	99,337	129,255	51,500
Telecommunications	652,962	592,536	492,691
Operation of automotive equipment	879,167	582,992	602,995
Lump sums	2,531,203	1,529,162	865,271
Lump sums operations	224,714	202,294	195,758
Awards & grants, lump sum & other purposes	116,085	156,129	107,500
Permanent improvements, lump sum & other purposes	-	23,990	-
Refunds	1,104,545	1,149,152	842,336
Total expenditures	<u>33,156,418</u>	<u>29,780,424</u>	<u>28,903,794</u>
Reappropriations	<u>5,333,641</u>	<u>4,211,889</u>	<u>2,882,798</u>
Lapsed balances	<u>\$ 2,896,331</u>	<u>\$ 3,459,185</u>	<u>\$ 2,442,206</u>

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	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>SALMON FUND - 0042</u>			
Appropriations (net of transfers)	\$ 276,200	\$ 258,900	\$ 244,900
Expenditures:			
Personal services	169,491	155,337	129,267
Employee retirement - contributions paid by employer	2,334	6,312	5,256
State contributions to State Employees' Retirement System	23,172	16,287	13,191
State contributions to Social Security	12,756	11,611	9,600
Group insurance	35,684	33,334	28,741
Contractual services	3,067	2,887	3,073
Lump sums	8,152	7,744	9,414
Total expenditures	<u>254,656</u>	<u>233,512</u>	<u>198,542</u>
Reappropriations	-	-	-
Lapsed balances	<u>\$ 21,544</u>	<u>\$ 25,388</u>	<u>\$ 46,358</u>
<u>MINES AND MINERALS UIC FUND - 0077</u>			
Appropriations (net of transfers)	\$ 442,700	\$ 452,200	\$ 431,500
Expenditures:			
Personal services	187,378	172,096	182,351
Employee retirement - contributions paid by employer	4,619	6,885	7,295
State contributions to State Employees' Retirement System	25,197	17,766	18,312
State contributions to Social Security	13,714	12,656	13,291
Group insurance	43,605	37,321	42,332
Equipment	-	-	5,965
Operation of automotive equipment	3,822	-	1,210
Total expenditures	<u>278,335</u>	<u>246,724</u>	<u>270,756</u>
Reappropriations	-	-	-
Lapsed balances	<u>\$ 164,365</u>	<u>\$ 205,476</u>	<u>\$ 160,744</u>

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>FOREST RESERVE FUND - 0086</u>			
Appropriations (net of transfers)	\$ 500,000	\$ 500,000	\$ 500,000
Expenditures:			
Awards & grants, lump sum & other purposes	290,866	287,236	285,722
Reappropriations	-	-	-
Lapsed balances	\$ 209,134	\$ 212,764	\$ 214,278
<u>TOXIC POLLUTION PREVENTION FUND - 0111</u>			
Appropriations (net of transfers)	\$ 90,000	\$ 90,000	\$ 90,000
Expenditures:			
Lump sums operations	58,208	89,919	24,185
Reappropriations	-	-	-
Lapsed balances	\$ 31,792	\$ 81	\$ 65,815

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>PLUGGING AND RESTORATION FUND - 0137</u>			
Appropriations (net of transfers)	\$ 1,630,089	\$ 1,463,960	\$ 1,233,360
Expenditures:			
Personal services	234,751	216,805	256,117
Employee retirement - contributions paid by employer	6,098	7,660	10,245
State contributions to State Employees' Retirement System	31,549	22,376	25,716
State contributions to Social Security	17,331	16,042	19,008
Group insurance	53,326	51,788	50,287
Contractual services	905	7,082	13,863
Travel	-	236	-
Commodities	253	2,520	2,663
Printing	-	429	-
Equipment	2,664	35,650	37,600
Electronic data processing	910	20,176	15,093
Telecommunications	6,749	6,527	10,393
Operation of automotive equipment	19,600	19,096	19,581
Lump sums	19,500	6,372	-
Refunds	350	1,816	1,000
Total expenditures	<u>393,986</u>	<u>414,575</u>	<u>461,566</u>
Reappropriations	<u>1,000,889</u>	<u>670,389</u>	<u>476,760</u>
Lapsed balances	<u>\$ 235,214</u>	<u>\$ 378,996</u>	<u>\$ 295,034</u>

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	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>CAPITAL DEVELOPMENT FUND - 0141</u>			
Appropriations (net of transfers and reversions)	\$ 149,456,307	\$ 214,920,441	\$ 277,511,626
Expenditures:			
Lump sums	2,061,383	2,228,734	-
Interfund cash transfers	5,250,000	5,250,000	5,250,000
Awards & grants	-	4,354,526	3,977,442
Construction grants	8,021,459	12,670,391	17,782,965
Permanent improvements	405,293	3,051,427	12,789,158
Permanent improvements, lump sum & other purposes	21,124,159	42,493,063	47,032,010
Highway and waterway construction	7,545,768	10,913,853	11,847,322
Total expenditures	<u>44,408,062</u>	<u>80,961,994</u>	<u>98,678,897</u>
Reappropriations	<u>117,062,818</u>	<u>163,343,802</u>	<u>178,832,729</u>
Lapsed balances	<u>\$ (12,014,573)</u>	<u>\$ (29,385,355)</u>	<u>\$ -</u>
<u>EXPLOSIVES REGULATORY FUND - 0145</u>			
Appropriations (net of transfers)	\$ 148,000	\$ 151,900	\$ 145,800
Expenditures:			
Lump sums	<u>82,246</u>	<u>141,617</u>	<u>145,001</u>
Reappropriations	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ 65,754</u>	<u>\$ 10,283</u>	<u>\$ 799</u>
<u>AGGREGATE OPERATIONS REGULATORY FUND - 0146</u>			
Appropriations (net of transfers)	\$ 361,000	\$ 337,700	\$ 326,200
Expenditures:			
Lump sums	<u>266,577</u>	<u>276,811</u>	<u>313,217</u>
Reappropriations	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ 94,423</u>	<u>\$ 60,889</u>	<u>\$ 12,983</u>

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>COAL MINING REGULATORY FUND - 0147</u>			
Appropriations (net of transfers)	\$ 372,000	\$ 342,600	\$ 323,000
Expenditures:			
Lump sums	273,562	240,073	278,310
Reappropriations	-	-	-
Lapsed balances	\$ 98,438	\$ 102,527	\$ 44,690
<u>NATURAL RESOURCES FUND - 0158</u>			
Appropriations (net of transfers)	\$ -	\$ -	\$ 3,000
Expenditures:			
Lump sums operations	-	-	1,454
Reappropriations	-	-	-
Lapsed balances	\$ -	\$ -	\$ 1,546
<u>EMERGENCY PUBLIC HEALTH FUND - 0240</u>			
Appropriations (net of transfers)	\$ 200,000	\$ -	\$ -
Expenditures:			
Lump sums	196,474	-	-
Reappropriations	-	-	-
Lapsed balances	\$ 3,526	\$ -	\$ -

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>PATENT AND COPYRIGHT FUND - 0247</u>			
Appropriations (net of transfers)	\$ -	\$ 25,000	\$ 25,000
Expenditures:			
Lump sums	-	-	-
Reappropriations	-	-	-
Lapsed balances	\$ -	\$ 25,000	\$ 25,000
<u>ABANDONED MINED LAND RECLAMATION SET-ASIDE FUND - 0257</u>			
Appropriations (net of transfers)	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Expenditures:			
Awards & grants, lump sum & other purposes	-	-	-
Reappropriations	-	-	-
Lapsed balances	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

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	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>UNDERGROUND RESOURCE CONSERVATION</u>			
<u>ENFORCEMENT TRUST FUND - 0261</u>			
Appropriations (net of transfers)	\$ 673,100	\$ 716,800	\$ 686,100
Expenditures:			
Personal services	208,976	246,757	278,014
Employee retirement - contributions paid by employer	6,623	7,754	10,699
State contributions to State Employees' Retirement System	28,085	25,468	27,913
State contributions to Social Security	15,172	18,155	20,446
Group insurance	59,028	56,722	64,546
Contractual services	47,440	46,932	78,200
Travel	2,985	1,449	1,980
Commodities	2,835	532	1,150
Printing	-	1,680	-
Equipment	600	9,749	6,485
Electronic data processing	3,810	10,997	10,454
Telecommunications	16,838	4,442	9,406
Operation of automotive equipment	33,093	33,100	32,983
Refunds	9,636	8,028	7,876
Total expenditures	435,121	471,765	550,152
Reappropriations	-	-	-
Lapsed balances	\$ 237,979	\$ 245,035	\$ 135,948
<u>STATE FURBEARER FUND - 0293</u>			
Appropriations (net of transfers)	\$ 286,300	\$ 251,329	\$ 314,913
Expenditures:			
Permanent improvements, lump sum & other purposes	86,147	74,423	173,584
Reappropriations	200,153	176,300	141,329
Lapsed balances	\$ -	\$ 606	\$ -

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	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>USED TIRE MANAGEMENT FUND - 0294</u>			
Appropriations (net of transfers)	\$ 200,000	\$ 200,000	\$ 200,000
Expenditures:			
Lump sums operations	199,464	199,999	199,979
Reappropriations	-	-	-
Lapsed balances	\$ 536	\$ 1	\$ 21
<u>NATURAL AREAS ACQUISITION FUND - 0298</u>			
Appropriations (net of transfers)	\$ 12,356,769	\$ 16,736,823	\$ 15,202,384
Expenditures:			
Personal services	1,375,235	1,361,496	1,351,969
Employee retirement - contributions paid by employer	37,215	50,186	54,287
State contributions to State Employees' Retirement System	185,073	140,834	136,260
State contributions to Social Security	101,515	99,143	99,689
Group insurance	277,233	223,458	231,533
Contractual services	78,807	32,646	78,470
Travel	14,936	13,536	17,354
Commodities	40,196	30,899	24,012
Printing	71	-	9,309
Equipment	101,188	25,870	140,658
Telecommunications	34,195	43,233	33,659
Operation of automotive equipment	57,700	78,547	56,708
Lump sums	1,050,961	811,253	898,283
Lump sums operations	1,145,478	1,159,870	1,124,546
Permanent improvements, lump sum & other purposes	1,025,236	1,072,155	4,041,562
Total expenditures	5,525,039	5,143,126	8,298,299
Reappropriations	6,370,933	2,896,168	6,568,323
Lapsed balances	\$ 460,797	\$ 8,697,529	\$ 335,762

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	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>OPEN SPACE LANDS ACQUISITION AND DEVELOPMENT FUND - 0299</u>			
Appropriations (net of transfers)	\$ 71,203,168	\$ 79,794,828	\$ 70,703,961
Expenditures:			
Lump sums	862,357	700,171	995,821
Awards & grants, lump sum & other purposes	16,640,287	19,591,661	12,952,033
Total expenditures	<u>17,502,644</u>	<u>20,291,832</u>	<u>13,947,854</u>
Reappropriations	<u>53,508,081</u>	<u>50,148,367</u>	<u>56,740,028</u>
Lapsed balances	<u>\$ 192,443</u>	<u>\$ 9,354,629</u>	<u>\$ 16,079</u>
<u>STATE PHEASANT FUND - 0353</u>			
Appropriations (net of transfers)	\$ 1,473,574	\$ 1,138,642	\$ 1,125,485
Expenditures:			
Permanent improvements, lump sum & other purposes	591,873	215,068	536,843
Reappropriations	<u>881,701</u>	<u>923,574</u>	<u>588,642</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NATURAL HERITAGE FUND - 0375</u>			
Appropriations (net of transfers)	\$ 80,000	\$ 80,000	\$ 80,000
Expenditures:			
Contractual services	58,201	19,914	32,178
Commodities	17,169	4,989	-
Total expenditures	<u>75,370</u>	<u>24,903</u>	<u>32,178</u>
Reappropriations	<u>-</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ 4,630</u>	<u>\$ 55,097</u>	<u>\$ 47,822</u>

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	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>ILLINOIS HABITAT FUND - 0391</u>			
Appropriations (net of transfers)	\$ 2,915,647	\$ 2,146,345	\$ 1,743,426
Expenditures:			
Permanent improvements, lump sum & other purposes	1,541,076	630,699	847,082
Reappropriations	1,374,571	1,515,646	896,344
Lapsed balances	\$ -	\$ -	\$ -
<u>FLOOD CONTROL LAND LEASE FUND - 0443</u>			
Appropriations (net of transfers)	\$ 600,000	\$ 600,000	\$ 600,000
Expenditures:			
Grants to local governments	518,042	491,522	457,411
Reappropriations	-	-	-
Lapsed balances	\$ 81,958	\$ 108,478	\$ 142,589
<u>LAND AND WATER RECREATION FUND - 0465</u>			
Appropriations (net of transfers and reversions)	\$ 13,421,045	\$ 5,305,545	\$ 8,200,000
Expenditures:			
Awards & grants, lump sum & other purposes	1,421,603	2,015,000	1,761,261
Reappropriations	15,402,097	10,623,700	6,438,739
Lapsed balances	\$ (3,402,655)	\$ (7,333,155)	\$ -

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	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>WILDLIFE PRAIRIE PARK FUND - 0504</u>			
Appropriations (net of transfers)	\$ 100,000	\$ -	\$ -
Expenditures:			
Lump sums	100,000	-	-
Reappropriations	-	-	-
Lapsed balances	\$ -	\$ -	\$ -
<u>PETROLEUM RESOURCES REVOLVING FUND - 0573</u>			
Appropriations (net of transfers)	\$ 375,000	\$ 375,000	\$ 375,000
Expenditures:			
Lump sums	335,498	240,274	205,152
Reappropriations	-	-	-
Lapsed balances	\$ 39,502	\$ 134,726	\$ 169,848
<u>OFF HIGHWAY VEHICLE TRAILS FUND - 0574</u>			
Appropriations (net of transfers)	\$ 1,600,387	\$ 1,240,305	\$ 762,805
Expenditures:			
Awards & grants, lump sum & other purposes	66,393	239,918	122,501
Reappropriations	1,533,994	1,000,387	640,304
Lapsed balances	\$ -	\$ -	\$ -

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	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>CONSERVATION 2000 FUND - 0608</u>			
Appropriations (net of transfers)	\$ 7,653,982	\$ 9,055,471	\$ 12,927,379
Expenditures:			
Lump sums	4,145,952	3,872,490	6,271,909
Reappropriations	3,508,030	2,253,981	6,655,470
Lapsed balances	\$ -	\$ 2,929,000	\$ -
<u>CONSERVATION 2000 PROJECTS FUND - 0609</u>			
Appropriations (net of transfers)	\$ 16,825,646	\$ 17,411,104	\$ 16,274,047
Expenditures:			
Permanent improvements, lump sum & other purposes	5,465,379	5,835,458	4,112,944
Reappropriations	11,360,267	11,575,646	12,161,103
Lapsed balances	\$ -	\$ -	\$ -
<u>FUND FOR ILLINOIS' FUTURE - 0611</u>			
Appropriations (net of transfers)	\$ 9,350,817	\$ 12,170,486	\$ 17,604,398
Expenditures:			
Lump sums	-	11,571	75,397
Awards and grants	1,148,876	1,364,240	3,084,180
Grants to local governments	-	116,476	431,144
Construction grants	-	1,193,028	1,477,773
Grants to non-profit organizations	-	40,000	140,000
Permanent improvements	4,658	48,616	225,406
Total expenditures	1,153,534	2,773,931	5,433,900
Reappropriations	-	9,350,813	12,170,481
Lapsed balances	\$ 8,197,283	\$ 45,742	\$ 17

