

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018**

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

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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AGENCY OFFICIALS

Director	John J. Kim (effective 5/31/19) John J. Kim, Acting (1/21/19 - 5/30/19) Alec Messina (through 1/20/19)
Deputy Director	Todd Rettig (effective 6/1/19) Laura Roche (4/11/18 – 5/31/19) Vacant (1/30/18 - 4/10/18) Donovan Griffith (7/16/17 - 1/29/18) Vacant (1/31/17 - 7/15/17) Ryan McCreery (through 1/30/17)
Chief of Staff	Laura Roche (effective 6/1/19)
Chief Legal Counsel	Dana Vetterhoffer, Acting (effective 2/28/19) Vacant (1/21/19 - 2/27/19) John J. Kim (through 1/20/19)
Chief Financial Officer	Courtney L. Bott (effective 10/16/17) Vacant (9/23/17 - 10/15/17) Carol Radwine (through 9/22/17)
Chief Internal Auditor	James Froehner (effective 2/1/19) Vacant (12/4/18 - 1/31/19) Max Paller (through 12/3/18)

The Agency's headquarter 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 17, 2019

E.C. Ortiz & Co., LLP
333 South Des Plaines Street, Suite 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Environmental Protection Agency. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Illinois Environmental Protection Agency's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2018 and June 30, 2017, the Illinois Environmental Protection Agency has materially complied with the assertions below.

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

4302 N. Main Street, Rockford, IL 61103 (815) 987-7760
595 S. State Street, Elgin, IL 60123 (847) 608-3131
2125 S. First Street, Champaign, IL 61820 (217) 278-5800
2009 Mall Street Collinsville, IL 62234 (618) 346-5120

9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
100 W. Randolph Street, Suite 4-500, Chicago, IL 60601

Yours truly,

Illinois Environmental Protection Agency

SIGNED ORIGINAL ON FILE

John J. Kim
Director

SIGNED ORIGINAL ON FILE

Courtney L. Bott
Chief Financial Officer

SIGNED ORIGINAL ON FILE

Anwar (AJ) Johnson
Deputy Chief Legal Counsel

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
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 For the Two Years Ended June 30, 2018

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>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	10	6
Repeated findings	4	5
Prior recommendations implemented or not repeated	2	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	10	Inadequate Controls over State Vehicles	Noncompliance and Significant Deficiency
2018-002	15	Inadequate Controls over Equipment	Noncompliance and Significant Deficiency
2018-003	18	Inadequate Controls over Accounts Receivable	Noncompliance and Significant Deficiency
2018-004	20	Inadequate Controls over Personal Services	Noncompliance and Significant Deficiency
2018-005	24	Inadequate Controls over Awards and Grants	Noncompliance and Significant Deficiency

STATE OF ILLINOIS
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 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2018

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2018-006	26	Inadequate Controls over Monthly Reconciliations	Noncompliance and Significant Deficiency
2018-007	28	Lack of Controls over Contracts	Noncompliance and Significant Deficiency
2018-008	30	Inadequate Controls over Voucher Processing	Noncompliance and Significant Deficiency
2018-009	34	Noncompliance with Statutory Requirements in Providing Public Notices	Noncompliance and Significant Deficiency
2018-010	36	Inadequate Change Management Procedures	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	37	Insufficient Number of Members on a Council
B	37	Noncompliance with the Fiscal Control and Internal Auditing Act

EXIT CONFERENCE

The Agency waived an exit conference in a correspondence from James Froehner, Chief Internal Auditor, on May 30, 2019. The responses to the recommendations were provided by James Froehner, Chief Internal Auditor, in a correspondence dated June 13, 2019.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Environmental Protection Agency's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2018. The management of the State of Illinois, Environmental Protection Agency is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Environmental Protection Agency's compliance based on our examination.

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

In our opinion, the State of Illinois, Environmental Protection Agency complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2018-001 through 2018-010.

The State of Illinois, Environmental Protection Agency's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Environmental Protection Agency's 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, Environmental Protection Agency 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, Environmental Protection Agency's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Environmental Protection Agency's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois,

Environmental Protection Agency's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2018-001 through 2018-010, that we consider to be significant deficiencies.

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

The State of Illinois, Environmental Protection Agency's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Environmental Protection Agency's 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, 2018 and June 20, 2017 in Schedules 1 through 6 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, 2018 and June 20, 2017 accompanying supplementary information in Schedules 1 through 6. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016 accompanying supplementary information in Schedules 3 through 6 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

Chicago, Illinois

June 17, 2019

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF FINDINGS
 For the Two Years Ended June 30, 2018

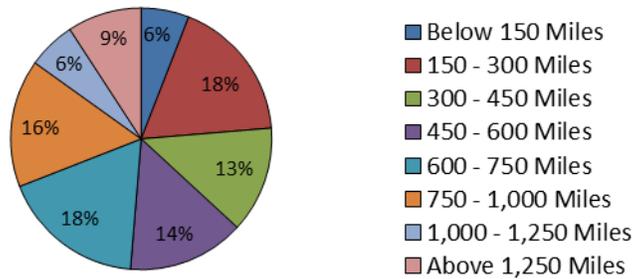
2018-001. **FINDING** (Inadequate Controls over State Vehicles)

The Environmental Protection Agency (Agency) did not exercise adequate internal control over automobiles. As of June 30, 2018, the Agency had 152 vehicles.

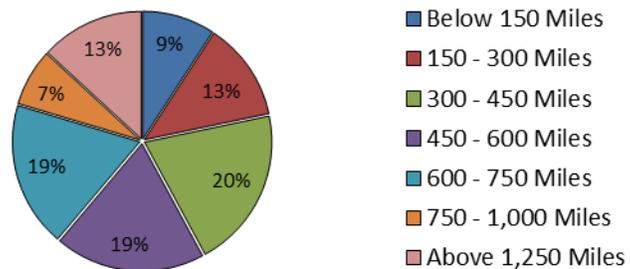
During testing, the auditors noted the following:

- The Agency has not performed an analysis of its automobiles to determine whether maintaining each vehicle can be justified as the most cost effective solution for the specific operational needs of the Agency. The auditors analyzed the total activity of the Agency’s 152 vehicles used during Fiscal Years 2017 and 2018. The Agency’s vehicles traveled between 85 and 33,809 miles during Fiscal Year 2017 and 16 and 30,750 miles during Fiscal Year 2018, with the following charts showing the average monthly vehicle utilization:

**FY17 PERCENTAGE OF AGENCY VEHICLES BY
 AVERAGE MILEAGE PER MONTH**



**FY18 PERCENTAGE OF AGENCY VEHICLES BY
 AVERAGE MILEAGE PER MONTH**



STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
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Further, we noted the following apparently underutilized vehicles during Fiscal Years 2017 and 2018:

Fiscal Year 2017

Year	Make	Odometer on 6/30/17	FY17 Total Usage	FY17 Average Monthly Usage
2002	CHEVROLET	99,508	1,182	99
2003	FORD	107,179	859	72
1998	FORD	110,416	85	7
1998	FORD	73,952	253	21
2001	FORD	63,658	413	34
2008	CHEVROLET	176,683	396	33
2007	TOYOTA	165,329	1,103	92
2007	FORD	27,082	1,665	139
2010	FORD	27,865	1,664	139

Fiscal Year 2018

Year	Make	Odometer on 6/30/18	FY18 Total Usage	FY18 Average Monthly Usage
2002	CHEVROLET	100,587	1,079	90
2002	CHEVROLET	161,212	1,474	123
2002	FORD	102,555	1,498	125
1998	FORD	110,433	17	1
1998	FORD	74,940	988	82
2001	DODGE	127,336	1,678	140
2001	DODGE	122,895	224	19
2001	FORD	63,674	16	1
2006	FORD	82,239	1,690	141
2007	DODGE	148,157	789	66
2007	FORD	28,589	1,507	126
2008	FORD	99,183	1,673	139
2008	DODGE	82,085	1,626	136
2011	CHEVROLET	24,303	1,785	149

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently and effectively. Good internal control over vehicles includes performing an economic break-even analysis and keeping vehicles when the vehicle can be

STATE OF ILLINOIS
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used at or beyond that level or when the Agency can justify why a less than economic break-even is necessary because there is no other alternative available to carry out the Agency's mission.

Additionally, the Code (44 Ill. Admin. Code 5010.620) requires the Agency to regularly survey its inventory to identify transferable equipment that is no longer needed and/or useful to the Agency and report it to the Property Control Division of the Department of Central Management Services (CMS).

Agency officials stated, as they did during the prior year engagement, they believe the vehicles are adequately utilized for the Agency's needs, as some vehicles are equipped for specialized functions such as emergency response and environmental testing. The auditors noted the Agency should consider these factors in performing and documenting its analysis of each vehicle in determining whether it is the most effective solution for the Agency's specific operational needs, as the Agency does not have a formal process to reach this conclusion for all its vehicles.

- The Agency did not ensure its vehicles were properly maintained during the examination period. The auditors reviewed the maintenance records for 16 vehicles and noted the following:
 - Eight (50%) vehicles tested did not have routine oil changes performed on a timely basis, and
 - Eight (50%) vehicles tested did not receive tire rotations at the required interval.

The Code (44 Ill. Adm. Code 5040.400) requires the Agency to ensure its owned or leased vehicles undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition.

During the prior engagement, Agency officials stated the lack of maintenance was due to oversight. During the current engagement, Agency officials stated there was confusion over the service interval thresholds.

- The Agency did not exercise adequate control over annual certifications of licensure and automobile liability insurance coverage (certifications). The auditors noted the following:

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For the Two Years Ended June 30, 2018

- Ten of 25 (40%) employees tested did not have the Fiscal Year 2017 certifications on file at the Agency.
- Thirteen of 25 (52%) employees tested submitted the certifications late. During Fiscal Year 2017, two certifications were submitted 9 and 32 days late, and 11 certifications were submitted from 281 to 302 days late in Fiscal Year 2018.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee assigned to a specific vehicle owned or leased by the State on an ongoing basis affirm the driver is duly licensed and has liability insurance coverage extending to the vehicle when it is used for other than official State business. The certification must be filed during July each year or within 30 days of any new assignment of a vehicle, on an ongoing basis, whichever is later.

Agency officials stated, as they did during the prior engagement, the Agency's policy was to request the certifications once and the employee would notify the Agency if there were any changes.

- The Agency did not ensure that commuting miles reported by the employees were properly reported in the payroll. For six of seven (86%) employees tested, commuting miles did not agree with the fringe benefit values reported in the payroll, resulting in understatements of reported fringe benefit payments for tax purposes totaling \$129 and \$12 in Fiscal Years 2017 and Fiscal Year 2018, respectively, and overstatements totaling \$41 and \$2 in Fiscal Years 2017 and 2018.

The Internal Revenue Services' Employer's Tax Guide to Fringe Benefits (Publication 15-B) states that any commute an individual makes with an assigned vehicle is considered a fringe benefit and is to be valued at \$1.50 per one-way commute. Fringe benefits are to be included in the employee's wages for tax purposes.

Agency officials stated the discrepancies were due to human error and taking information from the Vehicle Maintenance Database and communicating it to the Payroll Division.

Failure to perform an analysis of the Agency's vehicles to determine whether maintaining each vehicle can be justified as the most cost effective solution for the specific operational needs of the Agency could result in unnecessary use of State funds to acquire and maintain vehicles not necessary for operations. Further, the failure to properly monitor vehicle maintenance could result in the State incurring added costs

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For the Two Years Ended June 30, 2018

through additional repairs to, and reduced lives of, vehicles. Failure to timely obtain each driver's annual certification of licensure and automobile liability insurance coverage as required by State law could expose the Agency to unnecessary litigation risks. Improper reporting of fringe benefits results in inaccurate reporting of employee wages reported for tax purposes. (Finding Code No. 2018-001, 2016-001, 2014-001)

RECOMMENDATION

We recommend the Agency perform an analysis of its automobiles to determine whether each vehicle can be justified as the most effective solution for the Agency's specific operational needs. Further, the Agency should review its internal controls over monitoring its fleet to ensure vehicles receive timely maintenance. Finally, the Agency should timely obtain the annual certification of licensure and automobile liability insurance coverage and ensure fringe benefits are accurately reported in the payroll to comply with laws and regulations.

AGENCY RESPONSE

Agree. The Agency will create a procedure to analyze and document the need for vehicles which are needed but underutilized. The Agency will continue to improve monitoring automobile maintenance and have implemented new policies to have all employees submit annual certification for Fiscal Year 2020. New procedures are being implemented to capture all information for reporting fringe benefits.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
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For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Inadequate Controls over Equipment)

The Environmental Protection Agency (Agency) did not maintain adequate controls over equipment. Additionally, the Agency did not accurately report depreciation expenses.

During testing, the auditors noted the following:

- Six of 40 (15%) equipment additions tested, totaling \$66,747, were recorded on the Agency's property control records from 21 to 254 days late. In addition, three of 40 (8%) equipment deletions tested, totaling \$2,589, were removed from the Agency's property control records from 528 to 1,101 days late. The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires the Agency to adjust its property records within 30 days of acquisition, change, or deletion of equipment items.
- Three of 80 (4%) equipment items tested, totaling \$7,532, appeared to be obsolete. The Code (44 Ill. Admin. Code 5010.620(a)) requires the Agency to regularly survey its inventories for transferable equipment that is no longer needed or usable by the agency and report the transferable equipment to the Department of Central Management Services.
- One of 80 (1%) equipment items, totaling \$5,797, selected from the Agency's property listing was unable to be physically located. Additionally, two of 15 (13%) laptops tested could not be located. The State Property Control Act (30 ILCS 605/4) requires the Agency to be accountable for the supervision, control, and inventory of all property under its jurisdiction and control. In addition, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Agency to maintain current detail records supporting its reporting to the Office of the State Comptroller.
- For one of 80 (1%) equipment items tested, totaling \$66,606, the property records were not updated to reflect the current location. The Agency subsequently adjusted the property records upon notification by the auditors. The State Property Control Act (30 ILCS 605/4) requires the Agency to be accountable for the supervision, control, and inventory of all property under its jurisdiction and control.

STATE OF ILLINOIS
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- One of 80 (1%) items observed, a shelter for a beta particulate monitor, totaling \$13,639, did not have a property tag. The Code (44 Ill. Admin. Code 5010.210) requires the Agency to mark that each piece of State-owned equipment in its possession is the property of the State by applying the Agency's inventory decal or indelibly marking the item.
- For one of 23 (4%) State property vouchers tested, totaling \$8,921, the Agency failed to include the equipment item, a turbo vap, in the Agency property control records. The item was purchased on January 2017 but was not entered into the Agency property listings as of June 30, 2018. The Code (44 Ill. Adm. Code 5010.400) requires the Agency to adjust its property records within 30 days of acquisition, change, or deletion of equipment items.
- For 19 of 42 (45%) new capital asset additions during Fiscal Year 2018, depreciation start dates were inaccurately recorded in the Enterprise Resource Planning (ERP) Asset Accounting System. The inaccuracies resulted in an understatement of depreciation at June 30, 2018, of \$15,035. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system of internal fiscal and administrative controls to ensure resources are utilized efficiently, effectively, and in compliance with applicable law and to ensure revenues, expenditures, and transfers of assets, resources, or 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 State's resources.

During the prior engagement period, Agency officials stated the exceptions were attributed to the property control staff member responsible for the equipment being out on leave, and duties were not being reassigned during this time. During the current engagement period, Agency officials stated the Property Control Officer was not notified when equipment additions had been tagged or that property items were obsolete. The depreciation discrepancies were due to human error and oversight.

Failure to exercise adequate controls over State property and maintain accurate property control records increases the risk of loss, misappropriation, and inaccurate information being submitted to the Office of the State Comptroller. (Finding Code No. 2018-002, 2016-002, 2014-002)

STATE OF ILLINOIS
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For the Two Years Ended June 30, 2018

RECOMMENDATION

We recommend the Agency implement procedures to strengthen controls over equipment and ensure accurate recordkeeping and accountability for all State property.

AGENCY RESPONSE

Agree. The Agency will continue to work on accurately and timely reporting equipment by strengthening policies and procedures. In addition, the Agency created a position to assist in the process to help review and ensure items are recorded accurately and timely.

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For the Two Years Ended June 30, 2018

2018-003. **FINDING** (Inadequate Controls over Accounts Receivable)

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

Excluding receivables from the Water Revolving Fund and the Environmental Trust Fund Commission Fund, the Agency reported \$40.9 million in accounts receivable, of which \$11.5 million was over one year past due, as of June 30, 2018, and \$54 million, of which \$22.3 million was over one year past due, as of June 30, 2017.

While the auditors noted some improvements from the Agency's last engagement as the auditors' testing indicated the Agency correctly reported its accounts receivable balances, the auditors continued to note the following inadequate controls over accounts receivables:

- Nineteen of 40 (48%) accounts receivable tested, totaling \$5,220,800, were over 90 days past due and had not been referred to the Office of Comptroller's (Comptroller) Offset System or the Department of Revenue's Debt Collection Bureau (Bureau). 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) require the Agency 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 Agency to refer qualifying delinquent debt to the Bureau.
- Sixteen of 40 (40%) accounts receivable tested, had balances totaling \$5,189,324 that were over one year old and were not referred to the Attorney General for write off. In addition, the Agency did not make active collection efforts on 11 of 40 (28%) accounts receivable tested, totaling \$5,123,225, that were over one year old. The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Agency, when it is unable to collect any claim or account receivable of \$1,000 or more, request the Attorney General to certify the claim or account receivable to be uncollectible. The Illinois State Collection Act of 1986 (30 ILCS 210/3) and SAMS (Procedure 26.40.10) require the Agency to pursue the collection of accounts or claims due and payable to the Agency through all reasonable and appropriate procedures.

During the prior engagement, Agency officials stated the deficiencies were mainly due to staffing shortages, employee retirements, and system errors. During the current engagement, Agency officials stated they do not have federal identification numbers and other information required to pursue collection or write-off action.

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Failure to timely refer receivables to the Bureau and to the Comptroller's Offset System increases the likelihood that past due amounts owed to the Agency will not be collected or that collection will be further delayed. Failure to report uncollectible accounts to the Attorney General results in the Agency not writing off accounts receivable balances and the corresponding allowance for doubtful accounts, resulting in an overstatement of these balances in the Agency's accounts receivable reports. Failure to make collection efforts increases the risk of loss of revenues. In addition, failure to establish and maintain adequate internal controls over accounts receivable represents noncompliance with State laws and regulations. (Finding Code No. 2018-003, 2016-003, 2014-004)

RECOMMENDATION

We recommend the Agency pursue all reasonable and appropriate procedures to collect on outstanding debts as required by State laws and regulations.

