

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016
AND
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2016**

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
For the Year Ended June 30, 2016
AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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AGENCY OFFICIALS

Director (1/20/15 - Present)	Wayne Rosenthal
Director (7/1/14 - 1/19/15)	Marc Miller
Assistant to the Director (2/3/15 - Present) ¹	Randy Pollard
Deputy Director (7/1/14 - 1/30/15) ²	Elizabeth Penesis
Deputy Director (7/1/14 - 1/30/15) ²	Elizabeth Norden
Deputy Director (7/1/14 - 1/30/15) ²	Michael Howard
Chief of Staff (7/1/16 - Present)	Brent Krebs
Chief of Staff (1/12/15 - 6/30/16)	Jason Hefley
Chief of Staff (1/10/15 - 1/11/15)	Vacant
Chief of Staff (7/1/14 - 1/9/15)	Todd Main
General Counsel/Legal (9/1/16 - Present)	Gabe Grosboll
General Counsel/Legal (7/1/16 - 8/31/16)	Vacant
General Counsel/Legal (2/17/15 - 6/30/16)	Brent Krebs
General Counsel/Legal (2/16/15 - 2/16/16)	Vacant
General Counsel/Legal (7/1/14 - 2/15/15)	Jeff Smith
Chief Fiscal Officer (2/1/15 - Present)	Doug Florence
Chief Fiscal Officer (1/31/15 - 1/31/15)	Vacant
Chief Fiscal Officer (7/1/14 - 1/30/15)	Scott Harper
Chief Information Officer (1/3/17 - Present)	Steve Washko
Chief Information Officer (11/1/16 - 1/2/17)	Vacant
Chief Information Officer (9/1/15 - 10/31/16)	Don Bricker
Chief Information Officer (6/16/15 - 8/31/15)	Vacant
Chief Information Officer (2/1/15 - 6/15/15)	Chris Hill
Chief Information Officer (7/1/14 - 1/31/15)	Dan Lorenc
Chief Internal Auditor (2/1/16 - Present)	Brad Colantino
Chief Internal Auditor (7/1/14 - 1/31/16)	Lisa LaBonte
GAAP Coordinator	Rebecca Wilson

STATE OF ILLINOIS
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AGENCY OFFICIALS (continued)

Property Control (12/16/16 - Present)	Kami Windisch
Property Control (7/1/14 - 12/15/16)	Kim Clark
Legislative Director (7/1/16 - Present)	Brad Carlton
Legislation Director (7/1/14 - 6/30/16)	Michael Stevens
Architecture, Engineering, and Grants Director (3/1/15 - Present)	Bob Appleman
Architecture, Engineering, and Grants Director (2/16/15 - 2/28/15)	Vacant
Architecture, Engineering, and Grants Director (7/1/14 - 2/15/15)	Christopher Stucki
Land Management Director (3/1/17 - Present)	Regan Ramsey
Land Management Director (7/1/14 - 2/28/17)	Todd Rettig
Law Enforcement Director	Rafael Gutierrez
Mines and Minerals Director	James Hafliger
Oil and Gas Resource Management Director (8/1/14 - Present) ³	Mike Mankowski
Oil and Gas Resource Management Acting Director (7/1/14 - 7/31/14) ³	Mike Mankowski
Oil and Gas Resource Management Director (7/1/14 - 10/31/14) ³	Mitchell Cohen
Realty and Environmental Planning Director (10/1/14 - Present)	Connie Waggoner
Realty and Environmental Planning Acting Director (7/1/14 - 9/30/14)	Connie Waggoner
Resource Conservation Director (10/16/16 - Present)	Chris Young
Resource Conservation Director (7/1/14 - 10/15/16)	James Herkert

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AGENCY OFFICIALS (continued)

Illinois State Museum Acting Director (10/1/15 - Present)	Michael Wiant
Illinois State Museum Director (7/1/14 - 9/30/15)	Bonnie Styles
Strategic Planning Director (7/1/14 - 3/30/15) ⁴	Marceo Haywood
Strategic Services Director (4/1/17 - Present)	James Emmett
Strategic Services Director (1/28/15 - 3/31/17)	Steve Ettinger
Strategic Services Director (7/1/14 - 1/27/15)	Rosemary Laudani
Water Resources Director (4/8/15 - Present)	Dan Injerd
Water Resources Director (1/1/15 - 4/7/15)	Vacant
Water Resources Director (7/1/14 - 12/31/14)	Arlan Juhl

The Department's headquarters are located at:

One Natural Resources Way
Springfield, Illinois 62703-1271

¹ This position was created, effective 2/3/15.

² These positions were eliminated, effective 1/30/15.

³ This position was approved for an "additional identity" by CMS, effective 7/1/14 - 12/31/14.

⁴ This position was eliminated, effective 3/30/15.



Illinois Department of Natural Resources

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

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino

Auditor General

September 26, 2017

Iles Park Plaza

740 East Ash Street

Springfield, Illinois 62703-3154

Dear Mr. Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department of Natural Resources. 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 Department of Natural Resource's compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2015 and June 30, 2016, the Department of Natural Resources has materially complied with the assertions below.

- A. The 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 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 Department of Natural Resources has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the 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 Department of Natural Resources on behalf of the State or held in trust by the 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.

Yours truly,

Department of Natural Resources

SIGNED ORIGINAL ON FILE

Wayne Rosenthal, Director

SIGNED ORIGINAL ON FILE

Doug Florence, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Eric Lohrenz, General Counsel/Legal

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	17	16
Repeated findings	13	6
Prior recommendations implemented or not repeated	3	7

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

The audit did not disclose findings required to be reported under *Government Auditing Standards*.

FINDINGS (STATE COMPLIANCE)

2016-001	15	Inadequate Controls over the World Shooting and Recreational Complex’s Operations	Material Weakness and Material Noncompliance
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FINDINGS (STATE COMPLIANCE) – Continued

2016-002	19	Inadequate Controls over Accounts Receivable	Material Weakness and Material Noncompliance
2016-003	25	Untimely Voucher Approvals	Material Weakness and Material Noncompliance
2016-004	27	Failure to Issue Off-Highway Vehicle Usage Stamps	Significant Deficiency and Noncompliance
2016-005	28	Failure to Enforce Concessionaire Lease Agreements	Significant Deficiency and Noncompliance
2016-006	31	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems	Significant Deficiency and Noncompliance
2016-007	33	Weaknesses with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance
2016-008	35	Weaknesses Regarding the Security and Control of Confidential Information	Significant Deficiency and Noncompliance
2016-009	37	Inadequate Controls over Receipts	Significant Deficiency and Noncompliance
2016-010	40	Internal Audit Deficiencies	Significant Deficiency and Noncompliance
2016-011	43	Inaccurate and Incomplete Agency Workforce Reports	Significant Deficiency and Noncompliance
2016-012	45	Inadequate Control over Overtime	Significant Deficiency and Noncompliance
2016-013	48	Inadequate Controls over Fuel Reconciliations	Significant Deficiency and Noncompliance
2016-014	50	Inaccurate Financial Reporting	Significant Deficiency and Noncompliance
2016-015	52	Noncompliance with Mandated Duties	Significant Deficiency and Noncompliance
2016-016	54	Inadequate Controls over Property and Fixed Asset Records and Related Functions and Reporting	Significant Deficiency and Noncompliance

FINDINGS (STATE COMPLIANCE) – Continued

2016-017	57	Inadequate Controls over Expenditure Records	Significant Deficiency and Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	60	Failure to Collect Environmental Consultation Fees
B	60	Inadequate Controls Over Bank Reconciliations
C	60	Inadequate Control Over Employee Attendance Records and Personnel Functions

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on September 5, 2017. Attending were:

DEPARTMENT OF NATURAL RESOURCES

Wayne Rosenthal, Director
Brent Krebs, Chief of Staff
Marcia Nichols, Budget Manager
Brad Colantino, Chief Internal Auditor
Rebecca Wilson, GAAP Coordinator/Audit Liaison

OFFICE OF THE AUDITOR GENERAL

Courtney Dzierwa, Audit Manager
Adam Ausmus, Audit Supervisor
Clayton Murphy, Auditor
Shaun Kerr, Auditor
Katrina Salvador, Auditor

The responses to the recommendations were provided by Rebecca Wilson in correspondence dated September 8, 2017.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

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 two years ended June 30, 2016. 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. 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Department of Natural Resources complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Department of Natural Resources complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Natural Resources' compliance with specified requirements.

As described in items 2016-001, 2016-002, and 2016-003 in the accompanying schedule of findings, the State of Illinois, Department of Natural Resources did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in item 2016-002 in the accompanying schedule of findings, the State of Illinois, Department of Natural Resources did not comply with applicable laws and regulations concerning the collection of State revenues and receipts and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department of Natural Resources to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Department of Natural Resources complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2016-004 through 2016-017.

The State of Illinois, Department of Natural Resources' responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Natural Resources' responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

Management of the State of Illinois, Department of Natural Resources is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Natural Resources' internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Natural Resources' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Natural Resources' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-001, 2016-002, and 2016-003 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-004 through 2016-017 to be significant deficiencies.

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

The State of Illinois, Department of Natural Resources' responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Department of Natural Resources' responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2016, and June 30, 2015, in Schedules 1 through 13 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 13. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014, accompanying supplementary information in Schedules 3, 4, 5, 6, 9, 10, 12, 13 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
September 26, 2017

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

We have audited, in accordance with the 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, the Schedule of Capital Assets of the State of Illinois, Department of Natural Resources, as of June 30, 2016, and the related notes to the Schedule of Capital Assets, and have issued our report thereon dated December 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Capital Assets, we considered the State of Illinois, Department of Natural Resources' internal control over financial reporting for the Capital Asset Account (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Capital Assets, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Natural Resources' internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Natural Resources' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedule of Capital Assets' 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Department of Natural Resources' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Department of Natural Resources' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
December 19, 2016

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-001. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations)

The Department of Natural Resources (Department) did not exercise adequate controls over operations of its World Shooting and Recreational Complex (WSRC) in Sparta, Illinois.

The Department opened the WSRC in 2006. The WSRC consists of 1,500 acres of land devoted to shooting and outdoor recreation, including 1,000 camp sites, areas for trap, skeet, and sporting clay shooting, a cowboy action/pistol berm, a vendor mall, and an event center.

The WSRC temporarily closed to the public, mainly due to the budget impasse, in September 2015. It reopened in April 2016 for organized groups and events only. As of June 30, 2016, the majority of camping sites remained closed, with the exception of a limited number of recreational vehicle campsites.

While we noted some improvements over equipment, sponsorship items, and contractual employees at the WSRC since the last examination, we continued to note the following deficiencies:

Lack of Controls over Facility Use Agreements

During testing, we requested the Department and WSRC provide the population of events and related facility use agreements entered into during the examination period. In response to this request, the Department provided a listing of events held at the WSRC. We noted the population provided by the WSRC was derived from a separated employee's archived electronic calendar, which we were unable to reconcile to the Department's facility use agreement population or to any other information source or calendar.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Department's compliance with its facility use agreements.

Although the population limitations noted above hindered the ability of the accountants to conclude whether the selected sample was representative of the population as a whole, the accountants selected a sample of 60 events from the listing provided by the Department and performed testing:

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-001. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) – Continued

- Facility use agreements were not provided by WSRC staff for 10 of 60 (17%) events selected for testing. Therefore, we were unable to determine if a reservation deposit was required to be paid, the WSRC paid for event awards, extra amenities were requested, insurance information was obtained prior to event, or if a comprehensive vendor list was received.
- For 18 of 60 (30%) events tested, the facility use agreements were not signed by WSRC staff, the renter, or both parties.
- For two of 60 (3%) events tested, WSRC staff did not provide support for payment of required reservation deposits.
- For one of 60 (2%) events tested, WSRC staff did not provide payment support for event space rental fees, fees for extra amenities, café sales remitted to the Department, or shooting and target fees.

Lack of an Operations Manual

The Department has not established an operations manual, administrative rules, or procedures to govern operations of the WSRC. While certain Department-wide procedures and rules guide some of the WSRC's operations and functions, such as camping and equipment, the Department has not established guidance for the operational areas that are specific to the WSRC, such as event rentals, operations of the various shooting areas, handling of Department-owned firearms, and responsibility and recordkeeping for sponsorships and in-kind items received.

Inconsistencies in Cash Receipts

We noted three of 17 (18%) instances tested where it could not be determined how many shooters were present and what price each shooter was charged in relation to the cash deposits from the event as a whole. The WSRC collected a total of \$268 in fees for these three instances.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-001. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) – Continued

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law. Good internal controls include ensuring the Department generates, maintains, and reports reliable information that is accurate and complete. Moreover, a good system of internal controls includes compiling policy statements, personnel rules, systems of authorization and approval, and procedures manuals to guide employee actions.

Further, the State Records Act (5 ILCS 160/8) requires the Department's Director make and preserve records containing adequate and proper documentation of the essential transactions of the Department to protect both the legal and financial rights of the State and of persons directly affected by the Department's activities.

In addition, the State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) requires the Department to keep a detailed itemized account of all moneys received, including the date of receipt, the payer, the purpose, and the amount.

Finally, the Illinois Administrative Code (17 Ill. Admin. Code 130.135(e)) requires a campground host to be a visible representation of the Department with knowledge of rules and regulations.

During the prior examination, Department personnel indicated the WSRC was a specialized facility requiring managers with shooting sports knowledge and the conditions arose due to limited staff who lacked experience in shooting programs and running a complex facility. During the current examination, Department personnel indicated the issues were due to employee turnover.

Failure to write a WSRC-specific operations manual, consistently charge shooting fees, and ensure facility use agreements are properly documented and enforced could lead to the misuse of State assets and loss of revenues and represents noncompliance with State law.

Further, without the Department providing complete and adequate documentation to enable testing, we were unable to complete their procedures and provide useful and relevant feedback to the General Assembly regarding the WSRC's facility use agreements. (Finding Code No. 2016-001, 2014-001)

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2016-001. **FINDING** (Inadequate Controls over the World Shooting and Recreational Complex's Operations) – Continued

RECOMMENDATION

We recommend the Department take action to establish internal controls over its operations at the WSRC. Specifically, the Department should:

- 1) establish an operations manual for the specific operations of the WSRC;
- 2) maintain proper documentation of cash receipts for individual shooters in accordance with the State Officers and Employees Money Disposition Act;
- 3) ensure the WSRC has an accurate and complete listing of events held;
- 4) ensure the WSRC's facility use agreements received are properly filled out and submitted with all required documentation;
- 5) ensure the WSRC's facility use agreements are enforced; and,
- 6) implement adequate audit trails regarding the maintenance and retention of records at the WSRC.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department is working on establishing an operations manual and will continue to work on getting one established. The Department will review the procedures for events and facility use agreements and work to ensure that all agreements are properly filled out and are enforced.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable)

The Department of Natural Resources (Department) did not exercise adequate controls over its reporting of accounts receivable.

The Statewide Accounting Management System (SAMS) (Procedure 26.30.10) and the Illinois State Collection Act of 1986 (30 ILCS 210/2) require the Department to file quarterly accounts receivable information with the Office of the State Comptroller (Comptroller) by completing a *Quarterly Summary of Accounts Receivable – Accounts Receivable Activity Report* (Form C-97) and *Quarterly Summary of Accounts Receivable – Aging of Total Gross Receivables* (Form C-98).

We performed detailed accounts receivable testing on the following funds: the State Boating Act Fund (039), the State Parks Fund (040), the Wildlife and Fish Fund (041), the Plugging and Restoration Fund (137), and the Underground Resources Conservation Enforcement Fund (261).

We noted the following weaknesses:

Accounting System and Process Deficiencies

- The Department's accounts receivable reporting process is cumbersome, relies on numerous subsystems, and requires manual entry. During testing of Forms C-97 and C-98, we noted these reports were manually compiled from multiple accounts receivable systems in order to issue a single report. For example, we identified:
 - Funds 137 and 261 were compiled using an outdated computer code called Paradox;
 - Fund 039 was comprised of Automated Clearing House (ACH) accounting reports, phone/internet deposit slip forms, fund transfer reports from the Comptroller, and returned check aging reports; and,
 - Funds 040 and 041 lacked documentation for some large farm lease adjustments calculated by the Department, which were as much as \$3.3 million.
- The Department did not maintain a detailed accounts receivable subsidiary ledger to support the current quarter accounts receivable additions reported on the Form C-97s. Rather, the Department took the amount collected during the quarter, subtracted the beginning quarterly receivable balance, and added the ending quarterly gross receivable balance to calculate the accounts receivable additions for the quarter.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

- The Department’s accountant supervisor oversees compilation of Forms C-97 and C-98. However, this individual does not verify the figures reported from various individuals throughout the Department in charge of each fund’s accounts receivable.

While SAMS (Chapter 26) and the Illinois State Collection Act of 1986 (30 ILCS 210 et seq.) establish guidelines for the Department to follow in the development and implementation of a system for accounting for and managing accounts receivable, SAMS (Procedure 26.10.10) ultimately assigns responsibility to the Department for development of its internal procedures for implementing an accounts receivable system.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources. Good internal controls require due care be used in preparing the accounts receivable reports submitted to the Comptroller to ensure information used to complete the forms is accurate and reliable. Further, good internal controls over reporting include having a process to verify transactions prior to posting amounts into an accounting system.

Inadequate Documentation for Reported Accounts Receivable Balances

- The Department was unable to provide support for adjustments made to Funds 040, 041, and 261. Adjustments for Funds 040 and 041 were for in-kind services provided in lieu of cash; however, there was no description of what services were provided and how the value of those services was determined. The adjustment to Fund 261 was for write-offs that were not accounted for in prior periods. These adjustments occurred during the second quarter of Fiscal Year 2015 and the fourth quarter of Fiscal Year 2016 and ranged from \$24 thousand to \$3.3 million.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

- The Department was unable to provide support for estimated uncollectible amounts reported for Funds 137 and 261 in each quarter of the engagement period. The Department's reported estimated uncollectible balance for Fund 137 ranged between \$819 thousand and \$1.1 million and ranged between \$636 thousand and \$2 million for Fund 261 during the examination period.

The State Records Act (5 ILCS 160/8) requires the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department designed to furnish information to protect the legal and financial rights of the State.

- For Funds 039, 041, and 261, we noted amounts per the Form C-97s did not trace to the Department's support. Differences noted were for the categories of "Gross receivables at end of quarter," "Authorized write-offs this quarter," and "Collections within 180 days," which ranged from \$(1) thousand to \$316 thousand and occurred during the second and fourth quarters of Fiscal Year 2016.
- For Funds 041 and 261, we noted amounts reported on the Form C-98s did not trace to the Department's support. Differences noted were for the categories of "181-1 year," "Over 1 year," and "Total Gross Receivables," which ranged from \$(1) thousand to \$18 thousand and occurred during the fourth quarter of Fiscal Year 2015 and second quarter of Fiscal Year 2016. Additionally, we noted the Department's Form C-98 for Fund 041 was mathematically inaccurate with a difference of \$(1) thousand, which occurred during the first quarter of Fiscal Year 2016.
- For Funds 040 and 041, we noted amounts reported on the Department-prepared aging schedule did not agree with support provided to us by the Department. First, the Department did not provide support for amounts reported for the category "31-90 days" for both funds in the fourth quarter of Fiscal Year 2016. Second, for Fund 040, differences were noted of \$5,181 for "1-30 days" and \$(300) for "31-90 days" in the fourth quarter of Fiscal Year 2015.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Good internal controls require due care be used in preparing the accounts receivable reports submitted to the Comptroller to ensure information used to complete the forms is accurate and reliable.

Inadequate Processing of Old Accounts Receivable

- The Department did not consistently report estimated uncollectible amounts for Fund 261. The entire accounts receivable balance was first reported as estimated uncollectible, then collectible, and then finally as uncollectible during the examination period.
- We noted the Department did not make sufficient attempts to either collect on short-term accounts receivable or write off uncollectible accounts receivable greater than one year old. As of June 30, 2016, for Funds 137 and 261, the Department reported accounts receivable balances, consisting of outstanding well fees and unpaid fines, totaling \$1,352,569 and \$2,067,750, respectively. We noted the majority of these balances are greater than one year old, and, in some cases, are as old as Fiscal Year 1991. The entire receivable balance for these funds was reported as uncollectible during the examination period on the Department's Form C-97s.

In addition to Funds 137 and 261, we noted the Department did not make frequent collection attempts on its old aged receivables or submit old, uncollectible accounts to be approved for write off. Department personnel stated receivables should be collectible until they are at least one year old.

The Illinois State Collection Act of 1986 (30 ILCS 210/3) states that it is the "public policy of this State to aggressively pursue the collection of accounts or claims due to the State of Illinois through all reasonable means." Further, SAMS (Procedure 26.40.10) requires the Department to individually pursue all reasonable and appropriate procedures available to effectuate collection.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

Further, in accordance with generally accepted accounting principles, accounts receivable balances that are uncollectible should be written off and removed from the Department's reporting process. The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Department, if it is unable to collect any claim or account receivable of \$1,000 or more after taking all reasonable efforts to collect the debt, request the Attorney General to certify the claim or account receivable is uncollectible. Further, the Uncollected State Claims Act (30 ILCS 205/2(c)) allows the Department to certify any claim or account receivable of less than \$1,000 as uncollectible, after the Department determines the total collection cost expended or anticipated will exceed the amount of the claim reasonably expected to be collected as provided in the Comptroller's administrative rules (74 Ill. Admin. Code 320.70(b)).

Errors Noted on Individual Accounts

- For one of 14 (7%) receivables chosen for detail testing, totaling \$160, we noted the Department could not provide support for the receivable's existence.

SAMS (Procedure 26.20.10) requires the Department to record and maintain detailed information related to each receivable. Information maintained should include, at a minimum, the debtor's name, debtor's social security number, debtor's address, amount of debt, nature of the debt, formal due date of debt, and documentation of all collection efforts.

- For one of 14 (7%) receivables chosen for detail testing, totaling \$6,000, we noted payment was processed prior to June 30, 2016. This account was not removed from the Department's fourth quarter accounts receivable listing in Fiscal Year 2016, which understated collections during the quarter and overstated the ending balance of outstanding accounts receivable.

SAMS (Procedure 26.30.20) requires the Department to report the amount of collections during the quarter and the ending balance of accounts receivable for each fund on its Form C-97. In addition, SAMS (Procedure 26.20.10) notes receivables represent claims for the future receipt of cash by the Department. Further, good internal controls over collections include ensuring cash collections on accounts receivable are promptly posted to the entity's account to ensure further collection efforts are not made.

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2016-002. **FINDING** (Inadequate Controls over Accounts Receivable) – Continued

During the prior examination, Department personnel indicated the differences noted by the accountants were the result of the lack of an automated system to track accounts receivable across the Department, human errors, and the lack of staff available to dedicate time to the collection of accounts receivable. During the current examination, Department personnel indicated a lack of staff, staff turnover, and inadequate systems are responsible for the deficiency.

Failure to establish and maintain accurate reporting procedures and controls over accounts receivable increases the risk that the Department's receivable balances could be inaccurate and improperly valued and represents noncompliance with State laws and regulations. In addition, failure to timely pursue collections of outstanding accounts reduces the likelihood of successfully collecting balances due to the State. (Finding Code No. 2016-002, 2014-009)

RECOMMENDATION

We recommend the Department implement the necessary internal controls to consistently and accurately report accounts receivable. Also, the Department should ensure that accounts receivable are timely pursued for collection and, if not collectible, submitted for uncollectible certification and subsequently written off.

DEPARTMENT RESPONSE

The Department agrees with the finding. Given budgetary constraints, the Department is unlikely to obtain/implement a Department-wide accounts receivable system prior to the availability of a GAAP compliant State-wide accounting system. The Department has increased collection efforts and is working to ensure that support for all receivables, uncollectibles, and adjustments is obtained from each division.

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2016-003. **FINDING** (Untimely Voucher Approvals)

The Department of Natural Resources (Department) did not ensure vouchers were approved timely, which resulted in unnecessary interest costs.

During testing of 376 vouchers, we noted the following:

- 59 of 376 (16%) vouchers tested, totaling \$604,234, were approved for payment from three to 125 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Department to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physically receiving of the bill.

- 34 of 376 (9%) vouchers tested, totaling \$71,622, did not have the receipt date of the vendor's bill documented. As a result, we were unable to determine timeliness of approval for these vouchers.

The Code (74 Ill. Admin. Code 900.30(b)) requires the Department to maintain written or electronic records reflecting the date when:

- 1) goods were received or services were rendered;
 - 2) the date a proper bill was received by the Department;
 - 3) the date when the Department approved the bill for payment;
 - 4) the date when a bill was disapproved, in whole or in part, based upon what the Department considers to be a defect in the bill; and,
 - 5) the date when the State Comptroller paid the vendor.
- The Department incurred unnecessary expenditures from its non-shared funds for interest due under the State Prompt Payment Act (30 ILCS 540/3-2) arising from untimely voucher approvals. We noted 14 of 14 (100%) vouchers tested, which were approved for payment between 53 to 804 days late, incurred \$10,127 in interest due to the vendor.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and resources are safeguarded against waste.

