

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2017

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

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STATE OF ILLINOIS
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COMMISSION OFFICIALS

Chair	Brien Sheahan
Commissioner	Douglas Ethan Kimbrel (1/19/18 - Present) Miguel del Valle (7/1/15 - 1/18/18)
Commissioner	Sadzi Martha Oliva (1/17/17 - Present) Ann McCabe (7/1/15 - 1/16/17)
Commissioner	Anastasia Palivos (Acting) (1/19/18 - Present) Vacant (12/7/17 - 1/18/18) Sherina Maye Edwards (7/1/15 - 12/6/17)
Commissioner	John Rosales
Executive Director	Cholly Smith
Deputy Executive Director	Steve Matrisch
Deputy Executive Director for Policy	Jean Gibson (8/16/18 - Present)
Bureau Chief - Administrative Law Judges	Sonya Teague Kingsley (1/22/18 - Present) Vacant (1/20/18 - 1/21/18) Douglas Ethan Kimbrel (7/1/15 - 1/19/18)
Bureau Chief - Public Utilities	Jim Zolnierek (1/1/17 - Present) Gene Beyer (7/1/15 - 12/31/16)
Bureau Chief - External Affairs	Position became the Deputy Executive Director for Policy as of 8/16/18 Vicki Crawford (Interim) (5/14/18 - 8/15/18) Vacant (5/11/18 - 5/13/18) Danisha Hall (10/16/15 - 5/10/18) Vacant (8/15/15 - 10/15/15) Kelly Klopp (7/1/15 - 8/14/15)
Director of Administrative Services	Jane Fields
Fiscal Manager	Sue McCormick
General Counsel	Phillip Kosanovich (9/17/18 - Present) Jayesh Hines-Shah (7/1/15 - 9/16/18)
Chief Internal Auditor	Aaron Rife

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

The Commission's administrative offices are located at:

527 East Capitol Avenue
Springfield, Illinois 62701

160 North LaSalle Street
Suite C-800
Chicago, Illinois 60601

The Commission's police station is located at:

9511 West Harrison Street
Des Plaines, Illinois 60016



STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CHOLLY SMITH
EXECUTIVE DIRECTOR

527 EAST CAPITOL AVENUE
SPRINGFIELD, ILLINOIS 62701
(217) 785-7456

160 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60601
(312) 814-5729

September 21, 2018

Honorable Frank J. Mautino
Auditor General
740 East Ash Street
Springfield, IL 62703-3154

Dear Mr. Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Commerce Commission. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Illinois Commerce Commission's compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the years ended June 30, 2016 and June 30, 2017, the State of Illinois, Illinois Commerce Commission has materially complied with the assertions below.

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

E. Money or negotiable securities or similar assets handled by the State of Illinois, Illinois Commerce Commission on behalf of the State or held in trust by the State of Illinois, Illinois Commerce Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Illinois Commerce Commission

SIGNED ORIGINAL ON FILE

Cholly Smith, Executive Director

SIGNED ORIGINAL ON FILE

Jane Fields, Director of Administrative Services

SIGNED ORIGINAL ON FILE

Phil Kosanovich, General Counsel

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
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For the Two Years Ended June 30, 2017

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
Findings	6	5
Repeated findings	3	2
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)			
2017-001	11	Inadequate Control over Accounts Receivable	Material Weakness and Material Noncompliance
2017-002	13	Adopted Regulations Conflict with the Public Utilities Act	Significant Deficiency and Noncompliance
2017-003	15	Inadequate Control over State Vehicles	Significant Deficiency and Noncompliance
2017-004	19	Inadequate Control over Grade Crossing Mitigation Grants	Significant Deficiency and Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2017-005	21	Failure to Provide Proper Notification of the Impending Expiration of Licenses and Recovery Permits	Significant Deficiency and Noncompliance
2017-006	23	Inadequate Control over Timekeeping	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	26	Inaccurate Fee Imposition Reports
B	26	Inadequate Controls over Grant Documentation

EXIT CONFERENCE

The Commission waived an exit conference in a correspondence from Aaron Rife, the Commission's Chief Internal Auditor, dated September 11, 2018. The responses to the recommendations were provided by Aaron Rife, the Commission's Chief Internal Auditor, in a correspondence dated September 21, 2018.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Illinois Commerce Commission'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, 2017. The management of the State of Illinois, Illinois Commerce Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Commerce Commission's compliance based on our examination.