AGENCY RESPONSE

Agree. The Agency staff continues to improve collections with the focus on current billings. The Agency will work with the Department of Revenue on referring qualifying debt to the Bureau of Debt Collection. In addition, the Fiscal Division is working with the Legal Department on obtaining necessary information to place old debt in the Comptroller's Offset System or process write-offs with the Attorney General's Office.

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2018-004. **FINDING** (Inadequate Controls over Personal Services)

The Environmental Protection Agency (Agency) failed to maintain proper controls over personal services.

During testing, auditors noted the following:

- Twenty of 40 (50%) employees tested did not have performance evaluations for the evaluation period tested. Additionally, 13 of 40 (33%) employees tested had performance evaluations not completed within 30 days after the end of the evaluation period. The delinquencies ranged from five to 393 days late.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 302.270(d)) requires the Agency to evaluate certified employees no less often than annually. Additionally, the Code (80 Ill. Admin. Code 302.270(b)) requires the Agency to conduct two evaluations for any employee serving a six month probationary period, one at the end of the third month of the employee's probationary period and another 15 days before the conclusion thereof.

Agency officials stated, as they did during the prior engagement period, they continue to face challenges in performing administrative functions as the structure of the Agency does not have enough management employees outside of the union to perform timely evaluations. In addition, performance evaluations have little impact on the majority of employees as 93% of the Agency's employees are in a bargaining unit and salary increases are not dependent upon performance. The Agency utilizes performance evaluations as necessary to address performance issues in a disciplinary action.

- Four of 40 (10%) employee files tested had missing signed withholding authorizations for union dues. One of these employees also did not have a signed authorization for a miscellaneous insurance deduction on file.

The State Salary and Annuity Withholdings Act (5 ILCS 365/4) permits an employee to authorize the withholding of a portion of their salary for one or more purposes including payment of insurance premiums on life or accident and health insurance, dues to any association, or credit union. The Comptroller's Statewide Accounting Management System (SAMS) (Procedure 23.20.30) requires the employee to complete a Payroll Deduction Authorization form for these deductions.

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Agency officials stated the payroll deduction forms may have been misplaced since these belonged to employees who have been employed with the Agency for a long period of time. Agency officials stated the deductions in question were approved by the employees.

- One of 10 (10%) separated employees tested did not have an Employee Exit Checklist completed.

The Agency's Employee Separation policy (Policy) on Chapter 4, Section 12, of the Employee Handbook requires the employee who plans to separate from the Agency to notify his or her supervisor not less than 14 calendar days prior to the separation date. Upon notification, the supervisor will provide the employee with an Employee Exit Checklist, Employee Exit Payroll Information, and an Employee Exit Questionnaire. It is mandatory for the employee to complete the exit checklist and exit payroll information.

Agency officials stated the exit form for this employee could not be located.

- For 13 of 40 (33%) employees tested, 37 overtime requests totaling 152 hours were not properly approved by the supervisors. These requests were approved from two to 11 days after the overtime was worked or the request submitted. In addition, for seven of 40 (18%) employees tested, 18 overtime requests totaling 87 hours were submitted and entered in the Timekeeping System from two to 10 days after the overtime was worked.

The Agency's Overtime policy, Chapter 6, Section 8, of the Employee Handbook states that a supervisor is expected to plan for overtime and to obtain prior approval from the appropriate Bureau, Division of Office head or designee. A request for approval should be submitted on the Agency's Overtime Approval Form and the need and justification for overtime should be clearly identified. An employee required by circumstances beyond his or her control to work unplanned and previously unapproved overtime shall notify his or her supervisor as soon as practical. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure resources are utilized efficiently and effectively.

Agency officials stated overtime can and is given verbal approval before requested in the timekeeping system.

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- The figures reported on the Agency Workforce Reports (Reports), filed during the examination period, did not agree to the supporting documentation provided. Discrepancies were noted on the data and statistical percentages presented for seven of 16 (44%) employee groups in the 2016 Report and eight of 16 (50%) employee groups in the 2017 Report.

The State Employment Records Act (Act) (5 ILCS 410 et seq.) requires State agencies to collect, classify, maintain, and report certain employment statistics for women, disabled, and minority groups.

Agency officials stated the discrepancies were due to human error as the reports were compiled manually.

Performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Inadequate maintenance of employee personnel files may result in personnel and payroll related issues not being resolved timely due to the absence of supporting documents. Failure to maintain adequate employee payroll deduction records may result in inaccurate or unauthorized deductions. Failure to ensure exit forms are prepared is noncompliance with the Employee Handbook. Failure to ensure pre-approval overtime requests are timely submitted and properly approved in advance undermines accountability controls and increases the risk the Agency will pay unnecessary personal service expenditures. Failure to file accurate information on the Agency Workforce Report prevents the appropriate oversight authorities from receiving relevant feedback and monitoring of programs and can decrease the effectiveness of future decisions when accurate information is not available. (Finding Code No. 2018-004, 2016-004, 2014-006, 12-2, 10-1, 08-3, 06-1, 04-2, 02-1, 00-1, 99-4, 98-5, 96-7, 94-9)

RECOMMENDATION

We recommend the Agency:

- Take appropriate action to ensure performance evaluations are conducted annually, as required by State regulations.
- Ensure its personnel files contain all required payroll deduction and withholding documentation and obtain the missing documents from the employees.
- Ensure overtime pre-approval requests are timely submitted, properly approved in advance, and documentation of pre-approval is maintained.

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- Strengthen its controls over the completion and review of the Agency Workforce Reports to ensure accurate information is reported.
- File corrected Agency Workforce Reports to comply with the Illinois State Auditing Act (30 ILCS 5/3-2.2) within 30 days of the examination release.

AGENCY RESPONSE

Agree. The Agency has implemented an evaluation reminder system that tracks and monitors when evaluations are due. As time allows, Agency staff will review files to ensure all documentation is noted. The Agency Workforce Report will be reviewed prior to submission and the Agency will communicate to staff to timely document overtime request and approval.

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2018-005. **FINDING** (Inadequate Controls over Awards and Grants)

The Environmental Protection Agency (Agency) did not adequately administer and monitor its awards and grants programs.

The Agency expended \$779 million (82%) and \$771 million (82%) for awards and grants of its total expenditures of approximately \$952 million and \$937 million during Fiscal Year 2017 and Fiscal Year 2018, respectively. The auditors sampled nine grant programs: Leaking Underground Storage Tanks (LUST), Clean Water State Revolving Fund Program, Drinking Water State Revolving Fund Program, Solid Waste Enforcement Grant Program (Delegated County), Clean Diesel Grant Program, Municipal Brownfields Redevelopment Grant Program, Build Illinois Bond Fund Grant, Nonpoint Source Management Program, and the Alternate Fuel Program. For the nine grant programs selected for testing, 40 grant agreements totaling \$53,830,850 were reviewed.

- For five of 40 (13%) grant agreements tested, seven quarterly progress reports did not have evidence of a review by Agency personnel.
- For three of 40 (8%) grant agreements tested, five quarterly progress reports were submitted to the Agency from eight to 56 days late after the deadline.
- For one of 40 (3%) grant agreements tested, no quarterly progress reports were submitted to the Agency by the grantee.
- Two of 40 (5%) grant agreements tested were executed from 23 days to 31 days after the service period start date.

The State Records Act (5 ILCS 160/8) requires the Agency to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.

Agency officials attributed the deficiencies noted to oversight.

Failure to ensure that grantees timely submit the required reports and document the timely reviews of grantees' quarterly progress reports by Agency personnel decreases

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the Agency's accountability over funds granted and increases the risk of noncompliance with the provisions of the grant agreements. Further, the untimely receipt of quarterly progress reports inhibits the Agency's ability to effectively track project completeness and milestones. As a result, funds could remain unspent, untimely recovered, or be utilized for activities other than the intended purpose without detection by the Agency. (Finding Code No. 2018-005)

RECOMMENDATION

We recommend the Agency strengthen its controls to ensure documentation and timely review of grantee's quarterly progress reports are maintained. In addition, the Agency should ensure grantees timely submit the progress reports and other required reports to comply with the provisions of the grant agreements.

AGENCY RESPONSE

Agree. The Agency has implemented new procedures to track when reports are due, received, and reviewed by the staff.

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2018-006. **FINDING** (Inadequate Controls over Monthly Reconciliations)

The Environmental Protection Agency (Agency) did not maintain adequate controls over its monthly appropriation, cash balance, and revenue reconciliations.

During testing of monthly reconciliations between the Office of the Comptroller (Comptroller) records and Agency records, the auditors noted the following:

- Thirteen of 32 (41%) required monthly reconciliations of Agency expenditure records to the Monthly Appropriation Status Report (SBO1) tested were not performed during the engagement period. All 13 SBO1 reconciliations pertained to Fiscal Year 2017.
- Twenty-three of 24 (96%) required monthly reconciliations of the ending balance of available cash to the Comptroller's Monthly Cash Report (SBO5) tested were not performed during the engagement period.
- Nine of 24 (38%) required monthly reconciliations of Agency receipts to the Comptroller's Monthly Revenue Status Report (SBO4) tested were not performed during the engagement period. All nine SBO4 reconciliations pertained to Fiscal Year 2017.
- There was no documentation of the date the reconciliations were completed therefore, the auditors were unable to determine if the monthly reconciliations were performed timely. Further, there was no documentation of which employee prepared the reconciliations and performed the supervisory review. The auditors also noted numerous unreconciled differences that were not addressed.

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) states "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." SAMS (Procedure 11.40.20, Procedure 09.40.30, and Procedure 25.40.20) require the Agency to perform a monthly reconciliation of appropriations, cash balances, and revenues on a timely basis and notify the Comptroller of any unreconcilable differences so necessary corrective action can be taken to locate the differences and correct the accounting records. In addition, SAMS (Procedure 02.50.10) requires supervisors to review and approve the assigned work of their staff to minimize errors.

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Agency officials stated the reconciliations were not performed due to complications with the implementation of the Enterprise Resource Planning System (ERP) and reporting capabilities. In addition, the reconciliations were not dated when they were completed and reviewed due to oversight.

Failure to document the timely and accurate reconciliation between Agency and Comptroller records impairs the Agency's and the Comptroller's abilities to take corrective action to ensure the accurate accounting of Agency expenditures, cash balances, and receipts. (Finding Code No. 2018-006)

RECOMMENDATION

We recommend the Agency maintain documentation of the timely completion and supervisory review of its reconciliation of expenditures, cash balances, and receipts and ensure unreconciled differences are reported promptly to the Comptroller's Office.

AGENCY RESPONSE

Agree. The Agency implemented procedures in December 2018 to ensure all reconciliations are performed on a monthly-basis and documented with preparer and date of completion to ensure differences are corrected in a timely manner.

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2018-007. **FINDING** (Lack of Controls over Contracts)

The Illinois Environmental Protection Agency (Agency) did not maintain adequate controls over contracts to ensure they were timely filed, properly approved, and accurately reported.

During testing, the auditors noted the following:

- Four of 40 (10%) contracts tested, totaling \$420,454, were not timely filed with the Office of the Comptroller (Comptroller). The contracts were filed from 21 to 96 days late. In addition, the Agency did not file Late Filing Affidavits.

The Statewide Accounting Management System (SAMS) Manual (Procedure 15.10.40) requires the Office to file, with the Comptroller, a copy of a contract purchase order, grant, lease, cancellation or modification within 30 days of execution. Where a contract liability or cancellation or modification has not been filed within 30 days of execution, State Agencies must file an affidavit with the Comptroller. The affidavit must be signed by the chief executive officer of the agency or his designee, setting forth an explanation of why the contract liability was not filed within 30 days of execution.

- One of 40 (3%) contracts tested, totaling \$2,500,000, contained an incorrect maximum amount reported in the Contract Obligation Document (COD). The maximum amount entered on the COD was the amount of obligation set up for the current fiscal year.

SAMS (Procedure 15.20.10) requires the contract obligation document to be used to obligate contracts, leases, purchase orders, sub-orders, and printing orders and must contain all of the data elements required by the SAMS Manual including the maximum contract amount. The maximum amount is the total of current and future year amounts for the obligation.

- One of 37 (3%) interagency agreements tested, totaling \$329,675, was not approved in writing by the Chief Executive Officer, the Chief Fiscal Officer and the Chief Legal Counsel as required.

The State Finance Act (30 ILCS 105/9.02(a)) requires any new contract, contract renewal, order against a master contract, or any contract amendment of \$250,000 or more in a fiscal year, to be signed or approved in writing by the agency's chief executive officer, the chief legal counsel, and the chief fiscal officer.

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- Nineteen of 37 (51%) interagency agreements tested, totaling \$4,230,528, were executed subsequent to the performance of services. The agreement execution dates ranged from 17 days to 243 days late.

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

Agency officials stated the late filing issues were due to issues in setting up the obligations in the Enterprise Resource Planning (ERP) System. The other deficiencies were caused by oversight.

Failure to file contracts in a timely manner and submit late filing affidavits as required is noncompliance with SAMS. Inaccurate information on the COD could result in misleading information in both the Agency and the Comptroller records and a lack of accountability by the Agency. Failure to obtain proper signatory approval on contracts over \$250,000 could lead to misappropriation of funds or a significant commitment of Agency funds without the knowledge and authorization of top management. Failure to fully execute a contract prior to the commencement of services leaves the Agency vulnerable to unnecessary liabilities and potential legal issues. (Finding Code No. 2018-007)

RECOMMENDATION

We recommend the Agency strengthen and monitor controls to ensure the timely execution and the accurate filing of contracts and related documents, including ensuring Late Filing Affidavits are filed when necessary. We also recommend the Agency ensure appropriate signatory approvals are obtained on all contracts over \$250,000.

AGENCY RESPONSE

Agree. The Agency will strengthen and monitor controls to ensure the timely execution and the accurate filing of contracts and related documents, including ensuring Late Filing Affidavits are filed when necessary. The Agency will ensure appropriate signatory approvals are obtained on all contracts over \$250,000 and agreements are signed prior to services being provided.

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2018-008. **FINDING** (Inadequate Controls over Voucher Processing)

The Environmental Protection Agency (Agency) did not exercise adequate controls over voucher processing.

During testing of invoice vouchers processed during the examination period, the auditors noted the following:

- Forty-seven of 323 (15%) vouchers tested, totaling \$4,999,135, were approved from one to 199 days late.

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

- Eleven of 323 (3%) vouchers tested, totaling \$393,709, were not coded with the proper detail object code.

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

- Six of 323 (2%) vouchers tested, totaling \$232,280, were not paid within the timeframes required by the State Prompt Payment Act (Act), and the Agency did not pay \$2,527 in accrued interest.

The Act (30 ILCS 540/3-2) requires the Agency, when the bill is not paid within 90 days after receipt of a proper bill or invoice, to pay interest at the rate of 1% per month until the bill is paid.

- Five of 23 (22%) out-of-State travel requests tested, totaling \$6,029, were not submitted in a timely manner. The Agency submitted the request to the Governor's Office of Management and Budget (Office) for approval from two to 51 days late.

The Code (80 Ill. Admin. Code 2800.700) requires, for travel outside of Illinois, all requests to be submitted to the Office's on-line system, (eTravel), at least 30 days in advance of the departure date.

- For one of 23 (4%) out-of-State travel vouchers tested, totaling \$1,797, the Agency did not retain and maintain documentation supporting the submission of the travel request to the Office.

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The State Records Act (5 ILCS 160/8) requires the Agency to make and preserve adequate and proper documentation of the essential transactions of the Agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Agency's activities.

- Two of 40 (5%) travel vouchers tested, totaling \$2,542, were not submitted in a timely manner. The travel vouchers were submitted from 13 to 274 days late.

The Agency's Travel Vouchers Policy, Chapter 9 Section 3 of the Employee Handbook, requires employees to submit travel vouchers within one month after the completion of the travel for which reimbursement is sought.

- For two of 40 (5%) travel vouchers tested, totaling \$1,179, the Agency failed to comply with the travel rules of the Governor's Travel Control Board (GTCB) on lodging allowances and exceptions. The lodging expenses exceeded the maximum rate and the travelers failed to contact the required number of preferred hotels. Further, the Agency failed to obtain an exception approval from the GTCB for these two trips.

The GTCB Travel Guide for State of Illinois Employees requires the lowest available lodging rate be obtained when traveling on official State business. If lodging expenses exceed the maximum amount, the employee needs to request an exception to the allowable lodging rate from the GTCB. The GTCB Travel Guide requires agencies to process requests for excessive lodging charges without approval from the GTCB provided the request is in compliance with the travel rules.

- One of 10 (10%) top travelers tested received a duplicate travel reimbursement totaling \$178.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls over voucher processing include ensuring procedures are in place and functioning to prevent duplicate payments.

- One of 40 (3%) operation of automotive equipment vouchers tested included a payment for the quarterly usage/maintenance fee for a vehicle that had already been sent to surplus. Upon auditors' notification of this matter, the Agency requested, and received, from the Department of Central Management Services (DCMS), reimbursement of the overpayment totaling \$5,400. The Fiscal

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Control and Internal Auditing Act (30 ILCS 10/3001) requires the Agency to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls over voucher processing include ensuring procedures are in place and functioning to ensure each claim for payment is valid.

Agency officials stated the late approval of vouchers was due to issues in changing their accounting system from the Accounting Information System (AIS) to Enterprise Resource Planning (ERP) System. The other deficiencies were caused by oversight.

Failure to exercise adequate controls over voucher processing resulted in noncompliance with State laws, rules and regulations and increases the likelihood that errors and irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties. Delays in the submission and approval of vouchers may result in untimely and inaccurate information on Agency obligations. Inaccurate detail object codes reduce the overall control over expenditures. Inadequate controls over travel and operation of automotive equipment vouchers may result in overpayments, payments of unauthorized expenditures, and the inefficient use of State resources. (Finding Code No. 2018-008)

RECOMMENDATION

We recommend the Agency strengthen its controls over voucher processing to provide assurance:

- vouchers are timely and properly processed and approved and interest is paid when required;
- travel vouchers and travel requests are timely submitted;
- documentation supporting travel requests is maintained;
- travel vouchers are properly reviewed to comply with the Governor's Travel Control Board Travel Guide;
- duplicate payments and invalid claims are not processed; and
- duplicate payments are reimbursed.