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>FEDERAL TITLE IV FIRE PROTECTION</u>			
<u>ASSISTANCE FUND - 0670</u>			
Appropriations (net of transfers)	\$ 688,300	\$ 412,870	\$ 335,942
Expenditures:			
Awards & grants, lump sum & other purposes	275,991	49,549	248,072
Reappropriations	412,309	363,300	87,870
Lapsed balances	\$ -	\$ 21	\$ -
<u>FEDERAL SURFACE MINING CONTROL</u>			
<u>AND RECLAMATION FUND - 0765</u>			
Appropriations (net of transfers)	\$ 3,539,000	\$ 3,598,000	\$ 3,425,400
Expenditures:			
Personal services	1,361,403	1,545,475	1,474,291
Employee retirement - contributions paid by employer	30,178	56,607	56,653
State contributions to State Employees' Retirement System	176,218	153,760	142,983
State contributions to Social Security	96,703	110,138	106,188
Group insurance	257,897	258,325	247,674
Contractual services	207,767	294,095	250,143
Travel	10,569	8,471	5,091
Commodities	9,021	10,101	2,106
Printing	-	-	189
Equipment	23,049	87,833	89,188
Electronic data processing	52,738	87,708	56,851
Telecommunications	10,991	49,481	5,493
Operation of automotive equipment	18,063	14,655	14,297
Lump sums	188,293	299,530	237,885
Total expenditures	2,442,890	2,976,179	2,689,032
Reappropriations	-	-	-
Lapsed balances	\$ 1,096,110	\$ 621,821	\$ 736,368

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>RESTORATION TRUST FUND - 0831</u>			
Appropriations (net of transfers)	\$ 400,000	\$ 1,000,000	\$ 1,000,000
Expenditures:			
Lump sums	86,631	20,154	33,799
Reappropriations	-	-	-
Lapsed balances	\$ 313,369	\$ 979,846	\$ 966,201
<u>HAZARDOUS WASTE RESEARCH FUND - 0840</u>			
Appropriations (net of transfers)	\$ 500,000	\$ 500,000	\$ 400,000
Expenditures:			
Lump sums	475,041	454,870	382,515
Reappropriations	-	-	-
Lapsed balances	\$ 24,959	\$ 45,130	\$ 17,485
<u>NATIONAL FLOOD INSURANCE PROGRAM FUND - 0855</u>			
Appropriations (net of transfers)	\$ 325,000	\$ 325,000	\$ 300,000
Expenditures:			
Lump sums	239,798	210,672	184,393
Reappropriations	-	-	-
Lapsed balances	\$ 85,202	\$ 114,328	\$ 115,607

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>LAND RECLAMATION FUND - 0858</u>			
Appropriations (net of transfers)	\$ 350,000	\$ 350,000	\$ 350,000
Expenditures:			
Lump sums	1,498	-	-
Reappropriations	-	-	-
Lapsed balances	\$ 348,502	\$ 350,000	\$ 350,000
<u>SNOWMOBILE TRAIL ESTABLISHMENT FUND - 0866</u>			
Appropriations (net of transfers)	\$ 198,162	\$ 179,334	\$ 146,299
Expenditures:			
Awards & grants, lump sum & other purposes	101,243	101,173	86,965
Reappropriations	96,919	78,161	59,334
Lapsed balances	\$ -	\$ -	\$ -
<u>DRUG TRAFFIC PREVENTION FUND - 0878</u>			
Appropriations (net of transfers)	\$ 25,000	\$ -	\$ -
Expenditures:			
Lump sums	7,800	-	-
Reappropriations	-	-	-
Lapsed balances	\$ 17,200	\$ -	\$ -

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>DNR FEDERAL PROJECTS FUND - 0894</u>			
Appropriations (net of transfers)	\$ -	\$ -	\$ 359,200
Expenditures:			
Lump sums operations	-	-	332,206
Total expenditures	-	-	332,206
Reappropriations	-	-	-
Lapsed balances	\$ -	\$ -	\$ 26,994
<u>ILLINOIS FORESTRY DEVELOPMENT FUND - 0905</u>			
Appropriations (net of transfers)	\$ 3,958,200	\$ 3,812,977	\$ 3,951,135
Expenditures:			
Equipment	111,054	26,839	124,318
Lump sums	1,396,396	1,210,944	934,576
Lump sums operations	122,232	104,777	100,568
Awards & grants	504,627	493,240	671,158
Awards & grants, lump sum & other purposes	365,049	452,384	303,700
Total expenditures	2,499,358	2,288,184	2,134,320
Reappropriations	1,262,324	1,206,999	1,227,677
Lapsed balances	\$ 196,518	\$ 317,794	\$ 589,138
<u>ILLINOIS WILDLIFE PRESERVATION FUND - 0909</u>			
Appropriations (net of transfers)	\$ 1,000,000	\$ 1,000,000	\$ 500,000
Expenditures:			
Lump sums	263,751	223,527	305,614
Reappropriations	736,249	-	-
Lapsed balances	\$ -	\$ 776,473	\$ 194,386

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>NATURAL RESOURCES INFORMATION FUND - 0914</u>			
Appropriations (net of transfers)	\$ 253,100	\$ 324,200	\$ 324,200
Expenditures:			
Lump sums operations	197,819	175,668	168,760
Reappropriations	-	-	-
Lapsed balances	\$ 55,281	\$ 148,532	\$ 155,440
<u>STATE MIGRATORY WATERFOWL STAMP FUND - 0953</u>			
Appropriations (net of transfers)	\$ 3,269,800	\$ 3,159,876	\$ 3,144,527
Expenditures:			
Awards & grants	160,000	160,000	150,000
Grants to non-profit organizations	160,000	160,000	150,000
Permanent improvements, lump sum & other purposes	209,132	390,063	504,652
Total expenditures	529,132	710,063	804,652
Reappropriations	2,740,668	2,449,800	2,339,875
Lapsed balances	\$ -	\$ 13	\$ -
<u>PARK AND CONSERVATION FUND - 0962</u>			
Appropriations (net of transfers and reversions)	\$ 42,385,673	\$ 43,386,789	\$ 47,786,603
Expenditures:			
Lump sums	10,052,806	10,398,061	9,954,112
Construction grants	2,621,295	2,829,825	3,433,658
Awards & grants, lump sum & other purposes	54,415	43,305	677,712
Permanent improvements, lump sum & other purposes	1,898,545	2,943,184	4,742,544
Total expenditures	14,627,061	16,214,375	18,808,026
Reappropriations	27,773,818	27,848,070	28,164,487
Lapsed balances	\$ (15,206)	\$ (675,656)	\$ 814,090

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>BUILD ILLINOIS BOND FUND - 0971</u>			
Appropriations (net of transfers and reversions)	\$ 42,960,386	\$ 45,674,350	\$ 33,313,608
Expenditures:			
Lump sums	1,469,082	1,803,328	1,577,650
Awards & grants	23,457,275	4,391,143	2,591,699
Construction grants	-	899,786	1,821,710
Highway and waterway construction	153,367	37,257	1,573,205
Total expenditures	<u>25,079,724</u>	<u>7,131,514</u>	<u>7,564,264</u>
Reappropriations	<u>24,298,906</u>	<u>43,660,383</u>	<u>25,749,344</u>
Lapsed balances	<u>\$ (6,418,244)</u>	<u>\$ (5,117,547)</u>	<u>\$ -</u>
<u>BUILD ILLINOIS PURPOSES FUND - 0972</u>			
Appropriations (net of transfers)	\$ -	\$ -	\$ 198,000
Expenditures:			
Highway and waterway construction	-	-	198,000
Reappropriations	-	-	-
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ILLINOIS BEACH MARINA FUND - 0982</u>			
Appropriations (net of transfers)	\$ 2,264,600	\$ 2,292,368	\$ 2,402,890
Expenditures:			
Lump sums operations	1,639,212	1,757,541	1,790,514
Permanent improvements, lump sum & other purposes	141,709	277,761	208,423
Refunds	20,246	21,467	7,777
Total expenditures	<u>1,801,167</u>	<u>2,056,769</u>	<u>2,006,714</u>
Reappropriations	<u>286,545</u>	<u>178,600</u>	<u>206,367</u>
Lapsed balances	<u>\$ 176,888</u>	<u>\$ 56,999</u>	<u>\$ 189,809</u>

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>ABANDONED MINED LANDS RECLAMATION</u>			
<u>COUNCIL FEDERAL TRUST FUND - 0991</u>			
Appropriations (net of transfers)	\$ 20,179,002	\$ 19,916,342	\$ 21,125,928
Expenditures:			
Personal services	1,717,936	1,763,757	1,697,340
Employee retirement - contributions paid by employer	40,377	66,755	66,478
State contributions to State Employees' Retirement System	230,927	182,082	170,521
State contributions to Social Security	127,719	131,763	126,186
Group insurance	293,244	261,628	269,812
Contractual services	168,435	178,829	203,677
Travel	10,634	12,863	10,370
Commodities	10,967	10,825	6,819
Printing	17	49	-
Equipment	32,313	49,029	58,066
Electronic data processing	74,338	76,430	82,208
Telecommunications	39,914	24,454	30,941
Operation of automotive equipment	19,439	19,064	29,634
Lump sums	121,411	348	-
Awards & grants, lump sum & other purposes	2,923,238	5,769,341	7,347,187
Total expenditures	5,810,909	8,547,217	10,099,239
Reappropriations	13,549,264	10,472,501	10,241,841
Lapsed balances	\$ 818,829	\$ 896,624	\$ 784,848

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>GRAND TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (net of transfers and reversions)	\$ 592,651,596	\$ 691,902,904	\$ 763,710,103
Total expenditures	284,600,500	326,297,574	362,139,630
Reappropriations	302,138,460	360,211,834	382,556,957
Lapsed balances	\$ 5,912,636	\$ 5,393,496	\$ 19,013,516
<u>GENERAL REVENUE - 0001 STATE COMPTROLLER</u>			
OFFICERS SALARIES			
Appropriations (net of transfers)	\$ 333,000	\$ 333,000	\$ 333,000
Expenditures:			
Director	113,200	105,534	113,114
Assistant Director	40,029	96,069	48,034
Mine Officers	79,806	74,282	78,656
Miners' Examining Officers	43,852	39,608	43,852
Total expenditures - Officers Salaries	276,887	315,493	283,656
Lapsed balances	\$ 56,113	\$ 17,507	\$ 49,344

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

**TOTAL - ALL APPROPRIATED FUNDS
BY MAJOR OBJECT CODE**

	Fiscal Year		
	2004	2003	2002
	Public Act 93-0097, 93-0587, 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
<u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (net of transfers and reversions)	\$ 592,651,596	\$ 691,902,904	\$ 763,710,103
Expenditures:			
Personal services	69,440,029	74,979,458	75,251,060
Employee retirement - contributions paid by employer	1,869,652	2,878,886	3,070,306
State contributions to State Employees' Retirement System	7,400,436	7,753,591	7,573,305
State contributions to Social Security	4,459,034	4,850,978	4,814,800
Group insurance	5,258,337	4,620,762	4,662,617
Contractual services	13,066,714	12,613,912	13,744,741
Conferences, vendor payments	6,100	27,000	27,000
Travel	530,797	557,298	583,597
Commodities	3,647,500	3,537,748	3,644,024
Printing	664,835	643,937	677,030
Equipment	2,323,900	1,740,359	3,141,189
Electronic data processing	501,924	684,022	535,835
Telecommunications	2,089,249	2,023,683	2,076,557
Operation of automotive equipment	2,319,903	2,223,977	2,163,178
Lump sums	33,426,785	34,285,781	40,118,745
Lump sums operations	26,717,371	26,759,472	28,116,776
Interfund cash transfers	5,250,000	5,250,000	5,250,000
Awards & grants	28,285,078	13,677,449	13,388,779
Grants to local governments	668,042	1,791,983	1,500,898
Construction grants	10,642,754	22,087,662	30,058,581
Grants to non-profit organizations	160,000	200,000	290,000
Awards & grants, lump sum & other purposes	23,354,104	29,566,047	29,054,873
Permanent improvements	409,951	4,600,043	13,189,685
Permanent improvements, lump sum & other purposes	33,249,367	56,042,297	64,079,504
Highway and waterway construction	7,699,135	11,696,136	14,245,370
Refunds	1,159,503	1,205,093	881,180
Total expenditures	<u>284,600,500</u>	<u>326,297,574</u>	<u>362,139,630</u>
Reappropriations	<u>302,138,460</u>	<u>360,211,834</u>	<u>382,556,957</u>
Lapsed balances	<u>\$ 5,912,636</u>	<u>\$ 5,393,496</u>	<u>\$ 19,013,516</u>

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

TOTAL - EXPENDITURES BY FUND

	Fund Number	Fiscal Year		
		2004	2003	2002
		Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
ALL FUNDS				
Appropriations (net of transfers and reversions)		\$ 592,651,596	\$ 691,902,904	\$ 763,710,103
Expenditures:				
General Revenue Fund	0001	93,870,397	112,708,143	126,740,370
State Boating Act Fund	0039	9,623,706	10,245,273	9,553,971
State Parks Fund	0040	7,844,059	6,990,951	7,286,225
Wildlife and Fish Fund	0041	33,156,418	29,780,424	28,903,794
Salmon Fund	0042	254,656	233,512	198,542
Mines and Minerals UIC Fund	0077	278,335	246,724	270,756
Forest Reserve Fund	0086	290,866	287,236	285,722
Toxic Pollution Prevention Fund	0111	58,208	89,919	24,185
Plugging and Restoration Fund	0137	393,986	414,575	461,566
Capital Development Fund	0141	44,408,062	80,961,994	98,678,897
Explosives Regulatory Fund	0145	82,246	141,617	145,001
Aggregate Operations Regulatory Fund	0146	266,577	276,811	313,217
Coal Mining Regulatory Fund	0147	273,562	240,073	278,310
Natural Resources Fund	0158	-	-	1,454
Emergency Public Health Fund	0240	196,474	-	-
Underground Resource Conservation				
Enforcement Trust Fund	0261	435,121	471,765	550,152
State Furbearer Fund	0293	86,147	74,423	173,584
Used Tire Management Fund	0294	199,464	199,999	199,979
Natural Areas Acquisition Fund	0298	5,525,039	5,143,126	8,298,299
Open Space Lands Acquisition				
and Development Fund	0299	17,502,644	20,291,832	13,947,854
State Pheasant Fund	0353	591,873	215,068	536,843
Natural Heritage Fund	0375	75,370	24,903	32,178
Illinois Habitat Fund	0391	1,541,076	630,699	847,082
Flood Control Land Lease Fund	0443	518,042	491,522	457,411
Land and Water Recreation Fund	0465	1,421,603	2,015,000	1,761,261
Wildlife Prairie Park Fund	0504	100,000	-	-
Petroleum Resources Revolving Fund	0573	335,498	240,274	205,152
Off Highway Vehicle Trails Fund	0574	66,393	239,918	122,501
Conservation 2000 Fund	0608	4,145,952	3,872,490	6,271,909
Conservation 2000 Projects Fund	0609	5,465,379	5,835,458	4,112,944
Fund for Illinois' Future	0611	1,153,534	2,773,931	5,433,900