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

As described in item 2017-001 in the accompanying schedule of findings, the State of Illinois, Illinois Commerce Commission did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Commerce Commission to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Illinois Commerce Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2017. 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 2017-002 through 2017-006.

The State of Illinois, Illinois Commerce Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Illinois Commerce Commission'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, Illinois Commerce Commission 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, Illinois Commerce Commission'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, Illinois

Commerce Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Commerce Commission's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2017-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2017-002 through 2017-006 to be significant deficiencies.

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

The State of Illinois, Illinois Commerce Commission's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Illinois Commerce Commission'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, 2017, and June 30, 2016, in Schedules 1 through 5 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, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2015, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
September 21, 2018

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-001. **FINDING** (Inadequate Control over Accounts Receivable)

The Illinois Commerce Commission (Commission) lacked adequate control over its accounts receivable. As of June 30, 2017, the Commission reported accounts receivable of \$13.439 million (reported net of estimated uncollectible accounts, totaling \$6.399 million) to the Office of the State Comptroller.

Inadequate Collection Attempts

During testing, we noted the Commission did not make adequate collection attempts on 60 of 60 (100%) accounts receivable tested. We noted the following:

- 60 (100%) of the tested accounts, totaling \$1,604,756, were not referred to the Department of Revenue’s Debt Collection Bureau.

The Illinois State Collection Act of 1986 (Act) (30 ILCS 210/5(g)) requires the Commission refer all debt due to the State satisfying the requirements for referral to the Department of Revenue’s Debt Collection Bureau. The Illinois Administrative Code (74 Ill. Admin. Code 1200.50) defines delinquent debt as any amount owed of \$10 or more that is more than 90 days past due not subject to further legal action or a payment plan.

- 44 (73%) of the tested accounts, totaling \$1,599,658, were not referred to the State Comptroller’s Offset System.

The Act (30 ILCS 210/5(c-1)) and the Statewide Accounting Management System (SAMS) (Procedure 26.40.20) require the Commission place all debts over \$250 and more than 90 days past due into the State Comptroller’s Offset System.

Further, the Act (30 ILCS 210/3) states it is the public policy of the State “to aggressively pursue the collection of accounts or claims due and payable to the State of Illinois through all reasonable means.”

Uncollectible Accounts Not Referred for Write-Off

During testing of 60 accounts receivable, we noted 22 (37%) tested accounts appeared to be uncollectible; however, the Commission had not referred these accounts to the Office of the Attorney General for certification the debt was uncollectible.

The Uncollected State Claims Act (30 ILCS 205/2(a)) requires the Commission, when it is unable to collect any claim or account receivable of \$1,000 or more and it has pursued the debt in accordance with State law, request the Attorney General certify the amount as uncollectible.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

Internal Procedures Conflict with State Law

During testing, we noted § 5(B)(2) of the Commission's internal procedures conflict with the Act (30 ILCS 210/5(c-1)) and SAMS (Procedure 26.40.20). While the procedures of the Commission's Processing and Information Section call for all debts greater than \$1,000 and more than 90 days old to be placed into the State Comptroller's Offset System, the Act and SAMS require all debts over \$250 and more than 90 days past due to be placed in the State Comptroller's Offset System.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and resources are properly recorded and accounted for to maintain accountability over the State's resources. Good internal controls over compliance include ensuring internal operating manuals are updated to reflect current requirements.

Commission officials stated these exceptions were due to understaffing in the Commission's Processing and Information Section for several years. Further, the discrepancy between the Commission's procedures and State law was due to oversight.