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AGENCY RESPONSE

Agree. The Agency has implemented new procedures to ensure vouchers are properly processed in a timely manner and documentation is retained including exceptions to the Travel Guide. The staff will send reminders to review the guidelines of the Travel Guide and for staff to submit travel vouchers in a timely manner. Procedures have been implemented to ensure duplicate payments are not made.

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2018-009. **FINDING** (Noncompliance with Statutory Requirements in Providing Public Notices)

The Environmental Protection Agency (Agency) did not ensure timely issuance of a press release of the action for enforcement in relation to the ownership or operation of a community water system. Additionally, the Agency failed to provide a notice of the action to the owner and operator of the community water system and the owners and operators of all connected community water systems.

On August 24, 2017, there was an occurrence of an E coli contamination of a community water supply system. The Agency requested the Illinois Attorney General's Office to seek an injunctive court order to require the owner and operator of this community water supply system to immediately cleanup the bacterial contamination in its water supply. The requested court order also required the owner to continue to distribute bottled water to its consumers for drinking purposes, continue the boil order for consumers' other consumptive purposes, and to begin continuous chlorination of the water produced and supplied to customers.

During testing, the auditors noted the press release regarding the water supply contamination and the requested court order was issued and posted on the Agency's website on August 30, 2017, two days late. The auditors also noted the Agency did not provide written notice of said action to the owner and the operator of the community water system and the owners and operators of all connected community water systems. The Agency did monitor the situation and ensured the community water supply system took all corrective action to resolve the issue.

The Environmental Protection Act (Act) (415 ILCS 5/18.1(a)) requires, for any action the Agency refers as a matter for enforcement under Section 43 of the Act in relation to the ownership or operation of a community water system, the Agency shall, within two days after the action, provide public notice of the action by issuing a press release and posting the press release on the Agency's website. Additionally, the Act (415 ILCS 5/18.1(b)) requires the Agency, within five days after the occurrence of such action, to provide notice of the action to the owner and the operator of the community water system and the owners and operators of all connected community water systems. The notice must be printed on Agency letterhead and describe the action being taken and the basis for the action.

The Act (415 ILCS 5/43(a)) states in circumstances of substantial danger to the environment or to the public health or persons or to the welfare of persons where such dangers is to the livelihood of such persons, the State's Attorney or Attorney General, upon request of the Agency or on his own motion, may institute a civil action for an immediate injunction to halt any discharge or other activity causing or contributing to the danger or to require such other action as may be necessary.

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Agency officials stated the untimely issuance and posting of the press release and the failure to send notification of the action to the owner and the operator of the community water system and the owners and operators of all connected community water systems was due to oversight.

Failure to timely issue and post the press release on the Agency website, and to notify the owner and the operator of the community water system and the owners and operators of all connected community water systems, results in noncompliance with the Act and does not achieve the legislative intent of the Act to protect the public from disease, assure an adequate supply of pure water for all beneficial uses and that public water supplies are protected. (Finding Code No. 2018-009)

RECOMMENDATION

We recommend the Agency comply with the Act by ensuring the timeliness of issuance of press releases and posting to its website. We further recommend the Agency ensures the notice of action is provided to the owner and operator of the community water system, and the owners and operators of all connected community water systems as required by the statute.

AGENCY RESPONSE

Agree. The Agency will ensure press releases are posted timely and provide written notices for future situations.

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2018-010. **FINDING** (Inadequate Change Management Procedures)

The Environmental Protection Agency (Agency) did not have adequate change management procedures.

The Agency had several critical and/or financially sensitive systems including, among others, the Program Reporting System; the Cash Management System; the Integrated Comprehensive Environmental Information Management System; and the Lab Fee Billing System for meeting its mission objectives.

During testing, the auditors noted the following weaknesses continued to exist:

- The Agency had not established formal change management procedures.
- The Agency had not established formal testing requirements or formal procedures for moving changes into the production environment.

Agency officials stated they are working to develop an adequate change management process, however, had not completed it due to personnel retirement and other priorities. Generally accepted Information Technology guidance endorses the implementation of suitable change management procedures to control changes to computer systems.

Effective change management procedures reduce the risk of unauthorized, improper, or erroneous changes to computer systems. (Finding Code No. 2018-010)

RECOMMENDATION

We recommend the Agency establish formal change management procedures. These procedures should include formal procedures for moving changes into the production environment, as well as baseline testing requirements.

AGENCY RESPONSE

Agree. The Agency is working on a corrective action plan to fully develop and implement an adequate change management process.

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PRIOR FINDINGS NOT REPEATED
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A. FINDING (Insufficient Number of Members on a Council)

During the prior engagement period, the Environmental Protection Agency (Agency) did not ensure the Community Water Supply Testing Council (Council) had the required number of members.

During the current engagement period, Executive Order 2018-11 abolished the Council effective November 20, 2018. (Finding Code No. 2016-005, 2014-007, 12-05, 10-10)

B. FINDING (Noncompliance with the Fiscal Control and Internal Auditing Act)

During the prior engagement period, the Agency did not fully comply with the Fiscal Control and Internal Auditing Act. The Agency's Internal Auditor did not conduct and complete an audit of the Agency's major systems of internal accounting and administrative controls. In addition, the Agency completed only one of eight audits planned for Fiscal Year 2016 and eight of nine audits planned for Fiscal Year 2015.

During the current engagement period, the auditors' sample testing noted the Agency completed all planned internal audits during Fiscal Year 2018 and Fiscal Year 2017 and conducted audits of the Agency's major systems of internal accounting and administrative controls. (Finding Code No. 2016-006)

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ENVIRONMENTAL PROTECTION AGENCY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2018

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 2018
- Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2017
- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
- Annual Cost Statistics by Major Object Classification
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)
- Analysis of Significant Variations in Expenditures (Not Examined)
- Analysis of Significant Variations in Receipts (Not Examined)
- Analysis of Significant Lapse Period Spending (Not Examined)
- Analysis of Accounts Receivable (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 Invoices (Not Examined)
- Average Number of Employees (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018 and June 30, 2017 accompanying supplementary information in Schedules 1 through 6. 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
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018
 Sixteen Months Ended October 31, 2018

	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
Public Act 100-0021 and Public Act 100-0586						
APPROPRIATED FUNDS						
General Revenue Fund - 0001						
Air Pollution Control	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Subtotal - Fund 0001	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Motor Fuel Tax Fund - 0012						
Administration	\$ 30,000,000	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -	\$ -
Subtotal - Fund 0012	\$ 30,000,000	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -	\$ -
U.S. Environmental Protection Fund - 0065						
Administration	\$ 2,943,600	\$ 448,739	\$ -	\$ 448,739	\$ -	\$ 2,494,861
Air Pollution Control	17,075,300	8,827,715	312,610	9,140,325	-	7,934,975
Land Pollution Control	20,222,500	10,530,581	1,029,522	11,560,103	-	8,662,397
Bureau of Water	23,844,200	12,967,809	1,545,332	14,513,141	-	9,331,059
Subtotal - Fund 0065	\$ 64,085,600	\$ 32,774,844	\$ 2,887,464	\$ 35,662,308	\$ -	\$ 28,423,292
Underground Storage Tank Fund - 0072						
Administration	\$ 594,800	\$ 593,552	\$ 1,200	\$ 594,752	\$ -	\$ 48
Land Pollution Control	51,253,500	27,412,228	5,671,374	33,083,602	-	18,169,898
Pollution Control Board	1,551,000	1,137,504	-	1,137,504	-	413,496
Subtotal - Fund 0072	\$ 53,399,300	\$ 29,143,284	\$ 5,672,574	\$ 34,815,858	\$ -	\$ 18,583,442
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 1,450,000	\$ 323,897	\$ -	\$ 323,897	\$ -	\$ 1,126,103
Total EPA Special State Projects Trust Fund	\$ 1,450,000	\$ 323,897	\$ -	\$ 323,897	\$ -	\$ 1,126,103

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018

Sixteen Months Ended October 31, 2018

	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
Public Act 100-0021 and Public Act 100-0586						
Solid Waste Management Fund - 0078						
Administration	\$ 1,413,600	\$ 1,148,767	\$ 257,788	\$ 1,406,555	\$ -	\$ 7,045
Land Pollution Control	13,203,500	9,248,048	1,378,419	10,626,467	-	2,577,033
Subtotal - Fund 0078	\$ 14,617,100	\$ 10,396,815	\$ 1,636,207	\$ 12,033,022	\$ -	\$ 2,584,078
Subtitle D Management Fund - 0089						
Administration	\$ 189,800	\$ 189,800	\$ -	\$ 189,800	\$ -	\$ -
Land Pollution Control	2,172,300	1,616,748	-	1,616,748	-	555,552
Subtotal - Fund 0089	\$ 2,362,100	\$ 1,806,548	\$ -	\$ 1,806,548	\$ -	\$ 555,552
Clean Air Act (CAA) Permit Fund - 0091						
Administration	\$ 1,408,500	\$ 1,088,823	\$ 80,737	\$ 1,169,560	\$ -	\$ 238,940
Air Pollution Control	18,000,000	10,345,747	-	10,345,747	-	7,654,253
Pollution Control Board	561,200	507,810	-	507,810	-	53,390
Subtotal - Fund 0091	\$ 19,969,700	\$ 11,942,380	\$ 80,737	\$ 12,023,117	\$ -	\$ 7,946,583
Capital Development Fund - 0141						
Land Pollution Control	\$ 4,988,099	\$ -	\$ -	\$ -	\$ 4,988,099	\$ -
Subtotal - Fund 0141	\$ 4,988,099	\$ -	\$ -	\$ -	\$ 4,988,099	\$ -
Brownfields Redevelopment Fund - 0214						
Land Pollution Control	\$ 6,156,700	\$ 1,127,681	\$ 147,014	\$ 1,274,695	\$ -	\$ 4,882,005
Subtotal - Fund 0214	\$ 6,156,700	\$ 1,127,681	\$ 147,014	\$ 1,274,695	\$ -	\$ 4,882,005
Water Pollution Control Revolving Fund - 0270						
Administration	\$ 1,581,000	\$ 1,306,398	\$ 265,462	\$ 1,571,860	\$ -	\$ 9,140
Bureau of Water	1,895,093,684	734,548,680	104,730	734,653,410	1,113,995,974	46,444,300
Subtotal - Fund 0270	\$ 1,896,674,684	\$ 735,855,078	\$ 370,192	\$ 736,225,270	\$ 1,113,995,974	\$ 46,453,440

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018
 Sixteen Months Ended October 31, 2018

	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
Public Act 100-0021 and Public Act 100-0586						
Pollution Control Board Fund - 0277						
Pollution Control Board	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Subtotal - Fund 0277	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Community Water Supply Laboratory Fund - 0288						
Laboratory Services	\$ 1,200,000	\$ 791,152	\$ 27,844	\$ 818,996	\$ -	\$ 381,004
Total Community Water Supply	\$ 1,200,000	\$ 791,152	\$ 27,844	\$ 818,996	\$ -	\$ 381,004
Subtotal - Fund 0288	\$ 1,200,000	\$ 791,152	\$ 27,844	\$ 818,996	\$ -	\$ 381,004
Used Tire Management Fund - 0294						
Administration	\$ 574,800	\$ 574,800	\$ -	\$ 574,800	\$ -	\$ -
Land Pollution Control	9,539,480	6,187,034	913,967	7,101,001	-	2,438,479
Pollution Control Board	379,720	372,396	-	372,396	-	7,324
Subtotal - Fund 0294	\$ 10,494,000	\$ 7,134,230	\$ 913,967	\$ 8,048,197	\$ -	\$ 2,445,803
Environmental Laboratory Certification Fund - 0336						
Laboratory Services	\$ 540,000	\$ 377,295	\$ -	\$ 377,295	\$ -	\$ 162,705
Subtotal - Fund 0336	\$ 540,000	\$ 377,295	\$ -	\$ 377,295	\$ -	\$ 162,705
Alternative Fuels Fund - 0422						
Air Pollution Control	\$ 3,225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,225,000
Subtotal - Fund 0422	\$ 3,225,000	\$ -	\$ -	\$ -	\$ -	\$ 3,225,000
Anti-Pollution Fund - 0551						
Land Pollution Control	\$ 43,000,260	\$ -	\$ -	\$ -	\$ 43,000,260	\$ -
Bureau of Water	8,480,034	2,573,465	-	2,573,465	5,906,569	-
Subtotal - Fund 0551	\$ 51,480,294	\$ 2,573,465	\$ -	\$ 2,573,465	\$ 48,906,829	\$ -

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018

Sixteen Months Ended October 31, 2018

Public Act 100-0021 and Public Act 100-0586	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
Electronics Recycling Fund - 0675						
Land Pollution Control	\$ 750,000	\$ 397,696	\$ -	\$ 397,696	\$ -	\$ 352,304
Subtotal - Fund 0675	<u>\$ 750,000</u>	<u>\$ 397,696</u>	<u>\$ -</u>	<u>\$ 397,696</u>	<u>\$ -</u>	<u>\$ 352,304</u>
Illinois Clean Water Fund - 0731						
Administration	\$ 4,646,000	\$ 2,789,678	\$ 501,738	\$ 3,291,416	\$ -	\$ 1,354,584
Laboratory Services	1,455,700	1,347,470	-	1,347,470	-	108,230
Bureau of Water	13,056,000	9,602,071	302,426	9,904,497	-	3,151,503
Subtotal - Fund 0731	<u>\$ 19,157,700</u>	<u>\$ 13,739,219</u>	<u>\$ 804,164</u>	<u>\$ 14,543,383</u>	<u>\$ -</u>	<u>\$ 4,614,317</u>
Alternate Compliance Market Fund - 0738						
Air Pollution Control	\$ 150,000	\$ 149,856	\$ 50	\$ 149,906	\$ -	\$ 94
Subtotal - Fund 0738	<u>\$ 150,000</u>	<u>\$ 149,856</u>	<u>\$ 50</u>	<u>\$ 149,906</u>	<u>\$ -</u>	<u>\$ 94</u>
Oil Spill Response Fund - 0774						
Administration	\$ 30,000	-	\$ 16,020	\$ 16,020	\$ -	\$ 13,980
Subtotal - Fund 0774	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 16,020</u>	<u>\$ 16,020</u>	<u>\$ -</u>	<u>\$ 13,980</u>
DCEO Energy Projects Fund - 0820						
Land Pollution Control	\$ 15,000,000	\$ 4,290,319	\$ -	\$ 4,290,319	\$ -	\$ 10,709,681
Subtotal - Fund 0820	<u>\$ 15,000,000</u>	<u>\$ 4,290,319</u>	<u>\$ -</u>	<u>\$ 4,290,319</u>	<u>\$ -</u>	<u>\$ 10,709,681</u>
Hazardous Waste Fund - 0828						
Administration	\$ 705,000	\$ 290,984	\$ 10,216	\$ 301,200	\$ -	\$ 403,800
Land Pollution Control	16,092,800	6,492,652	1,039,633	7,532,285	-	8,560,515
Subtotal - Fund 0828	<u>\$ 16,797,800</u>	<u>\$ 6,783,636</u>	<u>\$ 1,049,849</u>	<u>\$ 7,833,485</u>	<u>\$ -</u>	<u>\$ 8,964,315</u>
Environmental Protection Trust Fund - 0845						
Administration	\$ 4,000,000	\$ 2,250,000	\$ 750,000	\$ 3,000,000	\$ -	\$ 1,000,000
Land Pollution Control	1,300,000	-	-	-	-	1,300,000
Subtotal - Fund 0845	<u>\$ 5,300,000</u>	<u>\$ 2,250,000</u>	<u>\$ 750,000</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 2,300,000</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018
 Sixteen Months Ended October 31, 2018

	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
Public Act 100-0021 and Public Act 100-0586						
Federal Energy Fund - 0859	\$ 3,000,000	\$ 202,070	\$ 186,147	\$ 388,217	\$ -	\$ 2,611,783
Land Pollution Control	\$ 3,000,000	\$ 202,070	\$ 186,147	\$ 388,217	\$ -	\$ 2,611,783
Subtotal - Fund 0859						
Environmental Protection Permit and Inspection Fund - 0944						
Administration	\$ 692,800	\$ 308,045	\$ 119,972	\$ 428,017	\$ -	\$ 264,783
Air Pollution Control	4,888,200	4,428,504	-	4,428,504	-	459,696
Land Pollution Control	3,985,900	2,947,645	-	2,947,645	-	1,038,255
Bureau of Water	575,400	340,788	-	340,788	-	234,612
Pollution Control Board	1,031,300	847,320	-	847,320	-	183,980
Subtotal - Fund 0944	\$ 11,173,600	\$ 8,872,302	\$ 119,972	\$ 8,992,274	\$ -	\$ 2,181,326
Landfill Closure and Post-Closure Fund - 0945						
Land Pollution Control	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Subtotal - Fund 0945	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Vehicle Inspection Fund - 0963						
Administration	\$ 1,969,900	\$ 1,547,217	\$ 409,910	\$ 1,957,127	\$ -	\$ 12,773
Air Pollution Control	35,931,400	11,571,035	1,707,781	13,278,816	-	22,652,584
Subtotal - Fund 0963	\$ 37,901,300	\$ 13,118,252	\$ 2,117,691	\$ 15,235,943	\$ -	\$ 22,665,357
Build Illinois Bond Fund - 0971						
Land Pollution Control	\$ 10,814,303	\$ 2,095,375	\$ -	\$ 2,095,375	\$ 8,718,928	\$ -
Bureau of Water	49,903,065	4,842,676	-	4,842,676	45,060,389	-
Subtotal - Fund 0971	\$ 60,717,368	\$ 6,938,051	\$ -	\$ 6,938,051	\$ 53,779,317	\$ -
TOTAL - ALL APPROPRIATED FUNDS	\$ 2,331,570,345	\$ 920,988,070	\$ 16,779,892	\$ 937,767,962	\$ 1,221,670,219	\$ 172,132,164

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018
 Sixteen Months Ended October 31, 2018

Public Act 100-0021 and Public Act 100-0586	Appropriations (Net After Transfers)	Expenditures Through 06/30/18	Lapse Period Expenditures 07/01-10/31/18	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 10/31/18
NON-APPROPRIATED FUNDS						
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 113,675	\$ 386,720		\$ 500,395		
Refund	139,823	-		139,823		
Subtotal - Fund 0074	<u>\$ 253,498</u>	<u>\$ 386,720</u>		<u>\$ 640,218</u>		
Pollution Control Board State Trust Fund - 0207						
Pollution Control Board	\$ 361,119	\$ 138,872		\$ 499,991		
Subtotal - Fund 0207	<u>\$ 361,119</u>	<u>\$ 138,872</u>		<u>\$ 499,991</u>		
TOTAL - NON-APPROPRIATED FUNDS	<u><u>\$ 614,617</u></u>	<u><u>\$ 525,592</u></u>		<u><u>\$ 1,140,209</u></u>		
GRAND TOTAL - ALL FUNDS	<u><u>\$ 921,602,687</u></u>	<u><u>\$ 17,305,484</u></u>		<u><u>\$ 938,908,171</u></u>		

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of October 31, 2018, and have been reconciled to the Agency records. However, see Finding 2018-006 regarding the Agency's failure to maintain adequate controls over its monthly reconciliations.