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

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

TOTAL - EXPENDITURES BY FUND

	Fund Number	Fiscal Year		
		2004	2003	2002
		Public Act 93-0097, 93-0587 93-0664	Public Act 92-0538, 92-0717	Public Act 92-0008
Federal Title IV Fire Protection Assistance Fund	0670	\$ 275,991	\$ 49,549	\$ 248,072
Federal Surface Mining Control and Reclamation Fund	0765	2,442,890	2,976,179	2,689,032
Restoration Trust Fund	0831	86,631	20,154	33,799
Hazardous Waste Research Fund	0840	475,041	454,870	382,515
National Flood Insurance Program Fund	0855	239,798	210,672	184,393
Land Reclamation Fund	0858	1,498	-	-
Snowmobile Trail Establishment Fund	0866	101,243	101,173	86,965
Drug Traffic Prevention Fund	0878	7,800	-	-
DNR Federal Projects Fund	0894	-	-	332,206
Illinois Forestry Development Fund	0905	2,499,358	2,288,184	2,134,320
Illinois Wildlife Preservation Fund	0909	263,751	223,527	305,614
Natural Resources Information Fund	0914	197,819	175,668	168,760
State Migratory Waterfowl Stamp Fund	0953	529,132	710,063	804,652
Park and Conservation Fund	0962	14,627,061	16,214,375	18,808,026
Build Illinois Bond Fund	0971	25,079,724	7,131,514	7,564,264
Build Illinois Purposes Fund	0972	-	-	198,000
Illinois Beach Marina Fund	0982	1,801,167	2,056,769	2,006,714
Abandoned Mined Lands Reclamation Council Federal Trust Fund	0991	5,810,909	8,547,217	10,099,239
Total expenditures		<u>284,600,500</u>	<u>326,297,574</u>	<u>362,139,630</u>
Reappropriations		<u>302,138,460</u>	<u>360,211,834</u>	<u>382,556,957</u>
Lapsed balances		<u>\$ 5,912,636</u>	<u>\$ 5,393,496</u>	<u>\$ 19,013,516</u>
<u>NON-APPROPRIATED FUND EXPENDITURES</u>				
Blue Waters Ditch Flood Control Project Fund	0252	\$ 72,000	\$ 8,500	\$ -
DNR Special Projects Fund	0884	2,295,643	2,539,099	2,342,601
DNR Federal Projects Fund	0894	1,605,227	376,847	369,634
J.J. Wolf Memorial for Conservation Investigation Fund	0931	7,301	2,249	9,796
Total Non-Appropriated Fund expenditures		<u>\$ 3,980,171</u>	<u>\$ 2,926,695</u>	<u>\$ 2,722,031</u>
GRAND TOTAL EXPENDITURES - ALL FUNDS		<u>\$ 288,580,671</u>	<u>\$ 329,224,269</u>	<u>\$ 364,861,661</u>

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
Year Ended June 30, 2004**

	Amount
<u>Procurement Efficiency Initiative</u>	
General Revenue Fund - 0001	
Personal services	\$ 56,500
Employee retirement - contributions paid by employer	2,200
State contributions to State Employees' Retirement System	7,600
State contributions to Social Security	4,400
Contractual services	351,200
Travel	16,700
Commodities	104,600
Equipment	22,700
Electronic data processing	4,600
Telecommunications	82,400
Operation of automotive equipment	24,400
Lump sums	270,100
State Boating Act Fund - 0039	
Contractual services	48,000
Travel	400
Commodities	6,400
Equipment	9,700
Electronic data processing	2,000
Telecommunications	13,500
Operation of automotive equipment	5,500
Lump sums	6,300
State Parks Fund - 0040	
Contractual services	154,700
Travel	1,300
Commodities	34,600
Equipment	53,500
Telecommunications	27,400
Operation of automotive equipment	7,700
Lump sums	58,300
Wildlife and Fish Fund - 0041	
Personal services	11,200
Employee retirement - contributions paid by employer	400
State contributions to State Employees' Retirement System	1,500
State contributions to Social Security	900
Contractual services	219,600
Contractual services, N.E.C.	1,400
Travel	6,300

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
Year Ended June 30, 2004**

	Amount
Commodities	\$ 125,300
Equipment	59,600
Electronic data processing	2,400
Telecommunications	44,600
Operation of automotive equipment	20,500
Lump sums	105,700
 Salmon Fund - 0042	
Contractual services	200
 Toxic Pollution Prevention Fund - 0111	
Lump sums	300
 Plugging and Restoration Fund - 0137	
Contractual services	800
Travel	200
Commodities	2,300
Equipment	500
Electronic data processing	900
Telecommunications	600
Operation of automotive equipment	19,500
 Explosives Regulatory Fund - 0145	
Lump sums	1,500
 Aggregate Operations Regulatory Fund - 0146	
Lump sums	4,900
 Coal Mining Regulatory Fund - 0147	
Lump sums	4,500
 Underground Resource Conservation Enforcement Trust Fund - 0261	
Contractual services	6,700
Travel	200
Commodities	800
Equipment	600
Electronic data processing	300
Telecommunications	1,400
Operation of automotive equipment	1,000
 Used Tire Management Fund - 0294	
Lump sums	1,000

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
Year Ended June 30, 2004**

	<u>Amount</u>
Natural Areas Acquisition Fund - 0298	
Contractual services	\$ 4,600
Travel	1,000
Commodities	2,900
Equipment	6,900
Telecommunications	2,800
Operation of automotive equipment	1,700
Lump sums	14,400
Open Space Lands Acquisition and Development Fund - 0299	
Lump sums	7,900
Natural Heritage Fund - 0375	
Contractual services	3,500
Commodities	1,300
Conservation 2000 Fund - 0608	
Lump sums	168,300
Restoration Trust Fund - 0831	
Lump sums	22,300
Hazardous Waste Research Fund - 0840	
Lump sums	27,900
Illinois Forestry Development Fund - 0905	
Equipment	7,800
Lump sums	50,200
Illinois Wildlife Preservation Fund - 0909	
Lump sums	52,000
Natural Resources Information Fund - 0914	
Lump sums	5,400
Park and Conservation Fund - 0962	
Lump sums	188,300
Abandoned Mined Lands Reclamation Council Federal Trust Fund - 0991	
Lump sums	109,200
Sub-Total	<u>2,702,700</u>

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
Year Ended June 30, 2004**

	Amount
<u>Information Technology Initiatives</u>	
General Revenue Fund - 0001	
Personal services	\$ 140,500
Employee retirement - contributions paid by employer	5,600
State contributions to State Employees' Retirement System	18,800
State contributions to Social Security	10,699
State Boating Act Fund - 0039	
Personal services	50,200
Employee retirement - contributions paid by employer	3,000
State contributions to State Employees' Retirement System	10,100
State contributions to Social Security	5,700
Group insurance	27,200
Sub-Total	271,799
<u>Vehicle Fleet Initiatives</u>	
Conservation 2000 Fund - 0608	
Lump sums	587,675
Sub-Total	587,675
Grand Total	\$ 3,562,174

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Department and reconciled to information from the Office of the Comptroller.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - NON-APPROPRIATED FUNDS**

	Fiscal Year		
	2004	2003	2002
<u>INVESTIGATIVE CASH FUND - 1204</u>			
Cash balance, July 1	\$ 9,676	\$ 8,995	\$ 9,634
Receipts	15,339	2,930	9,188
Disbursements	<u>(16,710)</u>	<u>(2,249)</u>	<u>(9,827)</u>
Cash balance, June 30	<u>\$ 8,305</u>	<u>\$ 9,676</u>	<u>\$ 8,995</u>

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF CHANGES IN STATE PROPERTY

Years Ended June 30, 2003 and 2004

	<u>Land and Improvements</u>	<u>Site Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Capital Leases- Equipment</u>	<u>Totals</u>
Balance July 1, 2002	\$ 513,633,338	\$ -	\$ 352,944,029	\$ 106,385,978	\$ 135,058	\$ 973,098,403
Additions	19,384,629	3,736,452	7,661,797	5,680,005	-	36,462,883
Deletions and Other Adjustments	(229,353,178)	222,760,740	(30,407,811)	(1,012,282)	-	(38,012,531)
Net Transfers	<u>260,484</u>	<u>6,378,140</u>	<u>12,341,733</u>	<u>(2,989,266)</u>	-	<u>15,991,091</u>
Balance June 30, 2003	303,925,273	232,875,332	342,539,748	108,064,435	135,058	987,539,846
Additions	5,001,540	82,181,350	258,419,333	8,004,851	-	353,607,074
Deletions and Other Adjustments	(300,061)	(148,938,071)	(160,250,842)	(2,881,376)	-	(312,370,350)
Net Transfers	<u>-</u>	<u>(47,213)</u>	<u>11,214,968</u>	<u>(4,878,171)</u>	-	<u>6,289,584</u>
Balance June 30, 2004	<u>\$ 308,626,752</u>	<u>\$ 166,071,398</u>	<u>\$ 451,923,207</u>	<u>\$ 108,309,739</u>	<u>\$ 135,058</u>	<u>\$ 1,035,066,154</u>

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES

COMPARATIVE SCHEDULE OF CASH RECEIPTS
(Expressed in Thousands)

Type	Fiscal Year		
	2004	2003	2002
Deposits by the Department:			
License and related fees	\$ 42,394	\$ 36,284	\$ 35,246
Federal government	24,008	25,276	26,710
Fines, penalties or violations	622	702	661
Rentals:			
Concession	1,204	1,114	1,202
Boat and dock fees	3,187	3,310	3,152
Other rentals	2,286	1,615	956
Sales:			
Merchandise	269	187	168
Product	779	653	929
Publication	439	506	447
Advertising	-	-	20
Donations	233	21	782
Other revenue	11,513	11,906	9,083
Total per Department records	86,934	81,574	79,356
Deposits by other agencies and transfers:			
Motor fuel tax	5,040	5,040	5,040
Real estate transfer tax	43,079	17,839	31,250
Sportsman's license plates	256	250	241
Environmental license plates	1,360	1,516	1,828
Firearm owners I.D.	765	701	674
Oil and gas assessment	341	269	250
All terrain vehicle titles	545	510	527
Certificate of title	6,178	6,056	6,168
M.E.A.O.B.	10,000	10,000	10,000
Build Illinois Bond	10,000	10,000	10,000
Non-game checkoff	27	260	251
Interest Income	516	664	972
Total deposits by other agencies and transfers	78,107	53,105	67,201
Combined total	\$ 165,041	\$ 134,679	\$ 146,557

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Expressed in Thousands)

	Combined	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077
Licenses and fees	\$ 42,394	\$ -	\$ 4,761	\$ 5,027	\$ 27,392	\$ 249	\$ -
Federal government	24,008	-	1,635	-	7,364	-	290
Fines penalties and violations	622	55	111	113	245	-	-
Rental:							
Concession	1,204	-	-	1,064	19	-	-
Boat and dock fees	3,187	-	-	2	3	-	-
Other rental	2,286	-	-	1,139	1,085	-	-
Sales:							
Merchandise	269	-	-	-	269	-	-
Product	779	-	-	-	524	-	-
Publication	439	-	-	-	252	-	-
Advertising	-	-	-	-	-	-	-
Donations	233	-	-	-	-	-	-
Other revenue	11,513	69	10	16	2,095	-	-
Total per Department records	86,934	124	6,517	7,361	39,248	249	290
Refunds	136	4	-	-	7	-	-
Prior year receipts transfers	5	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	1,902	2	97	239	1,353	20	-
Less: End of period	1,824	3	203	376	1,044	17	-
Total per State Comptroller records	\$ 87,153	\$ 127	\$ 6,411	\$ 7,224	\$ 39,564	\$ 252	\$ 290

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Expressed in Thousands)

	Forest Reserve Fund 0086	Toxic Pollution Prevention Fund 0111	Plugging and Restoration Fund 0137	Capital Development Fund 0141	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147
Licenses and fees	\$ -	\$ 25	\$ 426	\$ -	\$ 100	\$ 269	\$ 220
Federal government	291	-	55	-	-	-	-
Fines penalties and violations	-	-	-	-	-	10	6
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Merchandise	-	-	-	-	-	-	-
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	-	22	-	-	-	-
Total per Department records	291	25	503	-	100	279	226
Refunds	-	-	-	46	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	-	-	-	-	-	-	-
Less: End of period	-	7	3	-	1	-	-
Total per State Comptroller records	\$ 291	\$ 18	\$ 500	\$ 46	\$ 99	\$ 279	\$ 226

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Expressed in Thousands)

	Blue Waters Ditch Flood Control Project Fund 0252	Abandoned Mined Land Reclamation Set-Aside Fund 0257	Fish and Wildlife Endowment Fund 0260	Underground Resources Conservation Enforcement Trust Fund 0261	State Furbearer Fund 0293	State Pheasant Fund 0353
Licenses and fees	\$ -	\$ -	\$ 108	\$ 565	\$ 90	\$ 448
Federal government	72	834	-	-	-	-
Fines penalties and violations	-	-	-	47	-	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	-	-	-
Publication	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total per Department records	72	834	108	612	90	448
Refunds	-	-	-	-	-	1
Prior year receipts transfers	-	-	-	-	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	-	-	2	4	22
Less: End of period	-	-	7	8	2	11
Total per State Comptroller records	\$ 72	\$ 834	\$ 101	\$ 606	\$ 92	\$ 460

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Expressed in Thousands)**

	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Land and Water Recreation Fund 0465	Petroleum Resources Revolving Fund 0573	Off Highway Vehicle Trails Fund 0574	Conservation 2000 Fund 0608	Conservation 2000 Projects Fund 0609
Licenses and fees	\$ 958	\$ -	\$ -	\$ 5	\$ 30	\$ -	\$ -
Federal government	-	-	1,422	-	-	-	-
Fines penalties and violations	-	-	-	-	-	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Merchandise	-	-	-	-	-	-	-
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	1	500	-	-	-	-	5,250
Total per Department records	959	500	1,422	5	30	-	5,250
Refunds	3	-	-	-	-	10	34
Prior year receipts transfers	1	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	48	-	-	-	4	-	-
Less: End of period	25	-	-	-	6	-	-
Total per State Comptroller records	\$ 986	\$ 500	\$ 1,422	\$ 5	\$ 28	\$ 10	\$ 5,284

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Expressed in Thousands)

	Federal Title IV Fire Protection Assistance Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Restoration Trust Fund 0831	National Flood Insurance Program Fund 0855	Land Reclamation Fund 0858	Snowmobile Trail Establishment Fund 0866
Licenses and fees	\$ -	\$ -	\$ -	\$ -	\$ 86	\$ 98
Federal government	319	2,716	-	281	-	-
Fines penalties and violations	-	-	-	-	-	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	-	-	-
Publication	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Other revenue	-	-	96	-	-	-
Total per Department records	319	2,716	96	281	86	98
Refunds	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	-	-	-	-	1
Less: End of period	-	-	-	-	-	1
Total per State Comptroller records	\$ 319	\$ 2,716	\$ 96	\$ 281	\$ 86	\$ 98

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Expressed in Thousands)**

	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909	Natural Resources Information Fund 0914
Licenses and fees	\$ -	\$ -	\$ -	\$ 905	\$ -	\$ -
Federal government	-	-	1,637	1,071	114	-
Fines penalties and violations	7	-	-	14	5	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	255	-	-
Publication	-	-	-	-	-	187
Advertising	-	-	-	-	-	-
Donations	-	170	-	-	22	-
Other revenue	-	2,309	-	22	-	-
Total per Department records	7	2,479	1,637	2,267	141	187
Refunds	-	2	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	3	-	-	-	4
Less: End of period	1	-	-	7	-	2
Total per State Comptroller records	\$ 6	\$ 2,484	\$ 1,637	\$ 2,260	\$ 141	\$ 189