Failure to refer receivables to the Department of Revenue's Debt Collection Bureau and to the State Comptroller's Offset System increases the likelihood that past due amounts owed to the Commission will not be collected or the collection will be further delayed and represents noncompliance with State laws and regulations. In addition, failure to report uncollectible accounts to the Attorney General results in inaccurate financial reporting and represents noncompliance with the Uncollected State Claims Act. Finally, failure to ensure the Commission's internal policies comport with State law could hinder the ability of the Commission to meet its statutory obligations. (Finding Code No. 2017-001, 2015-001, 2013-001)

RECOMMENDATION

We recommend the Commission pursue all reasonable and appropriate measures to collect on outstanding debts as required by State laws and regulations. Further, the Commission should report uncollectible accounts to the Attorney General. Finally, the Commission should ensure its internal procedures comport with State law.

COMMISSION RESPONSE

The Commission agrees with the finding. The Fiscal section will assign staff to pursue the referral and reporting issues related to accounts receivable and will update internal policies to comport with State Law.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-002. **FINDING** (Regulations Not Updated to Agree with the Public Utilities Act)

The Illinois Commerce Commission (Commission) failed to update, and therefore followed a rule which conflicted with the Public Utilities Act (Act).

During testing of electric transmission and distribution reliability requirements within the Act (220 ILCS 5/16-125), we noted the Commission's rule codified within the Illinois Administrative Code (Code) (83 Ill. Admin. Code 411.200) requires the maintenance of service records for each interruption affecting 10 or more customers or power fluctuations affecting 30,000 or more customers for public utilities with 1,000,000 or more customers. The Commission's rule was originally adopted in 1998 and then amended in 2000.

The Act (220 ILCS 5/16-125(j)) requires the Commission to establish a rule requiring the maintenance of service records with detailed information on each instance of (a) power loss, (b) transmission of power at less than 50% of the standard voltage, or (c) power fluctuation or surge which causes damage and affects more than either 30,000 or 0.8% of the total customers, whichever is less, not due to (1) unpreventable damage due to weather events or conditions, (2) customer tampering, (3) unpreventable damage due to civil or international unrest or animals, or (4) damage to utility equipment or other actions by a party other than the utility, its employees, its agents, or its contractors. Further, the Act (220 ILCS 5/16-125(k)) specifies the requirements within § 16-125 only applies to those electric utilities with 100,000 or more customers. The Act was amended in 2009 in regards to the number of customers.

In considering the impact of this condition, we reviewed the annual *Comparison of Electric Sales and Statistics* reports prepared by the Commission's Public Utilities Bureau from Calendar Year 2015 through Calendar Year 2017. While the population of public electric utilities with 100,000 or more customers was the same as the population of public electric utilities with 1,000,000 or more customers, one large downstate electric utility would be required to maintain service records with detailed information for each power fluctuation or surge which causes damage and affects more than approximately 9,775 customers if the Commission followed the Act as opposed to its adopted rule within the Code.

Commission officials stated they were not sure why the language within the Code was not consistent with the language within the Act.

Failure to update the rule to be consistent with the Act represents noncompliance with the Act and may have resulted in one large public electric utility not retaining detailed information for each power fluctuation or surge as contemplated by the General Assembly. (Finding Code No. 2017-002)

RECOMMENDATION

We recommend the Commission work with the Joint Committee on Administrative Rules and the Secretary of State to amend its rule to comport with the requirements of the Act.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
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COMMISSION RESPONSE

The Commission agrees with the finding. The Commission is in the process of drafting a Staff report to initiate a rulemaking that would modify 83 Ill. Admin. Code 411 to address all of the instances noted to make it consistent with the Public Utilities Act.