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

Note 3: The Agency is appropriated funds for the Environmental Protection Trust Fund Commission (Commission) and the Pollution Control Board (Board). The Commission and the Board authorize payments, and the Agency processes the expenditures on their behalf.

Note 4: Public Act 100-0021 authorized the Agency to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Agency's Fiscal Year 2017 or Fiscal Year 2018 appropriations to non-payroll expenditures. The Analysis of Operations section of this report at pages 90-91 includes information from Agency management about the number of invoices and the total amount of invoices held by the Agency submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2017
 Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
APPROPRIATED FUNDS						
Motor Fuel Tax Fund - 0012						
Administration	\$ 30,000,000	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -	\$ -
Subtotal - Fund 0012	\$ 30,000,000	\$ 30,000,000	\$ -	\$ 30,000,000	\$ -	\$ -
U.S. Environmental Protection Fund - 0065						
Administration	\$ 2,364,400	\$ 25,875	\$ -	\$ 25,875	\$ -	\$ 2,338,525
Air Pollution Control	16,334,900	8,920,559	1,194,471	10,115,030	-	6,219,870
Land Pollution Control	20,864,500	9,194,610	257,038	9,451,648	-	11,412,852
Bureau of Water	26,043,800	13,653,759	1,486,023	15,139,782	-	10,904,018
Subtotal - Fund 0065	\$ 65,607,600	\$ 31,794,803	\$ 2,937,532	\$ 34,732,335	\$ -	\$ 30,875,265
Underground Storage Tank Fund - 0072						
Administration	\$ 559,500	\$ 557,192	\$ 2,308	\$ 559,500	\$ -	\$ -
Land Pollution Control	51,576,900	25,081,655	374,287	25,455,942	-	26,120,958
Pollution Control Board	1,491,100	1,424,300	-	1,424,300	-	66,800
Subtotal - Fund 0072	\$ 53,627,500	\$ 27,063,147	\$ 376,595	\$ 27,439,742	\$ -	\$ 26,187,758
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 1,450,000	\$ 516,674	\$ 1,320	\$ 517,994	\$ -	\$ 932,006
Subtotal - Fund 0074	\$ 1,450,000	\$ 516,674	\$ 1,320	\$ 517,994	\$ -	\$ 932,006
Solid Waste Management Fund - 0078						
Administration	\$ 731,100	\$ 696,205	\$ 34,895	\$ 731,100	\$ -	\$ -
Land Pollution Control	13,652,100	9,721,581	660,163	10,381,744	-	3,270,356
Subtotal - Fund 0078	\$ 14,383,200	\$ 10,417,786	\$ 695,058	\$ 11,112,844	\$ -	\$ 3,270,356

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2017
 Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
Subtitle D Management Fund - 0089						
Administration	\$ 178,300	\$ 145,921	\$ -	\$ 145,921	\$ -	\$ 32,379
Land Pollution Control	2,084,200	1,556,496	70,728	1,627,224	-	456,976
Subtotal - Fund 0089	\$ 2,262,500	\$ 1,702,417	\$ 70,728	\$ 1,773,145	\$ -	\$ 489,355
Clean Air Act (CAA) Permit Fund - 0091						
Administration	\$ 1,340,600	\$ 946,554	\$ 10,514	\$ 957,068	\$ -	\$ 383,532
Air Pollution Control	17,500,000	11,240,013	221,308	11,461,321	-	6,038,679
Pollution Control Board	540,000	489,078	-	489,078	-	50,922
Subtotal - Fund 0091	\$ 19,380,600	\$ 12,675,645	\$ 231,822	\$ 12,907,467	\$ -	\$ 6,473,133
Capital Development Fund - 0141						
Land Pollution Control	\$ 4,488,099	\$ -	\$ -	\$ -	\$ 4,488,099	\$ -
Subtotal - Fund 0141	\$ 4,488,099	\$ -	\$ -	\$ -	\$ 4,488,099	\$ -
Brownfields Redevelopment Fund - 0214						
Land Pollution Control	\$ 6,156,700	\$ 1,387,113	\$ 16,562	\$ 1,403,675	\$ -	\$ 4,753,025
Subtotal - Fund 0214	\$ 6,156,700	\$ 1,387,113	\$ 16,562	\$ 1,403,675	\$ -	\$ 4,753,025
Water Pollution Control Revolving Fund - 0270						
Administration	\$ 1,297,100	\$ 1,234,459	\$ 17,965	\$ 1,252,424	\$ -	\$ 44,676
Bureau of Water	2,638,755,085	758,787,317	94,110	758,881,427	1,835,208,683	44,664,975
Subtotal - Fund 0270	\$ 2,640,052,185	\$ 760,021,776	\$ 112,075	\$ 760,133,851	\$ 1,835,208,683	\$ 44,709,651
Pollution Control Board Fund - 0277						
Pollution Control Board	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Subtotal - Fund 0277	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2017
Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
Community Water Supply Laboratory Fund - 0288						
Laboratory Services	\$ 1,200,000	\$ 840,390	\$ 30,436	\$ 870,826	\$ -	\$ 329,174
Subtotal - Fund 0288	\$ 1,200,000	\$ 840,390	\$ 30,436	\$ 870,826	\$ -	\$ 329,174
Used Tire Management Fund - 0294						
Administration	\$ 543,700	\$ 542,926	\$ 774	\$ 543,700	\$ -	\$ -
Land Pollution Control	7,885,800	6,711,021	16,044	6,727,065	-	1,158,735
Pollution Control Board	364,700	352,436	-	352,436	-	12,264
Subtotal - Fund 0294	\$ 8,794,200	\$ 7,606,383	\$ 16,818	\$ 7,623,201	\$ -	\$ 1,170,999
Environmental Laboratory Certification Fund - 0336						
Laboratory Services	\$ 540,000	\$ 357,305	\$ 6,321	\$ 363,626	\$ -	\$ 176,374
Subtotal - Fund 0336	\$ 540,000	\$ 357,305	\$ 6,321	\$ 363,626	\$ -	\$ 176,374
Alternative Fuels Fund - 0422						
Air Pollution Control	\$ 3,225,000	\$ 814,636	\$ 46,901	\$ 861,537	\$ -	\$ 2,363,463
Subtotal - Fund 0422	\$ 3,225,000	\$ 814,636	\$ 46,901	\$ 861,537	\$ -	\$ 2,363,463
Anti-Pollution Fund - 0551						
Land Pollution Control	\$ 43,000,260	\$ -	\$ -	\$ -	\$ 43,000,260	\$ -
Bureau of Water	8,946,808	6,440,420	-	6,440,420	2,506,388	-
Subtotal - Fund 0551	\$ 51,947,068	\$ 6,440,420	\$ -	\$ 6,440,420	\$ 45,506,648	\$ -
Electronics Recycling Fund - 0675						
Land Pollution Control	\$ 500,000	\$ 443,110	\$ -	\$ 443,110	\$ -	\$ 56,890
Subtotal - Fund 0675	\$ 500,000	\$ 443,110	\$ -	\$ 443,110	\$ -	\$ 56,890

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2017
 Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
Illinois Clean Water Fund - 0731						
Administration	\$ 3,561,400	\$ 2,469,303	\$ 92,526	\$ 2,561,829	\$ -	\$ 999,571
Laboratory Services	1,414,400	1,275,035	4,599	1,279,634	-	134,766
Bureau of Water	12,563,300	11,190,153	357,198	11,547,351	-	1,015,949
Subtotal - Fund 0731	\$ 17,539,100	\$ 14,934,491	\$ 454,323	\$ 15,388,814	\$ -	\$ 2,150,286
Alternate Compliance Market Fund - 0738						
Air Pollution Control	\$ 150,000	-	\$ 45,374	\$ 45,374	\$ -	\$ 104,626
Subtotal - Fund 0738	\$ 150,000	-	\$ 45,374	\$ 45,374	\$ -	\$ 104,626
Oil Spill Response Fund - 0774						
Administration	\$ 30,000	-	-	-	-	\$ 30,000
Subtotal - Fund 0774	\$ 30,000	-	-	-	-	\$ 30,000
Hazardous Waste Fund - 0828						
Administration	\$ 630,700	\$ 443,060	\$ 46,140	\$ 489,200	\$ -	\$ 141,500
Land Pollution Control	11,594,400	4,278,615	87,680	4,366,295	-	7,228,105
Subtotal - Fund 0828	\$ 12,225,100	\$ 4,721,675	\$ 133,820	\$ 4,855,495	\$ -	\$ 7,369,605
Environmental Protection Trust Fund - 0845						
Administration	\$ 4,000,000	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 1,800,000
Land Pollution Control	1,300,000	-	-	-	-	1,300,000
Subtotal - Fund 0845	\$ 5,300,000	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	\$ 3,100,000

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2017
 Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
Environmental Protection Permit and Inspection Fund - 0944						
Administration	\$ 618,300	\$ 529,947	\$ 3,353	\$ 533,300	\$ -	\$ 85,000
Air Pollution Control	4,650,000	3,865,409	5,806	3,871,215	-	778,785
Land Pollution Control	3,855,000	2,730,552	27,963	2,758,515	-	1,096,485
Bureau of Water	660,000	454,542	2,424	456,966	-	203,034
Pollution Control Board	990,000	958,554	-	958,554	-	31,446
Subtotal - Fund 0944	\$ 10,773,300	\$ 8,539,004	\$ 39,546	\$ 8,578,550	\$ -	\$ 2,194,750
Landfill Closure and Post-Closure Fund - 0945						
Land Pollution Control	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Subtotal - Fund 0945	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Vehicle Inspection Fund - 0963						
Administration	\$ 1,050,700	\$ 1,005,111	\$ 45,589	\$ 1,050,700	\$ -	\$ -
Air Pollution Control	34,023,200	17,893,886	1,248,567	19,142,453	-	14,880,747
Subtotal - Fund 0963	\$ 35,073,900	\$ 18,898,997	\$ 1,294,156	\$ 20,193,153	\$ -	\$ 14,880,747
Build Illinois Bond Fund - 0971						
Land Pollution Control	\$ 10,814,303	\$ -	\$ -	\$ -	\$ 10,814,303	\$ -
Bureau of Water	42,295,539	7,012,074	-	7,012,074	35,283,465	-
Subtotal - Fund 0971	\$ 53,109,842	\$ 7,012,074	\$ -	\$ 7,012,074	\$ 46,097,768	\$ -
TOTAL - ALL APPROPRIATED FUNDS	\$ 3,038,265,894	\$ 948,387,846	\$ 6,509,387	\$ 954,897,233	\$ 1,931,301,198	\$ 152,067,463

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2017

Fifteen Months Ended September 30, 2017

	Appropriations (Net of Transfers)	Expenditures Through 06/30/17	Lapse Period Expenditures 07/01-09/30/17	Total Expenditures	Balances Reappropriated July 1	Balances Lapsed 09/30/17
Public Act 99-0524						
NON-APPROPRIATED FUNDS						
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 89,225	\$ 270,990	\$ 360,215			
Subtotal - Fund 0074	\$ 89,225	\$ 270,990	\$ 360,215			
Pollution Control Board State Trust Fund - 0207						
Pollution Control Board	\$ 365,992	\$ 131,760	\$ 497,751			
Subtotal - Fund 0207	\$ 365,992	\$ 131,760	\$ 497,751			
TOTAL - NON APPROPRIATED FUNDS	\$ 455,217	\$ 402,750	\$ 857,966			
GRAND TOTAL - ALL FUNDS	\$ 948,843,063	\$ 6,912,137	\$ 955,755,199			

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2017, and have been reconciled to the Agency records. However, see Finding 2018-006 regarding the Agency's failure to maintain adequate controls over its monthly reconciliations.

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

Note 3: The Agency is appropriated funds for the Environmental Protection Trust Fund Commission (Commission) and the Pollution Control Board (Board). The Commission and the Board authorize payments, and the Agency processes the expenditures on their behalf.

