

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION
TRUST FUND COMMISSION**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020**

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

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Agency Officials		1
Management Assertion Letter		2
Compliance Report		
Summary		3
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		4
Schedule of Findings		
Current Finding - State Compliance		7
Prior Finding Not Repeated		10
Supplementary Information for State Compliance Purposes		
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures, and Lapsed Balances		
Fiscal Year 2020	1	11
Fiscal Year 2019	2	12
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances	3	13
Comparative Schedule of Net Expenditures by Major Activity	4	14
Comparative Schedule of Cash Receipts and Deposits into the State Treasury	5	15
Analysis of Operations (Not Examined)		
Analysis of Operations (Functions and Planning)		16
Analysis of Significant Variations in Expenditures		19
Analysis of Significant Variations in Receipts		20

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

AGENCY OFFICIALS

Environmental Protection Agency

Director (01/21/19 – Present)	Mr. John J. Kim
Director (07/01/18 – 01/20/19)	Mr. Alec Messina
Designee (11/20/20 – Present)	Mr. Jacob Poeschel
Designee (07/01/18 – 11/19/20)	Ms. Courtney L. Bott

Department of Natural Resources

Director (03/04/19 – Present)	Ms. Colleen Callahan
Director (07/01/18 – 03/03/19)	Mr. Wayne Rosenthal
Designee (05/01/19 – Present)	Mr. Brad Colantino
Designee (07/01/18 – 04/30/19)	Mr. Doug Florence

Pollution Control Board

Chair of the Board (08/15/19 – Present)	Ms. Barbara Flynn Currie
Chair of the Board (07/01/18 – 08/14/19)	Ms. Katie Papadimitriou
Designee (11/16/20 – Present)	Mr. Bruce Bennett
Designee (10/31/20 – 11/15/20)	Vacant
Designee (07/01/18 – 10/30/20)	Ms. Kathryn Griffin

Office of the Attorney General

Attorney General (01/14/19 – Present)	Honorable Kwame Raoul
Attorney General (07/01/18 – 01/13/19)	Honorable Lisa Madigan
Designee	Mr. Thaddeus Huskey

The Commission's administrative functions are performed by the State of Illinois, Environmental Protection Agency. The Agency's office is located at:

1021 North Grand Avenue East
Springfield, Illinois 62794



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

MANAGEMENT ASSERTION LETTER

June 24, 2021

Roth & Company, LLP
815 West Van Buren Street, Suite 500
Chicago, Illinois 60607

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Environmental Protection Trust Fund Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission’s compliance with the following specified requirements during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019 and June 30, 2020, the Commission has materially complied with the specified requirements below.

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Yours truly,

Environmental Protection Trust Fund Commission

John J. Kim
Director

Jacob Poeschel
Chief Financial Officer

Charles Gunnarson
Chief Legal Counsel

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2020

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Findings	1	2
Repeated Findings	1	2
Prior Recommendations Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDING (STATE COMPLIANCE)				
2020-001	7	2018/2010	Inadequate Controls over Accounts Receivable	Significant Deficiency and Noncompliance

PRIOR FINDING NOT REPEATED

A	10	2018/2014	Inadequate Controls over Receipts
---	----	-----------	-----------------------------------

EXIT CONFERENCE

The Environmental Trust Fund Commission waived an exit conference in a correspondence from John J. Kim, Director, on June 21, 2021. The response to the recommendation was provided by Ellen Jennings-Fairfield, Chief Internal Auditor, in a correspondence dated June 24, 2021.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Members
Environmental Protection Trust Fund Commission

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Environmental Protection Trust Fund Commission (Commission) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2020. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as item 2020-001.

The Commission's response to the compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Commission's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Internal Control Over Compliance

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control,

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2020-001 that we consider to be a significant deficiency.

There were no immaterial findings that have been excluded from this report.

The Commission's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Commission's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Commission's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019 in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Commission management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019 in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for year ended June 30, 2018, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

Chicago, Illinois
June 24, 2021

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Inadequate Controls over Accounts Receivable)

The Environmental Protection Trust Fund Commission (Commission) did not have adequate controls over the administration of its accounts receivable.

The Illinois Environmental Protection Agency (Agency) handles all financial activities for the Commission. The Agency was responsible for tracking, documenting, and following up on accounts receivable pertaining to penalties, court orders, and administrative citations for violating environmental laws and regulations. As of June 30, 2020, the Commission's accounts receivable balance was approximately \$20.6 million, of which approximately \$19.4 million had been due over one year.