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Expressed in Thousands)**

	J.J. Wolf Memorial for Conservation Investigation Fund 0931	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Build Illinois Bond 0971	Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	\$ -	\$ 632	\$ -	\$ -	\$ -	\$ -
Federal government	-	-	44	-	-	5,863
Fines penalties and violations	9	-	-	-	-	-
Rental:						
Concession	-	-	-	-	121	-
Boat and dock fees	-	-	-	-	3,182	-
Other rental	-	-	-	-	62	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	-	-	-
Publication	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Donations	-	41	-	-	-	-
Other revenue	-	-	1,100	-	23	-
Total per Department records	9	673	1,144	-	3,388	5,863
Refunds	-	-	-	29	-	-
Prior year receipts transfers	-	-	4	-	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	1	-	-	102	-
Less: End of period	2	3	-	-	95	-
Total per State Comptroller records	\$ 7	\$ 671	\$ 1,148	\$ 29	\$ 3,395	\$ 5,863

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Expressed in Thousands)**

	Combined	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077
Licenses and fees	\$ 36,284	\$ -	\$ 3,099	\$ 4,529	\$ 23,671	\$ 221	\$ -
Federal government	25,276	-	2,325	-	6,442	-	188
Fines penalties and violations	702	46	136	128	273	-	-
Rental:							
Concession	1,114	-	-	991	13	-	-
Boat and dock fees	3,310	-	-	4	2	-	-
Other rental	1,615	-	-	826	738	-	-
Sales:							
Merchandise	187	-	-	-	187	-	-
Product	653	-	-	-	398	-	-
Publication	506	-	-	-	282	-	-
Advertising	-	-	-	-	-	-	-
Donations	21	-	-	-	-	-	-
Other revenue	11,906	39	2	9	3,039	-	-
Total per Department records	81,574	85	5,562	6,487	35,045	221	188
Refunds	74	23	-	-	2	-	-
Prior year receipts transfers	7	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	1,114	2	75	241	605	9	-
Less: End of period	1,902	2	97	239	1,353	20	-
Total per State Comptroller records	\$ 80,867	\$ 108	\$ 5,540	\$ 6,489	\$ 34,299	\$ 210	\$ 188

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(Expressed in Thousands)

	Forest Reserve Fund 0086	Toxic Pollution Prevention Fund 0111	Plugging and Restoration Fund 0137	Capital Development Fund 0141	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147
Licenses and fees	\$ -	\$ 24	\$ 430	\$ -	\$ 111	\$ 245	\$ 234
Federal government	287	-	11	-	-	-	-
Fines penalties and violations	-	-	-	-	-	24	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Merchandise	-	-	-	-	-	-	-
Product	-	-	-	-	-	-	-
Publication	-	16	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	-	402	-	-	-	-
Total per Department records	287	40	843	-	111	269	234
Refunds	-	-	-	6	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	-	-	-	-	-	-	-
Less: End of period	-	-	-	-	-	-	-
Total per State Comptroller records	\$ 287	\$ 40	\$ 843	\$ 6	\$ 111	\$ 269	\$ 234

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(Expressed in Thousands)

	Blue Waters Ditch Flood Control Project Fund 0252	Abandoned Mined Land Reclamation Set-Aside Fund 0257	Fish and Wildlife Endowment Fund 0260	Underground Resource Conservation Enforcement Trust Fund 0261	State Furbearer Fund 0293	State Pheasant Fund 0353
Licenses and fees	\$ -	\$ -	\$ 77	\$ 554	\$ 80	\$ 396
Federal government	9	856	-	-	-	-
Fines penalties and violations	-	-	-	54	-	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	-	-	-
Publication	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total per Department records	9	856	77	608	80	396
Refunds	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	6
Deposits in transit to Comptroller:						
Add: Beginning of period	-	-	-	-	1	6
Less: End of period	-	-	-	2	4	22
Total per State Comptroller records	\$ 9	\$ 856	\$ 77	\$ 606	\$ 77	\$ 386

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Expressed in Thousands)**

	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Land and Water Recreation Fund 0465	Petroleum Resources Revolving Fund 0573	Off Highway Vehicle Trails Fund 0574	Conservation 2000 Fund 0608	Conservation 2000 Projects Fund 0609
Licenses and fees	\$ 866	\$ -	\$ -	\$ 5	\$ 27	\$ -	\$ -
Federal government	-	-	2,015	-	-	-	-
Fines penalties and violations	-	-	-	-	-	-	-
Rental:							
Concession	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-
Sales:							
Merchandise	-	-	-	-	-	-	-
Product	-	-	-	-	-	-	-
Publication	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Other revenue	-	524	-	-	-	-	5,250
Total per Department records	866	524	2,015	5	27	-	5,250
Refunds	3	-	-	-	-	1	28
Prior year receipts transfers	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	15	-	-	-	-	-	-
Less: End of period	48	-	-	-	4	-	-
Total per State Comptroller records	\$ 836	\$ 524	\$ 2,015	\$ 5	\$ 23	\$ 1	\$ 5,278

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Expressed in Thousands)**

	Federal Title IV Fire Protection Assistance Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Restoration Trust Fund 0831	National Flood Insurance Program Fund 0855	Land Reclamation Fund 0858	Snowmobile Trail Establishment Fund 0866
Licenses and fees	\$ -	\$ -	\$ -	\$ -	\$ 133	\$ 102
Federal government	50	2,690	-	107	-	-
Fines penalties and violations	-	-	-	-	-	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	-	-	-
Publication	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Other revenue	-	-	79	-	-	-
Total per Department records	50	2,690	79	107	133	102
Refunds	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	-	-	-	-	1
Less: End of period	-	-	-	-	-	1
Total per State Comptroller records	\$ 50	\$ 2,690	\$ 79	\$ 107	\$ 133	\$ 102

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Expressed in Thousands)**

	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909	Natural Resources Information Fund 0914
Licenses and fees	\$ -	\$ -	\$ -	\$ 882	\$ -	\$ -
Federal government	-	-	374	1,155	15	-
Fines penalties and violations	9	-	-	19	2	-
Rental:						
Concession	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-
Other rental	-	-	-	-	-	-
Sales:						
Merchandise	-	-	-	-	-	-
Product	-	-	-	255	-	-
Publication	-	-	-	-	-	208
Advertising	-	-	-	-	-	-
Donations	-	12	-	-	9	-
Other revenue	-	2,140	-	2	1	-
Total per Department records	9	2,152	374	2,313	27	208
Refunds	-	-	-	9	-	-
Prior year receipts transfers	-	-	-	1	-	-
Deposits in transit to Comptroller:						
Add: Beginning of period	-	-	-	2	-	7
Less: End of period	-	3	-	-	-	4
Total per State Comptroller records	\$ 9	\$ 2,149	\$ 374	\$ 2,325	\$ 27	\$ 211

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Expressed in Thousands)**

	J.J. Wolf Memorial for Conservation Investigation Fund 0931	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	\$ -	\$ 598	\$ -	\$ -	\$ -
Federal government	-	-	122	-	8,630
Fines penalties and violations	11	-	-	-	-
Rental:					
Concession	-	-	-	110	-
Boat and dock fees	-	-	-	3,304	-
Other rental	-	-	-	51	-
Sales:					
Merchandise	-	-	-	-	-
Product	-	-	-	-	-
Publication	-	-	-	-	-
Advertising	-	-	-	-	-
Donations	-	-	-	-	-
Other revenue	-	-	403	16	-
Total per Department records	11	598	525	3,481	8,630
Refunds	-	-	2	-	-
Prior year receipts transfers	-	-	-	-	-
Deposits in transit to Comptroller:					
Add: Beginning of period	-	6	-	144	-
Less: End of period	-	1	-	102	-
Total per State Comptroller records	\$ 11	\$ 603	\$ 527	\$ 3,523	\$ 8,630

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

Years Ended June 30, 2004 and 2003

The Department of Natural Resources' (Department) analysis of significant fluctuations in expenditures as presented in Schedule 7, "Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances Total – Expenditures by Fund" is detailed below:

Fiscal Year 2004

Toxic Pollution Prevention Fund – 0111

Expenditures decreased \$31,711 or 35% from fiscal year 2003 to 2004. This decrease is a result of fewer staff being paid from the fund in fiscal year 2004.

Capital Development Fund – 0141

Expenditures decreased \$36,553,932 or 45% from fiscal year 2003 to 2004. The majority of the decreases were associated with the following programs: one-time line item grants decreased about \$6 million; Open Land Trust program expenditures for acquisitions and grants decreased by nearly \$22 million; and waterway projects decreased by about \$6.8 million.

Explosives Regulatory Fund – 0145

Expenditures decreased \$59,371 or 42% from fiscal year 2003 to 2004. The majority of the decrease was associated with fewer staff being paid from the fund, which was approximately \$45,000. In addition, lease payments were paid from a different source during fiscal year 2004 and no replacement electronic data processing equipment was purchased, accounting for approximately \$9,000 and \$4,000 of the decrease, respectively.

Emergency Public Health Fund – 0240

Expenditures increased \$196,474 or 100% from fiscal year 2003 to 2004. During fiscal year 2004, this fund was appropriated \$200,000 for programs, but during fiscal year 2003, no appropriations were made to the fund.

Blue Waters Ditch Flood Control Project Fund (non-appropriated) – 0252

Expenditures increased \$63,500 or 747% from fiscal year 2003 to 2004. Expenditures from the fund are based on revenues received (or garnishments) from local governments for payments to the Metro East Sanitary District for operations and maintenance costs associated with flood control in the area that several local entities are required to pay. Expenditures vary from year to year based on costs and payments received.

State Pheasant Fund – 0353

Expenditures increased \$376,805 or 175% from fiscal year 2003 to 2004. The majority of the increase was tied to the Whitefield Habitat Area land acquisition costing approximately \$313,000. In addition, seed and forage supplies for habitat areas increased approximately \$50,000 during fiscal year 2004.

Natural Heritage Fund – 0375

Expenditures increased \$50,467 or 203% from fiscal year 2003 to 2004. This increase was due to loss of funding from other sources requiring the increased use of this fund for the various stewardship and maintenance activities and costs at nature preserves. Commodity expenditures increased approximately \$12,000 and contractual services increased approximately \$40,000.

Illinois Habitat Fund – 0391

Expenditures increased by \$910,377 or 144% from fiscal year 2003 to 2004. The increase was due to one-time land acquisitions in Carroll (\$300,000) and Randolph (\$560,000) counties.

Land and Water Recreation Fund – 0465

Expenditures decreased \$593,397 or 29% from fiscal year 2003 to 2004. The decrease is a timing issue. Grant recipients seek reimbursements after completing the matching requirements of the projects; thus, expenditures will vary.

Wildlife Prairie Park Fund – 0504

Expenditures increased \$100,000 or 100% from fiscal year 2003 to 2004. During fiscal year 2004, \$100,000 was appropriated for site improvements to Wildlife Prairie Park. During fiscal year 2003, no appropriations were made to this fund.

Petroleum Resources Revolving Fund – 0573

Expenditures increased \$95,224 or 40% from fiscal year 2003 to 2004. The increase was due to a new process put into place to fund Board operations and increased activity with the hiring of a new Director of the Petroleum Resources Board.

Off Highway Vehicle Trails Fund – 0574

Expenditures decreased \$173,525 or 72% from fiscal year 2003 to 2004. The decrease was due to a lack of qualifying projects being submitted for consideration; thus, fewer awards and expenditures were made.

Fund for Illinois' Future – 0611

Expenditures decreased \$1,620,397 or 58% from fiscal year 2003 to 2004. The decrease resulted from the completion of multiple Illinois First projects during fiscal year 2003.

Federal Title IV Fire Protection Assistance Fund – 0670

Expenditures increased \$226,442 or 457% from fiscal year 2003 to 2004. The increase was attributed to a grant program being picked up again that was not available during the previous year.

Restoration Trust Fund – 0831

Expenditures increased \$66,477 or 330% from fiscal year 2003 to 2004. The increase in expenditures was related to costs of an intern position and additional research projects through the University of Illinois.

DNR Federal Projects Fund (non-appropriated) – 0894

Expenditures increased \$1,228,380 or 326% from fiscal year 2003 to 2004. The majority of the increase is associated with the Great Lakes Coastal Restoration grant (\$1 million). Several other one-time projects in the Office of Resources Conservation make up an additional \$200,000 of the increase.

J.J. Wolf Memorial for Conservation Investigation Fund (non-appropriated) – 0931

Expenditures increased \$5,052 or 225% from fiscal year 2003 to 2004. Expenditures vary year to year due to investigative activity in the Office.

State Migratory Waterfowl Stamp Fund – 0953

Expenditures decreased \$180,931 or 25% from fiscal year 2003 to 2004. The decrease was due to the Department's slower execution of permanent improvement projects appropriated from this fund.

Build Illinois Bond Fund – 0971

Expenditures increased \$17,948,210 or 252% from fiscal year 2003 to 2004. Approximately \$3.9 million of the increase was for reimbursements to museum grant recipients, which was newly appropriated from this fund during fiscal year 2004 and \$15.9 million for shoreline improvements on Lake Michigan. Also, several one-time projects, totaling \$1.6 million were completed during fiscal year 2003; thus, offsetting a portion of the increase.

Abandoned Mined Lands Reclamation Council Federal Trust Fund – 0991

Expenditures decreased \$2,736,308 or 32% from fiscal year 2003 to 2004. The decrease was mostly related to grant construction and execution activities decreasing during fiscal year 2004.

Fiscal Year 2003

Toxic Pollution Prevention Fund – 0111

Expenditures increased \$65,734 or 272% from fiscal year 2002 to 2003. The Department began paying staff from this appropriation during fiscal year 2003.

Capital Development Fund – 0141

Expenditures decreased \$17,716,903 or 18% from fiscal year 2002 to 2003. The majority of the decrease was associated with several one-time projects during fiscal year 2002, including: line item grants decreasing approximately \$1.8 million; Open Land Trust program expenditures decreasing approximately \$4 million; a one-time land acquisition in Bartlett for \$7 million; Region 2 facility development for approximately \$2.9 million, and museum grants decreasing about \$3.5 million.

Natural Resources Fund – 0158

Expenditures decreased \$1,454 or 100% from fiscal year 2002 to 2003. This fund is no longer used by the Department and has a zero balance.

Blue Waters Ditch Flood Control Project Fund (non-appropriated) – 0252

Expenditures increased \$8,500 or 100% from fiscal year 2002 to 2003. Expenditures from the fund are based on revenues received (or garnishments) from local governments for payments to the Metro East Sanitary District for operations and maintenance costs associated with flood control in the area that several local entities are required to pay. Expenditures vary from year to year based on costs and payments received.

State Furbearer Fund – 0293

Expenditures decreased \$99,161 or 57% from fiscal year 2002 to 2003. The majority of the decrease is associated with a one-time acquisition of land in Calhoun County during fiscal year 2002 for \$70,000.

Natural Areas Acquisition Fund – 0298

Expenditures decreased \$3,155,173 or 38% from fiscal year 2002 to 2003. This decrease in expenditures was due to the transfer allocation that was 15% for fiscal year 2002, but only 5% for fiscal year 2003. In addition, appropriations were reduced in fiscal year 2003.

Open Space Lands Acquisition and Development Fund – 0299

Expenditures increased \$6,343,978 or 45% from fiscal year 2002 to 2003. The majority of funds expended are for reimbursements to local governments for projects approved in prior years; thus, requests for reimbursements vary from year to year.