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2016-003. **FINDING** (Untimely Voucher Approvals) – Continued

Department personnel indicated, like they did during the prior examination, that untimely approvals and related interest payments were due to delays in receiving all necessary invoices and documentation from sites throughout the State, many of which were short staffed or not staffed at all during the examination period. Further, Department personnel indicated some invoices were misplaced or lost, requiring additional processing effort and interest costs.

Failure to properly document the date when a bill was received by the Department limits the ability of the Department to determine if interest is due to the vendor and represents noncompliance with the Code. Further, failure to timely approve vouchers for payment resulted in delays in vendors getting paid, unnecessary interest costs, and represents noncompliance with both the Code and the Act. (Finding Code No. 2016-003, 2014-010)

RECOMMENDATION

We recommend the Department take action to improve its voucher processing system, including:

- 1) reviewing its locations receiving invoices and related transaction process flows to determine if modifications can be made to ensure bills are not lost and approval processes can be sped up;
- 2) ensuring the receipt date of bills is properly documented; and,
- 3) implement controls designed to provide assurance vouchers are presented timely for payment to speed payment of obligations and avoid unnecessary interest costs.

DEPARTMENT RESPONSE

The Department agrees with the finding and will continue to bring attention to the need to forward invoices for processing immediately upon receipt.

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2016-004. **FINDING** (Failure to Issue Off-Highway Vehicle Usage Stamps)

The Department of Natural Resources (Department) failed to issue Off-Highway Vehicle Usage Stamps and collect related monies as required by the Recreational Trails of Illinois Act (Act).

The Act (20 ILCS 862/26) states “no person shall, on or after July 1, 2013, operate any off-highway vehicle within the State unless the off-highway vehicle has attached an Off-Highway Vehicle Usage Stamp purchased and displayed” for a fee with the proceeds from stamp sales deposited into the Park and Conservation Fund and the Conservation Police Operations Assistance Fund.

We noted the Department failed to sell Off-Highway Vehicle Usage Stamps during the examination period and collect related monies. According to a Department estimate, the fee was expected to generate \$700,000 to \$800,000 in State funds, which would enable the Department to capture more than \$1 million in unutilized federal funds available for motorized trail development and maintenance.

Department personnel indicated the Department has agreed not to issue Off-Highway Vehicle Usage Stamps and collect related monies until the State provides an Off-Highway Vehicle Trail System for public use. The construction and establishment of this type of trail system has been postponed due to ongoing budget issues. This delay in implementation was decided upon during the prior examination period in response to questions and concerns raised by the public.

Failure to issue Off-Highway Vehicle Usage Stamps and collect related fees under the Act represents noncompliance with the Act and reduces the State funds available in the Conservation Police Operations Assistance Fund and the Park and Conservation Fund and federal funds available for motorized trail development and maintenance. (Finding Code No. 2016-004, 2014-003)

RECOMMENDATION

We recommend the Department issue Off-Highway Vehicle Usage Stamps and collect the related fees as required by State law, or seek legislative remedy.

DEPARTMENT RESPONSE

The Department agrees that it has not issued Off-Highway Vehicle Usage Stamps. The Department has agreed not to issue Off-Highway Vehicle Usage Stamps until the State provides an off-road park for off-highway vehicle usage. The Department is anticipating that preparation of a site will begin in spring of 2018.

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2016-005. **FINDING** (Failure to Enforce Concessionaire Lease Agreements)

The Department of Natural Resources (Department) failed to monitor and enforce concessionaire lease agreements regarding rental and reserve payments.

During the examination period, the Department had lease agreements with approximately 77 concessionaires located at State parks throughout the State. The Department's concession coordinators are responsible for negotiating and enforcing lease terms, overseeing the site, approving rates charged, and collecting rental payments. The Department received rental fees from concessionaires totaling \$612,310 and \$594,560 during Fiscal Years 2015 and 2016, respectively.

During our sample testing of eight concession and lease agreements, we noted eight of 32 (25%) rental payments were remitted to the Department in an untimely manner, ranging from one to 87 days late.

In addition, for the largest four concessionaires as measured by rental payments and/or deposits, we noted all four did not properly adhere to the terms and conditions stated in their lease agreements. Specifically, these concessionaires either did not submit the required documents as set forth in the lease agreements or the Department was unable to substantiate the documentation was submitted timely. During a review of these concessionaires, we noted:

- Two of four (50%) concessionaires did not submit deposit slips for their respective reserve accounts in a timely manner, ranging from one to 18 days late. For most concessionaires, they are contractually required to deposit a specific amount into this account each month, which ensures money has been set aside to fund future repairs and improvements at their facility. The submission of the deposit slip indicates the monthly deposit was made.
- Two of four (50%) concessionaires' reserve deposit slips tested were not date stamped. As a result, we were unable to determine if these reserve deposit slips were remitted timely.
- One concessionaire's file was missing the following items for Fiscal Years 2015 and 2016: the Schedule of Gross Revenue, the annual forecast of operating revenues and expenditures for the next calendar year, the budget of capital expenditures for real and personal property for the next three years, the summary of concessionaire's marketing plan for the next year, and the annual cash flow analysis itemized on a monthly basis. In addition, the concessionaire did not submit its 2014 and 2015 reconciliations between the schedule of gross revenue and the concessionaire's revenue reports.

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2016-005. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

- One concessionaire's file did not have a date stamp on the 2016 marketing plan. As a result, we were unable to determine if it was submitted to the Department in a timely manner.
- One concessionaire's file was missing the following items: the 2015 and 2016 annual forecast of operating revenues and expenditures for the next calendar year, the 2015 and 2016 budget of capital expenditures for real and personal property for the next three years, and the 2015 annual cash flow analysis itemized on a monthly basis. In addition, we were unable to determine if the 2016 summary of concessionaire's marketing plan and the 2016 annual cash flow analysis itemized on a monthly basis were submitted timely because they were not date stamped.

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

In addition, the standard contract language for concessionaires who are required to make reserve deposits based on a percentage of gross revenue states:

Lessee shall provide DNR a copy of the deposit slip for all monies placed in said Reserve Account each month, no later than the 25th day of the month following the previous month's operations. Failure to deposit monies into the Reserve Account shall be considered cause for cancellation of the Concession.

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

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2016-005. **FINDING** (Failure to Enforce Concessionaire Lease Agreements) - Continued

In addition, the concessionaire's lease agreement states the lessee is required to submit a profit and loss statement covering each calendar year to the Department at a specified time. This report should be supplemented by a schedule of gross revenue, classified by rental category, which must be reconciled with the lessee's revenue reports provided to the Department.

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

Department personnel indicated that while they could not control when lessees send in required documents and/or deposits, the Department does contact lessees to encourage their compliance. Further, Department personnel indicated the missing date stamps were due to oversight. Department personnel cited similar causes during the prior examination.

Failure to enforce lease terms, including payments and the submission of lease-required documents, impairs the Department's ability to ensure the concessionaire is in good standing and could result in decreased revenue to the Department. (Finding Code No. 2016-005, 2014-004, 12-2, 10-2, 08-3, 06-9)

RECOMMENDATION

We recommend the Department monitor concessionaires to enforce its contractual agreements and send concessionaires formal written communication when they fail to comply with their contractual obligations to the Department.

DEPARTMENT RESPONSE

The Department agrees with the finding and is now sending notices/letters to the lessee reminding them of the deadline when the reports are due and contacts the lessee to request items that are past due.

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2016-006. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems)

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

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

During the prior examination, we noted the Department did not have an adequate disaster recovery plan and had not conducted recovery testing. During the current examination, we determined the Department did not have a disaster recovery plan and had not conducted recovery testing. Furthermore, the Department had not ensured its resources were properly backed up.

Although the Department utilized the Department of Central Management Services (Department of Innovation and Technology as of July 1, 2016), as their information technology service provider, the Department has a shared responsibility with the service provider to ensure the security and integrity of its applications and data.

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

During the prior examination, Department management indicated their efforts to perform full disaster recovery planning and testing have been limited by insufficient staffing levels. Department personnel cited similar concerns during the current examination.

Failure to adequately develop and test a disaster contingency plan leaves the Department exposed to the possibility of major disruptions of services. (Finding Code No. 2016-006, 2014-014, 12-12)

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2016-006. **FINDING** (Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems) – Continued

RECOMMENDATION

We recommend the Department develop and implement disaster recovery and business continuity plans that reflect the Department’s current environment and align with management’s intentions.

Additionally, the Department should work with and provide essential information to the Department of Innovation and Technology to ensure plans, facilities, and other operational provisions are appropriately aligned.

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

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department in conjunction with the Department of Innovation and Technology (DoIT) performed a disaster recovery exercise in September-October 2016 on the Spring Turkey, Fall Turkey, and Deer IMS Mainframe systems. DoIT Security will be facilitating a full risk assessment of the DNR IT systems and environment with planned start date in the Fall of 2017.

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2016-007. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards)

The Department of Natural Resources (Department) had not completed the requirements to demonstrate compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Department contracted with a vendor to operate, manage, and modify DNR Direct, a network that allows citizens to purchase licenses and permits, and to make reservations at a State campground.

Through DNR Direct, the Department sold various types of privileges, including but not limited to: hunting and fishing licenses; trail passes; permits; Off-Highway Vehicle, watercraft, and snowmobile registrations and renewals; commercial licenses; and, camping reservations. The Department accepted credit card payments for these various privileges by the Department via phone, mail, point-of-sale terminals, and the internet; however, the Department had not taken steps to ensure compliance with PCI DSS.

Specifically, we noted the Department had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- Completed an SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Ensured agreements were in place with all service providers that required the service provider to maintain PCI compliance.

The Department reported receipts totaling \$112,209,981 and \$142,189,480 for Fiscal Years 2016 and 2015, respectively.

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

In addition, the contract required the vendor to arrange for an independent Service Organization Control (SOC) audit on an annual basis. However, the Department did not obtain or review the vendor's SOC audit report and, therefore, had not assessed the controls at the vendor or the vendor's subcontractors.

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2016-007. **FINDING** (Weaknesses with Payment Card Industry Data Security Standards) – Continued

Department personnel cited employee turnover and a lack of training as the causes of the deficiencies noted.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Failure to establish and maintain adequate procedures to handle and protect confidential and personally identifiable information could result in identity theft or other unintended use. (Finding Code 2016-007)

RECOMMENDATION

We recommend the Department assess each program accepting credit card payments, the methods in which payments can be made, and match these methods to the appropriate SAQ. Subsequently, the Department should complete the appropriate SAQ, including obtaining relevant information and guidance from identified service providers as necessary.

We also recommend the Department obtain and perform a timely review of the vendor's SOC report, assess the effect of any noted deficiencies, and identify and implement any compensating controls. The Department's reviews and corrective actions taken by the service provider should be documented and maintained. In addition, the Department should perform an analysis to determine the need to obtain information as to the subservice organization's internal controls and perform reviews as needed.

DEPARTMENT RESPONSE

The Department agrees with the finding. PCI compliance for credit card processing is a collaborative effort between IT and DNR business constituents. The Department agrees that a compliance exercise needs to be established and will initiate the appropriate procedures toward compliance.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-008. **FINDING** (Weaknesses Regarding the Security and Control of Confidential Information)

The Department of Natural Resources (Department) continues to have weaknesses in the security and control of confidential information.

The Department actively collected, processed, and maintained confidential and sensitive information, including names, addresses, driver's license numbers, credit card numbers, and social security numbers for various applicants' licenses.

In the prior examinations, we determined the Department had not implemented controls to ensure the security and control of confidential information. During the current examination, we determined the Department had not acted to correct the weaknesses.

During testing, we noted the Department:

- failed to perform a comprehensive risk assessment of their computer resources;
- did not maintain sufficient controls over documents containing personal/confidential information; and,
- failed to ensure data at rest was properly secured.

Further, during a walk-through of a Department facility, we found documents containing personal/confidential information, including a person's name, address, date of birth, and social security number, in unsecured bins and trays in areas of public access.

During the prior examination, Department personnel cited resource limitations, oversight, and a lack of familiarity with security concerns over data at rest as the main causes of the deficiencies noted. During the current examination, Department personnel cited resource limitations as the cause, noting the large volume of systems that require remediation to reach full compliance with security standards.

Confidential, sensitive, and personally identifiable information collected and maintained by the Department should be adequately secured at all times. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance property and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-008. **FINDING** (Weaknesses Regarding the Security and Control of Confidential Information) – Continued

Without the implementation of adequate security controls, there is a greater risk of unauthorized access to resources and confidential information. (Finding Code No. 2016-008, 2014-015, 12-13)

RECOMMENDATION

We recommend the Department:

- ensure data at rest is adequately secured with methods such as encryption or redaction;
- ensure hardcopy versions of confidential information are adequately secured and properly disposed of;
- perform a comprehensive risk assessment to identify all forms of confidential or personal information; and,
- ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard data and resources.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department, in conjunction with DoIT, performed a risk assessment and has been working on securing Personal Identifiable Information (PII) in 363 data applications. This has included the removal of unneeded PII, the encryption of PII, and the decommissioning of unneeded applications containing PII. To date, 159 applications have been decommissioned, 56 have been remediated, and 148 are in flight or the effort is yet to be started. A Fall of 2017 completion is anticipated. CyberSecurity Training was provided to all staff in April 2017. The training included IT-related security matters as well as physical workplace security topics.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-009. **FINDING** (Inadequate Controls over Receipts)

The Department of Natural Resources (Department) did not maintain adequate controls over its cash receipts.

During testing of cash receipts and registrations, we noted the following:

- Timeliness of deposit could not be determined for four of 40 (10%) hunting and fishing receipts tested, totaling \$2,472. The Department's support did not include receipt date and/or deposit date for the receipts.
- Three of 25 (12%) refunds tested, totaling \$96,567, were deposited from two to five days late.
- Five of 40 (13%) hunting and fishing electronic vendor files tested did not include documentation indicating the \$250 refundable point of sale equipment deposit had been submitted to the Department.

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2(a)) requires the Department to deposit receipts collected into the State Treasury within a specific number of business days, depending on the value of receipts on hand and keep a detailed itemized account of all moneys received, including the date of receipt, the payer, the purpose, and the amount.

- One of 10 (10%) hunting and fishing paper product vendors tested had credits, totaling \$890, which were not carried forward from License Year 2015 and applied to License Year 2016.

The Statewide Accounting Management System (Procedure 26.40.30) requires the Department develop its own internal offset system. Good internal controls include ensuring amounts due as refunds to a vendor are offset against current amounts due from a vendor.

- One of 40 (3%) boating registration applications tested was not charged the correct registration fee, resulting in a \$32 revenue loss to the Department.

The Boat Registration and Safety Act (625 ILCS 45/3-2) requires a renewal fee of \$50 for all Class 2 watercraft.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-009. **FINDING** (Inadequate Controls over Receipts) – Continued

- Three of 46 (7%) fund reconciliations, prepared by Department staff for June 2016, included federal draft revenues, totaling \$1.3 million. These drafts had not yet been received by the Department and were not recorded in the Department's Revenue Accounting Tracking System (RATS).
- Amounts reported on the Fiscal Year 2015 Fee Imposition Report did not trace to Department records. Commercial permits, special wildlife licenses, and permit fees reported to the Office of the Comptroller were understated by \$44,208.
- One of 40 (3%) circuit clerk violation receipts tested was inaccurately recorded in the Department's Checks and Deposits Database (Database). As a result, the Database was overstated by \$5,905,486 at June 30, 2016. While this overstatement did not affect balances reported to the Office of the Comptroller for Statewide financial reporting purposes because the Database is primarily used by the Department for internal tracking, this overstatement was not detected by Department personnel while conducting routine work duties, reviews, or reconciliations.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources.

Department personnel indicated that a lack of staff, staff turnover, and oversight were the main factors responsible for the deficiencies noted.

Failure to deposit monies in a timely manner may result in lost interest revenue for the State. Failure to maintain complete hunting and fishing vendor files represents a violation of the Act and could result in damage or loss of State-owned point of sale equipment. Failure to ensure paper product vendor accounts are properly credited may result in account balances being misstated. Failure to ensure boat registration charges are accurate resulted in a loss of revenue to the State. Inputting incorrect data in databases, reconciliations, and other revenue systems could lead to inaccurate reports being generated, which could misstate revenue totals. (Finding Code No. 2016-009)

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-009. **FINDING** (Inadequate Controls over Receipts) – Continued

RECOMMENDATION

We recommend the Department ensure receipt and deposit dates are documented for all receipts. Further, all deposits should be made in a timely manner with the State Treasurer. The Department should also ensure hunting and fishing vendor file documentation is complete and that accounts are properly credited. We also recommend the Department verify the correct fee is paid before processing boat registrations. Finally, we recommend the Department remind employees of the need to maintain accurate and complete records, reconciliations, and fee databases.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department will continue to work to ensure that all deposits are made in a timely manner with the State Treasurer. The Department will also work to ensure that all receipt and deposit dates are documented and remind employees of the need to maintain accurate and complete records.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-010. **FINDING** (Internal Audit Deficiencies)

The internal audit function at the Department of Natural Resources (Department) failed to comply with the Fiscal Control and Internal Auditing Act (Act) and the State Finance Act.

During testing, we noted the following:

- The Department’s internal audit function did not conduct reviews of the design of major new electronic data processing (EDP) systems and major modifications to existing EDP systems. During the examination period, the Department began implementation of or interaction with the new Grant Accountability and Transparency Act (GATA) portal, the Statewide Enterprise Resource Planning (ERP) accounting platform, and the Statewide Licensing System and made major modifications to the DNR Timekeeping System.

The Act (30 ILCS 10/2003(a)) requires the Department’s Director ensure its internal audit function reviews major new systems and major modifications to existing systems prior to the system’s installation to ensure the system provides for adequate audit trails and accountability.

- The Department’s internal audit function did not audit the Department’s major systems of internal accounting and administrative controls on a periodic basis so that all systems are reviewed every two years.

The Act (30 ILCS 10/2003(a)) requires the Department’s Director ensure its internal audit function audits the Department’s major systems of internal accounting and administrative controls on a periodic basis so that all major systems are reviewed at least once every two years, which must include testing of:

- the obligation, expenditure, receipt, and use of public funds of the State and of the funds held in trust to determine whether those activities are in accordance with applicable laws and regulations; and,
- grants received or made by the Department to determine that the grants are monitored, administered, and accounted for in accordance with applicable laws and regulations.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-010. **FINDING** (Internal Audit Deficiencies) – Continued

- The Department’s internal audit staff did not perform audits of petty cash funds when reimbursements to the accounts exceeded \$5,000 in a single fiscal year. We noted four funds operated by the Department in Fiscal Year 2015 received reimbursements exceeding \$5,000 and should have been subjected to internal audits. The Department operated 142 petty cash funds during Fiscal Years 2015 and 2016.

The State Finance Act (30 ILCS 105/13.3) requires the Department to perform internal audits of all petty cash funds where reimbursements exceed \$5,000 in one fiscal year.

- The Department’s internal audit staff did not follow up on previously issued reports to ensure the Department took appropriate corrective action. As such, the Department’s internal audit function could not prepare a written report on the extent that the Department implemented its recommendations.

The Act (30 ILCS 10/2003(a)) requires the Department’s Chief Internal Auditor provide an annual written report to the Department’s Director by September 30, which includes details on the extent to which recommended changes were implemented.

Department personnel indicated turnover and limited staffing affected their ability to complete all required internal audit activities timely. During the prior examination, Department personnel cited similar resource concerns as a barrier to compliance.

Failure to ensure the Department’s internal audit function carries out its duties mandated by both the Act and the State Finance Act represents noncompliance with State law, impairs the Department’s ability to ensure the appropriate corrective action has been taken on prior findings, could result in areas not being subjected to internal audit review for a substantial period of time, and increases the risk errors or other irregularities could occur and not be detected during the normal course of operations. (Finding Code No. 2016-010, 2014-007)

RECOMMENDATION

We recommend the Department ensure its internal audit function complies with the provisions of the Fiscal Control and Internal Auditing Act and the State Finance Act.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-010. **FINDING** (Internal Audit Deficiencies) – Continued

DEPARTMENT RESPONSE

The Department agrees with the finding and will consider the need for additional Internal Audit staffing in light of budgetary constraints, as well as identify and implement more efficient procedures to better utilize current resources, in an effort to ensure compliance with the Fiscal Control and Internal Auditing Act and the State Finance Act.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-011. **FINDING** (Inaccurate and Incomplete Agency Workforce Reports)

The Department of Natural Resources (Department) did not include complete and accurate information on its Fiscal Year 2014 and 2015 Agency Workforce Reports (Reports) submitted to the Office of the Governor and the Secretary of State.

We noted the following:

- The Department reported three amounts on its Fiscal Year 2014 and 2015 Reports that did not agree to the Department's supporting documentation, with differences ranging from an overstatement of 167 employees to an understatement of one employee.

The State Employment Records Act (5 ILCS 410/15) requires the Department to collect and maintain information and annually publish reports which include specified demographic and salary data regarding its State employees.

- The Department inaccurately calculated 36 statistical percentages in its Fiscal Year 2014 and 2015 Reports.
- The Department inaccurately calculated the total number of employees in 35 categories in its Fiscal Year 2014 and 2015 Reports.

Good internal controls over compliance include ensuring the mathematical accuracy of statistical reports.

- The Department could not provide supporting documentation for several employment categories reported on the Fiscal Year 2014 Report. For the Fiscal Year 2015 Report, the Department could not provide support for the number of contractual employees reported.

The State Records Act (5 ILCS 160/8) requires the Director of the Department to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department, designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the State's activities.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
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For the Two Years Ended June 30, 2016

2016-012. **FINDING** (Inadequate Control over Overtime)

The Department of Natural Resources (Department) did not exercise adequate control over employees' accrual and use of overtime. Department employees were eligible to earn compensatory time for overtime worked during the examination period. The Department paid overtime, totaling \$1,646,584, and \$1,368,235, during Fiscal Years 2015 and 2016, respectively.

We tested 40 employees' attendance records for four months during the examination period and noted the following:

- Twenty-five of 40 (63%) employees tested did not receive approval prior to working overtime. We noted 155 instances in which overtime requests were approved between one and 283 days after the overtime was worked. In addition, we also noted one instance in which the employee's supervisor did not approve the employee's overtime request.
- Fifteen of 40 (38%) employees tested did not receive proper approval for the use of accumulated holiday time or compensatory time. We noted the following:
 - ten instances in which leave requests were not signed and/or dated by the employee;
 - one instance in which the employee's supervisor did not sign and date the leave request approval;
 - one instance in which the employee's supervisor did not mark the approve/disapprove box on the employee's leave request;
 - nine instances in which leave requests were not submitted in a timely manner, ranging from one to seven days after the requested time off occurred;
 - five instances in which leave requests were not approved by the employee's supervisors, ranging from six to eight days after time was used;
 - seven instances in which the employee's pay authorization forms could not be provided;
 - five instances in which leave and pay authorization forms could not be provided; and,
 - three instances in which an employee's timesheets selected for testing could not be provided.

Section 21 of the Department's *Timekeeping Handbook* states all overtime must be authorized and approved in advance, except in emergency situations.

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DEPARTMENT OF NATURAL RESOURCES
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For the Two Years Ended June 30, 2016

2016-012. **FINDING** (Inadequate Control over Overtime) – Continued

Additionally, Section 21 of the Department’s *Timekeeping Handbook* states an Official Leave Request Form must be completed and kept with the timesheet when overtime is liquidated by compensatory time off. Further, Section 12 of the Department’s *Timekeeping Handbook* states a request to utilize an accumulated holiday must be submitted via the Official Leave Request Form prior to utilization by the employee.

Finally, the State Records Act (5 ILCS 160/8) requires the Department to preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Department to protect the legal and financial rights of the State and of persons directly affected by the Department’s activities.

- For five of 40 (13%) employees tested, overtime was not properly recorded on the employee’s timesheets. We noted the following:
 - one instance in which overtime was overstated by ½ hour;
 - five instances in which overtime was understated ranging from 4 to 10.5 hours;
 - one instance in which wrong dates were carried over from the employee’s timesheet to the pay variance form; and,
 - one instance in which the amount of compensatory time requested and compensatory time recorded on the employee’s timesheet differed.

Section 21 of the Department’s *Timekeeping Handbook* states weekly overtime hours worked are to be recorded in the appropriate column of the “Overtime Hours” section. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to prevent waste and to maintain accountability over the State’s resources.

- Electronic timesheets for two of 40 (5%) employees tested did not receive timely approval of overtime worked. We noted four instances in which overtime worked by conservation officers was approved between one and six days late.

The Office of Law Enforcement’s General Order 11-008 requires electronic timesheets to be approved no later than 10 days following the end of the pay period.

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For the Two Years Ended June 30, 2016

2016-012. **FINDING** (Inadequate Control over Overtime) – Continued

Department personnel indicated the conditions noted were due to low staffing levels and competing priorities for the responsible personnel. During the prior examination, Department personnel attributed problems noted to the challenges associated with a manual timekeeping system for over 1,200 employees and 500 seasonal staff.