During testing, the auditors noted the following:

- Twenty of 40 (50%) accounts receivable tested, totaling \$272,249, were over one year past due and had not been referred to the Office of Comptroller's (Comptroller) Offset System, the Department of Revenue's Debt Collection Bureau, or the Attorney General. In addition, two of 40 (5%) accounts receivable tested, totaling \$21,505, were over 90 days past due and the Commission had not sent notification letters to reaffirm the debt or referred the accounts to the Comptroller's Offset System. Further, for seven of 40 (18%) accounts receivable tested, totaling \$1,943,056, the Commission did not timely refer the accounts to the Comptroller's Offset System. The accounts were placed in the Comptroller's Offset System from 301 to 5,502 days after the due dates.

The Illinois State Collection Act of 1986 (Act) (30 ILCS 210/5(c-1)) and the Statewide Accounting Management System (SAMS) (Procedure 26.40.20) requires the Commission to place all debts over \$250 and more than 90 days past due in the Comptroller's Offset System. In addition, the Act (30 ILCS 210/5(g)) requires the Commission to refer qualifying delinquent debt to the Department of Revenue's Debt Collection Bureau. The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Commission, when it is unable to collect any claim or account receivable of \$1,000 or more due, request the Attorney General to certify the claim or account receivable to be uncollectible. The Commission's Accounts Receivable Management Policy and Guidance states that when a payment for an account receivable is past due ranging from 5-30 days past the initial due date, the Commission must send a minimum of one follow-up notice informing the debtor the debt is now past due and payment is required.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2020

- One of 40 (3%) accounts receivable tested, totaling \$20,000 was not established timely. The time elapsed from the due date to the set-up of the receivable was 197 days.

The Act (30 ILCS 210/3) requires the State to aggressively pursue the collection of accounts or claims due and payable to the State of Illinois through all reasonable means. In addition, good internal controls over accounts receivable includes promptly recording the amount due and beginning to pursue collection, as the likelihood of collection declines over time.

Commission officials stated they do not have federal identification numbers and other information required to pursue collection or write off action.

This finding was first reported during the period ended June 30, 2010. In the subsequent years, the Commission has been unsuccessful in fully implementing appropriate corrective action or procedures.

Failure to timely refer receivables to the Comptroller's Offset System and to the Department of Revenue's Debt Collection Bureau increases the likelihood that past due amounts owed to the Commission will not be collected or the collection will be further delayed. Failure to report uncollectible accounts to the Attorney General results in inaccurate accounts receivable reporting. Failure to timely and correctly establish accounts receivable and begin to collect accounts receivable could result in loss of revenues to the State. Failure to establish and maintain adequate internal controls over accounts receivable represents noncompliance with State laws and regulations. (Finding Code No. 2020-001, 2018-001, 2016-001, 2014-001, 12-1, 10-1)

RECOMMENDATION

We recommend the Commission pursue all reasonable and appropriate procedures to collect on outstanding debts as required by State laws and regulations. We also recommend the Commission ensure its accounts receivable balances are promptly recorded.

COMMISSION RESPONSE

Agree. The Commission acknowledges the repeated nature of the 2020-001 finding, and the need to resolve the issues of collection and timing associated with the management of the Commission's receipts and receivables. The Commission will pursue updating and implementing policy and procedure related to accounts receivable. The Commission will endeavor to obtain federal identification

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2020

numbers and other data needed to pursue timely collections and write-off of uncollectible receivables.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED
For the Two Years Ended June 30, 2020

A. FINDING (Inadequate Controls over Receipts)

During the prior engagement period, the Environmental Protection Trust Fund Commission (Commission) did not have adequate controls over its receipts.

During the current engagement period, our sample testing disclosed the Commission deposited its receipts timely. (Finding Code No. 2018-002, 2016-002, 2014-002)

SCHEDULE 1

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2020

For the Sixteen Months Ended October 31, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31, 2020	Balances Lapsed October 31, 2020
		Expenditures Through June 30, 2020	Expenditures July 1 to October 31, 2020		
FISCAL YEAR 2020					
<u>APPROPRIATED FUND</u>					
Environmental Protection Trust Fund - 845					
Administration	\$ 4,000,000	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 1,000,000
TOTAL - APPROPRIATED FUND	\$ 4,000,000	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 1,000,000

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Commission's records as of October 31, 2020 and have been reconciled to the State Comptroller's records as of October 31, 2020.

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

Note 3: The Environmental Protection Trust Fund (Fund 845) was appropriated to the State of Illinois, Environmental Protection Agency (Agency), and therefore, the appropriations and expenditures related to Fund 845 have also been reported in the Agency's appropriation schedules.