State Pheasant Fund – 0353

Expenditures decreased \$321,775 or 60% from fiscal year 2002 to 2003. This decrease resulted from a one-time land acquisition in Kankakee County totaling about \$220,000 during fiscal year 2002, as well as decreases to the various grants to not-for-profit entities for habitat improvements.

Natural Heritage Fund – 0375

Expenditures decreased \$7,275 or 23% from fiscal year 2002 to 2003. This net decrease was due to several uses during fiscal year 2002 that were not necessary during fiscal year 2003, including a petty cash reimbursement of about \$2,000, building and ground maintenance at a nature preserve of \$3,000 and about \$4,000 in various contractual services associated with the preserves.

Illinois Habitat Fund – 0391

Expenditures decreased \$216,383 or 26% from fiscal year 2002 to 2003. The decrease is due to a one-time land acquisition in Calhoun County during fiscal year 2002 totaling \$245,000.

Off Highway Vehicle Trails Fund – 0574

Expenditures increased \$117,417 or 96% from fiscal year 2002 to 2003. The increase was due to the payment of two grants of about \$65,000 each for trail development (Clark County Park District and William Hill Pass Association) during fiscal year 2003.

Conservation 2000 Fund – 0608

Expenditures decreased \$2,399,419 or 38% from fiscal year 2002 to 2003. \$8.0 million was swept from the fund during fiscal year 2003; thus, the Department had to reduce expenditures to accommodate cash availability. Significant areas reduced included: about \$1.5 million for grants involving various Conservation 2000 programs; \$225,000 for personal services and related costs; and approximately \$400,000 for research.

Conservation 2000 Projects Fund – 0609

Expenditures increased \$1,722,514 or 42% from fiscal year 2002 to 2003. The increased expenditures were related to ecosystem land acquisition and easement purchases.

Fund for Illinois' Future – 0611

Expenditures decreased \$2,659,969 or 49% from fiscal year 2002 to 2003. The decrease resulted from the completion of multiple one-time only Illinois First projects during fiscal year 2002.

Federal Title IV Fire Protection Assistance Fund – 0670

Expenditures decreased \$198,523 or 80% from fiscal year 2002 to 2003. The decrease was due to loss of staff to administer the program due to the early retirement incentive. Staff have since been assigned to the program and the funds from the grant program carry over will be expended during the following fiscal years.

Restoration Trust Fund – 0831

Expenditures decreased \$13,645 or 40% from fiscal year 2002 to 2003. Various contractual services activity associated with the Natural Resources Damages Assessment program decreased during fiscal year 2003.

DNR Federal Projects Fund (appropriated and non-appropriated) – 0894

Expenditures decreased \$324,993 or 46% from fiscal year 2002 to 2003. The decrease in expenditures was associated with the end of the federal funding for the U.S. Justice Department's Community Oriented Policing (COPs) program.

Illinois Wildlife Preservation Fund – 0909

Expenditures decreased \$82,087 or 27% from fiscal year 2002 to 2003. The majority of the decrease is associated with reduced personal services costs during fiscal year 2003, which is approximately \$54,000. Most of the remaining difference was associated with various contractual services activities dealing with numerous research projects that decreased during fiscal year 2003.

J.J. Wolf Memorial for Conservation Investigations Fund (non-appropriated) – 0931

Expenditures decreased \$7,547 or 77% from fiscal year 2002 to 2003. Expenditures are associated with various investigations and vary from year to year based on investigative activity in the Office.

Build Illinois Purposes Fund – 0972

Expenditures decreased \$198,000 or 100% from fiscal year 2002 to 2003. The decrease was due to one project that had long standing issues since 1987. The issues were resolved during fiscal year 2002 and paid-out. This fund had no activity for the previous 14 fiscal years.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

Years Ended June 30, 2004 and 2003

The Department of Natural Resources' (Department) analysis of significant fluctuations in cash receipts as presented in Schedule 11, "Comparative Schedule of Cash Receipts" is detailed below (amounts expressed in thousands):

Fiscal Year 2004

Other Rentals

Other rentals increased \$671 or 42% from fiscal year 2003 to 2004. This increase was due to changes in the agricultural lease program requiring payments of cash rather than goods or services.

Merchandise Sales

Merchandise sales increased \$82 or 44% from fiscal year 2003 to 2004. This increase was due to an increase in marketing and access to the gift shop in the new Department facility.

Donations

Donations increased \$212 or 1,010% from fiscal year 2003 to 2004. This increase was due to a one time gift from a previously unsolicited source.

Real Estate Transfer Tax

Real Estate Transfer Tax increased \$25,240 or 141% from fiscal year 2003 to 2004. This increase was due to a decrease in the Real Estate Fund allocations in 2003 and reinstatement of the Real Estate Fund allocations in 2004.

Oil And Gas Assessment

Oil and Gas Assessment increased \$72 or 27% from fiscal year 2003 to 2004. This increase was due to an increase in oil production in the last 2 years.

Non-game Checkoff

Non-game Checkoff decreased \$233 or 90% from fiscal year 2003 to 2004. This decrease was due to fewer people contributing money to the fund.

Fiscal Year 2003

Other Rentals

Other Rentals increased \$659 or 69% from fiscal year 2002 to 2003. This increase was due to changes in the agricultural lease program requiring payments of cash rather than goods or services.

Product Sales

Product Sales decreased \$276 or 30% from fiscal year 2002 to 2003. This decrease was due to decreased sales during the Department's construction of a new headquarters location.

Advertising Sales

Advertising sales decreased \$20 or 100% from fiscal year 2002 to 2003. This decrease was due to a decrease in vendors placing advertisements on permits and licenses after September 11, 2001.

Donations

Donations decreased \$761 or 97% from fiscal year 2002 to 2003. This decrease was due to normal and expected fluctuations in one-time grants from private organizations.

Other Revenue

Other revenue increased \$2,823 or 31% from fiscal year 2002 to 2003. This increase was due to oil royalties received from S.A. Forbes State Park.

Real Estate Transfer Tax

Real estate transfer tax decreased \$13,411 or 43% from fiscal year 2002 to 2003. This decrease was due to a cut in the transfer and allocation from the Real Estate Fund.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

Years Ended June 30, 2004 and 2003

The Department of Natural Resources' (Department) explanation for significant lapse period spending as presented in Schedules 3 and 4, "Schedule of Appropriations, Expenditures and Lapsed Balances" for fiscal years 2004 and 2003 is detailed below:

Fiscal Year 2004

Natural Heritage Fund – 0375

Lapse period expenditures totaled \$36,041 or 48% of total expenditures for fiscal year 2004. The majority of these expenditures were for miscellaneous supplies to repair fences, roofs and signs (\$7,400); herbicides, mowing and maintenance of exotic plant species (\$16,600); a tractor rental (\$2,100); and training for Resource Conservation staff (\$3,600). These expenditures were made late in the fiscal year due to warm weather constraints.

Wildlife Prairie Park Fund – 0504

Lapse period expenditures totaled \$100,000 or 100% of total expenditures for fiscal year 2004. The expenditures were tied to reimbursement to the Forest Park Foundation for building a pedestrian bridge at Wildlife Prairie State Park per an amended contractual arrangement.

Fund for Illinois' Future – 0611

Lapse period expenditures totaled \$335,144 or 29% of total expenditures for fiscal year 2004. The expenditures were tied to a reimbursement to Kohl's Children Museum for construction of a new museum facility per the grant agreement.

Restoration Trust Fund – 0831

Lapse period expenditures totaled \$26,176 or 30% of total expenditures for fiscal year 2004. Most of the expenditures were tied to two projects completed late in the fiscal year – Natural Resources Damages Assessment (NRDA) and the Defense State Memorandum of Agreement (DSMOA). The NRDA expenses (\$8,848) were associated with Lawrenceville (review materials, site visits, Trustee meetings) and the DSMOA (\$17,337) expenses were associated with cleanup of hazardous waste sites on Department of Defense installations formally used within Illinois.

Hazardous Waste Research Fund – 0840

Lapse period expenditures totaled \$216,392 or 46% of total expenditures for fiscal year 2004. Nearly \$83,000 of the expenditures was to the University of Illinois for research completed during the last part of fiscal year 2004. Also, about \$95,000 was to purchase a spectrometer, which was not billed until the lapse period. The remaining \$30,000 was for two research projects completed late in the fiscal year by entities other than the university.

National Flood Insurance Program Fund – 0855

Lapse period expenditures totaled \$93,219 or 39% of total expenditures for fiscal year 2004. Nearly \$87,200 of the expenditures was tied to personal services and related costs. The Office annually shifts dam and floodplain regulation staff to this fund late in the fiscal year once revenues are received from the Federal Emergency Management Agency.

Drug Traffic Prevention Fund – 0878

Lapse period expenditures totaled \$7,800 or 100% of total expenditures for fiscal year 2004. The expenditure was for the training of police dogs that occurred in May.

DNR Special Projects Fund (non-appropriated) – 0884

Lapse period expenditures totaled \$1,240,335 or 54% of total expenditures for fiscal year 2004. Of the \$1.2 million expended during the lapse period, nearly \$1.1 million was to the University of Illinois for various research projects and programs (EcoWatch, Illinois River Decisions System, 3-D imaging of glacial sediment) which were completed late in the fiscal year.

Fiscal Year 2003

Natural Heritage Fund – 0375

Lapse period expenditures totaled \$10,131 or 41% of total expenditures for fiscal year 2003. The majority of these expenditures were for herbicides for controlling kudzu timing (\$4,989) and for payment to Southern Illinois University for completion of research project titled “Biological and Ecological Attributes of the Endangered Vascular Plants of Southern Illinois” (\$4,000).

Petroleum Resources Revolving Fund – 0573

Lapse period expenditures totaled \$62,366 or 26% of total expenditures for fiscal year 2003. These expenditures were primarily for printing and supplies for educational displays and presentations that were ordered earlier in the year but not billed and paid until the lapse period.

Fund for Illinois' Future – 0611

Lapse period expenditures totaled \$1,271,882 or 46% of total expenditures for fiscal year 2003. These expenditures were for reimbursements to local governments for 11 projects that had been completed during fiscal year 2003 per various grant agreements.

Hazardous Waste Research Fund – 0840

Lapse period expenditures totaled \$102,568 or 23% of total expenditures for fiscal year 2003. These expenditures were primarily for research completed during the last part of fiscal year 2003.

National Flood Insurance Program Fund – 0855

Lapse period expenditures totaled \$95,649 or 45% of total expenditures for fiscal year 2003. Over \$90,700 of the expenditures was tied to personal services and related costs. The Office annually shifts dam and floodplain regulation staff to this fund late in the fiscal year once revenues are received from the Federal Emergency Management Agency.

DNR Federal Projects Fund (non-appropriated) – 0894

Lapse period expenditures totaled \$77,610 or 21% of total expenditures for fiscal year 2003. These expenditures were for \$59,000 of services received prior to June 30, 2003 but billed during the lapse period and \$14,000 of equipment received later in the fiscal year and billed during the lapse period.

Illinois Wildlife Preservation Fund – 0909

Lapse period expenditures totaled \$98,494 or 44% of total expenditures for fiscal year 2003. The majority of the lapse expenditures (\$66,000) were tied to numerous research projects that are for a one year duration ending in June and about \$16,600 was for support of the Endangered Species Protection Board.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

**June 30, 2004 and 2003
(Expressed in Thousands)**

INVENTORIES

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

	Fiscal Year 2004	Fiscal Year 2003
	<u> </u>	<u> </u>
Fish Hatcheries	\$ 1,055	\$ 1,157
Farm Commodities	114	97
Game Farms	234	281
Law Uniforms	76	104
Havana Warehouse	143	173
Office and Paper Supplies	4	3
Office Postage and UPS	76	1
Merchandise	178	205
Clearinghouse	<u>488</u>	<u>393</u>
 Total per Department records	 <u><u>\$ 2,368</u></u>	 <u><u>\$ 2,414</u></u>

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

ACCOUNTS RECEIVABLE

Aging of accounts receivable, per Department records, were as follows:

	Fiscal Year 2004	Fiscal Year 2003
	<u> </u>	<u> </u>
Current	\$ 7,596	\$ 13,532
1 - 30 days	551	221
31 - 90 days	24	17
91 - 180 days	36	3
181 days to one year	6	3
Over one year	<u>27</u>	<u>6</u>
 Total per Department records	 <u><u>\$ 8,240</u></u>	 <u><u>\$ 13,782</u></u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
AGENCY FUNCTIONS AND PLANNING PROGRAM
Years Ended June 30, 2004 and 2003

Agency Functions

The Department of Natural Resources (Department) was established on July 1, 1995 when the functions of the former Department of Conservation, Department of Mines and Minerals, the Abandoned Mined Lands Reclamation Council, portions of the Department of Energy and Natural Resources and the Division of Water Resources from the Department of Transportation were merged by an Executive Order of the Governor. The mission of the Department is to manage, protect, and sustain Illinois' natural and cultural resources; provide resource-compatible recreational opportunities; and promote natural resource-related public safety, education and science. Mr. Brent Manning, formerly the Director of the Department of Conservation since April 15, 1991, served as the Director since its creation on July 1, 1995 through March 2003. Mr. Joel Brunsvold has served as Director since April, 2003. The Department maintains its central headquarters in Springfield, located within the State Fairgrounds at One Natural Resources Way, Springfield, Illinois.

The Department currently manages over 313 sites totaling nearly than 460,000 acres of publicly owned and leased land. Additionally, the Department manages a variety of public sites such as museums, boat access areas, marinas, trails and concessions that are leased to or operated by private concessionaires or local communities.

The Department also coordinates the operations of the Illinois State Museum in Springfield, the Lockport Art Gallery in Lockport, the Illinois Art Gallery in Chicago, the Dickson Mounds Museum in Fulton County and the Southern Illinois Arts and Crafts Marketplace in Franklin County. In addition, the Department oversees the operations of four science institutions in Champaign: the Illinois Natural History Survey, the Illinois State Geological Survey, the Illinois State Water Survey and the Illinois Waste Management and Research Center.

The director's office has an assistant director (currently vacant) and two deputy directors who assist the director in administering the Department's programs. The Director's Office also directly administers several key functions including: Fiscal Management, Legal Counsel, Legislation and Constituency Services, Public Affairs, Equal Employment Opportunity, Human Resources, and the Illinois Conservation Foundation.

The Department is organized into ten offices which include the Office of Administration, Office of Resource Conservation, Office of Scientific Research and Analysis, Office of Realty and Environmental Planning, Office of Water Resources, Office of Mines and Minerals, Office of Capital Development, Office of Land Management and Education, Office of Law Enforcement and the Office of Public Services.

The Office of Administration provides internal support functions through its three divisions: Administrative Support, Concessions and Lease Management, and Systems and Licensing. The Office is responsible for central warehouse and shop functions, telecommunications, messenger services, central motor pool and vehicle fleet management. It also handles general legal agreement negotiations, coordination and maintenance, general leasing, rights of way, special land use permits, and park concessions; as well as the issuance of licenses, stamps or permits for regulated outdoor activities such as hunting, fishing and boating; and data processing. In addition, this Office administers the facility management responsibilities for the One Natural Resources Way building/facility.

The Office of Resource Conservation's primary responsibilities are managing, protecting, and enhancing the living natural resources of Illinois and providing outdoor recreation opportunities compatible with these resources. The Office provides services to public and private lands from a variety of fields of expertise including wildlife, fisheries, forestry management, natural area protection and restoration, threatened and endangered species protection and management, watershed management, and information support.