Failure to follow the Department’s personnel policies regarding overtime increases the risk the Department will pay for services not rendered by employees. (Finding Code No. 2016-012, 2014-013)

RECOMMENDATION

We recommend the Department ensure overtime requests are approved in advance of the event. Further, the Department should ensure all overtime transactions are properly recorded on each employee’s timesheets.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department implemented a new electronic system for all leave requests in FY18. This will ensure that all requests are submitted and approved timely as they go directly into the timekeeping system once approved.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
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2016-013. **FINDING** (Inadequate Controls over Fuel Reconciliations)

The Department of Natural Resources (Department) did not maintain adequate controls over reconciliations of fuel at various sites.

While we noted some improvements from the Department's last examination as our sample testing indicated material compliance with equipment rules and regulations at the sites visited, we continued to note concerns with the sample of fuel reconciliations tested.

During our testing of 60 monthly fuel reconciliations at 10 Department sites, we noted the following:

- Thirty-five (58%) fuel reconciliations did not contain any evidence of supervisory review and approval.
- Thirteen (22%) reconciliations were not signed and/or dated by the preparer.
- Eight (13%) fuel reconciliations revealed overages or shortages that did not have documentation supporting management's investigation of the overages or shortages.
- Four (7%) fuel reconciliations were not fully supported as amounts used in the reconciliations were not substantiated by other documentation maintained by the site's staff.
- Three (5%) fuel reconciliations were performed without using stick measurements in the reconciliation process.

Chapter 13 of the Department's *Office of Land Operations Manual* states:

The first day of the month, prior to any fuel pumped, take a meter reading at the pump; record the reading on your Monthly Fuel Reconciliation form, or, if no meter, take a stick reading and record the amount in gallons. Total from fuel logs and total pumped from meter should be relatively close, if all fuel is recorded, and there are no problems with the meters. If you do not have an accurate meter, use a stick to maintain the reading. Fuel usage will be reconciled monthly between the log book and the meter. Any variance of 25 gallons or more will be investigated by the Site Superintendent, and a memo will be kept on file explaining the reason for the variance.

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For the Two Years Ended June 30, 2016

2016-013. **FINDING** (Inadequate Controls over Fuel Reconciliations) – Continued

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

As stated in prior examinations, Department personnel indicated the deficiencies noted were due to a lack of staff.

Failure to prepare and review fuel reconciliations impairs each site's ability to determine whether overages or shortages are occurring from leaks, unauthorized withdrawals, or misreported fuel deliveries and usage. (Finding Code No. 2016-013, 2014-006, 12-4, 10-4)

RECOMMENDATION

We recommend the Department ensure all fuel reconciliations are properly completed and reviewed, any overages or shortages are investigated, and the results of any such investigations are fully documented.

DEPARTMENT RESPONSE

The Department agrees with the finding and will work to ensure all fuel reconciliations are properly completed and any overages or shortages are investigated and the results of the investigations are fully documented.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-014. **FINDING** (Inaccurate Financial Reporting)

The Department of Natural Resources (Department) did not accurately report financial transactions in its Fiscal Year 2016 year-end accounting reports (GAAP packages) submitted to the Office of the State Comptroller (Comptroller).

We noted the following:

- In the Interfund Activity-Grantor Agency Form (Form SCO-568) for two funds, we noted three instances where activity, totaling \$316,000, was reported under the incorrect Catalog of Federal Domestic Assistance (CFDA) number.

The Statewide Accounting Management System (SAMS) (Procedure 27.20.68) requires the Department indicate its agreement with grantee agencies concerning transaction type, amount, and CFDA number. In addition, agencies are required to notify the Comptroller if a transaction on its Form SCO-568 requires modification subsequent to the Department agreeing with the transaction on its Form SCO-568.

- During our testing of transactions reported as subrecipient activity in the GAAP packages, we noted one of 10 (10%) transactions tested actually consisted of payments to a vendor, totaling \$125,000, as opposed to awards to a subrecipient. As a result, subrecipient activity was overstated by \$125,000 on one fund's Grant/Contract Analysis Form (Form SCO-563C).

SAMS (Procedure 27.20.63) notes the purpose of the Form SCO-563C is to provide detail for amounts provided to subrecipients.

- The Department made the following errors on its Capital Asset Summary (Form SCO-538):
 - a \$279,000 land and land improvements transaction was reported as a transfer instead of a deletion;
 - accumulated depreciation on equipment items was overstated by \$19,000; and,
 - construction in progress deletions, totaling \$11,000, were omitted.

SAMS (Procedure 27.20.38) requires the Department report capital assets and related accumulated depreciation to allow the Comptroller to report all capital asset transactions in the State's financial statements.

STATE OF ILLINOIS
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2016-014. **FINDING** (Inaccurate Financial Reporting) – Continued

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance expenditures and resources applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

During the prior examination, Department personnel indicated the errors noted were actually adjustments made to compensate for errors made in preceding years; however, the adjustments were not documented due to oversight. During the current examination, Department personnel indicated:

- 1) the CFDA numbers incorrectly inputted by the grantee agencies were noted by the Department's staff, but were not reported to the Comptroller due to oversight;
- 2) the classification of a vendor's transaction as subrecipient activity was due to a staff error; and,
- 3) the errors and omissions on the Department's Form SCO-538 were due to employee oversight.

Failure to accurately report information in the GAAP packages reduces the overall reliability of Statewide financial reporting, as the Department's GAAP packages are used to compile the State's Comprehensive Annual Financial Report and Schedule of Expenditures of Federal Awards. (Finding Code No. 2016-014, 2014-016)

RECOMMENDATION

We recommend the Department implement procedures to ensure complete and accurate reporting of year-end financial information to the Comptroller.

DEPARTMENT RESPONSE

The Department agrees with the finding and will continue to review all GAAP packages and Capital Asset reports for accuracy.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
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2016-015. **FINDING** (Noncompliance with Mandated Duties)

The Department of Natural Resources (Department) did not comply with certain duties mandated by State Law.

We noted some improvements from the Department’s last examination as our testing indicated material compliance with the duties mandated by the Coal Mining Act (225 ILCS 705/4.23), the Illinois Oil and Gas Act (225 ILCS 725/1.2), and the Fluorspar and Underground Limestone Mines Act (225 ILCS 710/17). However, we continued to note noncompliance with the following mandated duties:

Permit Application Decisions and Notifications

The Surface Coal Mining Land Conservation and Reclamation Act (Act) sets forth the requirements and process for permit applications for surface coal mining operations and the procedure for affected parties to request a hearing prior to the Department approving an application. We sampled three permit applications, where two applications had a requested hearing and one application did not have a requested hearing. We noted the Department did not make a decision and notify all required parties of its decision timely in all three cases, as described below:

- In the instances tested where a hearing was requested and held, the Department made, and informed required parties of, its decision 12 and 68 days late.

The Act (225 ILCS 720/2.11(a)) states that if a hearing has been held, the Department shall make its decision on the application within 60 days after the last hearing and shall promptly notify the applicant, local government officials in the area of the affected land, and persons who are parties to the administrative proceedings with the written findings of the Department, including the specific reasons for the Department’s decision.

- In the instance tested where a hearing was not requested, the Department made, and informed required parties of, its decision 36 days late.

The Act (225 ILCS 720/2.11(b)) states that if no hearing has been held, the Department shall make its decision on the application within 120 days after receipt by the Department of a complete application and shall promptly notify the applicant, local government officials in the area of the affected land, and persons who have submitted written comments on the application of the Department’s decision, including specific reasons for the Department’s decision.

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2016-015. **FINDING** (Noncompliance with Mandated Duties) – Continued

Department personnel indicated understaffing prevented decisions from being made and communicated in a timely manner during both the prior and current examinations.

Bilingual Frontline Staffing

During testing, we noted the Department lacks three required additional bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

The State Services Assurance Act for FY2008 (5 ILCS 382/3-15) requires the Department to add and maintain, at least, five additional bilingual frontline staff over its number of bilingual frontline staff on June 30, 2007.

During the prior examination, Department personnel indicated the lack of bilingual staff was due to normal attrition and timelines for filling positions. During the current examination, the Department cited similar concerns, in addition to budget constraints, as barriers to compliance.

Failure to prepare and distribute permitting decisions under the Act timely represents noncompliance with the Act and resulted in delays in allowing parties to proceed with its requested permitted activity. Further, failure to maintain five additional bilingual on-board frontline staff over the Department's staffing levels on June 30, 2007, represents noncompliance with the State Services Assurance Act for FY2008. (Finding Code No. 2016-015, 2014-011, 12-10)

RECOMMENDATION

We recommend the Department establish policies and procedures to track all of the Department's mandated duties and responsible parties to ensure compliance. Further, the Department should process permits timely and continue to seek bilingual frontline staff in its recruitment efforts, or seek a legislative remedy.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department has made it a priority to hire additional permit processing staff to process the permits in a timely manner. The Department continues to seek bilingual frontline staff in recruitment efforts.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
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2016-016. **FINDING** (Inadequate Controls over Property and Fixed Asset Records and Related Functions and Reporting)

The Department of Natural Resources (Department) did not maintain adequate controls over property and fixed asset records and related functions and reporting.

During testing of property and fixed assets records, we noted the following:

- Twelve of 40 (30%) equipment acquisitions tested, totaling \$48,804, were added to the Department's property listing from one to 474 days late. In addition, the Department's records for three of 40 (8%) equipment acquisitions tested, totaling \$8,556, did not include a received date. As a result, we were unable to determine if the equipment was added to the property records timely.
- Two of 40 (5%) equipment deletions tested, totaling \$799, were removed from the Department's property listing one and 30 days late.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 30 days of acquiring, changing, or deleting items. The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Department to keep complete and detailed property records for all of its property items.

- The Department failed to follow up on 12 missing equipment items, totaling \$38,157. The items primarily consisted of camera equipment and were noted as missing during the Department's inventory process. The items were subsequently deleted from the property listing without further follow-up as to the cause or reason for why the items went missing.
- The Department did not have adequate controls over lost or missing property. Forty-seven of 114 (41%) items identified as lost or missing during the Department's inventory process were computer equipment items where the Department could not determine if any confidential information was stored on these computers. Further, we noted the Department did not have any records indicating it had deployed encryption on these machines.

The Department had the responsibility to ensure confidential information was protected from disclosure and that provisions in the Personal Information Protection Act (815 ILCS 530) were followed.

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2016-016. **FINDING** (Inadequate Controls over Property and Fixed Asset Records and Related Functions and Reporting) – Continued

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish a system, or systems, of internal fiscal and administrative controls to provide assurance that property and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Further, the State Property Control Act (30 ILCS 605/4) requires the Department be accountable for the supervision, control, and inventory of all items under its jurisdiction.

- One of 40 (3%) equipment items tested, totaling \$1,790, was deemed obsolete. However, the item still remained on Department property records, and the Department had not reported the item to the Department of Central Management Services (CMS) for possible disposal through the surplus process.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.620(a)) requires the Department regularly survey its inventory for transferable equipment, which is equipment no longer needed and/or useful to the Department, and report any transferable equipment to CMS.

Department personnel indicated the untimely recording of transactions in the property system was due to understaffing and delays in obtaining all necessary invoices and/or documentation from the multiple locations the Department has throughout the State. The Department cited similar causes for the exceptions noted during the prior examination.

Failure to maintain accurate and complete property records and to timely record transactions increases the potential for fraud and possible loss or theft of State property, reduces the reliability of Statewide property information, and represents noncompliance with State law. Further, failure to follow-up on missing property could result in the Department not identifying the underlying cause of the missing property, which could result in future losses of property. Finally, failure to maintain sufficient controls over the Department's computer inventory resulted in a loss of equipment and increased the potential for unintended exposure of confidential information. (Finding Code No. 2016-016, 2014-008)

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-016. **FINDING** (Inadequate Controls over Property and Fixed Asset Records and Related Functions and Reporting) – Continued

RECOMMENDATION

We recommend the Department strengthen its internal controls over the recording and reporting of its property. Specifically, the Department should:

- ensure all equipment transactions are timely recorded;
- follow-up on items identified as missing to determine the cause for why the property went missing;
- ensure confidential information is adequately secured with methods such as encryption or redaction; and,
- develop procedures to immediately assess and document the Department's conclusions on whether missing property items may have contained confidential information.

DEPARTMENT RESPONSE

The Department agrees with the finding. The Department continues to strive to record property transactions in a timely manner and ensure that the property control system accurately reflects the property inventory. The Department will make it a priority to follow up on missing items and ensure confidential information is secure before disposal of equipment.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-017. **FINDING** (Inadequate Controls over Expenditure Records)

The Department of Natural Resources (Department) did not exercise adequate controls over its expenditure records and its reconciliations.

We noted the following weaknesses:

- The Department did not maintain expenditure records or perform reconciliations for amounts expended from the Governor's discretionary appropriation received during Fiscal Year 2015, totaling \$490,136.

The Interagency Agreement (Agreement) between the Office of the Governor and the Department governing the discretionary appropriation received required the Department to maintain – for a minimum of three years – adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passed in conjunction with the Agreement.

- During testing of the Department's monthly expenditure reconciliations to the Monthly Appropriations Status Report (SB01) prepared by the Office of the State Comptroller (Comptroller) performed for Fiscal Years 2015 and 2016, we noted the following:
 - Thirteen of 28 (46%) reconciliations were not signed and dated by a reviewer;
 - Six of 28 (21%) reconciliations were not dated by the reviewer;
 - Two of 28 (7%) reconciliations were untimely reviewed four and 10 days after the end of the subsequent month;
 - Five of 28 (18%) reconciliations were untimely prepared and reviewed between four and 29 days late; and,
 - One of 28 (4%) reconciliations was not signed and dated by the preparer.
- We identified the following differences:
 - \$80,000 in appropriations received between the SB01 and Public Act 099-0524 in the Wildlife and Fish Fund (041); and,
 - \$140,390 in expenditures between the SB01 and the Department's Fiscal Year 2015 General Revenue Fund (001) records.

These differences were not detected, or subsequently corrected, by the Department's internal control and/or reconciliation processes. The Department subsequently corrected these errors after we brought these matters to the Department's attention.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-017. **FINDING** (Inadequate Controls over Expenditure Records) – Continued

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) notes “the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Agency reconciliation is the primary control that insures these requirements are being satisfied.” As such, SAMS (Procedure 11.40.20) requires the Department to perform a monthly reconciliation of its unexpended budget authority balance and expenditures to the SB01 to ensure timely detection and correction of errors and notify the Comptroller of any irreconcilable differences so corrective action can be taken to locate the differences and correct the accounting records.

Further, SAMS (Procedure 02.50.10) requires supervisors to review and approve the assigned work of their staff to minimize errors.

- During testing of the Department’s non-shared fund reconciliations during Fiscal Year 2015 and 2016 to Comptroller’s monthly Cash Report (SB05), we noted the reconciliations detected unreconciled and unresolved differences in five of 42 (12%) funds, ranging from \$7 to \$26,188 in Fiscal Years 2015 and 2016.

SAMS (Procedure 09.40.30) requires the Department to perform a monthly reconciliation of its available cash balance to the SB05 to ensure timely detection and correction of errors and notify the Comptroller of any irreconcilable differences so corrective action can be taken to locate the differences and correct the accounting records.

Department personnel indicated that a lack of staff, staff turnover, and a lack of training were the main factors for the deficiencies noted.

Failure to resolve differences noted in reconciliations performed between the Department’s records and the Comptroller’s records reduces the usefulness and reliability of financial information and could lead to errors going unnoticed for a significant period of time, and misstated account balances. In addition, failure to maintain complete expenditure records represents noncompliance with the Interagency Agreement and increases the potential for inaccurate financial reporting. (Finding Code No. 2016-017)

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-017. **FINDING** (Inadequate Controls over Expenditure Records) – Continued

RECOMMENDATION

We recommend the Department ensure all required reconciliations of its activity are performed, documented, and reviewed on a timely basis. We also recommend the Department report any unresolved differences detected in the reconciliation process to the Comptroller and ensure any needed corrections are made. Lastly, we recommend the Department ensure complete records are maintained for all expenditures, regardless of the appropriation source.

DEPARTMENT RESPONSE

The Department agrees with the finding and will strive to ensure that all required reconciliations are performed, documented and reviewed on a timely basis.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
PRIOR YEAR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2016

A. **FINDING** (Failure to Collect Environmental Consultation Fees)

During the prior examination, the Department did not assess, or collect, a \$500 fee for consultations performed pursuant to the Illinois Endangered Species Protection Act (520 ILCS 10/11) and the Illinois Natural Areas Preservation Act (525 ILCS 30/17) under the Civil Administrative Code of Illinois (Department of Natural Resources (Conservation) Law (20 ILCS 805/805-555(b))).

During the current examination, our testing indicated the Department collected the \$500 fees for environment consultations, when applicable. (Finding Code No. 2014-002)

B. **FINDING** (Inadequate Controls over Bank Reconciliations)

During the prior examination, the Department did not properly prepare and review bank reconciliations at various Department sites selected for testing.

During the current examination, our testing indicated improvements in the maintenance of local accounts occurred; therefore, the issue was reported in the Department's *Letter of Immaterial Findings*. (Finding Code No. 2014-005, 12-3, 10-3, 08-11)

C. **FINDING** (Inadequate Control over Employee Attendance Records and
Personnel Functions)

During the prior examination, the Department did not maintain adequate controls over personnel files, attendance records, and authorized deductions.

During the current examination, some improvements in the maintenance of personnel files and authorized deductions were noted; therefore, the issue was reported in the Department's *Letter of Immaterial Findings*. (Finding Code No. 2014-012)

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
For the Year Ended June 30, 2016

FINANCIAL REPORT

SUMMARY

The audit of the accompanying Schedule of Capital Assets of the State of Illinois, Department of Natural Resources (Department) was performed by staff of the Office of the Auditor General.

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

EXIT CONFERENCE

The audit was reviewed by Department staff, and per correspondence dated December 6, 2016, from Rebecca Wilson, GAAP Coordinator, the Department declined an exit conference.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Schedule

We have audited the accompanying Schedule of Capital Assets (Schedule) of the State of Illinois, Department of Natural Resources, as of June 30, 2016, and the related notes to the Schedule, as listed in the table of contents.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule 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, 2016, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the Schedule and its related footnotes is intended to present the financial position and the changes in financial position of only the Capital Assets Account of the State of Illinois, Department of Natural Resources. The Schedule does not purport to, and does not, present fairly the financial position of the State of Illinois or the State of Illinois, Department of Natural Resources as of June 30, 2016, and the changes in either entity's financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the State of Illinois, Department of Natural Resources' internal control over financial reporting of the Schedule and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters as they relate to the Schedule. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Department of Natural Resources' internal control over financial reporting of the Schedule and its compliance.

Restricted Use of this Auditor's Report

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 Department management and is not intended to be and should not be used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
December 19, 2016

**STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES**

Schedule of Capital Assets

**June 30, 2016
(expressed in thousands)**

Capital Assets not being depreciated:	
Land and land improvements	\$ 394,738
Construction in progress	3,048
Internally generated intangible assets in development	372
Easements/rights of way/water-timber-mineral rights	121,522
Total Capital Assets not being depreciated	<u>519,680</u>
Capital Assets being depreciated:	
Site improvements	441,360
Building and building improvements	256,587
Equipment	66,800
Capital leases - equipment	27
Infrastructure	63,381
Non-internally generated software	36
Internally generated software	3,360
Easements/rights of way/water-timber-mineral rights	1,511
Other intangible assets	6,939
Total Capital Assets being depreciated	<u>840,001</u>
Less Accumulated Depreciation for:	
Site improvements	286,690
Building and building improvements	159,402
Equipment	55,802
Capital leases - equipment	3
Infrastructure	35,842
Non-internally generated software	36
Internally generated software	3,360
Easements/rights of way/water-timber-mineral rights	1,345
Other intangible assets	2,679
Total Accumulated Depreciation	<u>545,159</u>
Total Capital Assets being depreciated, net	<u>294,842</u>
Total Capital Assets, net	<u><u>\$ 814,522</u></u>

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2016

1. DESCRIPTION OF CAPITAL ASSET ACCOUNT

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

The Schedule presents only the capital assets administered by the Department and does not purport to, and does not, present fairly the financial position of the State or

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

the Department as of June 30, 2016, and changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Capital Asset Account balances are reported in the State's Comprehensive Annual Financial Report. For its reporting purposes, the Department has presented the Schedule of Capital Assets using a columnar format that presents capital assets, net of accumulated depreciation, as of June 30, 2016.

(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 acquisition value. 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), 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 THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

(f) Capitalization Policies

Capitalization thresholds and the estimated useful lives are as follows:

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

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

(g) Infrastructure

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

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

Department capitalizes only those assets which are maintained by the Department and legal title has not been established by another legal entity.

(h) Historical Treasures and Works of Art

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

(i) Intangible Assets

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

(j) Construction in Progress

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

(k) Networks and Sub-Systems

The Department maintains networks and sub-systems. A network is composed of all assets that provide a particular type of service for the State or an agency. A network

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

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

3. CAPITAL ASSET MANAGEMENT SYSTEM

The Department maintains a capital asset management system which includes, for all capital assets, the major asset category, description of the asset, date of acquisition, method of acquisition, cost or other value, responsible organizational unit, location of the asset, identification of applicable network or sub-system (for infrastructure assets), estimated life, estimated salvage value, annual 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 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
NOTES TO THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows (amounts are in thousands):

	Balance At June 30, 2015	Additions	Deletions	Net Transfers	Balance At June 30, 2016
Capital Assets not being depreciated:					
Land and land improvements	\$ 395,016	\$ 1	-	\$ (279)	\$ 394,738
Construction in progress	2,669	518	11	(128)	3,048
Internally generated intangible assets in development	372	-	-	-	372
Easements/rights of way/water-timber-mineral rights	119,558	1,964	-	-	121,522
Total Capital Assets not being depreciated:	<u>517,615</u>	<u>2,483</u>	<u>11</u>	<u>(407)</u>	<u>519,680</u>
Capital Assets being depreciated:					
Site improvements	440,451	885	-	24	441,360
Building and building improvements	256,431	28	-	128	256,587
Equipment	70,989	259	4,448	-	66,800
Capital leases - equipment	20	27	20	-	27
Infrastructure	63,380	-	-	1	63,381
Non-internally generated software	36	-	-	-	36
Internally generated software	3,360	-	-	-	3,360
Easements/rights of way/water-timber-mineral rights	1,511	-	-	-	1,511
Other intangible assets	6,939	-	-	-	6,939
Total Capital Assets being depreciated:	<u>843,117</u>	<u>1,199</u>	<u>4,468</u>	<u>153</u>	<u>840,001</u>
Less Accumulated Depreciation for:					
Site improvements	274,977	11,713	-	-	286,690
Building and building improvements	152,376	7,101	75	-	159,402
Equipment	57,333	2,926	4,457	-	55,802
Capital leases - equipment	18	5	20	-	3
Infrastructure	34,129	1,713	-	-	35,842
Non-internally generated software	36	-	-	-	36
Internally generated software	3,360	-	-	-	3,360
Easements/rights of way/water-timber-mineral rights	1,278	67	-	-	1,345
Other intangible assets	2,198	481	-	-	2,679
Total Accumulated Depreciation	<u>525,705</u>	<u>24,006</u>	<u>4,552</u>	<u>-</u>	<u>545,159</u>
Total Capital Assets being depreciated, net	<u>317,412</u>	<u>(22,807)</u>	<u>(84)</u>	<u>153</u>	<u>294,842</u>
Total Capital Assets, net	<u>\$ 835,027</u>	<u>\$ (20,324)</u>	<u>\$ (73)</u>	<u>\$ (254)</u>	<u>\$ 814,522</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
NOTES TO THE SCHEDULE OF CAPITAL ASSETS (continued)
For the Year Ended June 30, 2016

6. SUBSEQUENT EVENTS

The U.S. Army Corps of Engineers terminated the Department's lease of the South Shore State Park, located at Carlyle Lake, in October 2016. The effects of this lease termination and impacts on the Schedule of Capital Assets are not known at this time.