SCHEDULE 2

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2019

For the Seventeen Months Ended November 30, 2019

Public Act 100-0586	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to November 30, 2019	Total Expenditures November 30, 2019	Balances Lapsed November 30, 2019
FISCAL YEAR 2019					
<u>APPROPRIATED FUND</u>					
Environmental Protection Trust Fund - 845					
Administration	\$ 4,000,000	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 2,600,000
TOTAL - APPROPRIATED FUND	\$ 4,000,000	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 2,600,000

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Commission's records as of November 30, 2019 and have been reconciled to the State Comptroller's records as of November 30, 2019.

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

Note 3: The Environmental Protection Trust Fund (Fund 845) was appropriated to the State of Illinois, Environmental Protection Agency (Agency), and therefore, the appropriations and expenditures related to Fund 845 have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES

For the Fiscal Year Ended June 30,

	2020	2019	2018
<u>APPROPRIATED FUND</u>			
Environmental Protection Trust Fund - 845			
Expenditure Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Expenditures:			
Administration	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
Total Expenditures	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
Balances Lapsed	\$ 1,000,000	\$ 2,600,000	\$ 1,000,000
<u>TOTAL APPROPRIATED FUND</u>			
Expenditure Authority	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Expenditures	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
Balances Lapsed	\$ 1,000,000	\$ 2,600,000	\$ 1,000,000

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the Commission's records and have been reconciled to the State Comptroller's records as of October 31, 2020, and November 30, 2019.

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

Note 3: The Commission received appropriations during Fiscal Year 2020 from Public Act 101-007. In addition, the Commission received appropriations during Fiscal Year 2019 from Public Act 100-0586.

Note 4: The Environmental Protection Trust Fund (Fund 845) was appropriated to the State of Illinois, Environmental Protection Agency (Agency), and therefore, the appropriations and expenditures related to Fund 845 have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPARATIVE SCHEDULE OF NET EXPENDITURES
BY MAJOR ACTIVITY

For the Fiscal Year Ended June 30,

<u>EXPENDITURE STATISTICS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
All State Treasury Funds			
Total Awards and Grants Expenditures:	\$ 3,000,000	\$ 1,400,000	\$ 3,000,000
Percentage of Total Expenditures:	100%	100%	100%
TOTAL EXPENDITURES:	<u>\$ 3,000,000</u>	<u>\$ 1,400,000</u>	<u>\$ 3,000,000</u>

Note 1: Expenditures were obtained from the Commission's records and have been reconciled to the State Comptroller's records as of October 31, 2020, and November 30, 2019.

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

Note 3: The Environmental Protection Trust Fund (Fund 845) was appropriated to the State of Illinois, Environmental Protection Agency (Agency), and therefore, the appropriations and expenditures related to Fund 845 have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND DEPOSITS INTO THE STATE TREASURY

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
STATE TREASURY FUND			
Environmental Protection Trust Fund - 845			
Receipt Source:			
Penalty Payments	\$ 1,601,767	\$ 3,483,203	\$ 1,590,682
Interest on Past Due Penalties	3,684	1,433	202
Private Organization or Individual	-	2,248	-
Governor's Environmental Corps	-	-	139,823
Prior Year Receipt Transfer	-	(21,208)	-
Prior Year Refund	193,012	-	-
Total Receipts, per the Commission's Records	<u>\$ 1,798,463</u>	<u>\$ 3,465,676</u>	<u>\$ 1,730,707</u>
Receipts, per the Commission's Records	\$ 1,798,463	\$ 3,465,676	\$ 1,730,707
Deposits in transit, Beginning of the Fiscal Year	270,786	128,050	28,258
Deposits in transit, End of the Fiscal Year	<u>(14,810)</u>	<u>(270,786)</u>	<u>(128,050)</u>
Deposits, Recorded by the State Comptroller	<u>\$ 2,054,439</u>	<u>\$ 3,322,940</u>	<u>\$ 1,630,915</u>

Note: The Environmental Protection Trust Fund (Fund 845) was appropriated to the State of Illinois, Environmental Protection Agency (Agency), and therefore, the receipts related to Fund 845 have also been reported in the Agency's receipts schedules.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Environmental Protection Trust Fund Commission (Commission) is a separate entity from the Environmental Protection Agency (Agency). The Commission members (who can elect to appoint a designee) meet semi-annually and consist of the following:

Director of the Agency
Attorney General
Chairman of the Pollution Control Board
Director of the Department of Natural Resources

During the examination period the following individuals, or their designated representative, were members of the Commission:

Director of the Agency:

Member: John J. Kim
Designee: Jacob Poeschel

Director of the Department of Natural Resources:

Member: Colleen Callahan
Designee: Brad Colantino

Chairman of the Pollution Control Board:

Member: Barbara Flynn Currie
Designee: Bruce Bennett

Attorney General:

Member: Kwame Raoul
Designee: Thaddeus Huskey

Functions and Planning

The Commission was created by Public Act 81-951 on September 22, 1979 (effective January 1, 1980).