The Office of Scientific Research and Analysis is comprised of the State Museum, the Illinois Natural History Survey, the Illinois State Geological Survey, the Illinois State Water Survey and the Illinois Waste Management and Research Center. The Office provides extensive scientific data and information, technology assistance and public service on a wide range of issues. They perform research, maintain extensive collections, public scientific reports and articles, and provide extensive information and technical assistance to a wide variety of agencies, businesses, communities, and the general public.

The Office of Realty and Environmental Planning is comprised of four divisions: Realty, Planning, Ecosystems, and Resource Review and Coordination. This Office acquires public land for the purposes of Department programs; carries out a variety of outdoor recreation planning; reviews state and local projects proposed, funded and permitted, or licensed by the Department so that all environmental and historic impacts are considered before a project is begun; and is responsible for coordinating the Conservation 2000 program.

The Office of Water Resources administers regulatory programs for construction in the floodways of rivers, lakes and streams; construction in the shore waters of Lake Michigan; construction and operation of dams; construction in public bodies of water; allocation of water from Lake Michigan to Illinois communities; and withdrawal of water from Lake Shelbyville, Carlyle Lake and Rend Lake. The Office coordinates water resources planning, navigation, floodplain management and the National Flood Insurance Program.

The Office of Mines and Minerals, Division of Abandoned Mined Lands Reclamation is responsible for the reclamation of mined lands and emergency response to abandoned mine related incidents. The Blasting and Explosives Division is responsible for aggregate reclamation, aggregate blasting, coal blasting, and explosive handling and storage. The Division of Land Reclamation is responsible for ensuring that active surface mining operations are properly reclaimed and that lands affected by mining are restored to productive uses. The Division of Mine Safety and Training regulates working conditions and atmospheres in the State's underground and surface coal and metal/non-metal mines. The purpose of the Division of Oil and Gas is to prevent waste and environmental damage resulting from oil and gas operations, to foster the orderly development of oil and gas reservoirs, and to protect the correlative rights of mineral owners.

The Office of Capital Development is responsible for the management, coordination and execution of the Department's capital program, either through construction projects or through grants to local government entities.

The Office of Land Management and Education, Division of Education is responsible for the development, training, and dissemination of educational programs and materials. The Division of Land Management is responsible for the management and maintenance of State owned or leased sites.

The Office of Law Enforcement protects Illinois' natural and recreational resources through enforcement of State laws and assists outside agencies in emergency situations, rescue operations, Homeland Security and criminal investigations.

The Office of Public Services publishes the monthly *Outdoor Illinois* magazine; reviews printing requests for the Department to ensure compliance with printing regulations; assists agency staff with graphic art needs; provides in-house production services and clearinghouse services for the agency; staffs the Department information office in the Thompson Center in Chicago; is responsible for publishing site brochures and recreation guides; develops video productions; oversees merchandise sales, and meets photographic needs.

Agency Planning Program

The Department has conducted strategic planning since its inception. The Department's latest strategic plan was adopted in 1998.

Executive Order 7 in 1999 created the Offices of Strategic Planning and Performance Review. These offices were formed to "hold agencies accountable for program results by requiring agencies to clarify their missions, set program goals, and measure performance of those goals". These offices are no longer in existence; however, the planning process continues and is overseen by the Governor's Office of Management and Budget and the Governor's Office.

The Department currently performs strategic planning, led by the Director's Office, (Deputy Director Sgro) composed of representatives from across the Department to develop and review the strategic plan for the Department annually. The process consists of:

- Reviewing and revising the Strategic Plan annually, if necessary;
- Monitoring the success of implementation by developing output, outcome, and efficiency measures.
- Providing quarterly updates to the Office of Management and Budget and the Governor's Office.

The previous Strategic Management Committee re-examined the Department's core programs, identifying four key programs central to the agency's mission and these largely continue today. They include:

- Natural & cultural resource protection
- Resource-compatible recreation
- Resource-related public safety
- Science, education and culture

The mission statement was subsequently revised, from previous planning efforts, to reflect these core programs and remains today:

"to manage, protect and sustain Illinois' natural and cultural resources; provide resource-compatible recreational opportunities; and promote natural resource-related public safety, education, and science."

Auditors' Assessment

Our review of the agency functions and planning program at the Department of Natural Resources for the years ended June 30, 2004 and 2003 revealed that the Department has a system by which it establishes formal written goals consistent with the statutory purpose of the Department. The Department appears to have an adequate system that provides for the goals and objectives to be periodically reevaluated with alternative approaches being considered.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

AVERAGE NUMBER OF EMPLOYEES

	Fiscal Year		
	2004	2003	2002
Regular:			
General Office	237	248	289
Resource Conservation	261	279	308
Law Enforcement	179	170	186
Land Management & Education	549	564	617
Mines & Minerals	130	136	149
Water Resources	76	85	96
Waste Management & Research Center	36	38	39
Geological Survey	112	113	118
Natural History Survey	80	78	83
Water Survey	64	66	68
Museums	79	83	88
Conservation 2000	13	22	26
Total Regular	1,816	1,882	2,067
Part-Time and Seasonal			
General Office	11	20	18
Resource Conservation	70	76	89
Law Enforcement	3	3	4
Land Management & Education	231	174	202
Mines & Minerals	5	7	7
Water Resources	3	3	4
Waste Management & Research Center	2	3	2
Natural History Survey	1	2	3
Museums	1	-	1
Conservation 2000	2	3	11
Total Part-Time and Seasonal	329	291	341
Total			
General Office	248	268	307
Resource Conservation	331	355	397
Law Enforcement	182	173	190
Land Management & Education	780	738	819
Mines & Minerals	135	143	156
Water Resources	79	88	100
Waste Management & Research Center	38	41	41
Geological Survey	112	113	118
Natural History Survey	81	80	86
Water Survey	64	66	68
Museums	80	83	89
Conservation 2000	15	25	37
Grand Total	2,145	2,173	2,408

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
EMERGENCY PURCHASES
Years Ended June 30, 2003 and 2004**

The Department reported the following emergency purchases to the Office of the Auditor General during fiscal years 2003 and 2004:

<u>DESCRIPTION OF EMERGENCY PURCHASE</u>	<u>ACTUAL AMOUNT</u>
FISCAL YEAR 2003	
Eagle Creek- Sewage plant repair	\$ 49,883
Franklin County - Burning mine refuse extinguishment	27,702
Apple River Canyon- Streambank repair	36,829
T.A. Oil Field Services - Repair oil well leak	27,887
North Point Marina- Dredging	93,380
Madison County - Mine shaft stabilization	30,000 **
Illinois River West- Repair pump	37,000
North Point Marina- Boat ramp repairs	80,000 *
Hennepin Canal- Bridge repair	24,316
Crawford County- Oil well repair	36,162
Illinois and Michigan Canal - Removal of fuel tank at Lock #14	43,527
Wabash County - Oil well leak repairs	<u>16,495</u>
TOTAL FISCAL YEAR 2003 COST	<u>\$ 503,181</u>
FISCAL YEAR 2004	
Pere Marquette- Fire protection system upgrade	\$ 80,754
Mermet Lake- Tornado cleanup	35,000 *
Chain O'Lakes - Boiler unit repair	27,345
Crawford County - Craig Hole #10 oil leaking repairs	39,388
Golconda Marina- Dredging at harbor	36,250
Lawrence County - Plug oil well	40,646
Dickson Mounds Museum- Wall repair	<u>154,000 *</u>
TOTAL FISCAL YEAR 2004 COST	<u>\$ 413,383</u>

* Denotes estimated cost

** The contract was cancelled on July 23, 2003 and a letter was filed with the Office of Auditor General. The contract was never executed.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
<u>Projects Originally Appropriated- Fiscal Year 2000</u>								
IF1EPA	Justice, Village of	Planning and improvements of sewers	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -
DNR001	Chicago Park District	Chicago shoreline protection	5,300,000	-	5,300,000	-	-	-
DNR002	Various	Plugging and restoration grants and contracts	2,000,000	644,595	942,506	184,641	201,128	17,165
GIF0030	Wood River Drainage and Levee District	Wood River levee in Alton	500,000	-	194,000	103,500	66,000	-
GIF0031	Children's Museum on Navy Pier	Children's Museum on Navy Pier	350,000	-	350,000	-	-	-
GIF0032	Kohl's Children's Museum	Kohl's Children's Museum	4,750,000	-	274,698	338,350	308,717	1,080,566
GIF0033	JoDaviess County Soil/Water Cons. Dist.	Galena Gateway Scenic Preserve	250,000	-	-	-	-	-
IF0168	Chicago Park District	Jackson Park running track	100,000	-	100,000	-	-	-
IF0200	Chicago Park District	Landscape/restore field house at McKierman Park	10,000	-	-	-	-	-
IF0201	Chicago Park District	Landscape/restore field house at Palmer Park	20,000	-	-	-	-	-
IF0256	Chicago, City of/Dept. of Transportation	Redevelop Burton Place Park including a fountain	50,000	-	-	-	-	-
IF0257	Lincoln Park Zoo	Lakefront Trolley "North Museum Campus to Zoo"	25,000	-	-	-	23,232	-
IF0258	Lincoln Park Zoo	Construction grant for new Education Center	500,000	-	500,000	-	-	-
IF0259	Chicago, City of	Old Town Triangle Pocket Park	10,000	-	-	-	-	-
IF0276	Wrightwood Neighbors Cons. Assoc.	Wiggly Field	25,000	10,062	14,938	-	-	-
IF0277	South Lakeview Neighbors	South Lakeview play lot	40,000	-	-	-	40,000	-
IF0345	Kamak, Village of	Upgrade park equipment	49,000	19,265	5,800	23,935	-	-
IF0346	Cairo, City of	25 campsites at Ft. Defiance State Park	60,000	58,701	-	1,299	-	-
IF0347	Vienna, City of	Park playground equipment	25,000	14,878	10,122	-	-	-
IF0398	Harvard, City of	Repairs to parks other than Lions Park	37,000	-	37,000	-	-	-
IF0399	Spring Grove, Village of	Bike path	68,000	-	-	-	68,000	-
IF0400	Wonder Lake, Village of	Tractor and playground equipment	25,000	-	25,000	-	-	-
IF0459	Friends of Chicago River	River enhancement	60,000	-	-	60,000	-	-
IF0460	Chicago Park District	Wrightwood Park playground renovation	300,000	-	300,000	-	-	-
IF0476	Lake Bluff Park District	Beach renovation	225,000	225,000	-	-	-	-
IF0477	Waukegan Park District	Park renovation	110,000	-	60,619	49,381	-	-
IF0511	Lincolnshire, Village of	Restoration of Lincolnshire Creek	40,000	-	-	25,660	14,340	-
IF0577	Patoka, Village of	(Marquette Park) running track rehab & fencing	25,000	5,407	7,952	11,642	-	-
IF0578	Ramsey, Village of	(Marquette Park) running track rehab & fencing	20,000	-	-	20,000	-	-
IF0579	Bartelso, Village of	(Marquette Park) running track rehab & fencing	20,000	-	20,000	-	-	-
IF0580	Beckemeyer, Village of	(Marquette Park) running track rehab & fencing	50,000	50,000	-	-	-	-
IF0581	Wamac, City of	(Marquette Park) running track rehab & fencing	30,000	-	-	27,000	3,000	-
IF0620	Waste Management and Research Center	Damage assessment program	200,000	-	111,297	75,397	11,571	-
IF0668(a)	Collinsville Metro Expo/Auditorium Authority	Feasibility study for new facility	70,000	-	70,000	-	-	-
IF0668(b)	Swansea, Village of	Police car	20,000	-	20,000	-	-	-
IF0669	Edwardsville, City of	Park development and/or equipment purchases	50,000	-	-	50,000	-	-
IF0804	Cook Co. F.P.D.	Capitol Improvements Edgebrook Community Center	55,000	-	-	-	-	-
IF0830	DePue, Village of	Parks and recreation	10,000	-	10,000	-	-	-
IF0831	Grand Ridge, Village of	Parks and recreation	15,000	-	15,000	-	-	-
IF0832	Cherry, Village of	Parks and recreation	15,000	-	-	15,000	-	-
IF0833	Arlington, Village of	Parks and recreation	5,000	-	-	-	-	-
IF0834	Peru, City of	Construction of park and recreation center	50,000	-	-	-	50,000	-
IF0878	Country Club Hills Park District	Park equipment	35,000	-	-	35,000	-	-
IF0879	Tinley Park Park District	Rehabilitate park districts	43,000	43,000	-	-	-	-
IF0880	Hazel Crest Park District	Pool and playground equipment	45,000	-	45,000	-	-	-
IF0881	Orland Park, Village of	Bike path fill-in	300,000	-	-	-	-	-
IF0882	Homewood-Flossmoor Park District	Site work, equipment, safety surface	42,000	-	42,000	-	-	-
IF1103	Richview, Village of	(Marquette Park) running track rehab & fencing	20,000	11,640	7,917	429	-	-
IF1104	Millstadt, Village of	(Marquette Park) running track rehab & fencing	50,000	-	50,000	-	-	-
IF1189	Homewood Flossmoor Park District	Safety improvements	10,000	-	10,000	-	-	-
IF1190	Steger, Village of	Firemen's Park dugout and restrooms	10,000	-	-	10,000	-	-
IF1191	Steger, Village of	Baseball lights	30,000	-	-	30,000	-	-