The Department is not aware of any additional facts, decisions, or conditions that might be expected to have a significant effect on the Schedule's financial position during this and future fiscal years.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
For the Year Ended June 30, 2016
AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2016
 - Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2015
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) - Locally Held Funds
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller - Fiscal Year 2016
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller - Fiscal Year 2015
 - 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 Accounts Receivable

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Budget Impasse Disclosures (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Fiscal Year 2016 Invoices (Not Examined)
 - Average Number of Employees (Not Examined)

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
FINANCIAL AUDIT OF CAPITAL ASSET ACCOUNT
For the Year Ended June 30, 2016
AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

Emergency Purchases (Not Examined)
Memorandums of Understanding (Not Examined)
Service Efforts and Accomplishments (Not Examined)
Schedule of Indirect Cost Reimbursements (Not Examined)
Open Space Lands Acquisition and Development Program (Not
Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 13. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016
Fourteen Months Ended August 31, 2016

P.A. 099-0524, 099-0409, 099-0491, 099-0007, and Court-Ordered Expenditures FISCAL YEAR 2016		Fund Number	Expenditure Authority (Net of Transfers)	Expenditures through 6/30/16	Lapse Period Expenditures 7/1 - 8/31/16	Total Expenditures	Balances Reappropriated 7/1/16	Balances Lapsed
APPROPRIATED FUNDS								
General Revenue Fund	001	\$ -	\$ 34,111,340	\$ 1,844,620	\$ 35,955,960	\$ -	\$ -	\$ -
State Boating Act Fund	039	13,461,989	5,568,302	3,034,554	8,602,856	-	-	4,859,133
State Parks Fund	040	13,780,973	3,099,835	3,965,836	7,065,671	2,833,824	-	3,881,478
Wildlife and Fish Fund	041	61,198,916	36,820,272	10,083,264	46,903,536	5,771,391	-	8,539,891
Salmon Fund	042	328,491	188,071	-	188,071	-	-	140,420
Mines and Minerals Underground Injection Control Fund	077	345,000	224,935	-	224,935	-	-	120,065
Plugging and Restoration Fund	137	1,916,500	710,127	29,722	739,849	-	-	1,176,651
Capital Development Fund	141	1,346,100	1,061,805	48,189	1,109,994	-	-	236,106
Explosives Regulatory Fund	145	275,000	148,449	-	148,449	-	-	126,551
Aggregate Operations Regulatory Fund	146	402,300	185,833	54,111	239,944	-	-	162,356
Coal Mining Regulatory Fund	147	298,000	190,497	28,339	218,836	-	-	79,164
Illinois Fisheries Management Fund	199	2,200,000	1,153,001	204,764	1,357,765	-	-	842,235
Oil and Gas Resource Management Fund	231	5,000,000	-	-	-	-	-	5,000,000
Underground Resources Conservation Enforcement Fund	261	2,185,300	1,054,014	234,112	1,288,126	-	-	897,174
Natural Areas Acquisition Fund	298	8,436,657	5,441,259	639,077	6,080,336	-	-	2,356,321
Open Space Lands Acquisition and Development Fund	299	1,702,600	901,865	36,304	938,169	-	-	764,431
Wildlife Prairie Park Fund	504	10,000	-	-	-	-	-	10,000
Conservation Police Operations Assistance Fund	547	1,250,000	-	334,500	334,500	-	-	915,500
Illinois and Michigan Canal Fund	570	50,000	-	9,081	9,081	-	-	40,919
Partners for Conservation Fund	608	6,629,706	2,673,923	399,194	3,073,117	1,634,690	-	1,921,899
Federal Surface Mining Control and Reclamation Fund	765	5,208,600	3,370,403	256,533	3,626,936	-	-	1,581,664
Natural Resources Restoration Trust Fund	831	400,000	-	34,814	34,814	-	-	365,186
National Flood Insurance Program Fund	855	650,000	437,609	16,032	453,641	-	-	196,359
Land Reclamation Fund	858	300,000	-	-	-	-	-	300,000
Drug Traffic Prevention Fund	878	10,000	-	-	-	-	-	10,000
DNR Federal Projects Fund	894	9,641,126	2,829,420	-	2,829,420	6,584,696	-	227,010
Illinois Forestry Development Fund	905	5,755,178	4,128,301	220,697	4,348,998	1,170,877	-	235,303
Illinois Wildlife Preservation Fund	909	175,000	-	17,000	17,000	-	-	158,000
Coal Technology Development Assistance Fund	925	2,000,000	-	-	-	-	-	2,000,000
State Migratory Waterfowl Stamp Fund	953	250,000	-	38,125	38,125	-	-	211,875
Park and Conservation Fund	962	43,768,594	29,095,767	4,225,860	33,321,627	3,478,559	-	6,968,408
Adeline Jay Geo-Karris Illinois Beach Marina Fund	982	1,525,000	466,700	535,341	1,002,041	-	-	522,959
Abandoned Mined Lands Reclamation Council Federal Trust Fund	991	8,824,400	5,917,437	464,725	6,382,162	-	-	2,442,238
TOTAL - ALL APPROPRIATED FUNDS							\$ 21,474,037	
							\$ 166,533,959	
							\$ 26,754,794	
							\$ 139,779,165	

STATE OF ILLINOIS
 DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2016
 Fourteen Months Ended August 31, 2016

	Fund Number	Expenditure Authority (Net of Transfers)	Expenditures through 6/30/16	Lapse Period Expenditures 7/1 - 8/31/16	Total Expenditures	Balances	
						Reappropriated 7/1/16	Lapsed
<u>NON-APPROPRIATED FUNDS</u>							
P.A. 099-0524, 099-0409, 099-0491, 099-0007, and Court-Ordered Expenditures FISCAL YEAR 2016							
DNR Special Projects Fund	884	\$ 2,054,593	\$ 89,976	\$ 2,144,569			
DNR Federal Projects Fund	894	5,009,565	2,271,699	7,281,264			
J.J. Wolf Memorial for Conservation Investigation Fund	931	1,015	-	1,015			
Park and Conservation Fund	962	15,919	-	15,919			
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>\$ 7,081,092</u>	<u>\$ 2,361,675</u>	<u>\$ 9,442,767</u>			
GRAND TOTAL - ALL FUNDS			<u>\$ 146,860,257</u>	<u>\$ 175,976,726</u>			

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

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

Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Mungler* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received enacted personal services appropriations for Fund 001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2016.

Note 4: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 099-0409, Public Act 099-0491, and Public Act 095-0524 were signed into law on August 20, 2015, December 7, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 vs. Mungler* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 041. Further, the Department incurred non-payroll obligations within all of the funds listed above, as well as Fund 686 and Fund 971, which the Department was unable to pay until the passage of Public Act 099-0409, Public Act 099-0491, and Public Act 099-0524.

Note 5: Public Act 099-0524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 151 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015
Fourteen Months Ended August 31, 2015

P.A. 098-0679, 098-0675, and 099-0001 FISCAL YEAR 2015	Fund Number	Appropriations (Net of Transfers)	Expenditures through 6/30/15	Lapse Period Expenditures 7/1 - 8/31/15	Total Expenditures	Balances	
						Reappropriated 7/1/15	Lapsed
APPROPRIATED FUNDS							
General Revenue Fund	001	\$ 48,997,901	\$ 43,699,998	\$ 2,580,041	\$ 46,280,039	\$ -	\$ 2,717,862
State Boating Act Fund	039	29,476,643	10,149,845	951,719	11,101,564	-	18,375,079
State Parks Fund	040	15,183,542	8,586,274	984,812	9,571,086	1,682,856	3,929,600
Wildlife and Fish Fund	041	105,470,076	55,070,371	6,954,618	62,024,989	4,137,857	39,307,230
Salmon Fund	042	333,700	223,986	32,490	256,476	-	77,224
Mines and Minerals Underground Injection Control Fund	077	343,900	243,068	-	243,068	-	100,832
Forest Reserve Fund	086	500,000	278,212	-	278,212	-	221,788
Plugging and Restoration Fund	137	2,729,600	1,258,475	121,602	1,380,077	-	1,349,523
Capital Development Fund	141	248,897,966	34,927,813	3,736,900	38,664,713	-	210,233,253
Explosives Regulatory Fund	145	325,000	129,823	15,686	145,509	-	179,491
Aggregate Operations Regulatory Fund	146	420,300	224,961	10,757	235,718	-	184,582
Coal Mining Regulatory Fund	147	2,477,000	660,726	367,880	1,028,606	-	1,448,394
Illinois Fisheries Management Fund	199	1,700,000	1,006,981	208,798	1,215,779	-	484,221
Oil and Gas Resource Management Fund	231	8,000,000	381,171	-	381,171	-	7,618,829
Abandoned Mined Lands Reclamation Set-Aside Fund	257	1,500,000	-	-	-	-	1,500,000
Underground Resources Conservation Enforcement Fund	261	3,544,600	1,833,815	109,925	1,943,740	-	1,600,860
State Furbearer Fund	293	294,613	114,108	34,355	148,463	-	146,150
Natural Areas Acquisition Fund	298	27,938,672	7,047,319	663,153	7,710,472	-	20,228,200
Open Space Lands Acquisition and Development Fund	299	102,510,537	9,424,939	4,774,478	14,199,417	-	88,311,120
State Pheasant Fund	353	2,527,352	456,564	75,559	532,123	-	1,995,229
Illinois Habitat Fund	391	9,313,933	1,726,991	128,057	1,855,048	-	7,458,885
Flood Control Land Lease Fund	443	900,000	488,560	166,762	655,322	-	244,678
Land and Water Recreation Fund	465	16,133,481	2,791,106	-	2,791,106	-	13,342,375
Wildlife Prairie Park Fund	504	50,000	-	-	-	-	50,000
Conservation Police Operations Assistance Fund	547	1,250,000	602,650	641,951	1,244,601	-	5,399
Illinois and Michigan Canal Fund	570	75,000	-	28,206	28,206	-	46,794
Off-Highway Vehicle Trails Fund	574	3,521,083	1,716,113	-	1,716,113	-	1,804,970
Partners for Conservation Fund	608	5,936,282	3,627,533	345,422	3,972,955	1,064,706	898,621
Partners for Conservation Projects Fund	609	3,142,458	-	-	-	-	3,142,458
Federal Title IV Fire Protection Assistance Fund	670	508,822	265,780	-	265,780	-	243,042
Federal Surface Mining Control and Reclamation Fund	765	5,742,600	3,816,170	116,775	3,932,945	-	1,809,655
Natural Resources Restoration Trust Fund	831	1,400,000	283,861	14,930	298,791	-	1,101,209
National Flood Insurance Program Fund	855	650,000	453,782	24,449	478,231	-	171,769
Land Reclamation Fund	858	800,000	-	-	-	-	800,000

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015
Fourteen Months Ended August 31, 2015

P.A. 098-0679, 098-0675, and 099-0001 FISCAL YEAR 2015	Fund Number	Appropriations (Net of Transfers)	Expenditures through 6/30/15	Lapse Period Expenditures 7/1 - 8/31/15	Total Expenditures	Balances	
						Reappropriated 7/1/15	Lapsed
APPROPRIATED FUNDS							
Snowmobile Trail Establishment Fund	866	294,746	71,307	21,037	92,344	-	202,402
Drug Traffic Prevention Fund	878	25,000	-	-	-	-	25,000
DNR Federal Projects Fund	894	13,170,825	3,290,121	759,581	4,049,702	9,121,123	-
Illinois Forestry Development Fund	905	8,067,740	2,076,362	327,593	2,403,955	572,178	5,091,607
Illinois Wildlife Preservation Fund	909	3,376,533	319,781	43,796	363,577	-	3,012,956
State Migratory Waterfowl Stamp Fund	953	3,589,536	616,672	61,246	677,918	-	2,911,618
Park and Conservation Fund	962	108,536,128	39,956,770	3,965,510	43,922,280	1,278,694	63,335,154
Build Illinois Bond Fund	971	130,827,314	16,054,918	2,942,980	18,997,898	-	111,829,416
Adeline Jay Geo-Karis Illinois Beach Marina Fund	982	4,833,507	1,429,275	102,547	1,531,822	-	3,301,685
Abandoned Mined Lands Reclamation Council Federal Trust Fund	991	28,300,793	15,126,365	1,113,468	16,239,833	-	12,060,960
TOTAL - ALL APPROPRIATED FUNDS		\$ 953,617,183	\$ 270,432,566	\$ 32,427,083	\$ 302,859,649	\$ 17,857,414	\$ 632,900,120
NON-APPROPRIATED FUNDS							
DNR Special Projects Fund	884		\$ 2,665,470	\$ 264,853	\$ 2,930,323		
DNR Federal Projects Fund	894		5,490,334	883,964	6,374,298		
J.J. Wolf Memorial for Conservation Investigation Fund	931		3,200	-	3,200		
TOTAL - ALL NON-APPROPRIATED FUNDS			\$ 8,159,004	\$ 1,148,817	\$ 9,307,821		
GRAND TOTAL - ALL FUNDS			\$ 278,591,570	\$ 33,575,900	\$ 312,167,470		

Note 1: Appropriations, expenditures, reappropriated balances, and lapsed balances were obtained from the Department's records as of August 31, 2015, and have been reconciled to the State Comptroller's records, except for the Governor's Discretionary Appropriation in Fund 001 which was solely obtained from the State Comptroller's records.

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>GENERAL REVENUE FUND- 001</u>			
<u>Expenditure Authority (Net of Transfers)</u>		\$ 48,997,901	\$ 45,593,900
<u>Expenditures:</u>			
Personal Services	\$ -	\$ 31,845,464	\$ -
State Contributions to State Employees' Retirement System	-	-	-
State Contributions to Social Security	-	2,033,199	-
Contractual Services	-	4,400,645	-
Travel	-	70,325	-
Commodities	-	209,276	-
Printing	-	11,626	-
Equipment	-	20,230	-
Electronic Data Processing	-	892,827	-
Telecommunications	-	701,167	-
Operation of Automotive Equipment	-	332,838	-
Lump Sums	-	891,024	45,036,904
Lump Sum Operations	35,955,960	4,381,282	445,555
Governor's Discretionary Appropriation	-	490,136	-
Total Expenditures	<u>\$ 35,955,960</u>	<u>\$ 46,280,039</u>	<u>\$ 45,482,459</u>
Lapsed Balances		<u>\$ 2,717,862</u>	<u>\$ 111,441</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>STATE BOATING ACT FUND- 039</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 13,461,989	\$ 29,476,643	\$ 36,610,113
<u>Expenditures:</u>			
Personal Services	\$ 2,872,456	\$ 3,412,061	\$ 5,868,235
State Contributions to State Employees' Retirement System	1,312,822	1,447,397	2,369,098
State Contributions to Social Security	146,568	138,494	252,345
Group Insurance	892,362	886,474	1,720,851
Contractual Services	1,952,061	1,490,035	1,163,723
Postage	-	35,000	35,000
Travel	53,169	52,296	54,471
Commodities	62,558	241,207	169,036
Printing	110,299	155,663	139,354
Equipment	4,188	152,036	191,164
Electronic Data Processing	150,000	74,496	83,977
Telecommunications	189,616	165,158	165,700
Operation of Automotive Equipment	250,684	292,619	311,248
Lump Sums	593,755	579,142	618,159
Lump Sum Operations	1,940	309,808	59,404
Awards and Grants	-	150,000	150,000
Awards and Grants, Lump Sum and Other Purposes	-	374,743	1,465,463
Permanent Improvements, Lump Sum and Other Purposes	-	1,133,644	1,407,309
Refunds	10,378	11,291	11,707
Total Expenditures	\$ 8,602,856	\$ 11,101,564	\$ 16,236,244
Reappropriations	\$ -	\$ -	\$ 15,014,341
Lapsed Balances	\$ 4,859,133	\$ 18,375,079	\$ 5,359,528

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>STATE PARKS FUND- 040</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 13,780,973	\$ 15,183,542	\$ 16,295,787
<u>Expenditures:</u>			
Personal Services	\$ 925,050	\$ 1,995,345	\$ 1,820,817
State Contributions to State Employees' Retirement System	424,335	844,091	734,471
State Contributions to Social Security	32,440	55,257	54,855
Group Insurance	278,302	445,518	393,611
Contractual Services	1,830,243	1,855,314	1,781,496
Travel	6,400	5,992	20,061
Commodities	270,996	443,327	438,500
Equipment	36,928	243,593	246,015
Electronic Data Processing	40,000	40,000	39,709
Telecommunications	331,606	257,417	278,159
Operation of Automotive Equipment	191,647	224,321	239,780
Lump Sums	1,844,152	3,062,336	4,095,911
Permanent Improvements, Lump Sum and Other Purposes	850,011	91,691	916,673
Refunds	3,561	6,884	8,010
Total Expenditures	<u>\$ 7,065,671</u>	<u>\$ 9,571,086</u>	<u>\$ 11,068,068</u>
Reappropriations	<u>\$ 2,833,824</u>	<u>\$ 1,682,856</u>	<u>\$ 3,563,993</u>
Lapsed Balances	<u><u>\$ 3,881,478</u></u>	<u><u>\$ 3,929,600</u></u>	<u><u>\$ 1,663,726</u></u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>WILDLIFE AND FISH FUND- 041</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 61,198,916	\$ 105,470,076	\$ 103,935,842
<u>Expenditures:</u>			
Personal Services	\$ 17,695,230	\$ 21,071,446	\$ 24,756,753
State Contributions to State Employees' Retirement System	8,094,021	8,953,246	10,012,673
State Contributions to Social Security	1,037,257	1,346,117	1,633,548
Group Insurance	5,329,437	5,722,118	7,390,827
Contractual Services	3,371,396	3,878,153	3,501,414
Postage	-	35,000	35,000
Travel	71,265	107,192	117,429
Commodities	921,857	1,716,160	1,924,751
Printing	99,709	207,588	259,164
Equipment	40,799	562,175	571,552
Electronic Data Processing	940,000	839,113	723,544
Telecommunications	385,605	386,981	382,087
Operation of Automotive Equipment	654,057	688,420	908,152
Lump Sums	7,828,838	15,518,615	16,185,860
Lump Sum Operations	203,142	430,540	682,850
Awards and Grants, Lump Sum and Other Purposes	-	100,000	100,000
Hunting and Fishing Lands	-	246,998	-
Refunds	230,923	215,127	235,135
Total Expenditures	<u>\$ 46,903,536</u>	<u>\$ 62,024,989</u>	<u>\$ 69,420,739</u>
Reappropriations	\$ 5,771,391	\$ 4,137,857	\$ 12,940,175
Lapsed Balances	<u>\$ 8,539,891</u>	<u>\$ 39,307,230</u>	<u>\$ 21,574,928</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>SALMON FUND- 042</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 328,491	\$ 333,700	\$ 325,300
<u>Expenditures:</u>			
Personal Services	\$ 108,002	\$ 154,398	\$ 158,285
State Contributions to State			
Employees' Retirement System	50,444	66,825	65,105
State Contributions to Social Security	8,258	11,159	11,342
Group Insurance	21,367	24,094	26,200
Total Expenditures	<u>\$ 188,071</u>	<u>\$ 256,476</u>	<u>\$ 260,932</u>
Lapsed Balances	<u>\$ 140,420</u>	<u>\$ 77,224</u>	<u>\$ 64,368</u>
<u>MINES AND MINERALS UNDERGROUND INJECTION CONTROL FUND- 077</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 345,000	\$ 343,900	\$ 399,200
<u>Expenditures:</u>			
Personal Services	\$ 113,550	\$ 132,278	\$ 123,604
State Contributions to State			
Employees' Retirement System	51,892	56,094	49,894
State Contributions to Social Security	8,256	9,619	8,928
Group Insurance	40,599	45,077	46,005
Travel	1,438	-	-
Equipment	9,200	-	-
Total Expenditures	<u>\$ 224,935</u>	<u>\$ 243,068</u>	<u>\$ 228,431</u>
Lapsed Balances	<u>\$ 120,065</u>	<u>\$ 100,832</u>	<u>\$ 170,769</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>FOREST RESERVE FUND- 086</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 500,000	\$ 500,000
<u>Expenditures:</u>			
Awards and Grants, Lump Sum and Other Purposes	\$ -	\$ 278,212	\$ 263,427
Total Expenditures	\$ -	\$ 278,212	\$ 263,427
Lapsed Balances	\$ -	\$ 221,788	\$ 236,573
<u>PLUGGING AND RESTORATION FUND- 137</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 1,916,500	\$ 2,729,600	\$ 584,200
<u>Expenditures:</u>			
Personal Services	\$ 382,420	\$ 414,726	\$ 130,293
State Contributions to State			
Employees' Retirement System	174,590	175,822	52,527
State Contributions to Social Security	27,731	30,233	9,373
Group Insurance	147,154	116,588	51,359
Contractual Services	5,571	-	18,900
Telecommunications	2,383	2,313	-
Operation of Auto Equipment	-	-	16,449
Lump Sums	-	90,190	27,128
Lump Sum Operations	-	550,205	-
Awards and Grants	-	-	53,080
Total Expenditures	\$ 739,849	\$ 1,380,077	\$ 359,109
Lapsed Balances	\$ 1,176,651	\$ 1,349,523	\$ 225,091

STATE OF ILLINOIS
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EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>CAPITAL DEVELOPMENT FUND- 141</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 1,346,100	\$ 248,897,966	\$ 274,008,385
<u>Expenditures:</u>			
Personal Services	\$ 619,154	\$ -	\$ -
State Contributions to State Employees' Retirement System	282,772	-	-
State Contributions to Social Security	45,381	-	-
Group Insurance	162,687	-	-
Lump Sums	-	3,083,854	3,273,386
Construction Grants	-	10,370,645	3,515,521
Awards and Grants, Lump Sum and Other Purposes	-	1,068,788	612,635
Permanent Improvements	-	249,000	-
Permanent Improvements, Lump Sum and Other Purposes	-	11,514,191	2,419,762
Highway and Waterway Construction	-	12,378,235	7,059,795
Total Expenditures	<u>\$ 1,109,994</u>	<u>\$ 38,664,713</u>	<u>\$ 16,881,099</u>
Reappropriations	\$ -	\$ -	\$ 257,127,286
Lapsed Balances	<u>\$ 236,106</u>	<u>\$ 210,233,253</u>	<u>\$ -</u>
<u>EXPLOSIVES REGULATORY FUND- 145</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 275,000	\$ 325,000	\$ 63,300
<u>Expenditures:</u>			
Lump Sums	\$ 148,449	\$ 145,509	\$ 58,237
Total Expenditures	<u>\$ 148,449</u>	<u>\$ 145,509</u>	<u>\$ 58,237</u>
Lapsed Balances	<u>\$ 126,551</u>	<u>\$ 179,491</u>	<u>\$ 5,063</u>

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For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>AGGREGATE OPERATIONS REGULATORY FUND- 146</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 402,300	\$ 420,300	\$ 287,300
<u>Expenditures:</u>			
Lump Sums	\$ 239,944	\$ 235,718	\$ 187,097
Total Expenditures	\$ 239,944	\$ 235,718	\$ 187,097
Lapsed Balances	\$ 162,356	\$ 184,582	\$ 100,203
<u>COAL MINING REGULATORY FUND- 147</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 298,000	\$ 2,477,000	\$ 5,733,000
<u>Expenditures:</u>			
Lump Sums	\$ 218,836	\$ 208,515	\$ 3,731,759
Lump Sum Operations	-	820,091	-
Total Expenditures	\$ 218,836	\$ 1,028,606	\$ 3,731,759
Lapsed Balances	\$ 79,164	\$ 1,448,394	\$ 2,001,241
<u>ILLINOIS FISHERIES MANAGEMENT FUND- 199</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 2,200,000	\$ 1,700,000	\$ 1,680,000
<u>Expenditures:</u>			
Lump Sum Operations	\$ 1,357,765	\$ 1,215,779	\$ 969,391
Total Expenditures	\$ 1,357,765	\$ 1,215,779	\$ 969,391
Lapsed Balances	\$ 842,235	\$ 484,221	\$ 710,609

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For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>OIL AND GAS RESOURCE MANAGEMENT FUND- 231</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 5,000,000	\$ 8,000,000	\$ 8,000,000
<u>Expenditures:</u>			
Lump Sum Operations	\$ -	\$ 381,171	\$ 118,829
Total Expenditures	\$ -	\$ 381,171	\$ 118,829
Lapsed Balances	\$ 5,000,000	\$ 7,618,829	\$ 7,881,171
<u>ABANDONED MINED LANDS RECLAMATION SET-ASIDE FUND- 257</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 1,500,000	\$ 1,500,000
<u>Expenditures:</u>			
Awards and Grants	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	\$ -	\$ 1,500,000	\$ 1,500,000

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Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>UNDERGROUND RESOURCES CONSERVATION ENFORCEMENT FUND- 261</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 2,185,300	\$ 3,544,600	\$ 1,092,500
<u>Expenditures:</u>			
Personal Services	\$ 563,410	\$ 628,064	\$ 401,180
State Contributions to State Employees' Retirement System	257,099	266,096	161,883
State Contributions to Social Security	41,231	45,415	29,441
Group Insurance	192,274	180,980	117,074
Contractual Services	156,354	130,644	99,935
Travel	635	8,404	2,904
Commodities	585	3,717	3,085
Printing	-	1,741	523
Equipment	-	1,659	311
Electronic Data Processing	396	1,508	3,023
Telecommunications	26,993	26,696	13,614
Operation of Automotive Equipment	48,849	63,815	59,091
Lump Sum Operations	-	560,226	-
Refunds	300	24,775	1,419
Total Expenditures	<u>\$ 1,288,126</u>	<u>\$ 1,943,740</u>	<u>\$ 893,483</u>
Lapsed Balances	<u>\$ 897,174</u>	<u>\$ 1,600,860</u>	<u>\$ 199,017</u>
<u>STATE FURBEARER FUND- 293</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 294,613	\$ 253,663
<u>Expenditures:</u>			
Permanent Improvements, Lump Sum and Other Purposes	\$ -	\$ 148,463	\$ 59,050
Total Expenditures	<u>\$ -</u>	<u>\$ 148,463</u>	<u>\$ 59,050</u>
Reappropriations	\$ -	\$ -	\$ 194,613
Lapsed Balances	<u>\$ -</u>	<u>\$ 146,150</u>	<u>\$ -</u>