Note 4: Public Act 99-0524 authorized the Agency 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 pages 90-91 includes information about the number of invoices and the total dollar amount of invoices held by the Agency submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	Fiscal Year <u>2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
APPROPRIATED FUNDS			
General Revenue Fund - 0001			
Appropriations (Net of Transfers)	\$ 500,000	\$ -	\$ -
Expenditures			
Administration	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>
Motor Fuel Tax Fund - 0012			
Appropriations (Net of Transfers)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Expenditures			
Administration	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Total Expenditures	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
U.S. Environmental Protection Fund - 0065			
Appropriations (Net of Transfers)	\$ 64,085,600	\$ 65,607,600	\$ 65,607,600
Expenditures			
Administration	\$ 448,739	\$ 25,875	\$ 1,815,179
Air Pollution Control	9,140,325	10,115,030	12,830,994
Land Pollution Control	11,560,103	9,451,648	11,148,961
Bureau of Water	14,513,141	15,139,782	17,574,958
Total Expenditures	<u>\$ 35,662,308</u>	<u>\$ 34,732,335</u>	<u>\$ 43,370,092</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 28,423,292</u>	<u>\$ 30,875,265</u>	<u>\$ 22,237,508</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Underground Storage Tank Fund - 0072			
Appropriations (Net of Transfers)	\$ 53,399,300	\$ 53,627,500	\$ 67,909,400
Expenditures			
Administration	\$ 594,752	\$ 559,500	\$ 559,500
Land Pollution Control	33,083,602	25,455,942	33,473,055
Pollution Control Board	1,137,504	1,424,300	773,000
Total Expenditures	<u>\$ 34,815,858</u>	<u>\$ 27,439,742</u>	<u>\$ 34,805,555</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 18,583,442</u>	<u>\$ 26,187,758</u>	<u>\$ 33,103,845</u>
EPA Special State Projects Trust Fund - 0074			
Appropriations (Net of Transfers)	\$ 1,450,000	\$ 1,450,000	\$ 1,450,000
Expenditures			
Administration	\$ 323,897	\$ 517,994	\$ 606,941
Total Expenditures	<u>\$ 323,897</u>	<u>\$ 517,994</u>	<u>\$ 606,941</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 1,126,103</u>	<u>\$ 932,006</u>	<u>\$ 843,059</u>
Solid Waste Management Fund - 0078			
Appropriations (Net of Transfers)	\$ 14,617,100	\$ 14,383,200	\$ 14,461,000
Expenditures			
Administration	\$ 1,406,555	\$ 731,100	\$ 138,100
Land Pollution Control	10,626,467	10,381,744	10,107,418
Total Expenditures	<u>\$ 12,033,022</u>	<u>\$ 11,112,844</u>	<u>\$ 10,245,518</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 2,584,078</u>	<u>\$ 3,270,356</u>	<u>\$ 4,215,482</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Subtitle D Management Fund - 0089			
Appropriations (Net of Transfers)	\$ 2,362,100	\$ 2,262,500	\$ 2,262,500
Expenditures			
Administration	\$ 189,800	\$ 145,921	\$ 56,900
Land Pollution Control	1,616,748	1,627,224	1,774,237
Total Expenditures	<u>\$ 1,806,548</u>	<u>\$ 1,773,145</u>	<u>\$ 1,831,137</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 555,552</u>	<u>\$ 489,355</u>	<u>\$ 431,363</u>
Clean Air Act (CAA) Permit Fund - 0091			
Appropriations (Net of Transfers)	\$ 19,969,700	\$ 19,380,600	\$ 20,076,500
Expenditures			
Administration	\$ 1,169,560	\$ 957,068	\$ 337,569
Air Pollution Control	10,345,747	11,461,321	12,632,000
Pollution Control Board	507,810	489,078	1,142,221
Total Expenditures	<u>\$ 12,023,117</u>	<u>\$ 12,907,467</u>	<u>\$ 14,111,790</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 7,946,583</u>	<u>\$ 6,473,133</u>	<u>\$ 5,964,710</u>
Capital Development Board - 0141			
Appropriations (Net of Transfers)	\$ 4,988,099	\$ 4,488,099	\$ -
Expenditures			
Land Pollution Control	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	<u>\$ 4,988,099</u>	<u>\$ 4,488,099</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Brownfields Redevelopment Fund - 0214			
Appropriations (Net of Transfers)	\$ 6,156,700	\$ 6,156,700	\$ 6,156,700
Expenditures			
Land Pollution Control	\$ 1,274,695	\$ 1,403,675	\$ 1,213,485
Total Expenditures	<u>\$ 1,274,695</u>	<u>\$ 1,403,675</u>	<u>\$ 1,213,485</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 4,882,005</u>	<u>\$ 4,753,025</u>	<u>\$ 4,943,215</u>
Water Pollution Control Revolving Fund - 0270			
Appropriations (Net of Transfers)	<u>\$ 1,896,674,684</u>	<u>\$ 2,640,052,185</u>	<u>\$ 2,336,884,851</u>
Expenditures			
Administration	\$ 1,571,860	\$ 1,252,424	\$ 504,838
Bureau of Water	734,653,410	758,881,427	640,522,742
Total Expenditures	<u>\$ 736,225,270</u>	<u>\$ 760,133,851</u>	<u>\$ 641,027,580</u>
Balances Reappropriated	<u>\$ 1,113,995,974</u>	<u>\$ 1,835,208,683</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 46,453,440</u>	<u>\$ 44,709,651</u>	<u>\$ 1,695,857,271</u>
Pollution Control Board Fund - 0277			
Appropriations (Net of Transfers)	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Expenditures			
Pollution Control Board	\$ -	\$ -	\$ 36,456
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,456</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 13,544</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Community Water Supply Laboratory Fund -			
Appropriations (Net of Transfers)	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Expenditures			
Laboratory Services	\$ 818,996	\$ 870,826	\$ 870,623
Total Expenditures	<u>\$ 818,996</u>	<u>\$ 870,826</u>	<u>\$ 870,623</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 381,004</u>	<u>\$ 329,174</u>	<u>\$ 329,377</u>
Used Tire Management Fund - 0294			
Appropriations (Net of Transfers)	\$ 10,494,000	\$ 8,794,200	\$ 10,749,500
Expenditures			
Administration	\$ 574,800	\$ 543,700	\$ 523,678
Land Pollution Control	7,101,001	6,727,065	5,953,152
Pollution Control Board	372,396	352,436	259,743
Total Expenditures	<u>\$ 8,048,197</u>	<u>\$ 7,623,201</u>	<u>\$ 6,736,573</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 2,445,803</u>	<u>\$ 1,170,999</u>	<u>\$ 4,012,927</u>
Environmental Laboratory Certification Fund - 0336			
Appropriations (Net of Transfers)	\$ 540,000	\$ 540,000	\$ 540,000
Expenditures			
Laboratory Services	\$ 377,295	\$ 363,626	\$ 203,208
Total Expenditures	<u>\$ 377,295</u>	<u>\$ 363,626</u>	<u>\$ 203,208</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 162,705</u>	<u>\$ 176,374</u>	<u>\$ 336,792</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	Fiscal Year <u>2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
	PA 100-0021 and P.A. 100-0586	PA 99-0524	
Alternative Fuels Fund - 0422			
Appropriations (Net of Transfers)	\$ 3,225,000	\$ 3,225,000	\$ 3,225,000
Expenditures			
Air Pollution Control	\$ -	\$ 861,537	\$ 2,493,816
Total Expenditures	<u>\$ -</u>	<u>\$ 861,537</u>	<u>\$ 2,493,816</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 3,225,000</u>	<u>\$ 2,363,463</u>	<u>\$ 731,184</u>
Anti-Pollution Fund - 0551			
Appropriations (Net of Transfers)	\$ 51,480,294	\$ 51,947,068	\$ 55,440,680
Expenditures			
Land Pollution Control	\$ -	\$ -	\$ -
Bureau of Water	2,573,465	6,440,420	26,354
Total Expenditures	<u>\$ 2,573,465</u>	<u>\$ 6,440,420</u>	<u>\$ 26,354</u>
Balances Reappropriated	<u>\$ 48,906,829</u>	<u>\$ 45,506,648</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,414,326</u>
Electronics Recycling Fund - 0675			
Appropriations (Net of Transfers)	\$ 750,000	\$ 500,000	\$ 500,000
Expenditures			
Land Pollution Control	\$ 397,696	\$ 443,110	\$ 499,928
Total Expenditures	<u>\$ 397,696</u>	<u>\$ 443,110</u>	<u>\$ 499,928</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 352,304</u>	<u>\$ 56,890</u>	<u>\$ 72</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Illinois Clean Water Fund - 0731			
Appropriations (Net of Transfers)	\$ 19,157,700	\$ 17,539,100	\$ 17,539,100
Expenditures			
Administration	\$ 3,291,416	\$ 2,561,829	\$ 2,938,334
Laboratory Services	1,347,470	1,279,634	1,238,709
Bureau of Water	9,904,497	11,547,351	11,141,949
Total Expenditures	<u>\$ 14,543,383</u>	<u>\$ 15,388,814</u>	<u>\$ 15,318,992</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 4,614,317</u>	<u>\$ 2,150,286</u>	<u>\$ 2,220,108</u>
Alternate Compliance Market Fund - 0738			
Appropriations (Net of Transfers)	\$ 150,000	\$ 150,000	\$ 150,000
Expenditures			
Air Pollution Control	\$ 149,906	\$ 45,374	\$ -
Total Expenditures	<u>\$ 149,906</u>	<u>\$ 45,374</u>	<u>\$ -</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 94</u>	<u>\$ 104,626</u>	<u>\$ 150,000</u>
Oil Spill Response Fund - 0774			
Appropriations (Net of Transfers)	\$ 30,000	\$ 30,000	\$ 30,000
Expenditures			
Administration	\$ 16,020	\$ -	\$ -
Total Expenditures	<u>\$ 16,020</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 13,980</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>Fiscal Year 2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
	PA 100-0021 and P.A. 100-0586	PA 99-0524	
DCEO Energy Projects Fund - 0820			
Appropriations (Net of Transfers)	\$ 15,000,000	\$ -	\$ -
Expenditures			
Administration	\$ 4,290,319	\$ -	\$ -
Total Expenditures	<u>\$ 4,290,319</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 10,709,681</u>	<u>\$ -</u>	<u>\$ -</u>
Hazardous Waste Fund - 0828			
Appropriations (Net of Transfers)	\$ 16,797,800	\$ 12,225,100	\$ 12,225,100
Expenditures			
Administration	\$ 301,200	\$ 489,200	\$ 299,025
Land Pollution Control	7,532,285	4,366,295	4,932,465
Total Expenditures	<u>\$ 7,833,485</u>	<u>\$ 4,855,495</u>	<u>\$ 5,231,490</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 8,964,315</u>	<u>\$ 7,369,605</u>	<u>\$ 6,993,610</u>
Environmental Protection Trust Fund - 0845			
Appropriations (Net of Transfers)	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000
Expenditures			
Administration	\$ 3,000,000	\$ 2,200,000	\$ 2,100,000
Total Expenditures	<u>\$ 3,000,000</u>	<u>\$ 2,200,000</u>	<u>\$ 2,100,000</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 2,300,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,200,000</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Federal Energy Fund - 0859			
Appropriations (Net of Transfers)	\$ 3,000,000	\$ -	\$ -
Expenditures			
Administration	\$ 388,217	\$ -	\$ -
Total Expenditures	<u>\$ 388,217</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 2,611,783</u>	<u>\$ -</u>	<u>\$ -</u>
Environmental Protection Permit and Inspection Fund - 0944			
Appropriations (Net of Transfers)	<u>\$ 11,173,600</u>	<u>\$ 10,773,300</u>	<u>\$ 10,196,824</u>
Expenditures			
Administration	\$ 428,017	\$ 533,300	\$ 307,541
Air Pollution Control	4,428,504	3,871,215	4,061,737
Land Pollution Control	2,947,645	2,758,515	3,189,782
Bureau of Water	340,788	456,966	488,125
Pollution Control Board	847,320	958,554	1,070,682
Total Expenditures	<u>\$ 8,992,274</u>	<u>\$ 8,578,550</u>	<u>\$ 9,117,867</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 2,181,326</u>	<u>\$ 2,194,750</u>	<u>\$ 1,078,957</u>
Landfill Closure and Post-Closure Fund - 0945			
Appropriations (Net of Transfers)	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
Expenditures			
Land Pollution Control	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balances Reappropriated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	Fiscal Year		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
Vehicle Inspection Fund - 0963			
Appropriations (Net of Transfers)	\$ 37,901,300	\$ 35,073,900	\$ 35,073,900
Expenditures			
Administration	\$ 1,957,127	\$ 1,050,700	\$ 662,351
Air Pollution Control	13,278,816	19,142,453	19,881,505
Total Expenditures	<u>\$ 15,235,943</u>	<u>\$ 20,193,153</u>	<u>\$ 20,543,856</u>
Balances Reappropriated	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 22,665,357</u>	<u>\$ 14,880,747</u>	<u>\$ 14,530,044</u>
Build Illinois Bond Fund - 0971			
Appropriations (Net of Transfers)	\$ 60,717,368	\$ 53,109,842	\$ 24,190,144
Expenditures			
Land Pollution Control	\$ 2,095,375	\$ -	\$ -
Bureau of Water	4,842,676	7,012,074	7,275,007
Total Expenditures	<u>\$ 6,938,051</u>	<u>\$ 7,012,074</u>	<u>\$ 7,275,007</u>
Balances Reappropriated	\$ 53,779,317	\$ 46,097,768	\$ -
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,915,137</u>
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	<u>\$ 2,331,570,345</u>	<u>\$ 3,038,265,894</u>	<u>\$ 2,721,618,799</u>
Total Expenditures	<u>\$ 937,767,962</u>	<u>\$ 954,897,233</u>	<u>\$ 847,666,268</u>
Balances Reappropriated	<u>\$ 1,221,670,219</u>	<u>\$ 1,931,301,198</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 172,132,164</u>	<u>\$ 152,067,463</u>	<u>\$ 1,873,952,531</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>Fiscal Year 2017</u>	<u>2016</u> PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures
NON-APPROPRIATED FUNDS			
EPA Special State Projects Trust Fund - 0074			
Expenditures			
Administration	\$ 640,218	\$ 360,215	\$ 498,646
Total Expenditures	<u>\$ 640,218</u>	<u>\$ 360,215</u>	<u>\$ 498,646</u>
Pollution Control Board State Trust Fund - 0207			
Expenditures			
Pollution Control Board	\$ 499,991	\$ 497,751	\$ 410,147
Total Expenditures	<u>\$ 499,991</u>	<u>\$ 497,751</u>	<u>\$ 410,147</u>
TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 1,140,209</u>	<u>\$ 857,966</u>	<u>\$ 908,793</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 938,908,171</u>	<u>\$ 955,755,199</u>	<u>\$ 848,575,061</u>
State Officers' Salaries			
General Revenue Fund - 0001 (State Comptroller)			
Appropriation	\$ 133,300	\$ 133,300	\$ 133,300
Expenditures	<u>133,273</u>	<u>133,273</u>	<u>133,273</u>
Lapsed Balances	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 27</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of October 31, 2018 and September 30, 2017, and have been reconciled to Agency records. However, see Finding 2018-006 regarding the Agency's failure to maintain adequate controls over its monthly reconciliations.

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

Note 3: The Agency is appropriated funds for the Environmental Protection Trust Fund Commission (Commission) and the Pollution Control Board (Board). The Commission and the Board authorize payments, and the Agency processes the expenditures on their behalf.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2018, 2017, and 2016

2018	Fiscal Year 2017	2016
PA 100-0021 and P.A. 100-0586	PA 99-0524	PA 99-0007, PA 99-0409, PA 99-0524, and Court-Ordered Expenditures

Note 4: During Fiscal Year 2016, the Agency operated without enacted appropriations until Public Act 99-0007, Public Act 99-0409, and Public Act 99-0524 were signed into law on July 1, 2015, August 20, 2015, and June 30, 2016, respectively. During the impasse, 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 such, the Agency's court-ordered payroll payments were merged into the enacted appropriation for Funds 0065, 0072, 0078, 0089, 0091, 0214, 0270, 0288, 0294, 0336, 0675, 0731, 0828, 0944, and 0963. Further, the Agency incurred non-payroll obligations within Funds 0072, 0074, 0078, 0089, 0091, 0214, 0270, 0288, 0294, 0336, 0731, 0828, 0944, and 0963, which the Agency was unable to pay until the passage of Public Acts 99-0007, 99-0409, and 99-0524.

Note 5: Public Act 99-0524 authorized the Agency to pay Fiscal Year 2016 cost using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at pages 90-91 includes information from Agency management about the number of invoices and the total dollar amount of invoices held by the Agency submitted against its Fiscal Year 2017 appropriations.

Note 6: Public Act 100-0021 authorized the Agency to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Agency's Fiscal Year 2017 or Fiscal Year 2018 appropriations to non-payroll expenditures. The Analysis of Operations section of this report at pages 90-91 includes information from Agency management about the number of invoices and the total amount of invoices held by the Agency submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
ANNUAL COST STATISTICS BY MAJOR OBJECT CLASSIFICATION
 For the Two Years Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operations	\$ 173,626,147	\$ 172,181,408	\$ 183,021,626
% of total expenditures	18.5%	18.0%	21.6%
Personal Services	31,021,631	33,783,685	36,395,572
% of operational expenditures	17.9%	19.6%	19.9%
Other Payroll Costs (FICA, retirement)	22,805,795	25,116,415	27,590,652
% of operational expenditures	13.1%	14.6%	15.1%
All Other Operational Items	119,798,721	113,281,308	119,035,402
% of operational expenditures	69.0%	65.8%	65.0%
Grants	765,282,024	783,573,791	665,553,435
% of total expenditures	<u>81.5%</u>	<u>82.0%</u>	<u>78.4%</u>
Total expenditures (all funds)	<u><u>\$ 938,908,171</u></u>	<u><u>\$ 955,755,199</u></u>	<u><u>\$ 848,575,061</u></u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Year Ended June 30, 2018

Balance at July 1, 2016	\$ 19,915,292
Additions	206,368
Deletions	(4,766,259)
Net Transfers	<u>(228,591)</u>
Balance at June 30, 2017	<u>\$ 15,126,810</u>
Balance at July 1, 2017	\$ 15,126,810
Additions	689,571
Deletions	(59,302)
Net Transfers	<u>(1,070,871)</u>
Balance at June 30, 2018	<u>\$ 14,686,208</u>