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
IF1192	South Chicago Heights, Village of	Pavilion and improvements at Senior Center	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
IF1193	Chicago Heights Park District	Improvements to recreation center	85,000	-	85,000	-	-	-
IF1194	South Chicago Heights, Village of	Grant School Dugout	5,000	2,500	2,500	-	-	-
IF1195	Steger, Village of	Building a skate park	5,000	-	-	5,000	-	-
IF1196	Chicago Heights Park District, City of	Commissioners Park window unit air conditioners	15,000	-	15,000	-	-	-
IF1197	Chicago Heights Park District, City of	Pedraza Park gazebo	15,000	-	15,000	-	-	-
IF1198	Chicago Heights Park District, City of	King Park improvements	20,000	-	-	18,053	-	-
IF1199	Chicago Heights Park District, City of	Sesto Park and Bob Leuder Park improvements	35,000	-	35,000	-	-	-
IF1200	Chicago Heights Park District, City of	Smith Park improvements	50,000	-	50,000	-	-	-
IF1201	Olympia Fields Park District	Improvements (flag poles, computers, path)	53,000	33,602	19,398	-	-	-
IF1202	Chicago Heights Park District, City of	Bob Leuder Park improvements	55,000	-	55,000	-	-	-
IF1203	Crete Park District	Phase II completion of Crete Bike Trail	25,000	-	25,000	-	-	-
IF1239	Oak Park Park District	Park district improvements	50,000	-	50,000	-	-	-
IF1240	Broadview, Village of	Broadview Park District	50,000	-	50,000	-	-	-
IF1241	Maywood, Village of	Maywood Park District	50,000	36,868	13,132	-	-	-
IF1242	Forest Park, Village of	Roadway resurfacing	50,000	-	50,000	-	-	-
IF1243	Memorial Park Park District	Park district improvements	50,000	-	50,000	-	-	-
IF1244	Maywood, Village of	Maywood Park improvements	50,000	50,000	-	-	-	-
IF1264	Peoria County	Enforce erosion control ordinance	35,000	-	6,026	-	6,146	-
IF1265	Peoria County	Acquire flood prone property	65,000	-	-	-	65,000	-
IF1333	Rolling Meadows Park District	Renovate/develop 3200 Central Road	102,500	-	56,000	46,500	-	-
IF1350	Slocum Lake Drainage District	Infrastructure improvements	100,000	-	100,000	-	-	-
IF1351	Fox River Grove	Playground equipment	25,000	-	24,946	-	-	-
IF1364	Downers Grove, Village of	Nigas bikeway Woodbridge/Downers Grove	100,000	-	-	-	-	-
IF1372	Elmhurst Park District	Land acquisition for Eldridge Park	750,000	-	-	750,000	-	-
IF1373	Lombard, Village of	Finley Road provide flood relief	300,000	-	-	300,000	-	-
IF1416	Chicago Botanical Gardens	Shoreline restoration	825,000	-	595,497	229,503	-	-
IF1417	Northfield Park District	Land acquisition and park development	1,250,000	-	1,250,000	-	-	-
IF1418	Glenview, Village of	Bike trail extension Lake Avenue to Metra Station	240,000	-	-	-	152,427	-
IF1419	Northfield Park District	Lighting improvements	305,000	-	305,000	-	-	-
IF1446	Kendall County (Lynwood Subdivision)	Flood control infrastructure improvements	300,000	-	-	-	-	-
IF1479	Wood Dale Salt Creek	Land acquisition for flood control	250,000	-	179,200	-	-	-
IF1480	Lincoln Park Zoo	Transportation center	500,000	-	352,131	147,869	-	-
IF1481	Lombard	Lombard road retention Finley	300,000	-	-	300,000	-	-
IF1482	Wood Dale	Streetscaping and bike trail improvements	50,000	-	50,000	-	-	-
IF1504	Joliet Park District	Park development	100,000	56,911	43,089	-	-	-
IF1505	Lockport Township Park District	Land acquisition and/or improvements	250,000	-	-	250,000	-	-
IF1506	Plainfield Township Park District	Park system improvements	100,000	-	100,000	-	-	-
IF1527	Wheaton Park District	Improvements at Cosley Zoo	50,000	50,000	-	-	-	-
IF1528	DuPage Children's Museum	DuPage Children's Museum	5,000	5,000	-	-	-	-
IF1529	The Illinois Prairie Path	Friends of the Prairie Path	5,000	-	-	-	-	-
IF1530	Lisle Park District	River Bend Wetlands	5,000	-	-	2,969	1,913	-
IF1531	Naperville Park District	Naperville Park District	5,000	-	5,000	-	-	-
IF1532	Winfield Park District	Winfield Park District	5,000	5,000	-	-	-	-
IF1547	Champaign Park District	Concrete skate park Spalding Park	300,000	10,537	259,779	29,685	-	-
IF1548	Champaign County	HC pavilion/RRs, Ford Harris Park, Somer Township	25,000	-	4,950	20,050	-	-
IF1549	Broadlands	Repair river banks, construct new footbridge	25,000	-	25,000	-	-	-
IF1550	St. Joseph Township	Clearing brush and debris from Salt Fork River	5,000	-	5,000	-	-	-
IF1565	St. Charles Park District	Develop ball and soccer field	260,000	-	-	-	260,000	-
IF1566	West Chicago Park District	Bus	80,000	-	80,000	-	-	-
IF1632	Mokena, Village of	Bike trail	75,000	75,000	-	-	-	-
IF1633	Forest Preserve District of Will County	Bike path development	100,000	-	-	100,000	-	-
IF1634	Matteson	Flood gates and light for viaduct	42,000	-	-	-	-	-

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
IF1635	Mokena & Frankfort Township	Flood assistance	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
IF1636(a)	Village of Tinley Park	Tinley Park community playground equipment	30,000	-	-	30,000	-	-
IF1636(b)	Will County Department of Highways	Traffic light at Nelson and Laraway Roads	20,000	-	-	-	-	-
IF1637	New Lenox	Flood assistance	25,000	-	-	3,242	19,365	-
IF1638	Forest Preserve District of Will County	Improvements School House/Route 30	15,000	-	-	15,000	-	-
IF1655	Arlington Heights Park District	Renovate administrative center	500,000	-	-	500,000	-	-
IF1656	Mount Prospect, Village of	Channel stabilization	1,000,000	-	-	-	1,000,000	-
IF1657	Prospect Heights Park District	Improve Izzac Walton Park	350,000	-	276,302	73,698	-	-
IF1693	Plato Township	New park	250,000	-	150,213	99,787	-	-
IF1694	Kaneville Township	Land acquisition for park	100,000	62,500	-	-	37,500	-
IF1706	Cicero, Town of	Drexel Park build "Safety Town" play facility	175,000	175,000	-	-	-	-
IF1721	Barrington, Village of	Bike path network	190,000	-	190,000	-	-	-
IF1722	Arlington Heights Park District	Playground	100,000	-	100,000	-	-	-
IF1723	Buffalo Grove Park District	Busch Grove Community Park upgrade	250,000	250,000	-	-	-	-
IF1730	Norridge Park Township	Ball field lighting	100,000	100,000	-	-	-	-
IF1731	Norridge Park Township	Ball field renovation	60,000	60,000	-	-	-	-
IF1732	Norridge Park Township	Swimming pool renovation	350,000	350,000	-	-	-	-
IF1740	Bolingbrook Park District	Bike path development	400,000	-	335,567	64,433	-	-
IF1741	Woodridge Park District	Renovate Janes Avenue Park	350,000	-	-	22,820	327,181	-
IF1760	Moweaqua Township Park District	New public park	250,000	-	250,000	-	-	-
IF1761	Niantic	Park improvements	56,000	-	26,668	26,873	-	-
IF1762	Niantic	Playground improvements	32,000	-	16,803	14,695	-	-
IF1776	Sterling, City of	Rockfalls Dam walkway	400,000	-	-	-	-	-
IF1777	Dixon Park District	(Marquette Park) running track rehab & fencing	60,000	60,000	-	-	-	-
IF1778	Dixon Park District	Stabilization at Rock River	35,000	-	-	35,000	-	-
IF1779	Dixon Park District	Meadows Complex recreational development	84,000	32,358	51,642	-	-	-
IF1780	Sterling Park District	Oppold Marina dredging project	100,000	79,280	19,622	-	-	-
IF1836	Mundelein Park and Recreation District	Kracklauer Creek	225,000	-	-	133,317	91,683	-
IF1837	Vernon Hills Park District	Improvements	75,000	-	75,000	-	-	-
IF1838	Gurnee Park District	Playground upgrades	100,000	-	28,800	71,200	-	-
IF1855	Des Plaines, City of	Dredging/bank restoration Prairie Farmers Creek	700,000	-	-	-	-	-
IF1856	Park Ridge	GIS system	150,000	-	-	-	-	-
IF1885	Berwyn, City of	Park renovation Janura & Maple	100,000	-	100,000	-	-	-
IF1896	Antioch, Village of	Bike path Longview and Deep Lake Road	650,000	-	316,313	191,962	-	-
IF1902	Hanover Park, Village of	(Marquette Park) running track rehab & fencing	200,000	-	-	-	-	-
IF1903	Roselle Park District	Improvements	100,000	-	100,000	-	-	-
IF1904	Roselle	Storm water system improvements	75,000	-	-	-	-	-
IF1913	Elk Grove Village	Design bike paths and walkways	315,000	-	164,274	150,726	-	-
IF1948	Athens, City of	Park improvements	100,000	53,255	46,746	-	-	-
IF1950	Chandlerville, Village of	Park improvements	50,000	-	6,525	25,138	18,321	-
IF1979	Martinsville	Public restrooms for city park	10,000	-	10,000	-	-	-
IF2011	Henry, City of	Marina improvements, including dredging	250,000	-	-	231,915	18,085	-
IF2012	Pontiac, City of	Parks and recreation development	100,000	-	100,000	-	-	-
IF2085	Cary Park District	Land acquisition and development	400,000	400,000	-	-	-	-
IF2095	Algonquin, Village of	Foot bridge replacement	60,000	-	-	-	-	-
IF2134	Troy, City of	Storm water management improvements	100,000	-	-	-	94,593	-
IF2135	Tri-Township Park District	Land acquisition and development	450,000	-	399,923	-	50,077	-
IF2136	Troy, City of	Park development	60,000	50,000	10,000	-	-	-
IF2188	Boone County	GIS system	100,000	46,540	53,460	-	-	-
IF2189	Roscoe	Bike path extension	100,000	-	-	-	-	-
IF2221	Mahomet	Park, recreational facility	150,000	10,437	51,889	10,345	77,329	-
IF2243	Cortland, Town of	Cortland water shed	100,000	-	100,000	-	-	-
IF2247	Schaumburg Park District	Park expansion	750,000	-	-	750,000	-	-

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
IF2248	Medinah Park District	Expansion program	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -	\$ -
IF2249	Schaumburg	GIS information system	100,000	-	51,478	48,522	-	-
IF2262	Hickory Hills, City of	Woodlands watershed improvements	200,000	-	-	-	-	-
IF2263	Justice	Detention ponds for flooding-71st & Blackstone Ave	62,500	-	-	-	35,513	-
IF2264	Justice	Detention ponds for flooding-76th & Blazer	37,500	-	-	-	-	-
IF2265	Justice	Detention ponds for flooding-8900 West 85th Street	37,500	-	-	-	-	-
IF2266	Palos Hills, City of	Aspen Park	16,500	16,500	-	-	-	-
IF2267	Palos Hills, City of	Calvary Park	11,600	11,600	-	-	-	-
IF2268	Palos Hills, City of	Indian Woods Park	29,900	29,900	-	-	-	-
IF2269	Palos Hills, City of	Krasowski Park	12,900	12,900	-	-	-	-
IF2270	Palos Hills, City of	Loveland Park	13,300	13,300	-	-	-	-
IF2271	Palos Hills, City of	Michael Park	24,700	24,700	-	-	-	-
IF2272	Palos Hills, City of	Senior Park	28,400	-	-	28,400	-	-
IF2273	Palos Hills, City of	Volunteer park	15,000	15,000	-	-	-	-
IF2452	Waukegan Park District	Beachfront revitalization	200,000	-	-	200,000	-	-
IF2453	Deerfield Park District	Sound wall on the tollway	100,000	-	100,000	-	-	-
IF2454	Waukegan Park District	Park Sites revenue	100,000	-	-	-	100,000	-
IF2455	Lincolnshire, Village of	Lincolnshire Creek/Rivershire Park	120,000	-	-	120,000	-	-
IF2472	Friends of Chicago River	Improvement projects	30,000	-	-	30,000	-	-
IF2473	Chicago	Asian long horned beetle infestation/urban reforestation	500,000	-	-	372,209	110,330	-
IF2476	Chicago Park District	Washington Park Fieldhouse	700,000	-	-	-	700,000	-
IF2511	Chicago Park District	Facility improvements-Marquette Park Field House	250,000	-	-	250,000	-	-
IF2512	Chicago Park District	(Marquette Park) running track rehab & fencing	150,000	-	-	150,000	-	-
IF2513	Boulevard Art and Culture Center	Boulevard Art Beautification - 6900 S. Ashland to Halsted	200,000	150,000	50,000	-	-	-
IF2538	Fon du Lac Park District	Land acquisition	280,000	-	-	280,000	-	-
IF2539	Pekin, City of	Design/construct dam	150,000	-	-	-	-	-
IF2549	Dolton Park District	Playground & maintenance equipment	100,000	-	-	-	-	-
IF2574	Skokie Park District	Youth center	171,000	171,000	-	-	-	-
IF2582	Bronzeville Children's Museum	Land acquisition and construction of a new museum	1,500,000	-	275,450	57,200	66,565	-
IF2616	University Park, Village of	Park improvements	60,000	-	60,000	-	-	-
IF2617	Sun River Terrace, Village of	(Marquette Park) running track rehab & fencing	25,000	-	25,000	-	-	-
IF2632	Illinois Valley YMCA	Winter/Skate Park	125,000	-	-	-	-	-
IF2633	Illinois Valley YMCA	Winter/Skate Park	200,000	-	-	57,109	142,891	-
IF2634	Marseilles, City of	Acquire property on Illinois River for parks & recreation	150,000	100,000	-	-	50,000	-
IF2635	Ottawa, City of	Landscaping on Route 23/71 project near downtown area	35,000	35,000	-	-	-	-
IF2636	Ottawa, City of	Phase 2 of Riverfront Development	65,000	-	-	65,000	-	-
IF2637	Ottawa, City of	Acquisition/Ottawa South Side	132,000	-	132,000	-	-	-
IF2638	Ottawa, City of	Riverfront development-flood buy-out area along Fox River	100,000	-	-	100,000	-	-
IF2639	Ottawa, City of	Downtown renovation	200,000	-	-	200,000	-	-
IF2640	Peru, City of	Construct roller blade facilities at various parks	125,000	-	-	-	125,000	-
IF2641	Oglesby, City of	Parks and recreation	30,000	-	30,000	-	-	-
IF2706	Illinois Department of Natural Resources	Showerhouse	300,000	-	21,221	225,406	48,616	4,658
IF2961	Conservation Foundation of DuPage County	Water Quality Restoration and Education on the DuPage River	50,000	-	-	50,000	-	-
IF2962	DuPage Co. FPD	Lyman Woods	1,000,000	-	-	116,737	883,263	-
IF2963	DuPage Co. FPD	West Branch Regional Trail	2,000,000	-	-	-	-	-
IF2964	DuPage Co. FPD	Salt Creek Greenway	3,000,000	-	-	-	213,355	-
IF2965	DuPage Co. FPD	Oak Meadows and Maple Meadows	5,000,000	-	223,911	2,354,716	2,421,373	-
Total - Projects Originally Appropriated Fiscal Year 2000			\$ 52,921,300	\$ 3,717,236	\$ 16,439,304	\$ 10,616,313	\$ 7,902,514	\$ 1,102,389