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For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>NATURAL AREAS ACQUISITION FUND- 298</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 8,436,657	\$ 27,938,672	\$ 21,195,130
<u>Expenditures:</u>			
Personal Services	\$ 1,508,207	\$ 1,509,942	\$ 1,394,382
State Contributions to State			
Employees' Retirement System	688,989	641,436	563,185
State Contributions to Social Security	111,387	111,082	102,549
Group Insurance	350,822	366,214	356,126
Contractual Services	153,859	165,062	68,871
Travel	7,180	12,315	14,051
Commodities	1,979	32,414	40,190
Equipment	-	58,461	65,073
Electronic Data Processing	50,000	50,000	50,000
Telecommunications	37,249	4,105	34,189
Operation of Automotive Equipment	3,995	68,635	59,879
Lump Sums	1,022,658	1,335,301	1,621,219
Lump Sum Operations	2,144,011	2,289,241	1,979,534
Permanent Improvements, Lump Sum and Other Purposes	-	1,066,264	736,558
Total Expenditures	<u>\$ 6,080,336</u>	<u>\$ 7,710,472</u>	<u>\$ 7,085,806</u>
Reappropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,402,072</u>
Lapsed Balances	<u>\$ 2,356,321</u>	<u>\$ 20,228,200</u>	<u>\$ 707,252</u>

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For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>OPEN SPACE LANDS ACQUISITION AND DEVELOPMENT FUND- 299</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 1,702,600	\$ 102,510,537	\$ 88,031,018
<u>Expenditures:</u>			
Lump Sums	\$ 938,169	\$ 1,076,549	\$ 1,315,207
Awards and Grants, Lump Sum and Other Purposes	-	13,122,868	9,610,482
<u>Total Expenditures</u>	<u>\$ 938,169</u>	<u>\$ 14,199,417</u>	<u>\$ 10,925,689</u>
Reappropriations	\$ -	\$ -	\$ 76,719,136
Lapsed Balances	<u>\$ 764,431</u>	<u>\$ 88,311,120</u>	<u>\$ 386,193</u>
<u>STATE PHEASANT FUND- 353</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 2,527,352	\$ 2,389,516
<u>Expenditures:</u>			
Permanent Improvements, Lump Sum and Other Purposes	\$ -	\$ 532,123	\$ 412,165
<u>Total Expenditures</u>	<u>\$ -</u>	<u>\$ 532,123</u>	<u>\$ 412,165</u>
Reappropriations	\$ -	\$ -	\$ 1,977,351
Lapsed Balances	<u>\$ -</u>	<u>\$ 1,995,229</u>	<u>\$ -</u>

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For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>ILLINOIS HABITAT FUND- 391</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 9,313,933	\$ 8,634,494
<u>Expenditures:</u>			
Permanent Improvements, Lump Sum and Other Purposes	\$ -	\$ 1,855,048	\$ 920,562
Total Expenditures	\$ -	\$ 1,855,048	\$ 920,562
Reappropriations	\$ -	\$ -	\$ 7,713,932
Lapsed Balances	\$ -	\$ 7,458,885	\$ -
<u>FLOOD CONTROL LAND LEASE FUND- 443</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 900,000	\$ 900,000
<u>Expenditures:</u>			
Grants to Local Governments	\$ -	\$ 655,322	\$ 757,358
Total Expenditures	\$ -	\$ 655,322	\$ 757,358
Lapsed Balances	\$ -	\$ 244,678	\$ 142,642

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Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>LAND AND WATER RECREATION FUND- 465</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 16,133,481	\$ 14,274,481
<u>Expenditures:</u>			
Awards and Grants, Lump Sum and Other Purposes	\$ -	\$ 2,791,106	\$ 641,000
Total Expenditures	\$ -	\$ 2,791,106	\$ 641,000
Reappropriations	\$ -	\$ -	\$ 13,633,481
Lapsed Balances	\$ -	\$ 13,342,375	\$ -
<u>WILDLIFE PRAIRIE PARK FUND- 504</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 10,000	\$ 50,000	\$ 100,000
<u>Expenditures:</u>			
Lump Sums	\$ -	\$ -	\$ 1,589
Total Expenditures	\$ -	\$ -	\$ 1,589
Lapsed Balances	\$ 10,000	\$ 50,000	\$ 98,411
<u>CONSERVATION POLICE OPERATIONS ASSISTANCE FUND- 547</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
<u>Expenditures:</u>			
Lump Sum Operations	\$ 334,500	\$ 1,244,601	\$ 314,363
Total Expenditures	\$ 334,500	\$ 1,244,601	\$ 314,363
Lapsed Balances	\$ 915,500	\$ 5,399	\$ 935,637

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Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>ILLINOIS AND MICHIGAN CANAL FUND- 570</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 50,000	\$ 75,000	\$ 75,000
<u>Expenditures:</u>			
Lump Sums	\$ 9,081	\$ 28,206	\$ 75,000
Total Expenditures	\$ 9,081	\$ 28,206	\$ 75,000
Lapsed Balances	\$ 40,919	\$ 46,794	\$ -
<u>OFF-HIGHWAY VEHICLE TRAILS FUND- 574</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 3,521,083	\$ 3,216,659
<u>Expenditures:</u>			
Awards and Grants, Lump Sum and Other Purposes	\$ -	\$ 1,716,113	\$ 95,577
Total Expenditures	\$ -	\$ 1,716,113	\$ 95,577
Reappropriations	\$ -	\$ -	\$ 3,121,082
Lapsed Balances	\$ -	\$ 1,804,970	\$ -
<u>PARTNERS FOR CONSERVATION FUND- 608</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 6,629,706	\$ 5,936,282	\$ 6,051,839
<u>Expenditures:</u>			
Lump Sums	\$ 3,073,117	\$ 3,972,955	\$ 3,416,890
Total Expenditures	\$ 3,073,117	\$ 3,972,955	\$ 3,416,890
Reappropriations	\$ 1,634,690	\$ 1,064,706	\$ 1,931,981
Lapsed Balances	\$ 1,921,899	\$ 898,621	\$ 702,968

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Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>PARTNERS FOR CONSERVATION PROJECTS FUND- 609</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 3,142,458	\$ 3,142,458
<u>Expenditures:</u>			
Permanent Improvements, Lump Sum and Other Purposes	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Reappropriations	\$ -	\$ -	\$ 3,142,458
Lapsed Balances	\$ -	\$ 3,142,458	\$ -
<u>FEDERAL TITLE IV FIRE PROTECTION ASSISTANCE FUND- 670</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 508,822	\$ 683,631
<u>Expenditures:</u>			
Awards and Grants, Lump Sum and Other Purposes	\$ -	\$ 265,780	\$ 499,810
Total Expenditures	\$ -	\$ 265,780	\$ 499,810
Reappropriations	\$ -	\$ -	\$ 183,821
Lapsed Balances	\$ -	\$ 243,042	\$ -

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Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>FEDERAL SURFACE MINING CONTROL AND RECLAMATION FUND- 765</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 5,208,600	\$ 5,742,600	\$ 6,122,200
<u>Expenditures:</u>			
Personal Services	\$ 1,522,044	\$ 1,727,573	\$ 1,425,474
State Contributions to State			
Employees' Retirement System	694,821	732,519	575,410
State Contributions to Social Security	111,874	126,999	104,301
Group Insurance	437,634	426,609	431,241
Contractual Services	374,629	402,237	405,593
Postage	25,000	25,000	25,000
Travel	14,200	11,720	6,076
Commodities	4,315	4,849	7,574
Equipment	-	3,487	25,470
Electronic Data Processing	181,413	182,548	200,645
Telecommunications	20,594	11,574	35,897
Operation of Automotive Equipment	37,178	41,139	47,672
Lump Sums	203,234	236,691	91,201
Total Expenditures	<u>\$ 3,626,936</u>	<u>\$ 3,932,945</u>	<u>\$ 3,381,554</u>
Lapsed Balances	<u>\$ 1,581,664</u>	<u>\$ 1,809,655</u>	<u>\$ 2,740,646</u>
<u>NATURAL RESOURCES RESTORATION TRUST FUND- 831</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 400,000	\$ 1,400,000	\$ 1,400,000
<u>Expenditures:</u>			
Lump Sums	\$ 34,814	\$ 298,791	\$ 84,479
Total Expenditures	<u>\$ 34,814</u>	<u>\$ 298,791</u>	<u>\$ 84,479</u>
Lapsed Balances	<u>\$ 365,186</u>	<u>\$ 1,101,209</u>	<u>\$ 1,315,521</u>

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Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>NATIONAL FLOOD INSURANCE PROGRAM FUND- 855</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 650,000	\$ 650,000	\$ 564,200
<u>Expenditures:</u>			
Lump Sums	\$ 453,641	\$ 478,231	\$ 465,466
Total Expenditures	\$ 453,641	\$ 478,231	\$ 465,466
Lapsed Balances	\$ 196,359	\$ 171,769	\$ 98,734
<u>LAND RECLAMATION FUND- 858</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 300,000	\$ 800,000	\$ 800,000
<u>Expenditures:</u>			
Lump Sums	\$ -	\$ -	\$ 13,471
Total Expenditures	\$ -	\$ -	\$ 13,471
Lapsed Balances	\$ 300,000	\$ 800,000	\$ 786,529
<u>SNOWMOBILE TRAIL ESTABLISHMENT FUND- 866</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 294,746	\$ 278,812
<u>Expenditures:</u>			
Awards and Grants, Lump Sum and Other Purposes	\$ -	\$ 92,344	\$ 104,066
Total Expenditures	\$ -	\$ 92,344	\$ 104,066
Reappropriations	\$ -	\$ -	\$ 174,746
Lapsed Balances	\$ -	\$ 202,402	\$ -

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Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>DRUG TRAFFIC PREVENTION FUND- 878</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 10,000	\$ 25,000	\$ 25,000
<u>Expenditures:</u>			
Lump Sums	\$ -	\$ -	\$ 25,000
Total Expenditures	\$ -	\$ -	\$ 25,000
Lapsed Balances	<u>\$ 10,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
<u>DNR FEDERAL PROJECTS FUND- 894</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 9,641,126	\$ 13,170,825	\$ 9,877,116
<u>Expenditures:</u>			
Lump Sums	\$ 2,829,420	\$ 4,049,702	\$ 1,909,235
Total Expenditures	\$ 2,829,420	\$ 4,049,702	\$ 1,909,235
Reappropriations	\$ 6,584,696	\$ 9,121,123	\$ 7,870,825
Lapsed Balances	<u>\$ 227,010</u>	<u>\$ -</u>	<u>\$ 97,056</u>

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Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>ILLINOIS FORESTRY DEVELOPMENT FUND- 905</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 5,755,178	\$ 8,067,740	\$ 6,588,123
<u>Expenditures:</u>			
Electronic Data Processing	\$ 25,000	\$ 25,000	\$ 23,317
Lump Sums	4,301,301	1,279,674	1,112,094
Lump Sum Operations	22,697	323,266	45,279
Awards and Grants	-	476,015	75,413
Awards and Grants, Lump Sum and Other Purposes	-	300,000	312,612
Total Expenditures	<u>\$ 4,348,998</u>	<u>\$ 2,403,955</u>	<u>\$ 1,568,715</u>
Reappropriations	<u>\$ 1,170,877</u>	<u>\$ 572,178</u>	<u>\$ 4,867,739</u>
Lapsed Balances	<u><u>\$ 235,303</u></u>	<u><u>\$ 5,091,607</u></u>	<u><u>\$ 151,669</u></u>
<u>ILLINOIS WILDLIFE PRESERVATION FUND- 909</u>			
<u>Expenditure Authority (Net of Transfers)</u>	<u>\$ 175,000</u>	<u>\$ 3,376,533</u>	<u>\$ 3,535,441</u>
<u>Expenditures:</u>			
Lump Sums	<u>\$ 17,000</u>	<u>\$ 363,577</u>	<u>\$ 658,909</u>
Total Expenditures	<u>\$ 17,000</u>	<u>\$ 363,577</u>	<u>\$ 658,909</u>
Reappropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,676,532</u>
Lapsed Balances	<u><u>\$ 158,000</u></u>	<u><u>\$ 3,012,956</u></u>	<u><u>\$ 1,200,000</u></u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>COAL TECHNOLOGY DEVELOPMENT ASSISTANCE FUND- 925</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 2,000,000	\$ -	\$ -
<u>Expenditures:</u>			
Lump Sums	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	\$ 2,000,000	\$ -	\$ -
<u>STATE MIGRATORY WATERFOWL STAMP FUND- 953</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 250,000	\$ 3,589,536	\$ 3,481,583
<u>Expenditures:</u>			
Lump Sum Operations	\$ 38,125	\$ 124,391	\$ 164,751
Awards and Grants	-	250,000	250,000
Grants to Non-Profit Organizations	-	250,000	250,000
Permanent Improvements, Lump Sum and Other Purposes	-	53,527	192,048
Total Expenditures	\$ 38,125	\$ 677,918	\$ 856,799
Reappropriations	\$ -	\$ -	\$ 2,539,535
Lapsed Balances	\$ 211,875	\$ 2,911,618	\$ 85,249

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>PARK AND CONSERVATION FUND- 962</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 43,768,594	\$ 108,536,128	\$ 80,169,281
<u>Expenditures:</u>			
Contractual Services	\$ 14,908	\$ 151,324	\$ 845,008
Lump Sums	33,306,719	35,710,421	25,629,673
Lump Sum Operations	-	59,707	-
Construction Grants	-	412,200	298,812
Permanent Improvements, Lump Sum and Other Purposes	-	7,588,628	6,938,876
Total Expenditures	<u>\$ 33,321,627</u>	<u>\$ 43,922,280</u>	<u>\$ 33,712,369</u>
Reappropriations	<u>\$ 3,478,559</u>	<u>\$ 1,278,694</u>	<u>\$ 39,204,624</u>
Lapsed Balances	<u>\$ 6,968,408</u>	<u>\$ 63,335,154</u>	<u>\$ 7,252,288</u>
<u>BUILD ILLINOIS BOND FUND- 971</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ -	\$ 130,827,314	\$ 149,294,607
<u>Expenditures:</u>			
Lump Sums	\$ -	\$ 1,460,270	\$ 1,044,134
Construction Grants	-	1,000,000	-
Awards and Grants, Lump Sum and Other Purposes	-	16,537,628	17,405,205
Permanent Improvements, Lump Sum and Other Purposes	-	-	17,955
Total Expenditures	<u>\$ -</u>	<u>\$ 18,997,898</u>	<u>\$ 18,467,294</u>
Reappropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,827,313</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 111,829,416</u>	<u>\$ -</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>ADELINE JAY GEO-KARIS ILLINOIS BEACH MARINA FUND- 982</u>			
<u>Expenditure Authority (Net of Transfers)</u>	<u>\$ 1,525,000</u>	<u>\$ 4,833,507</u>	<u>\$ 5,087,047</u>
<u>Expenditures:</u>			
Lump Sum Operations	\$ 1,002,041	\$ 1,465,086	\$ 826,676
Permanent Improvements, Lump Sum and Other Purposes	-	43,000	28,540
Refunds	-	23,736	10,614
Total Expenditures	<u>\$ 1,002,041</u>	<u>\$ 1,531,822</u>	<u>\$ 865,830</u>
Reappropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,928,307</u>
Lapsed Balances	<u>\$ 522,959</u>	<u>\$ 3,301,685</u>	<u>\$ 1,292,910</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>ABANDONED MINED LANDS RECLAMATION COUNCIL FEDERAL TRUST FUND- 991</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 8,824,400	\$ 28,300,793	\$ 28,553,041
<u>Expenditures:</u>			
Personal Services	\$ 2,714,041	\$ 2,621,064	\$ 2,422,406
State Contributions to State			
Employees' Retirement System	1,239,945	1,111,986	978,213
State Contributions to Social Security	200,140	193,582	177,780
Group Insurance	697,703	609,293	641,767
Contractual Services	414,374	128,432	182,411
Postage	25,000	25,000	25,000
Travel	3,756	4,045	5,244
Commodities	6,477	10,140	12,803
Equipment	1,700	3,959	7,931
Electronic Data Processing	201,177	215,300	226,361
Telecommunications	23,119	28,254	27,535
Operation of Automotive Equipment	17,506	25,570	36,612
Lump Sums	837,224	828,705	67,746
Awards and Grants, Lump Sum and Other Purposes	-	10,434,503	6,979,348
Total Expenditures	<u>\$ 6,382,162</u>	<u>\$ 16,239,833</u>	<u>\$ 11,791,157</u>
Reappropriations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,694,893</u>
Lapsed Balances	<u>\$ 2,442,238</u>	<u>\$ 12,060,960</u>	<u>\$ 3,066,991</u>
GRAND TOTAL - APPROPRIATED FUNDS			
Expenditure Authority (Net of Transfers)	<u>\$ 199,325,430</u>	<u>\$ 953,617,183</u>	<u>\$ 942,583,167</u>
Total Expenditures	<u>\$ 166,533,959</u>	<u>\$ 302,859,649</u>	<u>\$ 265,268,507</u>
Reappropriations	<u>\$ 21,474,037</u>	<u>\$ 17,857,414</u>	<u>\$ 614,450,236</u>
Lapsed Balances	<u>\$ 47,289,296</u>	<u>\$ 632,900,120</u>	<u>\$ 62,864,424</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
NON-APPROPRIATED FUNDS			
<u>BLUE WATER DITCH FLOOD CONTROL FUND- 252</u>			
<u>Expenditures:</u>			
Nontaxable Grants and Awards	\$ -	\$ -	\$ 8,299
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,299</u>
<u>DNR SPECIAL PROJECTS FUND- 884</u>			
<u>Expenditures:</u>			
Lump Sums	\$ 2,084,105	\$ 2,622,356	\$ 8,402,331
Permanent Improvements, Lump Sum and Other Purposes	<u>60,464</u>	<u>307,967</u>	<u>50,629</u>
Total Expenditures	<u>\$ 2,144,569</u>	<u>\$ 2,930,323</u>	<u>\$ 8,452,960</u>
<u>DNR FEDERAL PROJECTS FUND- 894</u>			
<u>Expenditures:</u>			
Lump Sums	\$ 7,272,101	\$ 6,365,730	\$ 5,059,824
Awards and Grants, Lump Sum and Other Purposes	<u>9,163</u>	<u>8,568</u>	<u>11,810</u>
Total Expenditures	<u>\$ 7,281,264</u>	<u>\$ 6,374,298</u>	<u>\$ 5,071,634</u>
<u>J.J. WOLF MEMORIAL FOR CONSERVATION INVESTIGATION FUND- 931</u>			
<u>Expenditures:</u>			
Interfund Cash Transfers	\$ 1,015	\$ 3,200	\$ -
Total Expenditures	<u>\$ 1,015</u>	<u>\$ 3,200</u>	<u>\$ -</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>PARK AND CONSERVATION FUND- 962</u>			
<u>Expenditures:</u>			
Tort Claims	\$ 15,919	\$ -	\$ -
Total Expenditures	<u>\$ 15,919</u>	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL NON-APPROPRIATED FUNDS			
Total Expenditures	<u>\$ 9,442,767</u>	<u>\$ 9,307,821</u>	<u>\$ 13,532,893</u>
GRAND TOTAL - ALL FUNDS			
Total Expenditures	<u>\$ 175,976,726</u>	<u>\$ 312,167,470</u>	<u>\$ 278,801,400</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

Schedule 3, continued

	2016	Fiscal Year 2015	2014
	P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050
<u>STATE OFFICERS' SALARIES</u>			
<u>GENERAL REVENUE FUND- 001 (STATE COMPTROLLER)</u>			
<u>Expenditure Authority (Net of Transfers)</u>		\$ 145,700	\$ -
<u>Expenditures</u>			
Mine Officers	\$ 89,975	\$ 21,714	\$ -
Total Expenditures - Officers' Salaries	<u>\$ 89,975</u>	<u>\$ 21,714</u>	<u>\$ -</u>
Lapsed Balances		<u>\$ 123,986</u>	<u>\$ -</u>
<u>COAL MINING REGULATORY FUND- 147 (STATE COMPTROLLER)</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 145,700	\$ 145,700	\$ 145,700
<u>Expenditures</u>			
Mine Officers	\$ -	\$ 68,195	\$ 93,906
Miners' Examining Officers	48,489	52,867	51,624
Total Expenditures - Officers' Salaries	<u>\$ 48,489</u>	<u>\$ 121,062</u>	<u>\$ 145,530</u>
Lapsed Balances	<u>\$ 97,211</u>	<u>\$ 24,638</u>	<u>\$ 170</u>
<u>PARK AND CONSERVATION FUND- 962 (STATE COMPTROLLER)</u>			
<u>Expenditure Authority (Net of Transfers)</u>	\$ 257,900	\$ 257,900	\$ 257,900
<u>Expenditures</u>			
Director	\$ 133,273	\$ 133,486	\$ 133,273
Total Expenditures - Officers' Salaries	<u>\$ 133,273</u>	<u>\$ 133,486</u>	<u>\$ 133,273</u>
Lapsed Balances	<u>\$ 124,627</u>	<u>\$ 124,414</u>	<u>\$ 124,627</u>

DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
 EXPENDITURES, AND LAPSED BALANCES**

For the Fiscal Year Ended June 30,

	Fiscal Year	
2016	2015	2014
P.A. 099-0524, 099-409, 099-0491, 099-0007, and Court-Ordered Expenditures	P.A. 098-0679, 098-0675, and 099-0001	P.A. 098-0064 and 098-0050

Note 1: Expenditure authority, appropriations, expenditures, reappropriated balances, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and August 31, 2015, and have been reconciled to Department records, except for the Governor's Discretionary Appropriation in Fund 001 which was solely obtained from the State Comptroller's records.

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

Note 3: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received enacted personal services appropriations for Fund 001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2016.

Note 4: During Fiscal Year 2016, the Department operated without enacted appropriations until Public Act 099-0409, Public Act 099-0491, and Public Act 095-0524 were signed into law on August 20, 2015, December 7, 2015, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 vs. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 041. Further, the Department incurred non-payroll obligations within all of the funds listed above, as well as Fund 686 and Fund 971, which the Department was unable to pay until the passage of Public Act 099-0409, Public Act 099-0491, and Public Act 099-0524.

Note 5: Public Act 099-524 authorizes the Department to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 151 includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS,
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2016

	1204 Investigative Cash Fund	1332 Mines and Minerals Security Trust Fund	1428 Lands Division Sites Fund
Balance at July 1, 2014	\$ 10,000	\$ 4,873,926	*
Receipts	3,230	830,348	*
Disbursements	(3,230)	(505,041)	*
Balance at June 30, 2015	<u>\$ 10,000</u>	<u>\$ 5,199,233</u>	<u>*</u>
Balance at July 1, 2015	\$ 10,000	\$ 5,199,233	\$ -
Receipts	1,015	519,865	5,175,352
Disbursements	(1,015)	(1,763,016)	(5,130,649)
Balance at June 30, 2016	<u><u>\$ 10,000</u></u>	<u><u>\$ 3,956,082</u></u>	<u><u>\$ 44,703</u></u>

Note: These amounts have been obtained from the Department's quarterly *Report of Receipts and Disbursements for Locally Held Funds* submitted to the Office of the State Comptroller.