Note 1: This schedule has been derived from Agency records, which have been reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenue Fund - 0001			
Copying Charges	\$ 577	\$ 554	\$ 593
Receipts, per the Agency's Records	577	554	593
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	148
Deposits, Recorded by the State Comptroller	<u>\$ 577</u>	<u>\$ 554</u>	<u>\$ 741</u>
U.S. Environmental Protection Fund - 0065			
Federal Grant Proceeds	\$ 32,480,682	\$ 30,755,629	\$ 42,363,204
Jury Duty	170	695	822
Department of Transportation Agreement	2,573,642	2,524,101	1,231,970
Prior Year Fee Transfer	(58,465)	(348,653)	-
Prior Year Refund	43,661	-	38
Miscellaneous	244	396	8,507
Receipts, per the Agency's Records	35,039,934	32,932,168	43,604,541
Subtract: Deposits in Transit, End of the Fiscal Year	645,167	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 34,394,767</u>	<u>\$ 32,932,168</u>	<u>\$ 43,604,541</u>
Underground Storage Tank Fund - 0072			
Jury Duty	\$ -	\$ 20	\$ 45
Penalties	1,141,298	6,224,807	-
Receipts, per the Agency's Records	1,141,298	6,224,827	45
Subtract: Deposits in Transit, End of the Fiscal Year	-	75	-
Add: Deposits in Transit, Beginning of the Fiscal Year	75	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 1,141,373</u>	<u>\$ 6,224,752</u>	<u>\$ 45</u>
EPA Special State Projects Trust Fund - 0074			
Transfer from the Environmental Protection Trust Fund	\$ -	\$ 1,300,000	\$ 400,000
Court and Anti Trust Distributions	-	125	-
Governor's Environmental Corps	118,000	67,802	98,537
Great Lakes Commission	212,741	210,402	212,594
Prior Year Fee Transfer	22,910	2,198	-
Receipts, per the Agency's Records	353,651	1,580,527	711,131
Subtract: Deposits in Transit, End of the Fiscal Year	-	708,000	42,198
Add: Deposits in Transit, Beginning of the Fiscal Year	708,000	42,198	16,000
Deposits, Recorded by the State Comptroller	<u>\$ 1,061,651</u>	<u>\$ 914,725</u>	<u>\$ 684,933</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Solid Waste Management Fund - 0078			
Solid Waste Collection Fees	\$ 21,631,619	\$ 21,237,977	\$ 20,577,829
Consumer Electronics Recycling Act (CED)	405,541	-	-
Jury Duty	72	-	31
Receipts, per the Agency's Records	<u>22,037,232</u>	<u>21,237,977</u>	<u>20,577,860</u>
Subtract: Deposits in Transit, End of the Fiscal Year	19	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 22,037,213</u>	<u>\$ 21,237,977</u>	<u>\$ 20,577,860</u>
Subtitle D Management Fund - 0089			
Subtitle D Fees	\$ 2,378,557	\$ 2,335,109	\$ 2,740,615
Jury Duty	-	-	75
Receipts, per the Agency's Records	<u>2,378,557</u>	<u>2,335,109</u>	<u>2,740,690</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 2,378,557</u>	<u>\$ 2,335,109</u>	<u>\$ 2,740,690</u>
Clean Air Act Permit Fund - 0091			
Fees	\$ 12,705,326	\$ 13,148,902	\$ 14,059,350
Jury Duty	114	38	50
Licenses and Fees	-	5,944	-
Prior Year Fee Transfer	9,500	-	(1,483)
Prior Year Refund	-	26,551	-
Receipts, per the Agency's Records	<u>12,714,940</u>	<u>13,181,435</u>	<u>14,057,917</u>
Subtract: Deposits in Transit, End of the Fiscal Year	555,176	361,584	2,073,891
Add: Deposits in Transit, Beginning of the Fiscal Year	361,584	2,073,891	2,795,903
Deposits, Recorded by the State Comptroller	<u>\$ 12,521,348</u>	<u>\$ 14,893,742</u>	<u>\$ 14,779,929</u>
Pollution Control Board State Trust Fund - 0207			
Transfer from the Environmental Protection Trust Fund	\$ 750,000	\$ 1,000,000	\$ -
Receipts, per the Agency's Records	<u>750,000</u>	<u>1,000,000</u>	<u>-</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 750,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>
Brownfields Redevelopment Fund - 0214			
Loan Principal Repayment	\$ 24,622	\$ 168,892	\$ 329,243
Federal Grant Receipts	866,239	869,684	723,504
Prior Year Fee Transfer	58,448	365,303	-
Receipts, per the Agency's Records	<u>949,309</u>	<u>1,403,879</u>	<u>1,052,747</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 949,309</u>	<u>\$ 1,403,879</u>	<u>\$ 1,052,747</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Water Revolving Fund - 0270			
Federal Grant Proceeds	\$ 63,936,065	\$ 130,309,928	\$161,054,441
Bond Issued Proceeds	548,637,943	416,474,878	-
Jury Duty	48	25	261
Loan Payments - Principal	142,791,359	174,860,048	174,581,702
Loan Payments - Interest	11,698,335	13,338,355	13,958,682
Loan Payments - Support	28,693,047	24,529,508	22,890,738
Fund Interest	63,093	10,657	554
Amalgamated Bank	-	25,037,081	-
State Match	-	45,394,733	-
Prior Year Fee Transfer	-	(16,650)	-
Transfer from the Anti-Pollution Bond Fund	-	-	2,113,893
Receipts, per the Agency's Records	<u>795,819,890</u>	<u>829,938,563</u>	<u>374,600,271</u>
Subtract: Deposits in Transit, End of the Fiscal Year	17	10,070,593	-
Add: Deposits in Transit, Beginning of the Fiscal Year	10,070,593	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 805,890,466</u>	<u>\$ 819,867,970</u>	<u>\$374,600,271</u>
Pollution Control Board Fund - 0277			
Opinion Sales	\$ -	\$ 147	\$ 476
Filing Fees	1,650	1,725	2,700
Receipts, per the Agency's Records	<u>1,650</u>	<u>1,872</u>	<u>3,176</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	75	-
Add: Deposits in Transit, Beginning of the Fiscal Year	75	-	75
Deposits, Recorded by the State Comptroller	<u>\$ 1,725</u>	<u>\$ 1,797</u>	<u>\$ 3,251</u>
Community Water Supply Laboratory Fund - 0288			
Public Water Supply Laboratory Fees	\$ 713,088	\$ 890,585	\$ 704,401
Lead Testing - Lab Analysis	28,507	15,301	-
Receipts, per the Agency's Records	<u>741,595</u>	<u>905,886</u>	<u>704,401</u>
Subtract: Deposits in Transit, End of the Fiscal Year	29,405	2,586	31,308
Add: Deposits in Transit, Beginning of the Fiscal Year	2,586	31,308	51,431
Deposits, Recorded by the State Comptroller	<u>\$ 714,776</u>	<u>\$ 934,608</u>	<u>\$ 724,524</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Used Tire Management Fund - 0294			
Jury Duty	\$ -	\$ -	\$ 25
Cost Recovery	1,200	2,883	1,100
Receipts, per the Agency's Records	1,200	2,883	1,125
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 1,200</u>	<u>\$ 2,883</u>	<u>\$ 1,125</u>
Environmental Laboratory Certification Fund - 0336			
Cost Recovery	\$ -	\$ -	\$ 20,901
Jury Duty	-	22,910	-
Prior Year Fee Transfer	(22,910)	-	-
Lab Certification Fees	369,000	407,500	423,200
Receipts, per the Agency's Records	346,090	430,410	444,101
Subtract: Deposits in Transit, End of the Fiscal Year	-	8,300	1,000
Add: Deposits in Transit, Beginning of the Fiscal Year	8,300	1,000	-
Deposits, Recorded by the State Comptroller	<u>\$ 354,390</u>	<u>\$ 423,110</u>	<u>\$ 443,101</u>
Protest - 0401			
Water NPDES Fees	\$ 48,500	\$ 48,500	\$ 78,007
Receipts, per the Agency's Records	48,500	48,500	78,007
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 48,500</u>	<u>\$ 48,500</u>	<u>\$ 78,007</u>
Partners for Conservation Fund - 0608			
Prior Year Refund	\$ -	\$ -	\$ 1,260
Receipts, per the Agency's Records	-	-	1,260
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260</u>
Electronics Recycling Fund - 0675			
Electronic Recycling Fee	\$ 457,276	\$ 485,965	\$ 467,602
Prior Year Fee Transfer	-	(2,198)	-
Receipts, per the Agency's Records	457,276	483,767	467,602
Deposit Corrections	-	-	2,197
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	5,386
Add: Deposits in Transit, Beginning of the Fiscal Year	-	5,386	-
Deposits, Recorded by the State Comptroller	<u>\$ 457,276</u>	<u>\$ 489,153</u>	<u>\$ 464,413</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Illinois Clean Water Fund - 0731			
National Pollution Discharge Elimination System Fees (NPDES)	\$ 15,628,191	\$ 16,069,029	\$ 16,352,215
NPDES & Stormwater Permits	671,950	145,250	-
OERC/R	17,659	-	-
Water Quality Certification	176,066	137,167	157,863
Jury Duty	-	-	42
Prior Year Refund	-	-	164
Prior Year Fee Transfer	-	7,900	-
PY Warrant Voids	-	19	-
Miscellaneous	2,060	-	-
National Pollution Discharge Elimination System Interest	17,347	13,430	14,324
Receipts, per the Agency's Records	<u>16,513,273</u>	<u>16,372,795</u>	<u>16,524,608</u>
Deposit Corrections	-	-	11,000
Subtract: Deposits in Transit, End of the Fiscal Year	51,953	116,000	95,007
Add: Deposits in Transit, Beginning of the Fiscal Year	116,000	95,007	43,250
Deposits, Recorded by the State Comptroller	<u>\$ 16,577,320</u>	<u>\$ 16,351,802</u>	<u>\$ 16,483,851</u>
Alternative Compliance Market Account Fund - 0738			
Fees	\$ -	\$ -	\$ 42,840
Alternative Compliance Market	11,918	336,517	-
Prior Year Fee Transfer	-	-	417
Receipts, per the Agency's Records	<u>11,918</u>	<u>336,517</u>	<u>43,257</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 11,918</u>	<u>\$ 336,517</u>	<u>\$ 43,257</u>
Oil Spill Response Fund - 0774			
Court & Anti-Trust Dist	\$ -	\$ 7,936	\$ -
Receipts, per the Agency's Records	-	7,936	-
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ -</u>	<u>\$ 7,936</u>	<u>\$ -</u>
DCEO Energy Projects - 0820			
Energy, Department of	\$ 16,427	\$ -	\$ -
Receipts, per the Agency's Records	<u>16,427</u>	<u>-</u>	<u>-</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 16,427</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Hazardous Waste Fund - 0828			
Fund transfer	\$ 2,095,375	\$ -	\$ -
Hazardous Waste Collection Fees	588,093	808,621	859,502
Hazardous Waste Cost Recoveries	2,012,616	3,204,679	3,963,786
Hazardous Waste Grant from 0845	5,023	-	-
Penalties and Fines	-	-	100,166
Jury Duty	-	-	45
Court & Anti-Trust Dist	-	89,482	-
Prior Year Fee Transfer	-	(4,334)	-
Receipts, per the Agency's Records	<u>4,701,107</u>	<u>4,098,448</u>	<u>4,923,499</u>
Deposit Corrections	-	-	23,056
Subtract: Deposits in Transit, End of the Fiscal Year	90,621	94,607	114,049
Add: Deposits in Transit, Beginning of the Fiscal Year	94,607	114,049	53,854
Deposits, Recorded by the State Comptroller	<u>\$ 4,705,093</u>	<u>\$ 4,117,890</u>	<u>\$ 4,886,360</u>
Hazardous Waste Research Fund - 0840			
Hazardous Waste Collection Fees	\$ 54,681	\$ 84,789	\$ 95,500
Hazardous Waste Hauler Fees	307,712	736,760	318,087
Receipts, per the Agency's Records	<u>362,393</u>	<u>821,549</u>	<u>413,587</u>
Subtract: Deposits in Transit, End of the Fiscal Year	2,728	3,111	31,714
Add: Deposits in Transit, Beginning of the Fiscal Year	3,111	31,714	1,403
Deposits, Recorded by the State Comptroller	<u>\$ 362,776</u>	<u>\$ 850,152</u>	<u>\$ 383,276</u>
Environmental Protection Trust Fund - 0845			
Penalty Payments	\$ 1,590,682	\$ 2,340,787	\$ 3,347,346
Interest on Past Due Penalties	202	2,796	-
Governor's Environmental Corps	139,823	-	-
License and Fees	-	(162)	-
Receipts, per the Agency's Records	<u>1,730,707</u>	<u>2,343,421</u>	<u>3,347,346</u>
Deposit Corrections	-	-	800
Subtract: Deposits in Transit, End of the Fiscal Year	128,050	28,258	80,025
Add: Deposits in Transit, Beginning of the Fiscal Year	28,258	80,025	6,525
Deposits, Recorded by the State Comptroller	<u>\$ 1,630,915</u>	<u>\$ 2,395,188</u>	<u>\$ 3,274,646</u>
Federal Energy Receipts - 0859			
Energy, Department of	\$ 241,786	\$ -	\$ -
Receipts, per the Agency's Records	<u>241,786</u>	<u>-</u>	<u>-</u>
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 241,786</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Environmental Protection Permit and Inspection Fund - 0944			
Permit & Inspection Fees - Air Pollution Control	\$ 1,377,791	\$ 1,435,475	\$ 1,554,598
Permit & Inspection Fees - Small Sources	760,478	732,436	698,886
Asbestos Fee	544,500	521,250	564,000
Air Construction Fee	1,683,944	1,900,915	1,740,525
Permit & Inspection Fees - Land Pollution Control	68,500	64,500	68,000
Hazardous Waste Hauler Fees - Land Pollution Control	54,302	130,016	56,133
Hazardous Waste Labor License - Land Pollution Control	11,800	17,000	9,600
Large Generator Fees	502,500	531,000	527,000
Manifest Fees - Land Pollution Control	8,118	4,332	21,388
Potentially Infectious Medical Waste Manifests - Land Pollution Control	889,476	887,848	819,920
Potentially Infectious Medical Waste Haulers - Land Pollution Control	133,550	128,120	145,250
Potentially Infectious Medical Waste Transporters - Land Pollution Control	1,283,432	1,015,769	1,135,674
Used Tire Storage Fee - Land Pollution Control	23,000	23,900	22,900
Permit & Inspection Fees - Industrial Construction	105,400	135,000	169,100
Permit & Inspection Fees - Public Water Supply (Operation)	28,405	29,740	26,370
Permit & Inspection Fees - Public Water Supply (Construction)	287,210	264,490	310,330
Permit & Inspection Fees - Water Pollution Control (Construction)	390,100	446,000	411,200
Penalty	1,970	-	-
Repayment Pursuant to Law	-	337	-
Jury Duty	-	139	447
Clean Construction or Demo Debris Fee	980,567	962,232	1,141,785
Expedited Fees	1,187,404	1,185,581	1,082,140
Avoided Fees	75,090	66,100	-
Prior Year Fee Transfer	(9,482)	(7,848)	(434)
Receipts, per the Agency's Records	<u>10,388,055</u>	<u>10,474,332</u>	<u>10,504,812</u>
Deposit Corrections	-	1,495	(2,350)
Subtract: Deposits in Transit, End of the Fiscal Year	203,664	141,204	315,705
Add: Deposits in Transit, Beginning of the Fiscal Year	141,204	315,705	263,592
Deposits, Recorded by the State Comptroller	<u>\$ 10,325,595</u>	<u>\$ 10,650,328</u>	<u>\$ 10,450,349</u>

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
 RECONCILIATION OF CASH RECEIPTS TO
 DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Years Ended June 30, 2018, 2017, and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Landfill Closure and Post-Closure Fund - 0945			
Surety Bond Forfeiture	\$ 17,632	\$ -	\$ -
Receipts, per the Agency's Records	17,632	-	-
Subtract: Deposits in Transit, End of the Fiscal Year	-	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 17,632</u>	<u>\$ -</u>	<u>\$ -</u>
Vehicle Inspection Fund - 0963			
Jury Duty	\$ 39	\$ 17	\$ 200
Motor Fuel Tax Fund	30,000,000	60,000,000	-
Vehicle Emissions Inspection Fee	69,160	46,900	42,860
Receipts, per the Agency's Records	30,069,199	60,046,917	43,060
Deposit Corrections	-	-	(25)
Subtract: Deposits in Transit, End of the Fiscal Year	39	-	-
Add: Deposits in Transit, Beginning of the Fiscal Year	-	-	-
Deposits, Recorded by the State Comptroller	<u>\$ 30,069,160</u>	<u>\$ 60,046,917</u>	<u>\$ 43,035</u>
GRAND TOTAL - ALL FUNDS			
Receipts, per the Agency's Records	\$ 936,834,196	\$ 1,006,210,272	\$ 494,845,636
Deposit Corrections	-	1,495	34,678
Subtract: Deposits in Transit, End of the Fiscal Year	1,706,839	11,534,393	2,790,283
Add: Deposits in Transit, Beginning of the Fiscal Year	11,534,393	2,790,283	3,232,181
Deposits, Recorded by the State Comptroller	<u>\$ 946,661,750</u>	<u>\$ 997,467,657</u>	<u>\$ 495,322,212</u>
Total Agency Cash Receipts			
Before Interest	<u>\$ 936,834,196</u>	<u>\$ 1,006,210,272</u>	<u>\$ 494,845,636</u>
Interest Deposited Directly into the State Treasury			
Clean Air Act Permit Fund - 0091	\$ 104,003	\$ 52,479	\$ 29,620
EPA Court Trust Fund - 0154	93	48	31
Brownfields Redevelopment Fund - 0214	29,766	17,213	11,757
Water Revolving Fund - 0270	1,366,950	586,444	1,019,031
Community Water Supply Laboratory Fund - 0288	14,567	7,141	5,169
Environmental Laboratory Certification Fund - 0336	4,131	2,595	711
Electronics Recycling Fund - 0675	8,127	6,541	4,016
Illinois Clean Water Fund - 0731	203,376	108,784	61,386
Alternative Compliance Market Account Fund - 0738	4,547	1,969	262
Oil Spill Response Fund - 0774	1,238	624	368
Total Interest Deposited Directly into State Treasury	<u>1,736,798</u>	<u>783,838</u>	<u>1,132,351</u>
Total Agency Receipts After Interest	<u>\$ 938,570,994</u>	<u>\$ 1,006,994,110</u>	<u>\$ 495,977,987</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2018
(Not Examined)

FUNCTIONS

The mission of the Illinois Environmental Protection Agency (Agency) is to safeguard environmental quality, consistent with the social and economic needs of the State, so as to protect health, welfare, property, and the quality of life.

In support of this mission statement, the following program goals have been developed:

1. Ensure that every public water supply will provide water that is consistently safe to drink.
2. Ensure that all federal and state air quality standards are being achieved.
3. Reduce contamination of the land through prevention and cleanup.
4. Ensure that Illinois rivers, streams, lakes, and groundwater support all designated uses.
5. Conduct a timely and effective enforcement program as a means to deter actions that delay or prevent.

The Agency is organized into three principal bureaus to carry out its mission.

1. The Bureau of Air monitors air quality throughout the State to determine existing levels of pollution and evaluate historical trends. The Bureau of Air also addresses future needs of the State through an air quality planning program, analyzes alternative control strategies, proposes new or revised quality standards to the Pollution Control Board and conducts the Illinois Vehicle Emissions Testing Program to reduce air pollution from vehicle emissions in those sections of Illinois which do not meet federal air quality standards.
2. The Bureau of Water includes the Division of Public Water Supplies and the Division of Water Pollution Control. The Division of Public Water Supplies regulate operation of public water systems including inspections, water quality monitoring, technical assistance, facility permitting, system operator training, and enforcement programs. The Division of Water Pollution Control is responsible for identifying sources of water pollution and implementing procedures to abate the pollution.
3. The Bureau of Land administers the federal hazardous waste program pursuant to the federal Resource Conservation and Recovery Act and the State's solid waste program through permitting, surveillance, compliance, and enforcement activities which control the transport, storage, treatment, and disposal of hazardous wastes. The Bureau also administers the Leaking Underground Storage Tank Program.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2018
(Not Examined)

The Agency's headquarters and laboratory facilities are located in Springfield. Field offices are located in Rockford, Des Plaines, Elgin, Elk Grove, Peoria, Springfield, Champaign, Collinsville, and Marion.

PLANNING

The Agency established a strategic plan that runs for four years and is updated periodically. The plan includes the set-up of five priorities. These are 1) to enhance air quality, 2) to reduce contamination of the land through prevention and cleanup, 3) clean and safe water, 4) good information about environmental conditions to educate the public and guide use of resources, and 5) innovative programs that promote economic development and benefit the environment. Each priority was setup with various initiatives in order to achieve the above program goals. These initiatives were programmed to direct the day-to-day operation of the Agency's various bureaus (air, land, and water).

The Agency operates under a Performance Partnership Agreement (PPA) with the U.S. EPA. The PPA is funded by a Performance Partnership Grant (PPG). The PPA sets goals, outcomes, strategies, and measures for programs funded through the PPG. The PPG allows for more flexibility in the use of federal funds as it takes programs from all three Bureaus and houses them under one agreement. The Agency prepares an annual performance report within the PPA document itself. PPA planning, along with the Service Efforts and Accomplishments reporting, budget preparations, legislative tracking, and management meetings comprise the majority of planning.

In addition, the Agency also has the following Strategic Management Directions wherein the Agency widens its focus of promoting public awareness through social activities:

1. Pursue the State's environmental interests in concert with applicable national environmental programs.
2. Produce sound environmental decisions that are conducive to environmental progress.
3. Strengthen the government framework for environmental protection in Illinois.
4. Foster innovation, systems improvement, and human resource development.
5. Stress responsiveness to relevant publics.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

The Illinois Environmental Protection Agency's (Agency) 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.

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

U.S. Environmental Protection Fund - 0065

Administration

The increase was mainly due to payments to the Department of Innovation and Technology (DOIT) charges for the Enterprise Resource Planning (ERP) System. The Agency allocated the ERP charges across multiple funds based on appropriations and cash availability.

Land Pollution Control

The increase was due to more remedial action work at contamination sites needed in addition to an increase in corrective action services at hazardous and non-hazardous waste sites.

Underground Storage Tank Fund – 0072

Land Pollution Control

The increase was due to an increase in the number of Leaking Underwater Storage Tank (LUST) project claims submitted by owner operators during Fiscal Year 2018. Claims are processed when presented and amounts can vary from year to year.

Pollution Control Board

The decrease was due to a hiring lag which created less personal services expenditures. In Fiscal Year 2018, hiring was slow and three of the ten employees were on the payroll less than five months of the fiscal year.

EPA Special State Projects Fund - 0074

Administration

The amount of fund available varies from year to year. The increase in non-appropriated expenditures was due to more money available to spend in Fiscal Year 2018.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Solid Waste Management Fund – 0078

Administration

The increase was mainly due to DOIT charges for the ERP System. The Agency allocated the ERP charges across multiple funds based on appropriations and cash availability.

Water Pollution Control Revolving Fund - 0270

Administration

The increase was mainly due to DOIT charges for the ERP System. The Agency allocated the ERP charges across multiple funds based on appropriations and cash availability.

Alternative Fuels Fund – 0422

Air Pollution Control

The decrease was due to the ending of the alternate fuel rebate program in Fiscal Year 2017.

Anti-Pollution Fund - 0551

Bureau of Water

The decrease was due to fewer waste water facility construction projects completed in Fiscal Year 2018. The expenditures vary from year to year based on the number of projects and when the projects are completed.

Illinois Clean Water Fund – 0731

Administration

The increase was mainly due to DOIT charges for the ERP System. The Agency allocated the ERP charges across multiple funds based on appropriations and cash availability.

DCEO Energy Projects Fund – 0820

Administration

The increase was due to the transfer of the Department of Commerce and Economic Opportunity's (DCEO) Energy and Recycling Office, its programs, and funds to the Agency in Fiscal Year 2018. This fund was created to administer the State Energy Program. This fund is federally funded and is used to administer the US Department of Energy demonstration programs.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Hazardous Waste Fund – 0828

Land Pollution Control

The increase was due to cleanup and maintenance of more hazardous waste sites completed during Fiscal Year 2018.