The Commission is statutorily authorized to accept, receive, and administer, on behalf of the State, any grants, gifts, loans, or other funds made available to the Commission from any source for the purpose of environmental protection and related enforcement programs.

The Commission has the authority to approve grants from the Environmental Protection Trust Fund to the Agency, the Department of Natural Resources (DNR), the Pollution Control Board (PCB), and the Office of the Attorney General in order to carry out its environmental protection and related enforcement program purposes.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The following are types of grants approved by the Commission:

1. Grants to the Agency for the enhancement of environmental protection and enforcement activities.
2. Grants to the DNR for projects relating to natural resources, research, protection, and education activities.
3. Grants to the PCB for the purpose of case processing and other activities.
4. Grants to the Office of the Attorney General for enhancement of environmental enforcement activities.

Grant Disbursements

	Fiscal Year		
	2020	2019	2018
Attorney General	\$ 750,000	\$ 350,000	\$ 750,000
Department of Natural Resources	\$ 750,000	\$ 350,000	\$ 750,000
Environmental Protection Agency	\$ 750,000	\$ 350,000	\$ 750,000
Pollution Control Board	\$ 750,000	\$ 350,000	\$ 750,000

The Commission developed a written, formal Program Plan, which discusses and defines:

- a) Powers of the Commission,
- b) Commission membership,
- c) Commission Chair,
- d) Receipt of funds,
- e) Commission goals, and
- f) Program plan

The Commission’s planning process is closely tied to the budget process. Each fall, the Commission members are notified by the Chairperson/Designee of the projected monies available. The member agencies provide project proposals which describe the project and the requested funding. The Commission uses these documents as the program plan for the fiscal year. A meeting is held in December to discuss and vote on the proposed projects and budget. Another meeting is held in June to pass the formal resolutions releasing the money for approved projects. The meeting agenda prepared for each meeting provides annual planning information, such as revenues and project information. Meeting minutes are taken and maintained by the Agency.

The proposed project descriptions include deadlines for completion of the projects with an informal agreement among Commission members that no project should exceed five years. The Commission requires annual project status reports to ensure grant monies are spent in accordance with awards.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Agencies have utilized the grant funds for a wide range of activities under the umbrella of environmental protection and enforcement, including environmental education, personnel, water sampling activities, technology and equipment upgrades, research on emerging environmental issues, and enhanced community outreach efforts.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Illinois Environmental Protection Trust Fund Commission (Commission) explanations for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed balances (Schedule 3) are detailed below. For the purpose of this analysis, fluctuations equal to or in excess of \$250,000 and 20% in expenditures were considered to be significant.

Fiscal Year 2020 Compared to Fiscal Year 2019

Environmental Protection Trust Fund - 845

Disbursements to agencies are based on funds available and grant amounts approved by the Commission. The increase in disbursements to agencies was due to higher grant amounts approved for Fiscal Year 2020.

Fiscal Year 2019 Compared to Fiscal Year 2018

Environmental Protection Trust Fund - 845

Disbursements to agencies are based on funds available and grant amounts approved by the Commission. The decrease in disbursements to agencies was due to lesser grant amounts approved for Fiscal Year 2019.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION TRUST FUND COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Illinois Environmental Protection Trust Fund Commission (Commission) explanations for significant fluctuations in receipts as presented in the Comparative Schedule of Cash Receipts and Deposits into the State Treasury (Schedule 5) are detailed below. For the purpose of this analysis, fluctuations equal to or in excess of \$250,000 and 20% in receipts were considered to be significant.

Fiscal Year 2020 Compared to Fiscal Year 2019

Environmental Protection Trust Fund - 845

Penalty Payments

The receipts are based on the number of referrals and penalties assessed by the Attorney General's Office. These receipts are expected to fluctuate, based upon the types of cases processed by the Attorney General.

Fiscal Year 2019 Compared to Fiscal Year 2018

Environmental Protection Trust Fund - 845

Penalty Payments

The receipts are based on the number of referrals and penalties assessed by the Attorney General's Office. These receipts are expected to fluctuate, based upon the types of cases processed by the Attorney General.