* The Lands Division Sites Fund (Fund 1428) was established during Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2016
(expressed in thousands)

	Land and Improvements	Site Improvements	Buildings and Improvements	Equipment	Capital Leases - Equipment	Construction in Progress	Totals
Balance at July 1, 2014	\$ 383,480	\$ 452,415	\$ 300,928	\$ 99,078	\$ 20	\$ 1,701	\$ 1,237,622
Additions	14,523	3,268	1,851	6,474	-	973	27,089
Deletions	(3,212)	(637)	(8,781)	(1,022)	-	(4)	(13,656)
Net Transfers	224	1,692	(678)	(3,488)	-	-	(2,250)
Balance at June 30, 2015	395,015	456,738	293,320	101,042	20	2,670	1,248,805
Additions	1	1,034	320	1,990	27	390	3,762
Deletions	(279)	(21)	(181)	(2,795)	(20)	(11)	(3,307)
Net Transfers	-	168	11	(2,878)	-	-	(2,699)
Balance at June 30, 2016	\$ 394,737	\$ 457,919	\$ 293,470	\$ 97,359	\$ 27	\$ 3,049	\$ 1,246,561

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Year Ended June 30,
(expressed in thousands)

<u>Type</u>	<u>Fiscal Year</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Deposits by the Department:			
Licenses and fees	\$ 56,294	\$ 55,612	\$ 57,156
Federal government	37,209	65,213	51,832
Fines, penalties and violations	1,000	1,094	2,147
Rentals:			
Concession	595	612	796
Boat and dock fees	1,212	1,560	1,708
Other rental	12,395	6,476	7,538
Product sales	347	717	489
Donations	24	68	293
Other revenue	3,107	10,065	13,545
Total Deposits per Department Records	<u>\$ 112,183</u>	<u>\$ 141,417</u>	<u>\$ 135,504</u>
Deposits by Other Agencies and Transfers:			
Motor fuel tax	\$ 5,040	\$ 5,040	\$ 5,040
Environmental license plates	855	917	957
Firearm owners identification	1,131	959	1,155
Real estate transfer tax	38,487	33,202	28,497
Sportsman Series license plates	231	240	244
Wildlife Prairie Park license plates	17	18	18
Fees via State Treasurer	47	53	85
Illinois and Michigan Canal license plates	38	7	7
All terrain vehicle titles	308	328	292
Vehicle registration fee	18,793	19,117	18,828
Certificate of title	9,341	9,231	8,216
Metropolitan Exposition, Auditorium and Office Building Fund	10,000	10,000	11,250
Build Illinois Bond	9,167	10,000	10,000
Tax check-off	9	103	155
Interest income	369	281	275
Total Deposits by Other Agencies and Transfers	<u>\$ 93,833</u>	<u>\$ 89,496</u>	<u>\$ 85,019</u>
Combined Total	<u><u>\$ 206,016</u></u>	<u><u>\$ 230,913</u></u>	<u><u>\$ 220,523</u></u>

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, 2016
(expressed in thousands)

	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077	Forest Reserve Fund 0086
Licenses and fees	\$ 56,294	\$ 4,561	\$ 6,649	\$ 36,570	\$ 330	\$ -	\$ -
Federal government	37,209	1,351	-	9,316	-	219	274
Fines, penalties and violations	1,000	143	88	324	-	-	-
Rentals:							
Concession	595	-	408	65	-	-	-
Boat and dock fees	1,212	-	1	2	-	-	-
Other rental	12,395	-	1,914	10,481	-	-	-
Product sales	347	-	-	249	-	-	-
Donations	24	-	-	-	-	-	-
Other revenue	3,107	2	339	96	-	-	-
Total per Department records	112,183	6,057	9,399	57,103	330	219	274
Prior year refunds	216	16	8	12	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-
Prior year warrant voids	3	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-
Deposits in transit to Comptroller:							
Add: Beginning of period	1,633	222	215	1,088	8	-	-
Less: End of period	1,825	265	384	1,023	12	-	-
Total per State Comptroller records	\$ 112,210	\$ 6,030	\$ 9,238	\$ 57,180	\$ 326	\$ 219	\$ 274

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, 2016
(expressed in thousands)

	General Obligation Bond Retirement and Interest Fund 0101	Plugging and Restoration Fund 0137	Capital Development Fund 0141	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147	Abandoned Mined Lands Reclamation Set Aside Fund 0257	Fish and Wildlife Endowment Fund 0260
Licenses and fees	\$ -	\$ 1,369	\$ -	\$ 162	\$ 276	\$ 207	\$ -	\$ 64
Federal government	-	-	-	-	-	-	4,700	-
Fines, penalties and violations	-	-	-	1	2	18	-	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	-	1	-	-	-	-	-	-
Total per Department records	-	1,370	-	163	278	225	4,700	64
Prior year refunds	-	-	15	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	-	-	-	-	-	1	-	-
Less: End of period	-	-	-	1	17	-	-	1
Total per State Comptroller records	-	1,370	15	162	261	226	4,700	63

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, 2016
(expressed in thousands)

	Underground Resources Enforcement Fund 0261	State Furbearer Fund 0293	Natural Areas Acquisition Fund 0298	Open Space Lands Acquisition and Development Fund 0299	State Pheasant Fund 0353	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Land and Water Recreation Fund 0465
Licenses and fees	\$ 978	\$ 77	\$ 15	\$ -	\$ 387	\$ 825	\$ -	\$ -
Federal government	-	-	-	-	-	-	274	-
Fines, penalties and violations	360	-	-	-	-	-	-	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	10	-	-	-	-	-	-	-
Total per Department records	1,348	77	15	-	387	825	274	-
Prior year refunds	-	-	-	-	17	1	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	5	1	1	-	3	6	-	-
Less: End of period	8	1	-	-	3	6	-	-
Total per State Comptroller records	\$ 1,345	\$ 77	\$ 16	\$ -	\$ 404	\$ 826	\$ 274	\$ -

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, 2016
(expressed in thousands)

	Conservation Police Operations Assistance Fund 0547	Illinois and Michigan Canal Fund 0570	Off-Highway Vehicle Trails Fund 0574	Partners for Conservation Fund 0608	Partners for Conservation Projects Fund 0609	Federal Title IV Fire Protection Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Natural Restoration Trust Fund 0831
Licenses and fees	\$ 1,033	\$ -	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ -
Federal government	-	-	-	-	-	-	3,354	-
Fines, penalties and violations	-	-	3	-	-	-	-	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	4	-	-	-	-	-	-	30
Total per Department records	1,037	-	49	-	-	-	3,354	30
Prior year refunds	-	1	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	53	-	2	-	-	-	-	-
Less: End of period	62	-	2	-	-	-	-	-
Total per State Comptroller records	1,028	1	49	\$ -	\$ -	\$ -	3,354	30

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, 2016
(expressed in thousands)

	National Flood Insurance Program Fund 0855	Land Reclamation Fund 0858	Snowmobile Trail Establishment Fund 0866	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909
Licenses and fees	-	\$ 222	\$ 88	-	-	-	\$ 1,477	\$ -
Federal government	617	-	-	-	-	8,697	1,321	225
Fines, penalties and violations	-	-	-	19	-	-	4	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	98	-
Donations	-	-	-	-	4	-	-	20
Other revenue	-	-	-	-	1,740	-	63	322
Total per Department records	617	222	88	19	1,744	8,697	2,963	567
Prior year refunds	-	-	-	-	37	1	5	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	-	-	-	-	-	-	-	3
Less: End of period	-	-	-	1	-	-	6	3
Total per State Comptroller records	617	222	88	18	1,781	8,698	2,962	567

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, 2016
(expressed in thousands)

	J.J. Wolf Memorial for Conservation Investigation Fund 0931	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Adeline Jay Geo-Karis Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	-	955	3	-	-
Federal government	-	-	-	-	6,861
Fines, penalties and violations	-	-	-	-	-
Rentals:					
Concession	-	-	-	122	-
Boat and dock fees	-	-	-	1,209	-
Other rental	-	-	-	-	-
Product sales	-	-	-	-	-
Donations	-	-	-	-	-
Other revenue	1	-	451	44	-
Total per Department records	1	955	454	1,375	6,861
Prior year refunds	-	-	103	-	-
Prior year receipts transfers	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-
Prior year warrant voids	-	-	3	-	-
Prior year adjustment	-	-	-	-	-
Deposits in transit to Comptroller:					
Add: Beginning of period	-	5	-	20	-
Less: End of period	-	5	-	24	-
Total per State Comptroller records	1	955	560	1,371	6,861

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, 2015
 (expressed in thousands)

	All Funds Combined	General Revenue Fund 0001	State Boating Act Fund 0039	State Parks Fund 0040	Wildlife and Fish Fund 0041	Salmon Fund 0042	Mines and Minerals Underground Injection Control Fund 0077	Forest Reserve Fund 0086
Licenses and fees	\$ 55,612	\$ -	\$ 4,598	\$ 6,137	\$ 36,169	\$ 251	\$ -	\$ -
Federal government	65,213	-	2,915	-	14,691	-	246	278
Fines, penalties and violations	1,094	99	138	100	304	-	-	-
Rentals:								
Concession	612	-	-	443	52	-	-	-
Boat and dock fees	1,560	-	-	1	3	-	-	-
Other rental	6,476	-	-	2,291	4,185	-	-	-
Product sales	717	-	-	-	420	-	-	-
Donations	68	-	-	-	-	-	-	-
Other revenue	10,065	88	1	408	237	-	-	-
Total per Department records	141,417	187	7,652	9,380	56,061	251	246	278
Prior year refunds	601	31	4	6	10	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	1,805	1	97	312	1,183	6	-	-
Less: End of period	1,633	-	222	215	1,088	8	-	-
Total per State Comptroller records	\$ 142,190	\$ 219	\$ 7,531	\$ 9,483	\$ 56,166	\$ 249	\$ 246	\$ 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, 2015
(expressed in thousands)

	General Obligation Bond Retirement and Interest Fund 0101	Plugging and Restoration Fund 0137	Capital Development Fund 0141	Explosives Regulatory Fund 0145	Aggregate Operations Regulatory Fund 0146	Coal Mining Regulatory Fund 0147	Abandoned Mined Lands Reclamation Set Aside Fund 0257	Fish and Wildlife Endowment Fund 0260
Licenses and fees	\$ -	\$ 1,281	\$ -	\$ 167	\$ 312	\$ 199	\$ -	\$ 46
Federal government	7,361	-	-	-	-	-	4,700	-
Fines, penalties and violations	-	-	-	3	5	22	-	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	-	1	-	-	-	820	-	-
Total per Department records	7,361	1,282	-	170	317	1,041	4,700	46
Prior year refunds	-	-	35	-	1	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	-	8	-	1	3	1	-	-
Less: End of period	-	-	-	-	-	1	-	-
Total per State Comptroller records	7,361	1,290	35	171	321	1,041	4,700	46

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, 2015
(expressed in thousands)

	Underground Resources			Open Space			Land and Water		
	Conservation Fund 0261	Enforcement Fund 0293	Furbearer Fund 0298	Natural Areas Acquisition Fund 0299	State Pheasant Fund 0353	Illinois Habitat Fund 0391	Flood Control Land Lease Fund 0443	Recreation Fund 0465	
Licenses and fees	\$ 1,122	\$ 79	\$ 42	\$ -	\$ 395	\$ 843	\$ -	\$ -	
Federal government	-	-	52	-	-	789	1,217	2,661	
Fines, penalties and violations	401	-	-	-	-	-	-	-	
Rentals:									
Concession	-	-	-	-	-	-	-	-	
Boat and dock fees	-	-	-	-	-	-	-	-	
Other rental	-	-	-	-	-	-	-	-	
Product sales	-	-	-	-	-	-	-	-	
Donations	-	-	-	-	-	-	-	-	
Other revenue	15	-	-	-	-	-	-	-	
Total per Department records	1,538	79	94	-	395	1,632	1,217	2,661	
Prior year refunds	-	-	-	-	-	2	-	-	
Prior year receipts transfers	-	-	-	-	-	-	-	-	
Prior year expenditure transfer	-	-	-	-	-	-	-	-	
Prior year warrant voids	-	-	-	-	-	-	-	-	
Prior year adjustment	-	-	-	-	-	-	-	-	
Deposits in transit to Comptroller:									
Add: Beginning of period	25	1	4	-	3	6	-	-	
Less: End of period	5	1	1	-	3	6	-	-	
Total per State Comptroller records	1,558	79	97	-	395	1,634	1,217	2,661	

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, 2015
(expressed in thousands)

	Conservation Police Operations Assistance Fund 0547	Illinois and Michigan Canal Fund 0570	Off-Highway Vehicle Trails Fund 0574	Partners for Conservation Fund 0608	Partners for Conservation Projects Fund 0609	Federal Title IV Fire Protection Fund 0670	Federal Surface Mining Control and Reclamation Fund 0765	Natural Resources Restoration Trust Fund 0831
Licenses and fees	\$ 1,019	\$ -	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ -
Federal government	-	-	-	40	-	226	4,094	-
Fines, penalties and violations	-	-	3	-	-	-	-	-
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Other revenue	9	-	-	-	-	-	-	590
Total per Department records	1,028	-	43	40	-	226	4,094	590
Prior year refunds	-	-	-	-	-	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	26	-	1	-	-	-	-	-
Less: End of period	53	-	2	-	-	-	-	-
Total per State Comptroller records	1,001	\$ -	\$ 42	\$ 40	\$ -	\$ 226	\$ 4,094	\$ 590

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, 2015
(expressed in thousands)

	National Flood Insurance Program Fund 0855	Land Reclamation Fund 0858	Snowmobile Trail Establishment Fund 0866	Drug Traffic Prevention Fund 0878	DNR Special Projects Fund 0884	DNR Federal Projects Fund 0894	Illinois Forestry Development Fund 0905	Illinois Wildlife Preservation Fund 0909
Licenses and fees	\$ -	\$ -	\$ 124	\$ -	\$ -	\$ -	\$ 1,445	\$ -
Federal government	453	-	-	-	-	8,393	1,823	291
Fines, penalties and violations	-	-	-	13	-	-	4	1
Rentals:								
Concession	-	-	-	-	-	-	-	-
Boat and dock fees	-	-	-	-	-	-	-	-
Other rental	-	-	-	-	-	-	-	-
Product sales	-	-	-	-	-	-	297	-
Donations	-	-	-	-	2	-	-	66
Other revenue	-	-	-	-	5,828	-	114	14
Total per Department records	453	-	124	13	5,830	8,393	3,683	372
Prior year refunds	-	-	-	-	490	-	-	-
Prior year receipts transfers	-	-	-	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	-	-	-
Deposits in transit to Comptroller:								
Add: Beginning of period	-	-	-	-	-	-	4	-
Less: End of period	-	-	-	-	-	-	-	3
Total per State Comptroller records	453	-	124	13	6,320	8,393	3,687	369

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, 2015
(expressed in thousands)

	J.J. Wolf Memorial for Conservation Investigation Fund 0931	State Migratory Waterfowl Stamp Fund 0953	Park and Conservation Fund 0962	Adeline Jay Geo-Karis Illinois Beach Marina Fund 0982	Abandoned Mined Lands Reclamation Council Federal Trust Fund 0991
Licenses and fees	\$ -	\$ 980	\$ 363	\$ -	\$ -
Federal government	-	-	-	-	14,983
Fines, penalties and violations	1	-	-	-	-
Rentals:					
Concession	-	-	-	117	-
Boat and dock fees	-	-	-	1,556	-
Other rental	-	-	-	-	-
Product sales	-	-	-	-	-
Donations	-	-	-	-	-
Other revenue	-	-	1,881	59	-
Total per Department records	1	980	2,244	1,732	14,983
Prior year refunds	-	-	22	-	-
Prior year receipts transfers	-	-	-	-	-
Prior year expenditure transfer	-	-	-	-	-
Prior year warrant voids	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
Deposits in transit to Comptroller:					
Add: Beginning of period	-	4	-	119	-
Less: End of period	-	5	-	20	-
Total per State Comptroller records	1	979	2,266	1,831	14,983

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2016 AND 2015

General Revenue Fund - 001

Expenditures decreased by \$10,324,079 (22%) due to a decrease in non-payroll related expenditures. The Department only expended monies out of the General Revenue Fund to pay for court-ordered payroll costs.

State Boating Act Fund - 039

Expenditures decreased by \$2,498,708 (23%) due to a decrease in staffing levels. Also, there were no capital expenditures in Fiscal Year 2016 due to the lack of a capital budget.

State Parks Fund - 040

Expenditures decreased by \$2,505,415 (26%) due to reductions in personal services expenditures, support costs in Land Management, and farm lease expenditures. In addition, the budget impasse caused the Department to move the payment of personal services expenditures to other funds during the last quarter of Fiscal Year 2016 to conserve cash in the State Parks Fund. The budget impasse also caused the Department to decrease staffing levels in Fiscal Year 2016.

Wildlife and Fish Fund - 041

Expenditures decreased by \$15,121,453 (24%) due to the lack of a capital budget in Fiscal Year 2016.

Forest Reserve Fund - 086

Expenditures decreased by \$278,212 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Plugging and Restoration Fund - 137

Expenditures decreased by \$640,228 (46%) due to the Department receiving a supplemental appropriation from Public Act 099-0001 on March 26, 2015, for the completion of several plugging and restoration projects. The Department did not receive a similar supplemental appropriation during Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2016 AND 2015 (CONTINUED)

Capital Development Fund - 141

Expenditures decreased by \$37,554,719 (97%) due to the lack of a capital budget in Fiscal Year 2016.

Coal Mining Regulatory Fund - 147

Expenditures decreased by \$809,770 (79%) due to the Department receiving a supplemental appropriation from Public Act 099-0001 on March 26, 2015, for operational expenses to complete various coal mining projects. The Department did not receive a similar supplemental appropriation during Fiscal Year 2016.

Oil and Gas Resource Management Fund - 231

Expenditures decreased by \$381,171 (100%) due to lack of cash available in Fiscal Year 2016 to support the Department's spending.

Underground Resources Conservation Enforcement Fund - 261

Expenditures decreased by \$655,614 (34%) due to a decrease in personal services spending. In addition, the Department received a supplemental appropriation from Public Act 099-0001 on March 26, 2015, for operational expenses to complete various underground resources conservation projects. The Department did not receive a similar supplemental appropriation during Fiscal Year 2016.

Natural Areas Acquisition Fund - 298

Expenditures decreased by \$1,630,136 (21%) due to the lack of a capital budget in Fiscal Year 2016.

Open Space Lands Acquisition and Development Fund - 299

Expenditures decreased by \$13,261,248 (93%) due to the lack of a capital budget in Fiscal Year 2016.

State Pheasant Fund - 353

Expenditures decreased by \$532,123 (100%) due to the lack of a capital budget in Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2016 AND 2015 (CONTINUED)

Illinois Habitat Fund - 391

Expenditures decreased by \$1,855,048 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Flood Control Land Lease Fund - 443

Expenditures decreased by \$655,322 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Land and Water Recreation Fund - 465

Expenditures decreased by \$2,791,106 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Conservation Police Operations Assistance Fund - 547

Expenditures decreased by \$910,101 (73%) due to a decrease in spending compared to Fiscal Year 2015. The Office of Law Enforcement replaced several boats, motors, and trailers and purchased ammunition during Fiscal Year 2015 but did not make similar large purchases during Fiscal Year 2016.

Off-Highway Vehicle Trails Fund - 574

Expenditures decreased by \$1,716,113 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Partners for Conservation Fund - 608

Expenditures decreased by \$899,838 (23%) due to a reduction in grant activity with the U.S. Fish and Wildlife Service in Fiscal Year 2016. The vast majority of grant programs involving the U.S. Fish and Wildlife Service require matching State funds, and in the absence of a budget, grant activity was limited.

Federal Title IV Fire Protection Assistance Fund - 670

Expenditures decreased by \$265,780 (100%) due to the lack of a capital budget in Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2016 AND 2015 (CONTINUED)

Natural Resources Restoration Trust Fund - 831

Expenditures decreased by \$263,977 (88%) due to the completion of a project in Fiscal Year 2015 pursuant to an intergovernmental agreement with the Whiteside County Soil and Water Conservation District for the restoration and enhancement of the oxbow system and wetlands at Big Bend State Fish and Wildlife Area. In addition, a larger number of other projects were completed during Fiscal Year 2015.

DNR Special Projects Fund – 884 (Non-Appropriated Activity)

Expenditures decreased by \$785,754 (27%) due to budget constraints. The programs paid for from this fund vary from year to year, based on funds available and competing and emerging priorities for the staff. Due to budget constraints, spending during Fiscal Year 2016 was limited.

DNR Federal Projects Fund – 894 (Appropriated Activity)

Expenditures decreased by \$1,220,282 (30%) due to fewer projects in process and reduced spending in the Coastal Zone Program during Fiscal Year 2016.

Illinois Forestry Development Fund - 905

Expenditures increased by \$1,945,043 (81%) due to Fiscal Year 2015 being the last year the forestry program received support from the General Revenue Fund. Therefore, expenses were shifted to the Illinois Forestry Development Fund in Fiscal Year 2016, resulting in higher expenditures.

Illinois Wildlife Preservation Fund - 909

Expenditures decreased by \$346,577 (95%) due to the lack of a capital budget in Fiscal Year 2016.

State Migratory Waterfowl Stamp Fund - 953

Expenditures decreased by \$639,793 (94%) due to the lack of a capital budget in Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2016 AND 2015 (CONTINUED)

Park and Conservation Fund – 962 (Appropriated Activity)

Expenditures decreased by \$10,600,653 (24%) due to the lack of a capital budget in Fiscal Year 2016.

Build Illinois Bond Fund - 971

Expenditures decreased by \$18,997,898 (100%) due to the lack of a capital budget in Fiscal Year 2016.

Adeline Jay Geo-Karis Illinois Beach Marina Fund - 982

Expenditures decreased by \$529,781 (35%) due to declining cash availability in Fiscal Year 2016. As a result, the Department limited expenditures from this fund to essential needs only, deferring certain maintenance and other projects to future periods.

Abandoned Mined Lands Reclamation Council Federal Trust Fund - 991

Expenditures decreased by \$9,857,671 (61%) due to the lack of a capital budget in Fiscal Year 2016.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2015 AND 2014

State Boating Act Fund - 039

Expenditures decreased by \$5,134,680 (32%) due to a \$4.3 million decrease in personal services expenditures during Fiscal Year 2015, as well as a decrease of \$1 million in grant expenditures, when compared to Fiscal Year 2014 due to budget constraints.

Plugging and Restoration Fund - 137

Expenditures increased by \$1,020,968 (284%) due to the Department receiving a supplemental appropriation from Public Act 099-0001 on March 26, 2015, for operational expenses and for the completion of several plugging and restoration projects. The Department did not receive a similar supplemental appropriation during Fiscal Year 2014.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2015 AND 2014 (CONTINUED)

Capital Development Fund - 141

Expenditures increased by \$21,783,614 (129%) due to an increase in capital projects spending, specifically for water resources for the upgrade and rehabilitation of dams, as well as the release of Open Land Trust money. These monies are bonded dollars that have to be released by the Governor's Office to be expended.

Coal Mining Regulatory Fund - 147

Expenditures decreased by \$2,703,153 (72%) due to an intergovernmental agreement with the Department of Commerce and Economic Opportunity where the Department did not receive its funding until later in Fiscal Year 2015; however, for Fiscal Year 2014, the Department had funding available for the full year.

Illinois Fisheries Management Fund - 199

Expenditures increased by \$246,388 (25%) as expenditures paid from other funds during preceding fiscal years were paid from this fund for Fiscal Year 2015. This fund was established in Fiscal Year 2013 to receive a portion of fees related to vehicle titles. As cash accumulated in the fund, the Department began the process of moving expenditures related to the Division of Fisheries previously and allowably paid from other sources to this fund.

Oil and Gas Resource Management Fund - 231

Expenditures increased by \$262,342 (221%) due to an intergovernmental agreement with the Illinois Environmental Protection Agency in Fiscal Year 2015 which permitted the Department to pay for additional personal services costs from the Oil and Gas Resource Management Fund. This money was not available in Fiscal Year 2014.

Underground Resources Conservation Enforcement Fund - 261

Expenditures increased by \$1,050,257 (118%) due to an increase in headcount and related personal services expenditures. The Department also received a supplemental appropriation from Public Act 099-0001 on March 26, 2015 to fund the additional headcount during Fiscal Year 2015. No supplementary appropriations of this type were received for Fiscal Year 2014.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2015 AND 2014 (CONTINUED)

Open Space Lands Acquisition and Development Fund - 299

Expenditures increased by \$3,273,728 (30%) due to the completion of three additional grant projects during Fiscal Year 2015 beyond the number of projects completed during Fiscal Year 2014. Generally, grants awarded pursuant to this program take two to five years to complete, depending on the complexity of the project and the ability of the municipality to finance upfront costs.

Illinois Habitat Fund - 391

Expenditures increased by \$934,486 (102%) due to a land acquisition project of \$1 million during Fiscal Year 2015. No acquisitions of this type occurred during Fiscal Year 2014.

Land and Water Recreation Fund - 465

Expenditures increased by \$2,150,106 (335%) due to completing more local park district projects in Fiscal Year 2015 than Fiscal Year 2014. Budget concerns in Fiscal Year 2015 spurred grantees to finish and submit billings quicker than normal.

Conservation Police Operations Assistance Fund - 547

Expenditures increased by \$930,238 (296%) due to the Office of Law Enforcement replacing boats, motors, and trailers, and purchasing ammunition in Fiscal Year 2015. Similar large purchases were not made during Fiscal Year 2014.

Off-Highway Vehicle Trails Fund - 574

Expenditures increased by \$1,620,536 (1,696%) due to a \$1.6 million final payment on an off-highway vehicle project.

Federal Title IV Fire Protection Assistance Fund - 670

Expenditures decreased by \$234,030 (47%) due to a decrease in grants awarded to volunteer fire departments for equipment and to the University of Illinois for training volunteer fire departments during Fiscal Year 2015.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2015 AND 2014 (CONTINUED)

Natural Resources Restoration Trust Fund - 831

Expenditures increased by \$214,312 (254%) due to the completion of an intergovernmental agreement with the Whiteside County Soil and Water Conservation District for an oxbow and wetland repair and enhancement project at Big Bend State Fish and Wildlife Area during Fiscal Year 2015.

DNR Special Projects Fund – 884 (Non-Appropriated Activity)

Expenditures decreased by \$5,522,637 (65%) due to a temporary cessation of the Illinois Youth Recreational Corps Program. Spending for this program in Fiscal Year 2014 totaled \$4,729,185, but due to budget constraints, the program was halted during Fiscal Year 2015.