Environmental Protection Trust Fund – 0845

Administration

The increase was due to an increase in grant allocation to agencies. Disbursements to agencies are based on funds available and the Illinois Environmental Protection Trust Fund Commission agreements, therefore, the expenditures vary from year to year.

Federal Energy Fund – 0859

Administration

The increase was due to the transfer of the Department of Commerce and Economic Opportunity's (DCEO) Energy and Recycling Office, its programs, and funds to the Agency in Fiscal Year 2018. This fund was created to administer the State Energy Program (SEP). The SEP promotes efficient, conservative uses for the State's energy resources and provides housing assistance payments to landlords for affordable, safe, and sanitary housing on behalf of economically disadvantaged people.

Vehicle Inspection Fund – 0963

Administration

The increase was mainly due to DOIT charges for the ERP System. The Agency allocated the ERP charges across multiple funds based on appropriations and cash availability.

Air Pollution Control

The decrease was due to fewer payments for contractual services for vehicle emissions tests. The Agency pays the vendor a fee each reimbursable test and can vary from year to year.

Build Illinois Bond Fund – 0971

Land Pollution Control

The increase was due to an appropriation to deposit funds from the Fiscal Year 2017 bond issue for deposit into the Water Revolving Fund – 0270.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Build Illinois Bond Fund – 0971 (Continued)

Bureau of Water

The decrease was due to fewer capital projects completed in Fiscal Year 2018. The expenditures vary from year to year based on the number of projects and when the projects are completed.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016

U.S. Environmental Protection Fund – 0065

Administration

The decrease was due to payments to the Facilities Management Revolving Fund (0314) for building expenses being allocated to other funds during Fiscal Year 2017. During the budget impasse in Fiscal Year 2016, the administrative costs were allocated to this fund from other funds where State appropriations were used in the prior fiscal years. Administrative costs of the Agency are eligible to be paid from various funds the Agency administers and the Agency allocates them based on cash and appropriations availability.

Air Pollution Control

The decrease was due to the budget impasse during Fiscal Year 2016 when this fund had continuing appropriation and was used to pay the matching expenditures for the other funds without budget and appropriations. In Fiscal Year 2017, the Agency received appropriations and all other funds returned to paying expenditures within the funds.

Underground Storage Tank Fund – 0072

Land Pollution Control

The decrease was due to a decrease in the number of Leaking Underwater Storage Tank (LUST) project claims during Fiscal Year 2017. Claims are processed when presented and amounts can vary from year to year.

Pollution Control Board

The increase was due to a shift in personal services dollars and benefits for six employees to this fund from the Clean Air Act Permit Fund (0091) in Fiscal Year 2017. This shift in appropriated headcount was due to a decrease in the projected cash flow in the Clean Air Act Permit Fund (0091).

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Solid Waste Management Fund – 0078

Administration

The increase was due to administrative costs being allocated to this fund. During the budget impasse in Fiscal Year 2016, the administrative costs of this fund were allocated to the U.S. Environmental Protection Fund (0065). During Fiscal Year 2017, the Agency reversed course and allocated facility type expenses to funds other than Fund 0065.

Clean Air Act Permit Fund – 0091

Administration

The increase was due to administrative costs being allocated to this fund. During the budget impasse in Fiscal Year 2016, the administrative costs of this fund were allocated to the U.S. Environmental Protection Fund (0065). During Fiscal Year 2017, the Agency reversed course and allocated facility type expenses to funds other than Fund 0065.

Pollution Control Board

The decrease was due to a shift in personal services dollars and benefits for six employees from this fund to the Underground Storage Tank Fund (0072) in Fiscal Year 2017. This shift in appropriated headcount was due to a decrease in projected cash flow for this fund.

Water Pollution Control Revolving Fund – 0270

Administration

The increase was due to payments to the Statistical Services Revolving Fund (0304) for data center charges and the Facilities Management Revolving Fund (0314) for building costs being charged to this fund. Due to the budget impasse in Fiscal Year 2016, the costs were allocated to the U.S. Environmental Protection Fund (0065). During Fiscal Year 2017, the Agency reversed course and allocated facility type expenses to funds other than Fund 0065.

Alternative Fuels Fund – 0422

Air Pollution Control

The decrease was due to the ending of the alternate fuel rebate program.

Anti-Pollution Fund -0551

Bureau of Water

The increase was due to an increase in funding available for disbursements for the construction of waste water facilities due to the bond issue in Fiscal Year 2017.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2018
(Not Examined)

Vehicle Inspection Fund – 0963

Administration

The increase was due to administrative costs being allocated to this fund. During the budget impasse in Fiscal Year 2016, the administrative costs of this fund were allocated to the U.S. Environmental Protection Fund (0065). During Fiscal Year 2017, the Agency reversed course and allocated facility type expenses to funds other than Fund 0065.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

The Illinois Environmental Protection Agency's (Agency) explanations for significant fluctuations in receipts as presented in the Comparative Schedule of Cash Receipts and Reconciliation to Cash Receipts to Deposits Remitted to the Comptroller (Schedule 6) 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.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017

U.S. Environmental Protection Fund - 0065

Prior Year Fee Transfer

The increase was due to a lower amount of the adjustments in Fiscal Year 2018 to move cash to the proper fund, while in Fiscal Year 2017 there were more adjustments. The Agency, from time to time, receives receipts with an incorrect application. When corrected applications are filed, the Agency will post correcting entries to move money collected to the proper fund.

Underground Storage Tank Fund - 0072

Penalties

The decrease was due to fewer collections received from the defendants by the courts. This receipt is a restitution payment related to a Leaking Underground Storage Tank (LUST) claim made to the Agency. The amount received each year is dependent on the funds collected from the defendants by the courts.

EPA Special State Projects Trust Fund - 0074

Transfer from the Environmental Protection Trust Fund

The decrease was due to the timing of the Environmental Protection Trust Fund (0845) transfer during Fiscal Year 2018.

Solid Waste Management - 0078

CED Manufacturer Registration Fees

This is a new revenue source pursuant to the Consumer Electronics Recycling Act. The increase was due to the collection of the first fees in May 2018.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

Pollution Control Board State Trust Fund - 0207

Transfer from the Environmental Protection Trust Fund

The purpose of this fund is to receive and expend funds made available from the Environmental Protection Trust Fund Commission. The decrease was due to the decrease in grant allocation received from the Environmental Protection Trust Fund (0845) in Fiscal Year 2018.

Brownfields Redevelopment Fund - 0214

Prior Year Fee Transfer

The decrease was due to the adjustment of grant receipts which were deposited into the incorrect fund in the prior year.

Water Revolving Fund - 0270

Federal Grant Proceeds

The decrease was due to the program using bond funds for loan disbursements and used only a portion of the current year grants to fund disbursements. This revenue will vary from year to year depending on the timing of State match, grant award amounts, and loan disbursements.

Bond Issue Proceeds

The increase was due to proceeds from the additional bond issuance in Fiscal Year 2018. Bonds are issued based on the needs of the program to fund the difference between all other revenues of the program and the expected loan disbursements based on the loans committed. This revenue will vary each year based on the timing of bond sales and the cash flows of the loan program.

Amalgamated Bank

The decrease was due to an adjustment to correct the bond proceeds incorrectly reported to this revenue account during Fiscal Year 2017.

State Match

This revenue consists of State matches in Drinking Water and Clean Water programs. The decrease was due to no State match bonds being transferred in Fiscal Year 2018.

Illinois Clean Water Fund - 0731

National Pollution Discharge Elimination System and Stormwater Permits

The increase was due to a higher number of applications received for National Pollution Discharge Elimination System (NDPES) and Stormwater permits during the fiscal year. This is a new revenue source code in the Statewide Accounting Management System (SAMS) created in Fiscal Year 2017

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

after the Agency's conversion into the Enterprise Resource Planning System to track initial NPDES fees.

Alternative Compliance Market Fund - 0738

Alternative Compliance Market

The decrease was due to a lesser need for air sources to purchase allotment trading units to compensate for its Volatile Organic Material (VOM) emissions.

Hazardous Waste Fund - 0828

Fund Transfer

The increase was due to the transfer of Build Illinois Bond funds to make a State match payment related to clean up activities on a site on the US Environmental Protection Agency's National Priorities List.

Hazard Waste Cost Recoveries

The decrease was due to a vacancy in the accountant position who was responsible for processing billings for most of Fiscal Year 2018.

Hazardous Waste Research Fund - 0840

Special Waste Hauler Fees

The decrease was due to fewer applications received during the fiscal year. Beginning in Fiscal Year 2013, this revenue has been a three-year permit and fluctuation is expected every 3 years as permits expire and require renewal.

Environmental Protection Trust Fund - 0845

Penalty Payments

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

Environmental Protect Permit and Inspection Fund - 0944

Potentially Infectious Medical Waste Transporters - Land Pollution Control

The increase was due to more potentially infectious hazardous waste transported during the fiscal year.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

Vehicle Inspection – 0963

Motor Fuel Tax Fund

The decrease was due to the Fiscal Year 2016 Motor Fuel Tax Fund allocation which was received late in Fiscal Year 2017 due to the budget impasse.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS
2017 AND 2016**

U.S. Environmental Protection Fund - 0065

Federal Grant Proceeds

The decrease was due to grant funding availability, the timing of grant awards, and the timing of expenditures as all of the Agency's federal grants are drawn on a reimbursement basis.

Department of Transportation Agreement

The Agency has an agreement with the Department of Transportation for pass through grants through the Congestion Mitigation and Air Quality Improvement (CMAQ) program for transportation projects which improve air and mitigate congestion. The increase was due to more projects completed in Fiscal 2017.

Prior Year Fee Transfer

The decrease was due to an adjustment of grant receipts which were deposited into an incorrect fund in Fiscal Year 2017, while there were no adjustments in Fiscal Year 2016.

Underground Storage Tank Fund - 0072

Penalties

The increase was due to more collections made from the defendants by the courts. This receipt is a restitution payment related to a Leaking Underground Storage Tank (LUST) claim made to the Agency. The amount received each year is dependent on the funds collected from the defendants by the courts.

EPA Special State Projects Trust Fund - 0074

Transfer from the Environmental Protection Trust Fund

The increase was due to the Fiscal Year 2016 Environmental Protection Trust Fund (0845) grant being transferred in Fiscal Year 2017. Due to the budget impasse in Fiscal Year 2016, the Agency did not receive the transfer from the Environmental Protection Trust Fund (0845) until Fiscal Year 2017.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

Pollution Control Board State Trust Fund - 0207

Transfer from the Environmental Protection Trust Fund

The purpose of this fund is to receive and expend funds made available from the Environmental Protection Trust Fund Commission. Due to the budget impasse in Fiscal Year 2016, the Pollution Control Board did not receive the transfer from the Environmental Protection Trust Fund (0845) until Fiscal Year 2017.

Brownfields Redevelopment Fund - 0214

Prior Year Fee Transfer

The increase was due to an adjustment to move grant receipts to the proper fund in Fiscal Year 2017, while there were no adjustments in Fiscal Year 2016.

Water Revolving Fund - 0270

Federal Grant Proceeds

The decrease was due to the timing of federal grant drawdowns and receipt of the State match. Federal grant funds are drawn on a reimbursement basis when State match funds are provided. The Agency had provided the State match and drawn two years of grants in Fiscal Year 2016 in order to fund the program without issuing bonds. This revenue will vary from year to year depending on the timing of the State match, grant award amounts, and loan disbursements.

Bond Issue Proceeds

The increase was due to the bond issuance in Fiscal Year 2017. The program operated without issuing bonds in Fiscal Year 2016. This revenue will vary each year based on the timing of bond sales and the cash flows of the loan program.

Amalgamated Bank

The increase was due to bond proceeds incorrectly reported to this revenue account during Fiscal Year 2017.

State Match

This revenue consists of State matches in Drinking Water and Clean Water programs. The increase was due to the transfer of State match bonds as the Agency made disbursements to loan recipients in Fiscal Year 2017, while there were no State match bonds transferred in Fiscal Year 2016.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2018
(Not Examined)

Water Revolving Fund – 0270 (Continued)

Transfer from Anti-Pollution Bond Fund

The decrease was due to no State match bonds being transferred from the trustee in Fiscal Year 2017.

Alternative Compliance Market Fund - 0738

Alternative Compliance Market

The increase was due to a higher need for air sources to purchase allotment trading units to compensate for its Volatile Organic Material (VOM) emissions.

Hazardous Waste Research Fund - 0840

Hazardous Waste Hauler Fees

The increase was due to a higher number of applications received during the fiscal year. Beginning in Fiscal Year 2013, this revenue has had a three-year permit and fluctuation is expected every three years as permits expire and require renewal.

Environmental Protection Trust Fund - 0845

Penalty Payments

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

Vehicle Inspection – 0963

Motor Fuel Tax Fund

The increase was due to the timing of the receipt of the Fiscal Year 2016 Motor Tax Fund allocation due to the budget impasse.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2018
(Not Examined)

The Illinois Environmental Protection Agency's (Agency) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures, and Lapsed Balances for Fiscal Years 2018 and 2017 (Schedules 1 and 2) are detailed below. For the purpose of this analysis, lapse period spending of \$250,000 and 20% or more of total expenditures was considered to be significant.

FISCAL YEAR 2018

EPA Special State Projects Trust Fund - 0074

Administration

The Lapse Period spending was due to the Agency being billed late in the fiscal year and during the lapse period by the Facilities Management Revolving Fund – 0314 for facilities and the Technology Management Revolving Fund – 0304 for telecommunications and statistical services.

Environmental Protection Trust Fund - 0845

Administration

The Lapse Period spending was due to the timing of the Agencies requesting grant payments.

Vehicle Inspection Fund – 0963

Administration

The Lapse Period spending was due to the Agency being billed late in the fiscal year and during the lapse period by the Facilities Management Revolving Fund – 0314 for facilities and the Technology Management Revolving Fund – 0304 for telecommunications and statistical services.

FISCAL YEAR 2017

EPA Special State Projects Trust Fund - 0074

Administration

The Lapse Period spending was due to the Agency being billed late in the fiscal year and during the lapse period by the Facilities Management Revolving Fund – 0314 for facilities, the Statistical Services Revolving Fund – 0304 for information technology services, and the Communications Revolving Fund – 0312 for telecommunications services.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE

For the Year Ended June 30, 2018
 (Not Examined)

The Environmental Protection Agency (Agency) utilizes the Attorney General, the Department of Revenue's Debt Collection Bureau, and the State Comptroller's Offset System to collect unpaid receivables. An aging schedule of the Agency's accounts receivable as of June 30, 2018, is presented below

Fund	Current	Less than 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
General Revenue Fund - 0001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
U.S. Environmental Protection Fund - 0065	7,216	-	-	-	-	-	7,216
EPA Special State Projects Trust Fund - 0074	-	-	-	-	-	107	107
Clean Air Act Permit Fund - 0091	319	2,786	222	53	45	692	4,117
Brownfields Redevelopment Fund - 0214	402	-	25	-	200	540	1,167
Water Revolving Fund - 0270	4,143,884	-	-	-	-	-	4,143,884
Used Tire Management Fund - 0294	30	1	1	15	2	892	941
Environmental Laboratory Certification Fund - 0336	-	-	-	-	-	1	1
Illinois Clean Water Fund - 0731	15,802	5	5	15	247	1,578	17,652
Hazardous Waste Fund - 0828	1,102	173	33	54	221	7,200	8,783
Environmental Protection Trust Fund - 0845	424	30	30	88	209	13,074	13,855
Environmental Protection Permit and Inspection Fund - 0944	218	75	29	16	47	489	874
Total	\$4,169,397	\$ 3,070	\$ 345	\$ 241	\$ 971	\$ 24,574	\$4,198,598
Allowance for Uncollectible Accounts							(24,804)
Net Accounts Receivable							\$4,173,794

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE

For the Year Ended June 30, 2017
 (Not Examined)

The Environmental Protection Agency (Agency) utilizes the Attorney General, the Department of Revenue's Debt Collection Bureau, and the State Comptroller's Offset System to collect unpaid receivables. An aging schedule of the Agency's accounts receivable as of June 30, 2017, is presented below

Fund	Current	Less than 30 Days	31 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
General Revenue Fund - 0001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
U.S. Environmental Protection Fund - 0065	9,086	-	-	-	-	-	9,086
EPA Special State Projects Trust Fund - 0074	-	-	-	-	-	107	107
Clean Air Act Permit Fund - 0091	324	2,835	151	208	110	689	4,317
Brownfields Redevelopment Fund - 0214	583	-	-	-	200	340	1,123
Water Revolving Fund - 0270	3,686,757	-	-	-	-	-	3,686,757
Used Tire Management Fund - 0294	46	-	2	-	1	890	939
Environmental Laboratory Certification Fund - 0336	-	-	-	-	-	1	1
Illinois Clean Water Fund - 0731	15,742	44	-	-	367	1,675	17,828
Hazardous Waste Fund - 0828	635	121	187	383	307	18,090	19,723
Environmental Protection Trust Fund - 0845	346	31	151	36	117	13,010	13,691
Environmental Protection Permit and Inspection Fund - 0944	232	64	36	20	42	489	883
Total	\$3,713,751	\$ 3,095	\$ 527	\$ 647	\$ 1,144	\$ 35,292	\$3,754,456
Allowance for Uncollectible Accounts							(35,895)
Net Accounts Receivable							<u>\$3,718,561</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2018
(Not Examined)

Article 74 of Public Act 99-0524 authorized the Illinois Environmental Protection Agency (Agency) to pay Fiscal Year 2016 costs using the Agency’s Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Agency to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Agency’s Fiscal Year 2017 or Fiscal Year 2018 appropriations to non-payroll expenditures. The following chart shows the Agency’s payment its prior period costs using future appropriations:

FISCAL YEAR 2016 INVOICES

Fund Number	Fund Name	Paid From Fiscal Year 2017 Appropriations	
		Number	Dollar Value
065	U.S. Environmental Protection Fund	4	\$120,172
078	Solid Waste Management Fund	29	227,320
207	Pollution Control Board State Trust Fund	4	57,911
214	Brownfields Redevelopment Fund	1	17,816
288	Community Water Supply Laboratory Fund	3	1,289
294	Used Tire Management Fund	1	306
336	Environmental Laboratory Certification Fund	4	3,939
731	Illinois Clean Water Fund	4	680
		50	\$429,433

FISCAL YEAR 2017 INVOICES

Fund Number	Fund Name	Paid From Fiscal Year 2018 Appropriations	
		Number	Dollar Value
065	U.S. Environmental Protection Fund	71	\$1,818,208
072	Underground Storage Tank Fund	8	47,690
074	EPA Special State Projects Trust Fund	10	15,497
078	Solid Waste Management Fund	48	990,721
089	Subtitle D Management Fund	2	2,855
091	Clean Air Act (CAA) Permit Fund	7	12,932
214	Brownfields Redevelopment Fund	3	442
270	Water Revolving Fund	5	120,800
288	Community Water Supply Laboratory Fund	7	7,539
294	Used Tire Management Fund	2	369
336	Environmental Laboratory Certification Fund	1	132
731	Illinois Clean Water Fund	42	111,326
820	DCEO Energy Projects Fund	1	180,437

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2018**

FISCAL YEAR 2017 INVOICES - CONTINUED

Fund Number	Fund Name	Paid From Fiscal Year 2018 Appropriations	
		Number	Dollar Value
828	Hazardous Waste Fund	5	\$2,102,692
944	Environmental Protection Permit and Inspection Fund	7	8,529
963	Vehicle Inspection Fund	5	10,769
		<u>224</u>	<u>\$5,430,938</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
For the Two Years Ended June 30, 2018
(Not Examined)

Transactions Involving the Illinois Finance Authority

The Illinois Environmental Protection Agency (Agency) and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Agency's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
INTEREST COST ON INVOICES
For the Two Years Ended June 30, 2018
(Not Examined)

Prompt Payment Interest Cost

The Illinois Environmental Protection Agency (Agency) did not pay prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The Agency's vendors were not paid within 90 days after receipt of a proper bill or invoice, see Finding 2018-008 regarding the Agency's inadequate controls over voucher processing.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2018
(Not Examined)

The following table, prepared from Agency records, presents the average number of employees, by function,

Division	2018	2017	2016
Administrative Services	7	8	9
Bureau of Air	171	188	200
Laboratories	16	16	15
Bureau of Land	213	220	236
Bureau of Water	208	228	250
Total average full-time employees	615	660	710

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Two Years Ended June 30, 2018

(Not Examined)

(Appropriated Spending in Thousands)

Reporting Programs	FY 2017		FY 2018	
	Expenditures	Headcount	Expenditures	Headcount
Clean Water	\$ 817,871.7	255.0	\$ 785,849.4	232.0
Clear Land	78,222.8	231.0	101,001.4	235.0
Clean Air	58,802.7	198.0	50,946.5	178.0
Agency Totals	\$ 954,897.2	684.0	\$ 937,797.3	645.0

The Environmental Protection Agency (Agency) was created as part of the Environmental Protection Act of 1970. The Agency's mission is to protect, restore, and enhance the quality of air, land, and water resources to benefit current and future generations. In Fiscal Year 2018, the Agency expenditures were \$937.8 million to fund the activities of the Agency, which included administering State and federal programs to protect and improve air, land, and water resources.