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
<u>Projects Originally Appropriated- Fiscal Year 2001</u>								
11F001	Blue Island Park District	Centennial Park Phase II	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -	\$ -
11F002	Chicago Heights Park District	West Golf course maintenance equipment	35,000	-	-	35,000	-	-
11F003	Crete Park District	Installation of path and lights	40,000	-	-	-	40,000	-
11F004	Cordova Township	Playground equipment	14,000	-	14,000	-	-	-
11F005	Lake Bluff Park District	Various park renovations and improvements	100,000	-	-	100,000	-	-
11F006	Vernon Hills Park District	Deerpath park improvements	275,000	-	-	-	-	-
11F007	Buffalo Grove, Village of	Bike path construction and lighting enhancements	75,000	-	-	-	75,000	-
11F008	Lincolnshire, Village of	North Park path system	120,000	-	-	120,000	-	-
11F009	Waukegan Park District	Various park improvements	200,000	-	-	-	-	-
11F011	Carbon Cliff, Village of	Merry Oaks erosion control	49,500	-	-	49,500	-	-
11F012	Cicero, Town of	Cicero safety town	30,000	-	30,000	-	-	-
11F013	Chicago Park District	Purchase equipment for play lot Park #399	100,000	-	-	100,000	-	-
11F014	Morrison, City of	French Creek recreation preserve	100,000	-	-	-	-	-
11F015	Rock Island County FPD	Great River Trail	10,000	-	-	10,000	-	-
11F016	Chicago Park District	Rehabilitation of Washington Park	300,000	-	-	300,000	-	-
11F017	Chicago Park District	Develop remnant of I&M Canal remains	500,000	-	-	-	-	-
11F018	Hazel Crest Park District	Replacement of gym floor and related improvements at recreation center	75,000	-	-	-	-	-
11F019	Dolton Park District	Various park improvements and purchase of mini-bus	100,000	-	-	-	-	-
11F020	Skokie Park District	North Channel Park	125,000	-	-	-	125,000	-
11F021	Chicago Housing Authority	Purchase of playground equipment at 37th and Cottage Grove	80,000	-	-	80,000	-	-
11F022	Chicago Park District	Fencing to enclose Kennicott Park	10,000	-	-	-	10,000	-
11F023	Nat. Preserve Found. c/o Edwardsville	Watershed Nature Center in Edwardsville	50,000	-	-	-	43,723	-
11F024	The Nature Institute	Olin Nature Preserve - signage and trail maintenance	5,000	-	-	-	5,000	-
11F025	East St. Louis Park District	Purchase equipment	90,000	-	74,019	15,981	-	-
11F026	Venice Park District	Park improvements	50,000	-	20,874	-	-	-
11F027	Granite City Park District	Memorial fountain	60,000	-	-	-	-	-
11F028	Bunker Hill, City of	Establish a city park	100,000	-	-	73,400	26,600	-
11F029	Chicago Park District	South Shore Cultural Center improvements	15,000	-	-	15,000	-	-
11F030	Chicago Park District	Kenwood playground rehabilitation	20,000	-	-	-	-	20,000
11F031	Chicago Park District	Develop Children's Garden at Midway Plaisance	100,000	-	-	-	-	48,310
11F032	Chicago Children's Museum	Student visit program	15,000	-	-	15,000	-	-
11F033	Chicago Opera Theater	Programming and marketing initiatives	100,000	-	-	100,000	-	-
11F034	Silvis, City of	Engineering study, erect monument at park entrance	45,000	-	-	45,000	-	-
11F035	DuPage County FPD	Rehabilitation of the Historical Dan and Ada Rice House	1,000,000	-	-	328,259	104,656	-
11F036	DuPage County FPD	Land acquisition for resource protection/recreational facilities	3,000,000	-	-	-	-	-
11F037	DuPage County FPD	Shoreline stabilization and bridge replacement at Oak Meadows	2,000,000	-	-	-	1,631,566	-
11F038	DuPage County FPD	Improvements to the historical Tudor Mansion at Mayslake	1,000,000	-	-	1,000,000	-	-
11F039	DuPage County FPD	Develop exhibits for Fullersburg Environmental Education Center	300,000	-	-	50,861	216,626	-
11F040	Ridgeville Park District	Summer programming at Four Parks in SE Evanston Corridor	15,000	-	-	15,000	-	-
11F041	Skokie Park District	Develop a soccer and dog park for Evanston and Skokie residents	25,000	-	-	-	25,000	-
11F042	Chicago Park District	Rehabilitation of the boys gym at McKinley Park	50,000	-	-	-	50,000	-
11F043	Manhattan Park District	Playground equipment and park improvements	25,000	-	-	25,000	-	-
11F044	Chicago Park District	Garfield Park shuttle service	125,000	-	-	-	-	-
11F045	IL Dept. of Natural Resources	Grants and contracts for well plugging and restoration projects	2,000,000	-	379,077	944,145	385,152	264,639
11F046	IDNR - Water Resources	Lake Michigan shoreline repair	9,000,000	-	-	-	3,515,276	5,484,724
11F047	Chicago Zoological Society	Priority infrastructure	2,000,000	-	-	1,002,645	768,519	-
11F048	Meeting of the Rivers Foundation	Exhibits for the Great Rivers Museum	1,000,000	-	-	1,000,000	-	-
11F049	The Art Institute of Chicago	Front stairs renovation	1,500,000	-	1,410,945	89,054	-	-
11F050	Museum of Contemporary Art	Flooring infrastructure improvements	500,000	-	-	500,000	-	-
11F051	Chicago Park District	Hiawatha Park equipment	50,000	-	-	-	-	-
11F052	Friends of Lincoln Park	Restoration and rehabilitation of Lily Pool	50,000	-	-	50,000	-	-
11F053	Olympia Fields Park District	Irons Oaks Administrative and Education Facility	250,000	-	-	250,000	-	-

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ILLINOIS FIRST PROJECTS
Years Ended June 30, 2004, 2003, 2002, 2001 and 2000
(Not Examined)

Project Number	Grantee	Project Title	Amount Appropriated	Fiscal Year 2000 Expenditures	Fiscal Year 2001 Expenditures	Fiscal Year 2002 Expenditures	Fiscal Year 2003 Expenditures	Fiscal Year 2004 Expenditures
11F054	Streator, City of	Vermillion River greenway plan	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
11F055	Fox River Water Reclamation District	Skyline water and wastewater improvements	5,000,000	-	-	2,598,322	2,401,678	-
11F056	Ottawa, City of	Purchase of 62 acres of Harper's Farm	135,000	-	-	-	135,000	-
11F056.1	Ottawa, City of	Purchase of 62 acres of Harper's Farm	115,000	-	-	-	115,000	-
11F057	Ottawa, City of	Rosencrans Parkland	60,000	-	-	-	60,000	-
11F058	Chicago Park District	Amundsen Park Fieldhouse replacement of doors	25,000	-	-	-	-	-
11F059	Chicago Park District	Garfield Park softball fields rehabilitation	20,000	-	-	-	-	-
11F060	Streator, City of	Open space land acquisition	30,000	-	-	-	-	-
11F062	Morris, City of	Illinois Avenue green space	100,000	-	-	100,000	-	-
11F063	Chicago Park District	Rehabilitation of the Erhler Park playground	15,000	-	-	-	-	-
11F064	Chicago Park District	Installation of interactive water features	400,000	-	-	-	-	-
11F065	Joliet Park District	Purchase of equipment for Champlain Park	24,500	-	-	-	-	-
		Unallocated	365,000	-	-	-	-	-
Total - Projects Originally Appropriated Fiscal Year 2001			<u>\$ 33,343,000</u>	<u>\$ -</u>	<u>\$ 1,928,915</u>	<u>\$ 9,087,167</u>	<u>\$ 9,733,796</u>	<u>\$ 5,817,673</u>
Total Illinois First Projects			<u>\$ 86,264,300</u>	<u>\$ 3,717,236</u>	<u>\$ 18,368,219</u>	<u>\$ 19,703,480</u>	<u>\$ 17,636,310</u>	<u>\$ 6,920,062</u>

Note: The Department received original appropriations for Illinois First Projects in fiscal years 2000 and 2001. Several of these projects have been reappropriated in subsequent fiscal years. This schedule (not examined) presents Illinois First Projects by the fiscal year they were first appropriated and the corresponding expenditures by fiscal year.

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS**

Years Ended June 30, 2004 and 2003

(Not Examined)

The Department of Natural Resources' (Department) mission is to manage, protect, and sustain Illinois' natural and cultural resources; provide resource-compatible recreational opportunities; and promote natural resource-related public safety, education and science.

The Department is organized into 10 main operating offices. These offices administer activities in four core program areas: Resource Compatible Recreation, Natural and Cultural Resource Protection, Resource-Related Public Safety, and Science, Education and Culture.

Resource Compatible Recreation

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

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

The Department owns or manages nearly 460,000 acres of land and water and offers a wide range of recreational opportunities, including camping, picnicking, sightseeing, fishing, hunting, boating, swimming and trail use. In fiscal year 2004, 41,086,927 people visited these sites.

A key objective of the Resource Compatible Recreation program is to maintain a high level of visitor satisfaction with the overall quality of Department sites. In fiscal year 2004, 87 percent of park visitors expressed high satisfaction (i.e., visitor survey scores of 4 or more on a 5 point scale, with 5 equaling excellent) with overall park facilities and operations.

The Department provides funding to local Illinois governments for outdoor recreation facilities and land for open space. In fiscal year 2004, the Department awarded 110 grants totaling nearly \$27 million. With financial assistance provided by the Department, local grant recipients acquired 3,897 acres and acquired and developed 24.1 miles of bike trails.

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$116,507	\$112,613	\$82,982
Average monthly full-time employee equivalents	945	808	819
<u>Output Indicators</u>			
Acreage owned and managed	440,465	450,814	456,039
Number of camper days	1,277,340	1,248,960	1,365,910
Number of grants awarded	166	122	110
Total dollar amount of grants awarded (thousands)	\$48,081	\$41,520	\$26,935
Fishing licenses issued	793,034	743,947	754,767
Hunting licenses issued	326,570	318,164	321,998
Site attendance	41,781,000	43,819,584	41,086,927
<u>Outcome Indicators</u>			
Amount of grantee acquired acreage	1,678	2,172	3,897
Miles of bike trails acquired/developed through grants	84.2	35.9	24.1
Percentage of highly satisfied park visitors	92%	89%	87%
<u>Efficiency/Cost Effectiveness</u>			
Cost per acre managed (in dollars)	\$92.61	\$89.07	\$92.04
Cost per visitor (in dollars)	\$0.98	\$0.92	\$1.02

Natural and Cultural Resource Protection

The mission of the Natural and Cultural Resource Protection program is to protect, manage, enhance, and restore Illinois' natural and cultural resources to preserve these resources for present and future generations.

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

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

The Department owns or manages less than five percent of the State's vast natural resources. As a result, a key goal of the Department's Natural and Cultural Resource Protection program is to protect, manage and enhance natural resources not under ownership or direct management of the Department. The Department offers a number of programs to assist landowners and local entities in the management of resources under their control. For example, in fiscal year 2004 the Department produced 3,938,150 seedlings and reforested 22,657 acres.

Improvement in air quality is an important outcome of the Department's reforestation efforts, as the photosynthetic process of planted trees removes carbon generated by fossil fuel consumption from the atmosphere. The Department's reforestation activities in fiscal year 2004 resulted in the annual absorption of an additional 20,391 tons of carbon from the atmosphere.

The Ecosystem Program is a voluntary program that provides assessment and monitoring, financial and technical support and technical assistance to Local Partnership Councils (Ecosystem Partnerships) represented by groups of individuals including private organizations and public agencies which seek to maintain and enhance conditions in key watersheds in which they live, work and recreate. A key objective of this program has been to increase both the number of ecosystem partnerships and their coverage area throughout the State. In fiscal year 2004, 41 partnerships covered 85% of the State.

The Conservation Reserve Enhancement Program (CREP) is a unique State and Federal partnership to assist landowners in protecting lands along the Illinois River Watershed through the implementation of resource management practices such as the planting of trees and grasses and the development of wetlands. CREP is a voluntary program whose objective is to enhance water quality and habitats for threatened and endangered species through the restoration of 232,000 acres along the Illinois River and its tributaries by 2007. Enrollment in CREP began in fiscal year 1999, and at the end of fiscal year 2004, nearly 111,000 acres had been enrolled in the program. This acreage represents 47.8 percent of the program's ultimate enrollment goal.

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$177,419	\$154,453	\$142,613
Average Monthly full-time employee equivalents	870	706	752
<u>Output Indicators</u>			
Number of acres reforested	68,746	24,567	22,657
Number of protected natural areas	508	535	557
Number of Ecosystem Partnerships designated	39	39	41
Number of acres annually enrolled in CREP	31,524	4,696	666
Amount of seedlings produced for reforestation	4,591,000	3,556,225	3,938,150

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Outcome Indicators</u>			
Percent of the state covered by Ecosystem Partnerships	82%	82%	85%
Tons of carbon removed from the atmosphere by reforestation	59,621	22,110	20,391
Conservation Reserve and Enhancement Program (CREP) enrollment percentage	45.5%	47.5%	47.8%
Number of deer harvested	152,500	159,500	169,000
Protected natural area acreage	71,163	76,179	82,957
Acquired land (acres)	23,267	9,209	2,071

Resource-Related Public Safety

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

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

Through its Resource-Related Public Safety program, the Department offers safety education classes for hunters, boaters, trappers and snowmobilers, certifying 20,248 students in fiscal year 2004. The Department's conservation police offices enforce State laws pertaining to boating, hunting and snowmobile safety, and assist park staff in ensuring the safe use of facilities and resources at agency sites.

One measurement to determine if the Department is meeting the challenge of ensuring the safety of the public visiting state-managed sites is the percentage of visitor survey scores of 4 or more on a 5 point scale (5=excellent). In fiscal year 2004, 88 percent of park visitors expressed high satisfaction with park safety.

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

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$14,770	\$14,469	\$13,474
Average monthly full-time employee equivalents	178	153	155
<u>Output Indicators</u>			
Number of safety education classes held	650	694	573
Number of mine safety certifications issued	364	432	443
Number of mine safety accident prevention contacts	30,855	28,257	27,182
Number of blasting and explosives licenses and certifications issued	1,428	1,551	1,321
Number of blasting and explosives inspections performed	1,578	1,541	1,572
Number of dams inspected	179	75	117
<u>Outcome Indicators</u>			
Percentage of visitors expressing high satisfaction with park safety	88%	89%	88%
Number of students certified by safety education classes	25,848	26,740	20,248

Science, Education and Culture

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

The Science, Education and Culture program goals are as follows: 1) educate the public on the diversity and value of the State's natural, and cultural resources, 2) preserve and showcase the State's natural, cultural and artistic heritage, 3) acquire and provide geological information for use in making environmental, economic, public safety and human health related decisions, 4) acquire and provide natural history information that can be used to promote the common understanding of and the sustainable conservation of Illinois' living natural resources, 5) promote information on water and atmospheric resources for use in private and public decision-making, and 6) develop technologies and provide information and technical assistance on waste management and pollution prevention to businesses and the public.

The Department offers a wide range of interpretative and environmental education opportunities as part of the Science, Education and Culture Program.

Illinois ENTICE (Environment and Nature Training Institute for Conservation Education) is a teacher training program designed to incorporate long-term, standards-based natural resource education into Illinois classrooms. The Department has been certified by the Illinois State Board of Education as a certificate renewal credit provider as part of the Board's recertification requirements for teachers. In fiscal year 2004, 551 teachers completed ENTICE training and the Department awarded teachers 3,857 continuing professional education hours.

The Department's science institutions are the Illinois State Museum, Illinois Natural History Survey, Illinois State Water Survey, Illinois State Geological Survey, and the Illinois Waste Management and Research Center. Department scientists work on cutting-edge issues and apply the latest technologies available to them. The scientific knowledge that they provide is key to making up-to-date decisions on the appropriate use, effective management and protection of all of Illinois' resources.

In fiscal year 2004, 82 percent of park visitors expressed high satisfaction with interpretive programs as measured by the percentage of visitor survey scores of 4 or more on a 5-point scale (5 = excellent).

The Department's State Museum and its branch facilities, uses its collections and applied research findings in order to serve as an informal education resource and provide learning opportunities for people of all ages. In fiscal year 2004, the State Museum facilities had over 372,000 visitors.

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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$56,159	\$47,688	\$49,651
Average monthly full-time employee equivalents	507	482	462
<u>Output Indicators</u>			
Number of field education program	3,695	4,030	3,500
Number of teachers completing ENTICE training	289	423	551
Number of active science research projects	995	1,006	896
<u>Outcome Indicators</u>			
Percentage of site visitors expressing high satisfaction with interpretive programs	86%	89%	82%
Number of continuing professional education (CPE) hours awarded to teachers via "ENTICE" and other programs	11,760	6,245	3,857
Attendance at Museum facilities	404,459	375,718	372,721