DNR Federal Projects Fund – 894 (Appropriated Activity)

Expenditures increased by \$2,140,467 (112%) due to completion of projects undertaken in conjunction with a 2011 National Oceanic and Atmospheric Administration (NOAA) grant. The Department also incurred significant expenditures related to projects related to 2012 and 2013 NOAA grants during Fiscal Year 2015.

DNR Federal Projects Fund – 894 (Non-Appropriated Activity)

Expenditures increased by \$1,302,664 (26%) due to funding received to address the infiltration of Asian carp in the State's waters.

Illinois Forestry Development Fund - 905

Expenditures increased by \$835,240 (53%) due to an increase in personal services expenditures during Fiscal Year 2015. These expenditures were paid out of the General Revenue Fund during Fiscal Year 2014.

Illinois Wildlife Preservation Fund - 909

Expenditures decreased by \$295,332 (45%) due to the refund of a performance bond during Fiscal Year 2014. The developer/landowner puts up a bond (collateral) until the project/mitigation is complete, then the Department refunds the performance bond. No such projects were completed during Fiscal Year 2015.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2015 AND 2014 (CONTINUED)

State Migratory Waterfowl Stamp Fund - 953

Expenditures decreased by \$178,881 (21%) due to a decrease in permanent improvement projects spending during Fiscal Year 2015.

Park and Conservation Fund - 962

Expenditures increased by \$10,209,911 (30%) due to an additional revenue stream implemented in Fiscal Year 2013. Changes made to the Illinois Vehicle Code in Fiscal Year 2013 gave the Department \$2.60 from the money collected by the Secretary of State for each certificate of title, duplicate certificate of title, and corrected certificate of title. As a result, as additional cash became available in Fiscal Year 2015 for expenditure, the Department worked to utilize the available funds for allowable projects.

Adeline Jay Geo-Karis Illinois Beach Marina Fund - 982

Expenditures increased by \$665,992 (77%) due to cash availability in Fiscal Year 2015. Personal services expenditures were paid from other funds in Fiscal Year 2014 as permitted and were moved back to Fund 982 in Fiscal Year 2015 as cash flow permitted.

Abandoned Mined Lands Reclamation Council Federal Trust Fund - 991

Expenditures increased by \$4,448,676 (38%) due to an increase in personal services expenditures and related project costs. The Department hired additional staff in Fiscal Year 2015 to increase their capacity to handle a growing number of land reclamation projects.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016
(expressed in thousands)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2016 AND 2015

Federal Government

Receipts decreased by \$28,004 (43%) due to the budget impasse. The Department was unable to draw grant money in the absence of a budget.

Boat and dock fee rentals

Receipts decreased by \$348 (22%) due to fewer boat registrations processed by the Department. The number of boat registrations processed in a given fiscal year is driven by customer requests and is beyond the Department's control.

Other rental

Receipts increased by \$5,920 (91%) due to multiple factors. Rent increases became effective during Fiscal Year 2016, additional acreage became available for lease during Fiscal Year 2016, and acreage held under expired conservation resource programs were reactivated, resulting in increased receipts for the Department.

Product sales

Receipts decreased by \$370 (52%) due to a change in lease terms. Previously, the affected acreage was farmed under a crop sharing arrangement, resulting in grain to be marketed and sold by the Department. The lease terms now require the lessee to pay cash rent to the Department.

Other revenue

Receipts decreased by \$6,959 (69%) due to several one-time receipts and events which occurred during Fiscal Year 2015. These receipts and events included reimbursements for legal services, certain private and governmental grants, court-ordered settlements, and conservation worker grants.

Firearm owners identification (FOID)

Receipts increased by \$172 (18%) due to an increase in FOID card registrations and renewals processed during Fiscal Year 2016. FOID card revenues are expected to fluctuate from year to year.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016
(expressed in thousands)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2016 AND 2015 (CONTINUED)

Real estate transfer tax

Receipts increased by \$5,285 (16%) due to improvements in the real estate market on which the transfer is based.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2015 AND 2014

Federal Government

Receipts increased by \$13,381 (26%) due to a federal reimbursement received for the Burning Star grant program, as well as the approval of several new grants.

Fines, penalties, and violations

Receipts decreased by \$1,053 (49%) due to fines and penalties payment amounts being largely based on judicial rulings. Further, penalties and violations are expected to fluctuate from year to year.

Concession rentals

Receipts decreased by \$184 (23%) due to fewer concession facilities being open to the public. Therefore, less revenue was generated.

Product sales

Receipts increased by \$228 (47%) due to fluctuations in grain sales prices, which are expected to fluctuate from year to year.

Donations

Receipts decreased by \$225 (77%) due to several one-time donations received during Fiscal Year 2014 which were not repeated during Fiscal Year 2015.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016
(expressed in thousands)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2015 AND 2014 (CONTINUED)

Other Revenue

Receipts decreased by \$3,480 (26%) due to several one-time receipts during Fiscal Year 2014. These receipts included reimbursements for bike trail repair, repayment to the Department for equipment disposal, and a coal mine safety grant.

Firearm owners identification (FOID)

Receipts decreased by \$196 (17%) due to a decrease in FOID card registrations and renewals processed in Fiscal Year 2015. Further, FOID card revenues are expected to fluctuate from year to year.

Real estate transfer tax

Receipts increased by \$4,705 (17%) due to improvements in the real estate market on which the transfer is based.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2016

State Boating Act Fund – 039; State Parks Fund – 040; Wildlife and Fish Fund – 041; Aggregate Operations Regulatory Fund – 146; Conservation Police Operations Assistance Fund – 547; Illinois and Michigan Canal Fund – 570; Park and Conservation Fund – 962; and Adeline Jay Geo-Karis Illinois Beach Marina Fund - 982

Lapse Period expenditures for these funds mostly pertain to payments for services performed prior to June 30, 2016, and paid by the Department during the Lapse Period. Many Fiscal Year 2016 expenditures were processed for payment during the Lapse Period due to the budget impasse in Fiscal Year 2016.

Natural Resources Restoration Trust Fund - 831

Lapse Period expenditures totaling \$34,814 (100%) were due to the receipt and processing of vouchers for a grant to assist with natural resource restoration, and translocating, monitoring, and assessing the Northern Riffleshell and Clubshell reintroduction project.

Illinois Wildlife Preservation Fund - 909

Lapse Period expenditures totaling \$17,000 (100%) were due to the purchase of database software late in the fiscal year.

State Migratory Waterfowl Stamp Fund - 953

Lapse Period expenditures totaling \$38,125 (100%) were due to payments made for various projects and two interest penalty payments. In the case of the projects noted, the invoices and receipts necessary for payment processing were not received and processed by the Department until the Lapse Period.

DNR Federal Projects Fund – 894 (Non-Appropriated)

Lapse Period expenditures totaling \$2,271,699 (31%) were due to two large payments, totaling \$1,662,950, to the University of Illinois for research into the efficacy of work done to prevent Asian carp from infiltrating the Great Lakes.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2015**Coal Mining Regulatory Fund - 147**

Lapse Period expenditures totaling \$367,880 (36%) were due to the refund of a grant balance owed to the Department of Commerce and Economic Opportunity for the land reclamation program.

State Furbearer Fund - 293

Lapse Period expenditures totaling \$34,355 (23%) were due to software development and furbearer education in the Office of Resource Conservation. The invoices needed to process these payments were not received until the Lapse Period.

Open Space Lands Acquisition and Development Fund - 299

Lapse Period expenditures totaling \$4,774,478 (34%) were due to timing of reimbursement requests received for 16 projects as well as processing of the final June payroll from this fund during the Lapse Period.

Flood Control Land Lease Fund - 443

Lapse Period expenditures totaling \$166,762 (25%) were due to the payment of five land leases through the Army Corps of Engineers. The complete information needed to process the payments was not all available until the Lapse Period.

Conservation Police Operations Assistance Fund - 547

Lapse Period expenditures totaling \$641,951 (52%) were due to the purchase of boats, motors, and trailers for Conservation Police Officers late in the fiscal year.

Illinois and Michigan Canal Fund - 570

Lapse Period expenditures totaling \$28,206 (100%) were due to the purchase of a stump grinder, power boom, brush mower, and trailer late in the fiscal year.

Snowmobile Trail Establishment Fund - 866

Lapse Period expenditures totaling \$21,037 (23%) were due to the payment of two grants for maintenance of snowmobile trails.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
As of June 30,
(expressed in thousands)

Schedule 12

COMMODITIES INVENTORY BALANCE

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fish Hatcheries	\$ 875	\$ 874	\$ 881
Farm Commodities	168	114	190
Game Farms	312	292	293
Law	98	94	88
Havana Warehouse	327	386	347
Office, Postage, and Paper Supplies	41	210	63
Targets	52	191	45
Museum Publications	167	168	169
Fuel	210	263	320
Clearinghouse	136	158	167
Pawnee Warehouse	860	-	56
Total per Department records	<u><u>\$ 3,246</u></u>	<u><u>\$ 2,750</u></u>	<u><u>\$ 2,619</u></u>

Note: The above schedule has been derived from the Department's records, where its inventories are valued at cost, on a first-in, first-out basis.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
ANALYSIS OF ACCOUNTS RECEIVABLE
As of June 30,
(expressed in thousands)

GROSS ACCOUNTS RECEIVABLE BALANCE

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Age</u>			
Current	\$ 447	\$ 420	\$ 420
1-30 days	1,084	116	2,811
31-90 days	55	228	85
91-180 days	45	72	420
181 days - 1 year	162	474	1,240
Over 1 year	<u>3,001</u>	<u>3,580</u>	<u>1,596</u>
Total	<u>\$ 4,794</u>	<u>\$ 4,890</u>	<u>\$ 6,572</u>

Note 1: This schedule was prepared based on accounts receivable reporting by the Department to the Office of the State Comptroller on its *Quarterly Summary of Accounts Receivable - Aging of Total Gross Receivables* reports (Form C-98). During testing, the accountants noted several deficiencies in the Department's accounting for accounts receivable, as described in Finding 2016-002.

Note 2: These amounts due to the Department arise from various activities, including grants, contracts, and indirect cost recoveries from the federal government, land rental, oil well fees, timber buyers and growers fees, and expected transfers from other funds.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Years Ended June 30, 2016

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 Department is headquartered at the Joel D. Brunsvold Building, located at the State Fairgrounds.

The Department currently manages more than 474,000 acres of publicly owned and leased land. In addition, the Department manages a variety of other public sites, such as museums, boat access areas, marinas, and trails. The Department also maintains concessions that are leased to or operated by private concessionaires or local communities.

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

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

Strategic Priorities

The Department's strategic priorities are as follows:

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

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DEPARTMENT OF NATURAL RESOURCES
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Years Ended June 30, 2016

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

Key Initiatives

The Department's key initiatives are as follows:

1. Implement new management and organizational structures at the World Shooting and Recreation Complex and the Illinois State Museum.
2. Establish a customer service response center to better serve our customers with timeliness and consistency.
3. Successfully implement the new hydraulic fracturing laws and regulatory programs.
4. Focus on recent successes in establishing a coastal zone management program to protect Lake Michigan and its watershed.
5. Continue to monitor sales and improve customer service with the Department's direct and point of sale network to facilitate the purchase of licenses and permits, while concurrently working on the new DNR Direct system, to be implemented in 2018.
6. Implement key components of the Wildlife Action Plan through coordination of field level efforts and improved technology.
7. Continue work begun on the Federal Emergency Management Agency (FEMA) grant to create floodplain maps of Illinois.
8. Make multiple years of data available through publications, the Internet, maps, and other materials.
9. Implement a new invasive species control, research, and development program to address the most pressing invasive species problems on State lands and waters to prevent further degradation of those resources.

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AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Years Ended June 30, 2016

10. Continue development, marketing, and promotion of all events at the World Shooting and Recreational Complex near Sparta in southwestern Illinois.
11. Update the State's natural areas inventory through the development of an accurate and comprehensive up-to-date catalog of natural areas in the State.
12. Work on the Water Quantity Management Plan, and develop a comprehensive water quality initiative for two regional pilot areas in the State pursuant to Executive Order 2006-1.
13. Revise administrative rules for implementation and management of the Conservation Stewardship Program, codified within the Property Tax Code (35 ILCS 200/10-400 et seq.).
14. Develop and implement a long-term management plan for the complicated issues surrounding the preservation and management of the lakeshore at Illinois Beach State Park for a wide range of natural resources and recreational purposes. This effort is being conducted with the review of State and federal regulatory officials.
15. Expand the Department's Office of Water Resources operations and capital programs for safety enhancements at the State-owned dams located on public waters by upgrading and rehabilitating spillways and supporting facilities, including dam removal, dam modifications, and safety signage and markings to reduce the risk of injury to the public.
16. Implement the Tech Academy, a new two-year program through the Illinois State Museum for low-income students. The program encourages students to pursue careers in environmental sciences and natural resources. This program, piloted through a National Science Foundation grant, is a national model to attract students into the sciences.

Organization

The Department is organized into the following offices:

- Office of Director (which includes the Offices of Fiscal Management, Legal Counsel, Legislation, Compliance, Equal Employment Opportunity and Ethics, Human Resources, and Internal Audit)
- Office of Architecture, Engineering, and Grants
- Office of Land Management
- Office of Law Enforcement
- Office of Mines and Minerals
- Office of Oil and Gas Resource Management

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Years Ended June 30, 2016

The Department is organized into the following offices (continued):

- Office of Realty and Environmental Planning
- Office of Resource Conservation
- Office of State Museums
- Office of Strategic Services (formerly the Office of Administration, Public Service, and Public Events, Programs, and Promotions)
- Office of Water Resources
- World Shooting and Recreational Complex

The Office of Director directs and manages the Department through the Director and the Chief of Staff. The Office is responsible for the overall performance of all other Offices.

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

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The Office of Land Management has one division. The Division of Parks and Recreation is responsible for the management and maintenance of State-owned or leased sites. Types of sites managed include State parks, fish and wildlife areas, recreation areas, forests, natural areas, marinas, boat accesses, and habitat areas. Its functions to provide quality resource-compatible recreation opportunities to site visitors, such as camping, day use, trail use, fishing, boating, and hunting. It provides interpretive programs at sites, including visitor centers, wildlife viewing platforms, and amphitheatres. The Division is also responsible for maintaining a variety of facilities, equipment, and infrastructure so that sites are kept in a safe, clean, and attractive condition for visitor use. Management activities at sites include habitat plantings, controlled burnings, and control of exotic plant species. The Office also addresses environmental contaminants and injuries to natural resources through the Contaminant Assessment Section (CAS). The CAS evaluates impacts from environmental contaminants and, under certain circumstances, pursues compensation from responsible parties, and then uses the recoveries to undertake ecological restoration projects.

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

The Office of Mines and Minerals (OMM) regulates the mining industry throughout the State by regulating the possession, use, and storage of explosives and enforces various acts that govern the mining industry. It is also responsible for ensuring the health and safety of workers in the mining industry, and does so through the delivery of health and safety training programs. The OMM ensures public and environmental safety by providing reclamation information on abandoned mine sites. In addition, the OMM is involved in an education outreach program where it educates children and adults on mining, its products, and their uses. The OMM is comprised of four divisions: the Land Reclamation Division, the Abandoned Mine Lands Reclamation Division, the Mine Safety and Training Division, and the Blasting, Explosives and Aggregate

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DEPARTMENT OF NATURAL RESOURCES
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Division.

The Land Reclamation Division is responsible for the implementation and enforcement of the Surfaced-Mined Land Conservation and Reclamation Act (225 ILCS 715) and the Surface Coal Mining Land Conservation and Reclamation Act (225 ILCS 720). This enables Land Reclamation to function as the State's regulatory authority for the federal Surface Mining Control and Reclamation Act of 1977. It ensures that active coal mining operations are properly reclaimed, assuring the restoration of lands affected by mining to productive uses. It also regulates the repair to land and structures damaged as a result of mine subsidence. In addition, it issues permits and provides inspections for all active coal mining operations. The Land Reclamation Division also responds to citizen complaints and is a part of the education outreach program for the State. The Abandoned Mine Land Reclamation Division assesses mine lands for reclamation throughout the State. When an abandoned mine features a problem that qualifies for reclamation, it is inventoried according to eminent harm to public safety, environmental safety, etc. and is addressed accordingly. It reclaims lands and waters adversely affected by mining prior to 1977 and restores them to productive use. This program is part of the federal Surface Mining Control and Reclamation Act of 1977, which addresses serious coal mining problems that were abandoned prior to August 3, 1977. The Mine Safety and Training Division is charged with the health and safety concerns of the State's coal mines and their employees. One way it completes this is by conducting health and safety training programs throughout the year for mining employees. The Division trains and certifies State Mine Inspectors to monitor safety conditions at the mine sites, and operates a State laboratory for analysis of mine gas and dust particles, coal composition, and water and soil. The Division also trains licensed and certified blasters, as well as others who handle, store, or use explosive products in the State. The Explosives and Aggregate Reclamation Division is responsible for the implementation and enforcement of regulations governing aggregate reclamation and blasting under the Surfaced-Mined Land Conservation and Reclamation Act, coal blasting under the Surface Coal Mining Land Reclamation Act, and explosives storage and handling under the Illinois Explosives Act (225 ILCS 210). It inspects land reclamation activities and regulates blasting activities at aggregate and coal mining sites. It licenses individuals in the use of handling explosives in the State, as well as provides first responder training for responding to catastrophic incidents involving explosives. In addition, it conducts incident and accident investigations following reports of personal injury or property damage resulting from the use of explosives, and it initiates enforcement action on a person or entity that does not comply with the State's explosive and blasting regulations.

The Office of Oil and Gas Resource Management (OOGRM) was created in September of 2013 when the Office of Mines and Minerals' Division of Oil and Gas was elevated to the Office level. The OOGRM regulates oil and gas operations throughout the State and administers and enforces the various acts that govern the industry. The Office is made up of two main divisions:

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the Compliance Division and the Permitting and Technical Services Division. The Compliance Division consists of the Field Operations Unit, Enforcement Unit, and the Plugging and Restoration Program. The OOGRM's well inspectors work in the Field Operations Unit, which is divided into the Springfield, Mt. Carmel, and Centralia Districts. The district managers and well inspectors conduct routine inspections and oversee industry activities in order to enforce standards for the construction and operation of related production facilities and ensure that the State's oil and gas operators comply with the law and are protective of the environment. The Enforcement Unit processes the notices of violation generated by the well inspectors and works alongside the Office of Legal Counsel and the Office of the Attorney General to take enforcement action in order to gain compliance from operators that violate the various acts and rules which apply to the industry. The Plugging and Restoration Program conducts abandoned and leaking well hearings. It utilizes funds appropriated from the Plugging and Restoration Fund to plug and restore abandoned and leaking wells and production facilities. In addition, the funds are used to administer the Land Owner Grant Program. The Permitting and Technical Services Division reviews permit applications and issues permits for the various oil and gas permitting programs, including the drilling, operation, and plugging of oil and gas production, injection, and storage wells. In addition, the OOGRM administers the United States Environmental Protection Agency Class II Underground Injection Control program mandated by the federal Safe Drinking Water Act. Finally, the OOGRM is responsible for the administration and enforcement of the Hydraulic Fracturing Regulatory Act (225 ILCS 732) and related regulations.

The Office of Realty and Environmental Planning is responsible for the Department's land acquisition programs. It is also responsible for coordinating the analysis of the State's natural resources, reviewing the environmental impact of Departmental activities, and evaluating environmental contaminant concerns on Department property and other natural resources. It is comprised of three divisions: Ecosystems and Environment, Realty and Planning, and Concession and Lease Management. The Division of Ecosystems and Environment provides quantitative and empirical analysis regarding the natural resources of the State and the conditions surrounding their use and management, including environmental and socioeconomic factors and trends. This information is integrated into the Illinois Natural Resource Information Network. This Division also directs Statewide environmental analysis functions of the Department to ensure preservation and protection of natural resource values. This includes consultation processes required by the Endangered Species Act (520 ILCS 10) and the Interagency Wetland Policy Act of 1989 (20 ILCS 830). The Division of Realty and Planning carries out a variety of outdoor recreation and natural resource planning functions, which includes program development and coordination initiatives for the Department, including a greenways and trails section and a site planning section. It expedites the Department's annual capital construction program to ensure stewardship of the State's natural resources while maximizing compatible recreational opportunities. The Division of Realty and Planning is responsible for the acquisition of all real estate for use in the Department's recreational, bikeway, natural areas, wildlife habitat, waterfowl, and greenways programs. It is also responsible for accepting land donations,

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performing legislative transfers, and jurisdictional transfers of Department property. It provides technical assistance to other Department offices, as well as other State agencies. This Division administers all land owner incentive programs pertaining to real property. The Division of Concession and Lease Management handles general legal agreement negotiations, coordination, and maintenance; general land leasing; rights of way; special land permits; and State park lodges and concessions.

The Office of Resource Conservation is responsible for protecting and enhancing the State's fish, wildlife, forestry, and natural heritage resources; directing resource management activities on public and private land; and providing outdoor recreational opportunities compatible with these resources. It is comprised of five divisions: Wildlife Resources, Natural Heritage, Forestry, Fisheries, and Private Lands and Watersheds. The Division of Wildlife Resources' mission is to provide leadership in the restoration, management, and protection of wildlife populations and their habitats for the purposes of providing citizens and visitors of the State with a quality environment, rich in wildlife diversity, compatible recreational opportunities, and responsible oversight of the public's wildlife. Wildlife biologists survey and manage wildlife populations and habitats, as well as develop Statewide and site-specific management plans for both private and public lands. The Division of Natural Heritage's mission is to protect, restore, manage, and promote the responsible use of Illinois' native flora and fauna, natural communities, wildlife habitat, and ecosystems and ensure for future generations the greatest social, environmental, and economic benefits that can only be provided through healthy ecosystems. Heritage biologists work to preserve and restore forests, prairies, wetlands, and all Illinois habitats. The Division of Forestry's mission is to promote the establishment, protection, management, use, and perpetuation of our tree resources for all the benefits which may be derived from them. District foresters provide programs, services, and activities designed to help private landowners, governmental agencies, and other Departmental offices conserve and protect forests, restore and manage woodlands, and utilize forest products. The Division of Fisheries' mission is to conserve and enhance the State's fisheries and aquatic life resources in order to enhance, develop, and promote diverse, high-quality recreational and commercial fishing opportunities that are consistent with conservation of native species and healthy aquatic habitats; provide balanced economic and social benefits; and connect current and future generations with fish, water, and the outdoors. Fisheries biologists develop scientifically-based management programs for the protection, restoration, and enhancement of fisheries and other aquatic resources, including Lake Michigan, reservoirs, impoundments, and streams. The fish hatchery system consists of three hatcheries that annually stock about 30 million fish of 19 species into waters Statewide. The Private Lands and Watersheds Division's mission is to provide private landowners guidance in the restoration, enhancement, and protection of aquatic and terrestrial habitats by promoting science-based natural resource management principles designed to sustain Illinois wildlife, support natural habitats, improve watercourses, and safeguard Illinois' rich outdoor recreational heritage for present and future Illinois citizens. The Office of Resource Conservation also includes staff of the Illinois Nature Preserves Commission. The Commission's mission is to

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assist private and public landowners in protecting high quality natural areas and habitats of endangered and threatened species in perpetuity, through voluntary dedication or registration of such lands into the Illinois Nature Preserves System. The Commission promotes the preservation of these significant lands and provides leadership in their stewardship, management, and protection.

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

The Office of Strategic Services consists of the Division of Information Technology (IT), the Division of Systems and Licensing, the Division of Special Events, the Division of Outdoor Recreation and Retention, Distribution Services, and Administration. The Division of Distribution Services is responsible for maintaining the central warehouse and shop facilities, messenger services, and vehicle fleet management, as well as the documentation clearinghouse, mail room, and copy center. The Division of Systems and Licensing issues various licenses, stamps, or permits for regulated outdoor activities such as hunting, fishing, and registration/titles for boats or snowmobiles. The Division of IT is responsible for the Department's information systems. The Division of Special Events promotes awareness of agency programs throughout the year. The events include, but are not limited to, Conservation World at the Illinois State Fair, Conservation Village at the DuQuoin State Fair, Fort Massac Encampment, Pere Marquette Encampment, and events that occur on the grounds of the Department's main headquarters. The Division of Outdoor Recreation and Retention promotes youth involvement through programs such as the National Archery in Schools Program and Scholastic Clay Target Program. It also promotes outdoor activities for those with disabilities through the Disabled Outdoor Opportunities program. Finally, wing shooting clinics are held to help introduce the sport to new audiences. Administration provides secretarial staff at several of the Department's offices.