The Agency had 645 people employed at the end of Fiscal Year 2018, including engineers, biologists, attorneys, and other professionals with skills necessary to carry out the functions of the Agency. Activities of the Agency include issuing permits for air, land, and water to restrict pollutants into the environment from industrial and commercial sources; regulating pollution control facilities and solid waste disposal sites; testing the quality of water-processing procedures for operators of sewage treatment plants and public drinking water supplies; and testing gasoline-powered vehicles in the Chicago and Metro-East ozone nonattainment areas. The Agency also administers grants and loans to local governments for wastewater and drinking water treatment facilities and for brownfields redevelopment projects.

The Agency's Clean Air Program works to improve air quality by identifying air pollution problems, proposing appropriate regulations, conducting inspections, and reviewing permit applications. The Agency also operates a vehicle emissions testing program.

The Agency's Bureau of Land continues to remove historic contamination from old industrial and commercial sites. Since the passage of landmark "right to know" legislation, the Agency has also been working diligently on expanding outreach to citizens impacted by off-site contamination from industrial and other sources. The Bureau of Land held one-day household hazardous waste pick-ups throughout the State and provided continued financial support to the four-permanent household hazardous waste collection facilities.

The Environmental Protection Agency, the Illinois Finance Authority, and the Department of Commerce and Economic Opportunity continue to work together on the SRF Program and to build a

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Two Years Ended June 30, 2018

(Not Examined)

stronger Illinois by enabling local governments to access low-interest loans for a variety of wastewater and drinking water projects. Financing is available for projects including modernizing wastewater treatment plants to meet water quality standards, replacing aging water mains and sewers, and updating drinking water treatment facilities. Also, in the Agency's Clean Water program, stream and lake water quality continues to improve.

Clean Air

Mission Statement:

Protect the health, welfare, property, and the quality of life of the citizens of the State through the elimination or control of harmful pollutants in the air.

Program Goals - Objectives:

1. Ensure that all federal and State air quality standards are being achieved.
 - a. Issue permits; conduct inspections, compliance activities, and air monitoring; and track air quality trends.
 - b. Assess the status of air quality through data collection, modeling, and analysis.
2. Implement air pollution control strategies to reduce industrial emissions.
 - a. Reduce power plant emissions by establishing requirements necessary to meet federal and State standards.
 - b. Promote clean-coal technologies and encourage the development of new clean-coal energy plants.
3. Reduce emissions from mobile sources (i.e., transportation) that impact air quality in the State.
 - a. Reduce emissions from diesel school buses.
 - b. Educate school administrators and bus drivers about reducing emissions from diesel school buses.
 - c. Encourage use of pollution control retrofit devices on diesel vehicles.
 - d. Promote clean-burning alternate fuels.
4. Implement an improved vehicle emission test program in non-attainment areas.
 - a. Implement, in coordination with the Secretary of State, the license renewal testing and enforcement program.
 - b. Administer an effective and efficient vehicle emissions testing program in the Chicago and Metro-East non-attainment areas.
5. Participate in the Governor's Greenhouse Gas Workgroup.
 - a. Continue dialogue with other states on improving air quality in the Midwest by reducing emissions from power plants and other targeted sources.
 - b. Work collectively with other states toward achieving state and regional air quality goals.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

Funds: U.S. Environmental Protection Fund, EPA State Projects Trust Fund, Clean Air Act (CAA) Permit Fund, Alternate Fuels Fund, Alternate Compliance Market Account Fund, VW Settlement Environmental Mitigation Fund, Environmental Protection Permit and Inspection Fund, Vehicle Inspection Fund

Statutory Authority: 415 ILCS 5/1 et seq.

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$64,206.8	\$59,056.9	\$96,838.0	\$51,268.5	\$104,209.4
• Total expenditures - State appropriated funds (in thousands)	\$63,959.4	\$58,802.7	\$96,101.7	\$50,946.5	\$103,561.6
• Average monthly full-time equivalents	210.0	198.0	220.0	178.0	220.0
<u>Output Indicators</u>					
• Number of initial vehicle emission tests performed	1,794,016	2,128,650	2,083,700	2,163,100	2,084,600
• Number of pollutant emitting facilities inspected	572.0	441.0	450.0	395.0	400.0
• Number of violation notices issued	154.0	168.0	200.0	94.0	200.0
• Number of enforcement cases referred to the Attorney General	6.0	23.0	25.0	26.0	25.0
• Number of permits issued non-Title V FESOP	113.0	78.0	80.0	67.0	90.0
• Number of permits issued non-Title V Construction	234.0	182.0	190.0	240.0	210.0
• Number of permits issued non-Title V Lifetime	167.0	119.0	130.0	155.0	135.0
• Number of permits issued non-Title V ROSS	254.0	219.0	210.0	214.0	215.0
• Number of permits issued to large pollutant emitting facilities - Title V	189.0	167.0	110.0	221.0	200.0
• Number of permits issued to large pollutant emitting facilities - Title V Construction	271.0	221.0	220.0	189.0	205.0
<u>Outcome Indicators</u>					
• Percent days with "Good" air quality in Chicago	95%	96%	95%	93%	94%
• Percent days with "Good" air quality in St. Louis area	98%	97%	97%	97%	97%
• Percent industrial source emission reductions	80%	74%	74%	74%	74%
• Percent mobile source emission reductions	67%	70%	70%	81%	81%
• Reduced pollution from diesel vehicles/engines (in tons) includes school buses	61,653	13,209	20,000	8,637	20,000
<u>Efficiency/Cost-Effectiveness Indicators</u>					
• Cost of inspecting and permitting each small (non-Title V) pollutant emitting facility (in dollars)	\$6,571.00	\$6,702.00	\$6,835.00	\$6,836.00	\$6,972.00
• Cost of inspecting and permitting each large (Title V) pollutant emitting facility (in dollars)	\$109,695.00	\$111,889.00	\$114,125.00	\$114,126.00	\$116,409.00
• Cost per vehicle tested in the Chicagoland and Metro-East areas to ensure compliance with State and federal air quality standards (in dollars)	\$6.95	\$4.22	\$2.85	\$2.85	\$2.85

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

Clean Land

Mission Statement:

Reduce contamination of the land through prevention and cleanup.

Program Goals - Objectives:

1. Ensure that hazardous and non-hazardous wastes are managed in an environmentally sound manner.
 - a. Review and evaluate permit applications for hazardous, non-hazardous, and special waste management facilities.
 - b. Complete closure of all inactive waste management units.
 - c. Review permitted groundwater monitoring programs, interpret groundwater standards, and offer assistance concerning impacts on groundwater.
 - d. Perform compliance inspections at waste-generating facilities.
2. Encourage the recycling and recovery of waste materials.
 - a. Oversee a cleanup program for used tires.
 - b. Provide financial support to the four-permanent household hazardous waste collection facilities.
 - c. Implement Beneficial Use Determination legislation that provides for reuse of waste.
3. Clean up sites with contaminated land and groundwater.
 - a. Investigate, reduce, eliminate, and manage impacts of contaminated land and contaminated groundwater.
 - b. Provide opportunities for the cleanup and reuse of Brownfields.
 - c. Clean up abandoned landfills.
 - d. Target sites to be referred to the Attorney General.
 - e. Implement cleanup of Chicago cluster sites.

Funds: U.S. Environmental Protection Fund, Underground Storage Tank Fund, EPA State Projects Trust Fund, Solid Waste Management Fund, Subtitle D Management Fund, Brownfields Redevelopment Fund, Used Tire Management Fund, Electronics Recycling Fund, Hazardous Waste Fund, Environmental Protection Permit and Inspection Fund

Statutory Authority: 415 ILCS 5/1 et seq.

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Input Indicators</u>					
• Total expenditures - all sources (in thousands)	\$88,366.0	\$78,518.6	\$215,997.8	\$101,425.8	\$228,159.7
• Total expenditures - State appropriated funds (in thousands)	\$88,047.0	\$78,222.8	\$215,103.6	\$101,001.4	\$227,373.1
• Average monthly full-time equivalents	250.0	231.0	268.0	235.0	269.0
<u>Output Indicators</u>					
• Facility permits issued	773.0	755.0	750.0	696.0	668.0
• Facility inspected	4,945	4,913	5,000	4,267	4,800
• Solid waste administrative citations	6.0	6.0	10.0	9.0	16.0

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2018
(Not Examined)

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Output Indicators - Continued</u>					
• Number of enforcement cases referred to the Attorney General	44.0	62.0	70.0	27.0	32.0
• Leaking Underground Storage Tanks (LUST) incidents reported	323.0	342.0	350.0	350.0	340.0
• Number of violation notices issued	162.0	169.0	180.0	216.0	220.0
• State cleanup projects completed	2.0	4.0	6.0	6.0	5.0
• Superfund constructions completed	7.0	5.0	8.0	0	8.0
• One-day household hazardous waste collection events	0	8.0	0	6.0	6.0
<u>Outcome Indicators</u>					
• Waste diverted from landfills by household hazardous waste collections at permanent facilities (measured in drums)	7,147	6,036	6,000	7,200	6,500
• Waste diverted from landfills by tire collections (measured in tons)	0	1,055	2,500	2,500	4,000
• Land remediated (measured in acres)	2,410	1,984	1,900	1,317	1,130
<u>Efficiency/Cost-Effectiveness Indicators</u>					
• Cost per facility permitted (in dollars)	\$11,010.00	\$11,273.00	\$11,300.00	\$11,300.00	\$11,500.00

Clean Water

Mission Statement:

The State's rivers, streams, and lakes will support all designated uses; every public water supply will provide water that is consistently safe to drink; and resource groundwater will be protected.

Program Goals - Objectives:

1. Implement programs to sustain beneficial uses of streams, lakes, and groundwater.
 - a. Protect and maintain existing high-quality waters.
 - b. Eliminate use impairments in the State's waters with identified problems.
 - c. Promote nutrient management practices.
 - d. Work toward science-based standards (nutrients and bacteria) and more accurate use classifications.
 - e. Address non-continuous but recurring pollutant discharges related to wet weather conditions.
 - f. Continue financial assistance to communities seeking to achieve or maintain Non-Point Discharge Elimination System (NPDES) compliance.
 - g. Increase awareness of groundwater contamination, non-degradation standards, wellhead protection, and source water protection through outreach and education.
 - h. Implement a permit program for discharging combined animal feeding operations.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Two Years Ended June 30, 2018

(Not Examined)

2. Ensure that public water supply systems provide water that is consistently safe to drink.
 - a. Reduce the population served by community water supplies with violations of drinking water standards to less than 5%.
 - b. Work toward enhancing rules for groundwater protection, source water protection, and wellhead protection areas.
 - c. Target financial assistance to assure compliance with new and existing drinking water standards.
3. Protect and restore Lake Michigan.
 - a. Maintain the percentage of open shoreline miles in good condition.
 - b. Assist with remediation of Waukegan Harbor.
 - c. Continue work at contaminated cluster sites in the Lake Calumet area.
4. Reduce mercury in the State's environment.
 - a. Administer reduction programs, including capture and disposal of mercury vehicle switches and mercury thermostat recycling program.
 - b. Identify and assess current levels of mercury loading to the State's water environment and assess trends in fish tissue.
 - c. Implement mercury reduction requirements from the State's power plants.
5. Move from facility planning to watershed protection.
 - a. Develop Total Maximum Daily Loads (TMDLs) for waters that fail to meet the use for which they have been designated.
 - b. Align program activities on a watershed basis.
 - c. Foster local watershed management planning.
6. Assist with statewide water quantity planning.
 - a. Provide technical assistance to the Department of Natural Resources and regional planning groups.
 - b. Inform stakeholders of the impacts of water quantity on water quality and vice versa.

Funds: U.S. Environmental Protection Fund, Water Revolving Fund, Anti-Pollution Fund, Illinois Clean Water Fund, Environmental Protection Permit and Inspection Fund, Build Illinois Bond Fund

Statutory Authority: 415 ILCS 5/1 et seq.

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
Input Indicators					
• Total expenditures - all sources (in thousands)	\$696,002.3	\$818,179.7	\$2,014,234.4	\$786,245.4	\$2,431,150.9
• Total expenditures - State appropriated funds (in thousands)	\$695,659.9	\$817,871.7	\$2,013,364.9	\$785,849.4	\$2,430,385.9
• Average monthly full-time equivalents	275.0	255.0	274.0	232.0	274.0
Output Indicators					
• Drinking water permits issued	2,446	2,229	2,200	2,551	2,200
• Wastewater permits issued	3,115	3,899	3,100	3,100	3,100
• Drinking water facilities inspected	435.0	407.0	400.0	441.0	475.0
• Wastewater facilities inspected	548.0	490.0	500.0	484.0	500.0

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS

For the Two Years Ended June 30, 2018

(Not Examined)

	Fiscal Year 2016 Actual	Fiscal Year 2017 Actual	Fiscal Year 2018 Target/Projected	Fiscal Year 2018 Actual	Fiscal Year 2019 Target/Projected
<u>Output Indicators - Continued</u>					
• Wastewater loans	36.0	43.0	45.0	40.0	40.0
• Drinking water loans	32.0	36.0	40.0	30.0	30.0
• Non-point source control projects	13.0	24.0	20.0	15.0	19.0
• Number of violation notices issued	112.0	156.0	250.0	205.0	269.0
• Number of enforcement cases referred to the Attorney General	28.0	31.0	29.0	20.0	22.0
• Value of loans issued for Drinking Water projects (in thousands)	\$264,805.0	\$273,569.0	\$400,000.0	\$375,000.0	\$350,000.0
• Value of loans for Wastewater projects (in thousands)	\$434,086.0	\$640,599.0	\$500,000.0	\$425,000.0	\$425,000.0
• Wastewater Loan program installed or lined feet of pipe	439,978	287,843	328,618	530,644	348,964
• Drinking Water Loan program installed or lined feet of pipe	414,375	150,346	248,109	551,254	287,609
• Population benefitting from wastewater loans	4,612,521	6,748,149	6,134,001	6,826,300	6,310,265
• Population benefitting from drinking water loans	651,813	4,795,231	2,585,516	3,009,211	2,579,357
<u>Outcome Indicators</u>					
• Groundwater with “Good Quality” rating	58%	63%	65%	64%	65%
• Illinois streams with “Good Quality” rating	57.8%	57.8%	58%	58%	58%
• Lakes with “Good Quality” rating	90.9%	90.9%	90%	90%	90%
• Major wastewater discharging facilities in compliance	95.6%	95.7%	95%	95%	95%
• Population served with good quality drinking water from community water supplies	98%	99%	98%	99%	98%
• Jobs created from wastewater loans	17,674	26,077	20,358	16,073	17,918
• Direct jobs created from wastewater loans	3,777	5,572	4,350	3,434	3,829
• Indirect jobs created from wastewater loans	13,898	20,505	16,008	12,639	14,089
• Wastewater Loan program % compliance	27%	17%	23%	21%	23%
• Jobs created from drinking water loans	10,782	11,139	16,286	13,781	10,365
• Direct jobs from drinking water loans	2,304	2,380	3,480	2,945	2,196
• Indirect jobs from drinking water loans	8,478	8,759	12,806	10,836	8,169
• Drinking Water Loan program % compliance	11%	12%	9%	12%	20%
<u>Efficiency/Cost-Effectiveness Indicators</u>					
• Cost per facility permitted (in dollars)	\$1,648.00	\$1,681.00	\$1,715.00	\$1,715.00	\$1,749.00
• Interest Savings on Wastewater Loans (in dollars)	\$115,250,000.00	\$132,925,000.00	\$104,428,000.00	\$82,865,543.00	\$103,886,438.00
• Interest Savings on Drinking Water Loans (in dollars)	\$67,050,000.00	\$56,766,000.00	\$83,542,000.00	\$70,714,104.00	\$73,318,959.00