The Office of Water Resources (OWR) administers regulatory programs over construction in the flood ways of rivers, lakes, and streams. It is also responsible for construction in the shore waters of Lake Michigan, construction and operation of dams, construction in public bodies of water, diversion of water from Lake Michigan, and withdrawal of water from three federal lakes (Shelbyville, Carlyle, and Rend Lakes). The OWR serves as the lead State agency for water

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resource planning, navigation, floodplain management, the National Flood Insurance Program, and interstate organizations on water resources. Duties also include the State Water Plan, drought response, flood emergency situation reports, and the comprehensive review of the Water Use Act of 1983 (525 ILCS 45). The OWR gathers water resource data related to disasters and disseminates the information to other agencies. It also cooperates with the United States Geological Survey for summaries of river stage information. The OWR consists of two divisions: Capital Programs and Resource Management. The Division of Capital Programs is responsible for hydraulic engineering activities; preparation of authorized flood control, drainage, and other water resource projects; preparation of reports, charts, maps, and graphs; and response for local assistance and emergency flooding situations. It is also responsible for preparation of design plans and specifications for OWR construction projects, supervision of these projects, acquisition of all necessary rights-of-way or flood prone property, and the administration and maintenance of State-owned dams and facilities on waterways throughout the State. The Division of Resource Management is responsible for regulating construction activities within the floodways of the State's rivers, lakes, and streams; regulation of, construction of, and ensuring the safety of dams throughout the State; protecting public interest in public waters; allocating and monitoring the usage of Lake Michigan water; reviewing floodplain studies and floodplain/floodway mapping proposals to ensure compliance with regulations; implementing a Flood Hazard Mitigation floodplain buyout program; and assisting with the National Flood Insurance Program. Together, the Division of Capital Programs and Resource Management are responsible for compiling and analyzing physical and economic data to determine present and projected future water supply problems and formulating the most economical solutions to water problems.

The World Shooting and Recreational Complex (WSRC) is located in Southwestern Illinois near the city of Sparta. The WSRC is tailored for recreational vehicle enthusiasts. It offers camping areas as well as standard sites with electric, water, and sewer. Its activities include cowboy action shooting, fishing, rifle/pistol shooting, skeet shooting, sporting clays, and trapshooting. On-site fishing is the newest recreational opportunity available at the WSRC. East Lake is located on the northeast side of the WSRC on a 117 acre strip pit, and Derby Lake is located to the southeast of the Events Center. Each are loaded with largemouth and smallmouth bass, bluegill, redear sunfish, channel catfish, trout, and white, black, and hybrid crappie.

Management

The Director is assisted by a Chief of Staff. The Director and the Chief of Staff are supported by an extensive staff of Office Directors and Division managers. The Director is involved in key meetings and, if needed, issues meetings to address a particular concern in the Department.

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Compliance with Rules and Regulations

The Department's *Policy and Procedure Manual (Manual)* documents the basis for overall operations within the Department and serves as the official manual governing the Department's processes. In addition, some offices/divisions have internal policies and procedures that may address specific operations (i.e. Office of Law Enforcement). The policies and procedures that may exist within a specific office/division are consistent with the official *Manual* but may also provide office-specific operations that do not apply to other offices. All changes and updates to policies and procedures must be reviewed and approved in accordance with the Procedures Section of the *Manual*. Once finalized, all changes to the *Manual* must be distributed to all employees with employees being required to verify their receipt of the updated policies and procedures.

The Department uses the Office of Legislation to identify laws and regulations applicable to its mission. The Office of Legislation acts as the Department's intermediary to the General Assembly. The Office of Legislation tracks both substantive and budget bills in both chambers. The Office of Legislation coordinates the collection of information requested by the General Assembly.

The Office of Legislation is responsible for implementing the passage of substantive legislative changes to existing statutes as well as creating new statutes. The Legislative Director reports directly to the Department Director and coordinates with executive staff and senior managers to maintain a working relationship with members of the General Assembly, other departments of State government, private entities, and the citizens of the State.

The Office of Legal Counsel provides counsel, guidance, and advice to the Director and other executive staff on how to comply with rules and regulations; the legality of existing or proposed rules, regulations, and policies; and whether rules, regulations, and policies should be enacted, repealed, or modified. This office's counsel, guidance, and advice are primarily in response to requests from the Director or other staff. Under current Department policy, the Office of Legal Counsel formally reviews proposed legislation and administrative rules, as well as proposed changes to internal Department policies and procedures. The establishment of an online channel for Department requests to Office of Legal Counsel in 2013 facilitated an increased leveraging of the Office's capacities. Since the Office of Legal Counsel has a dual reporting channel to the Governor's Legal Counsel, and because all government attorneys owe an overarching duty to the public as well as to the rule of law, regular Department utilization of Office of Legal Counsel assists the Department to recognize the needs of the public and to provide a united voice for the State's natural resources.

The Chief Fiscal Officer (CFO) serves as Director of the Office of Fiscal Management. The CFO's role in monitoring operations includes reviewing fiscal procedures to ensure compliance

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with all rules, regulations, and accounting standards. The Office of Fiscal Management develops budgets, processes payroll, administers workers compensation, manages audits, collects and records cash and receivables, tracks inventory and assets, processes vouchers, and conducts procurements.

The Office of Internal Audit provides management with insight into the adequacy of the established internal control environment, highlights risks within that environment, and makes recommendations to management to improve the control environment and limit risks. Internal Audit activities focus on determining: compliance with laws, regulations, and policies and procedures; the accuracy of data and information to ensure its reliability and integrity; that assets are adequately safeguarded; the effectiveness and efficiency of operations; and, the accomplishment of goals and objectives. The primary objective is to assist Department management in the effective discharge of their responsibilities.

Strategic Planning

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

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

The Department has several formal, ongoing planning programs as discussed below:

- The Department prepares its Statewide Comprehensive Outdoor Recreation Plan, which identifies issues, programs, and priorities in the area of outdoor recreation. This Plan is fully revised every five years.
- The Department is beginning the process of updating its strategic plan.
- The Office of Realty and Environmental Planning carries out a variety of outdoor recreation and natural resource planning activities, such as site plans and economic analysis of feasibility of improvements, such as campgrounds, cabins, and marinas.
- The Office of Water Resources is the State's lead agency for water resources planning. It prepares the State Water Plan and is involved in other planning and regulatory activities related to the management of the State's water resources.

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- The Department prepares an Annual Capital Improvement Plan, which is presented to the Governor's Office of Management and Budget and the Capital Development Board, and is provided to the General Assembly as part of the annual budget package.

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DEPARTMENT OF NATURAL RESOURCES
BUDGET IMPASSE DISCLOSURES (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

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

OUTSTANDING FISCAL YEAR 2016 INVOICES

<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
039	State Boating Act	24	\$ 7,246
040	State Parks Fund	84	32,010
041	Wildlife and Fish Fund	324	1,746,056
298	Natural Areas Acquisition Fund	9	1,416
299	Open Space Lands Acquisition and Development Fund	1	142,500
608	Partners for Conservation Fund	47	448,849
686	Budget Stabilization Fund	495	4,254,595
855	National Flood Insurance Program Fund	1	42
894	DNR Federal Projects Fund	86	815,910
905	Illinois Forestry Development Fund	814	618,887
962	Park and Conservation Fund	393	1,488,814
971	Build Illinois Bond Fund	1	1,250,000
982	Adeline Jay Geo-Karis Illinois Beach Marina Fund	3	5,577
		2,282	\$ 10,811,902

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DEPARTMENT OF NATURAL RESOURCES
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**

For the Two Years Ended June 30, 2016

Transactions Involving the Illinois Finance Authority

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

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

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

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

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

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

Vendor Support Initiative Program (VSI)

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

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**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**

For the Two Years Ended June 30, 2016

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

During Fiscal Year 2016, the Department had one vendor participate in VSI for 326 invoices, totaling \$183,711. A summary of the amount of transactions by qualified purchaser follows:

**TRANSACTIONS BY
QUALIFIED PURCHASER**

Qualified Purchaser	Total
A	\$ 183,711
	<u>\$ 183,711</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Prompt Payment Interest Costs

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

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2016

<u>Fund #</u>	<u>Fund Name</u>	<u>Invoices</u>	<u>Vendors</u>	<u>Dollar Value</u>
039	State Boating Act Fund	274	182	\$ 33,329
040	State Parks Fund	735	460	74,842
041	Wildlife and Fish Fund	1,270	705	139,283
137	Plugging and Restoration Fund	1	1	16
146	Aggregate Operations Regulatory Fund	2	2	15
147	Coal Mining Regulatory Fund	7	7	286
199	Illinois Fisheries Management Fund	11	11	4,258
261	Underground Resources Conservation Enforcement Fund	11	7	2,754
298	Natural Areas Acquisition Fund	60	53	1,314
299	Open Space Lands Acquisition and Development Fund	6	6	360
570	Illinois and Michigan Canal Fund	1	1	360
608	Partners for Conservation Fund	16	11	4,698
831	Natural Resources Restoration Trust Fund	3	3	417
953	State Migratory Waterfowl Stamp Fund	2	2	969
962	Park and Conservation Fund	334	230	87,280
982	Adeline Jay Geo-Karis Illinois Beach Marina Fund	135	44	14,177
		<u>2,868</u>	<u>1,725</u>	<u>\$ 364,358</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
For the Years Ended June 30,

	Fiscal Year		
	2016	2015	2014
Regular:			
General Office	70	89	74
Architecture, Engineering, and Grants	21	23	21
Realty and Environmental Planning	35	39	42
Strategic Services	65	60	67
World Shooting and Recreation Complex	11	10	11
Resource Conservation	211	231	229
Coastal Management	5	8	-
Law Enforcement	150	150	151
Land Management	365	391	372
Mines and Minerals	95	97	114
Oil and Gas Resource Management	42	30	-
Water Resources	48	53	54
State Museums	42	61	62
Total Regular	<u>1,160</u>	<u>1,242</u>	<u>1,197</u>
Part-Time and Seasonal:			
General Office	1	5	3
Architecture, Engineering, and Grants	1	-	-
Realty and Environmental Planning	1	2	-
Strategic Services	4	4	3
World Shooting and Recreation Complex	1	3	2
Resource Conservation	20	22	27
Coastal Management	-	-	-
Law Enforcement	-	-	2
Land Management	107	118	133
Mines and Minerals	2	4	6
Oil and Gas Resource Management	1	1	-
Water Resources	2	1	2
State Museums	2	5	6
Total Part-Time and Seasonal	<u>142</u>	<u>165</u>	<u>184</u>
Total			
General Office	71	94	77
Architecture, Engineering, and Grants	22	23	21
Realty and Environmental Planning	36	41	42
Strategic Services	69	64	70
World Shooting and Recreation Complex	12	13	13
Resource Conservation	231	253	256
Coastal Management	5	8	-
Law Enforcement	150	150	153
Land Management	472	509	505
Mines and Minerals	97	101	120
Oil and Gas Resource Management	43	31	-
Water Resources	50	54	56
State Museums	44	66	68
Grand Total	<u><u>1,302</u></u>	<u><u>1,407</u></u>	<u><u>1,381</u></u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
EMERGENCY PURCHASES (NOT EXAMINED)
For the Two Years Ended June 30, 2016

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2016:

<u>Vendor/Description</u>	<u>Cost</u>
Thelen Sand and Gravel, Inc. Emergency purchase providing sand for the Illinois Beach State Park to prevent further erosion and provide stabilization.	\$ 497,094
Vissering Construction Co. and McClure Engineering Emergency damage assessment and construction services to restore sewage treatment plant at Starved Rock State Park.	<u>347,212</u>
Total Fiscal Year 2016 Cost	<u>\$ 844,306</u>

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
EMERGENCY PURCHASES (NOT EXAMINED)
For the Two Years Ended June 30, 2016

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2015:

<u>Vendor/Description</u>	<u>Cost</u>
Brandt Construction Company Emergency storm damage clean up to eliminate hazardous conditions at Starved Rock State Park.	\$ 428,606
Ernie Peterson Plumbing, Inc. Emergency relocation of sewer line to eliminate leakage into nearby wetland and restore sanitary services to North Point Marina.	53,292
Campanella and Son and Thelen Sand and Gravel, Inc. Emergency purchase to fix erosion at Illinois Beach State park.	670,898
Rembco GeoTechnical Contractors, Inc. Emergency drilling and grouting due to hazardous conditions under Illinois Route 15 caused by a pit-type mine subsidence.	281,485
Lake Contracting, Inc. Emergency services to replace a corrugated metal pipe culvert under Cardinal Road located at the World Shooting and Recreational Complex.	242,788
Civil Constructors, Inc. and Willett Hofmann and Associates, Inc. Emergency repair of 600 foot embankment to eliminate the threat to public safety and prevent further damage to state property in the Hennepin Canal.	<u>1,216,138</u>
Total Fiscal Year 2015 Cost	<u>\$ 2,893,207</u>

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DEPARTMENT OF NATURAL RESOURCES
MEMORANDUMS OF UNDERSTANDING (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Parties Involved Other Than the Department of Natural Resources	Dates Involved	Memorandum Requirements Description
Illinois Environmental Protection Agency (IEPA) and United States Fish & Wildlife Service (USFW)	7/11/2012*	For natural resource damage assessment activities at West Shore/Buckeye Pipeline Site in Lockport, IL as a result of a crude oil leak due to a ruptured pipeline.
Lewis & Clark Community College and DeWitt County Soil and Water Conservation Districts (SWCD)	3/15/2013-3/15/2015	For placement of a Land Conservation Specialist to assist the District and other Soil and Water Conservation Districts in facilitating the Conservation Reserve Enhancement Program (CREP) grant award process.
Lewis & Clark Community College and Fayette County SWCD	3/31/2013-3/31/2015	For placement of a Land Conservation Specialist to assist the District and other Soil and Water Conservation Districts in facilitating the CREP grant award process.
St. Louis District of the United States Army Corps of Engineers (USACE) and Carlyle Lake/Kaskaskia River Project Office	2013**	To establish a cooperative relationship between the St. Louis District of the USACE, Carlyle Lake/Kaskaskia River Project Office, and the IDNR regarding the establishment of a Biological Research Station at Carlyle Lake to improve management and protection of public lands and waters at Carlyle Lake.
IEPA and USFW	1/3/2013*	For coordination and cooperation of the parties involved in support of negotiations and/or litigation pertaining to any Natural Resource Damage claims against Potentially Responsible Parties at the Sauget Area 1 and Area 2 Superfund Sites in St. Clair County, Illinois.
Forest Preserve District of DuPage County	3/15/2013-3/15/2018	Multi-year renewal of agreement to continue performing the “Endangered Species Consultation Process” concerning impacts on State endangered and threatened species.
City of Metropolis	9/1/2013-8/31/2018	For the purpose of allowing the City of Metropolis to promote and enhance recreational use of State owned lands.
U.S. Forest Service and Multiple Other Entities	11/4/2013-10/31/2023	To continue the framework of cooperation between the parties of the Middle Mississippi River Partnership to achieve the common goal of restoring and enhancing the natural resources of the Mississippi River.
Illinois State Toll Highway Authority	12/10/2013-12/10/2016	To set forth the framework for an expedited review process to examine potential impacts to protected natural resources for proposed State Toll Highway Authority Projects.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
MEMORANDUMS OF UNDERSTANDING (NOT EXAMINED), continued
For the Two Years Ended June 30, 2016

Parties Involved Other Than the Department of Natural Resources	Dates Involved	Memorandum Requirements Description
Illinois Department of Transportation (IDOT)	1/10/2013-1/10/2016	To set forth the framework for an expedited review process to examine potential impacts to protected natural resources for proposed IDOT projects.
City of St. Charles, Illinois	9/30/14*	Regulate construction in the floodplains of St. Charles, Illinois to prevent the construction of facilities that would be subject to flood damage or cause increased flooding.
Illinois Emergency Management Agency	10/28/15*	Determination of the eligibility of projects to use "Match" for the Hazard Mitigation Grant Program.
Amateur Trapshooting Association of America	11/10/15*	Use of the World Shooting and Recreational Complex in Sparta, Illinois for the 2016 Grand American.

*Initial date of MOU - specific termination date not defined in agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

**MOU began in 2013. Specific date not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

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

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

Resource Compatible Recreation

The mission of the Resource Compatible Recreation program is to provide safe, accessible, high quality, and resource-compatible outdoor recreation opportunities to the public so it 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 the State's residents and visitors; and, 3) establish and maintain partnerships to expand resource-compatible recreation opportunities.

The Department owns or manages 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 2016, 37,040,330 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 2016, 88 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 governments for outdoor recreation facilities and land for open space. In Fiscal Year 2016, the Department was unable to award any grants for this purpose due to the State's budget impasse. In Fiscal Year 2015, the Department awarded 126 grants totaling \$100,265,000. With financial assistance provided by the Department, local grant recipients acquired 300 acres and acquired and developed 44 miles of bike trails.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Resource Compatible Recreation (Continued)

The following are the Resource Compatible Recreation program's input, output, and outcome indicators.

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$76,855	\$152,952	\$85,955
Average monthly full-time employee equivalents	453	508	511
<u>Output Indicators</u>			
Acreage owned and managed	478,832	475,304	469,870
Number of grants awarded ¹	-	126	246
Total dollar amount of grants awarded (in thousands) ¹	\$ -	\$100,265	\$129,290
Fishing licenses issued	566,055	560,498	567,577
Hunting licenses issued	208,420	214,631	197,625
Site attendance	37,040,330	38,760,153	39,511,182
<u>Outcome Indicators</u>			
Amount of grantee acquired acreage ¹	-	300	193
Miles of bike trails acquired/developed through grants ¹	-	44	89
Percentage of highly satisfied park visitors	88%	77%	84%
<u>Efficiency/Cost Effectiveness</u>			
Cost per acre managed (in dollars) ²	N/A	\$116.03	\$120.91
Cost per visitor (in dollars) ²	N/A	\$1.42	\$1.40

¹ No grants were awarded as a result of the Fiscal Year 2016 budget impasse.

² The Fiscal Year 2016 budget impasse prevents accurate reporting of this measure.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Natural and Cultural Resource Protection

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

The Natural and Cultural Resource Protection program goals are as follows: 1) restore, enhance, and sustain the State's 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 2016, the Department produced 1,300,000 seedlings and reforested 691 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 2016 resulted in the annual absorption of an additional 2,764 tons of carbon from the atmosphere.

The Conservation Reserve Enhancement Program (CREP) is a unique State and federal partnership to assist landowners in protecting lands along the Illinois River Watershed through the implementation of resource management practices such as the planting of trees and grasses and the development of wetlands. CREP is a voluntary program whose objective is to enhance water quality and habitats for threatened and endangered species through the restoration of 232,000 acres along the Illinois and Kaskaskia Rivers and their tributaries. Enrollment in CREP began in Fiscal Year 1999. Due to the lack of a State budget, the Department has temporarily suspended the program. Up until the program was suspended during Fiscal Year 2016, approximately 90,171 acres had been enrolled in the program.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Natural and Cultural Resource Protection (Continued)

The following are the Natural and Cultural Resource Protection program's input, output, and outcome indicators.

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$58,653	\$86,099	\$119,229
Average monthly full-time employee equivalents	363	398	384
<u>Output Indicators</u>			
Number of acres reforested	691	2,522	2,976
Number of acres annually enrolled in CREP	90,171	90,150	84,208
Amount of seedlings produced for reforestation	1,300,000	1,750,000	958,000
<u>Outcome Indicators</u>			
Tons of carbon removed from the atmosphere by reforestation	2,764	3,717	4,385
Protected natural area acreage	108,880	108,343	106,741
Acquired land (in acres) ¹	-	5,545	778

¹ No land was acquired as a result of the Fiscal Year 2016 budget impasse.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

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 interest 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 19,723 students in Fiscal Year 2016. The Department's Conservation Police Officers enforce State laws pertaining to boating, hunting, and snowmobile safety and assist park staff in ensuring the safe use of facilities and resources at Department sites.

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Resource-Related Public Safety (Continued)

The following are the Resource-Related Public Safety program's input, output, and outcome indicators.

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$26,881	\$42,862	\$51,335
Average monthly full-time employee equivalents	199	208	207
<u>Output Indicators</u>			
Number of safety education classes held ¹	-	534	548
Number of mine safety certifications issued	1,794	906	777
Number of mine safety accident prevention contracts	19,368	20,671	19,939
Number of blasting and explosive licenses and certifications issued	1,453	1,596	1,564
Number of blasting and explosives inspections performed	2,776	2,800	1,380
Number of dams inspected	331	392	490
<u>Outcome Indicators</u>			
Number of students certified by safety education classes	19,723	16,245	19,503

¹ Due to the lack of funds as a result of the budget impasse, no safety classes were held during Fiscal Year 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Science, Education, and Culture

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

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

The Department offers a wide range of interpretative and environmental education opportunities as part of the Science, Education, and Culture program. 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 the State's classrooms. The Department has been certified by the State Board of Education (Board) as a certificate renewal credit provider as part of the Board's recertification requirements for teachers. In Fiscal Year 2016, 147 teachers completed ENTICE training, and the Department awarded teachers 729 continuing professional education (CPE) hours.

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

The Department's State Museum and its branch facilities use 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 2016, the State Museum facilities had over 93,076 visitors up until its closure in October 2015. During Fiscal Year 2015, the State Museum facilities had over 392,942 visitors.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2016

Science, Education, and Culture (Continued)

The following are the Science, Education, and Culture program's input, output, and outcome indicators.

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
<u>Input Indicators</u>			
Total expenditures (in thousands)	\$13,589	\$30,525	\$22,281
Average monthly full-time employee equivalents	103	139	148
<u>Output Indicators</u>			
Number of user session on Illinois State Museum's websites (in thousands)	1,901,961	1,779,958	1,991,094
Number of teachers completing ENTICE training	147	258	285
Number of educational publications ordered and shipped	994,373	572,614	1,033,074
<u>Outcome Indicators</u>			
Number of continuing professional education (CPE) hours awarded to teacher via ENTICE and other programs	729	1,645	1,644
Attendance at Museum facilities ¹	93,076	392,942	360,363

¹ The decrease in attendance is due to the closure of the Illinois State Museum from October 2015 through June 2016.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
SCHEDULE OF INDIRECT REIMBURSEMENTS (NOT EXAMINED)
For the Fiscal Years Ended June 30, 2016
(expressed in thousands)

The indirect cost reimbursements are based on rates negotiated with the U.S. Department of the Interior, National Business Center. These indirect cost reimbursements provide funding for allowable program costs that are incurred for a common purpose and are not assignable to specific cost objectives. Indirect cost reimbursements are deposited into the following federal trust funds: Abandoned Mined Lands Reclamation Council Federal Trust Fund (991), Federal Surface Mining Control and Reclamation Fund (765), Mines and Minerals Underground Injection Control Fund (077), and National Flood Insurance Program Fund (855). The following are reimbursements deposited during Fiscal Years 2016 and 2015:

<u>Federal Programs/Grants</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
OFFICES OF MINES AND MINERALS		
Abandoned Mined Lands Reclamation (AML)	\$ 637	\$ 307
Federal Surface Mining Control (LRD)	71	71
Underground Injection Control (O&G)	-	3
OFFICE OF WATER RESOURCES		
National Flood Insurance/CAP-SSSE	-	66
Total Indirect Cost Reimbursements	<u>\$ 708</u>	<u>\$ 487</u>

The indirect cost rates established with the U.S. Department of the Interior, National Business Center for allocating indirect costs to federal award programs for Fiscal Years 2016 and 2015 are: 20.91% and 19.84% for the Office of Resource Conservation; 31.14% and 28.35% for the Office of Mines and Minerals; 30.69% and 32.34% for the Office of Water Resources; and 47.46% and 38.78% for the Office of Scientific Research and Analysis, respectively.

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
OPEN SPACE LANDS ACQUISITION AND DEVELOPMENT PROGRAM
(NOT EXAMINED)
For the Two Years Ended June 30, 2016

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

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

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

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

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

STATE OF ILLINOIS
DEPARTMENT OF NATURAL RESOURCES
OPEN SPACE LANDS ACQUISITION AND DEVELOPMENT PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

The OSLAD program was suspended effective January 27, 2016. There was no grant program offered for Fiscal Year 2016. Grants were awarded for Fiscal Year 2015; however, none of these grants were obligated. In-process projects awarded during prior fiscal years were funded during Fiscal Year 2015.

During Fiscal Years 2016, 2015, and 2014, the Department awarded grants under the OSLAD program as follows:

	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Total Grants Requested	-	118	80
Total Grants Awarded	-	72	41
Total Projects Awarded	\$ -	\$ 24,003,500	\$ 13,986,600
 <u>2016 Grant Projects</u>			
Total Expenditures	\$ -	N/A	N/A
 <u>2015 Grant Projects</u>			
Total Expenditures	\$ -	\$ -	N/A
 <u>2014 Grant Projects</u>			
Total Expenditures	\$ -	\$ 615,996	\$ -
 <u>2013 Grant Projects</u>			
Total Expenditures	\$ -	\$ 3,227,811	\$ 22,400
 <u>2012 Grant Projects</u>			
Total Expenditures	\$ -	\$ 6,073,481	\$ 2,732,846
 <u>2011 Grant Projects</u>			
Total Expenditures	\$ -	\$ 1,910,900	\$ 4,114,584
 <u>2010 Grant Projects</u>			
Total Expenditures	\$ -	\$ 400,000	\$ -
 <u>2009 Grant Projects</u>			
Total Expenditures	\$ -	\$ 894,681	\$ -