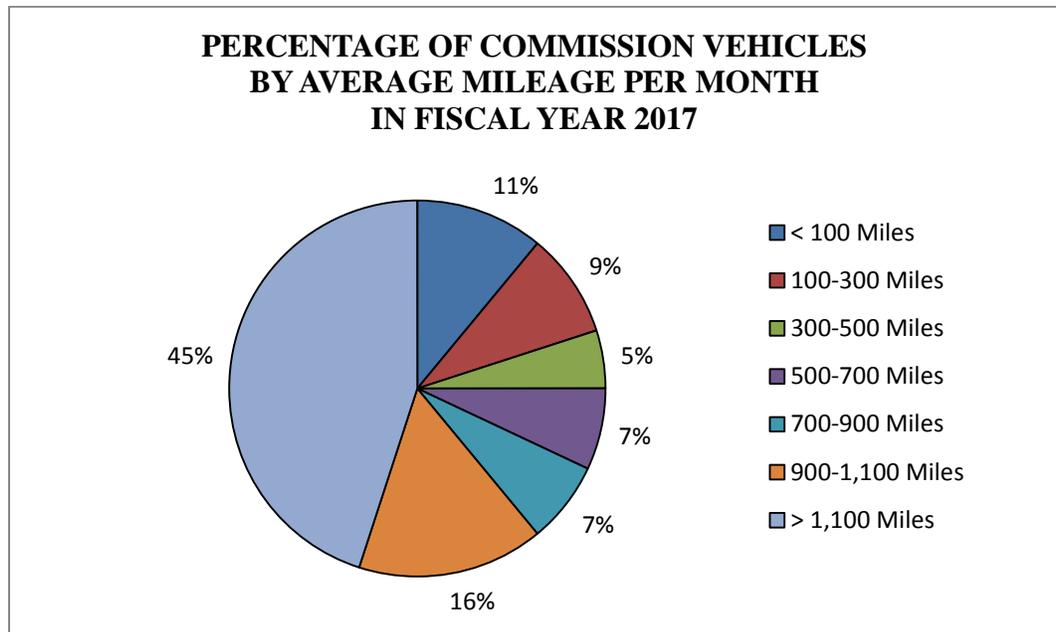
STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
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2017-003. **FINDING** (Inadequate Control over State Vehicles)

The Illinois Commerce Commission (Commission) did not exercise adequate internal control over its automobiles. As of June 30, 2017, the Commission had 45 vehicles, which included one brand new vehicle purchased in June 2017.

During testing, we noted the following:

- The Commission 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 Commission. We analyzed the total activity of the Commission's 44 vehicles in use during the year ended June 30, 2017. We did not analyze Fiscal Year 2016 activity because of reduced usage attributable to the State's budget impasse. During Fiscal Year 2017, the Commission's vehicles traveled between 0 and 24,945 miles, with the following chart showing the average monthly utilization for each vehicle during the period:



Further, we noted the following apparently underutilized vehicles during the period:

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Division	Type	Total Vehicle Mileage	Fiscal Year 2017 Mileage
Police	2009 Chevrolet Impala	92,110	0
Police	2009 Chevrolet Impala	63,418	0
Police	2008 Ford Crown Victoria	88,756	353
Police	2008 Ford Crown Victoria	82,855	397
Pool	2006 Ford Taurus	105,106	963
Police	2006 Dodge Charger	87,437	2,059
Pool	2006 Ford Taurus	125,970	2,111
Railroad	2005 Ford Explorer	87,658	2,366
Police	2009 Chevrolet Impala	76,051	2,711

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission 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 used at or beyond that level or when the Commission can justify why a less than economic break-even is necessary because there is no other alternative available to allow the Commission to carry out its mission.

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

Commission officials indicated these exceptions were due to (1) the lengthy process to hire new police officers and (2) employees using other means to conduct meetings as opposed to holding face-to-face meetings.

- The Commission did not ensure employees with individually-assigned vehicles completed the annual licensure and insurance certifications during Fiscal Year 2017. We noted the following:
 - Fourteen of 66 (21%) employees tested filed their certifications between 29 and 73 days late.
 - Three of 66 (5%) employees tested did not have their certification on file at the Commission.

STATE OF ILLINOIS
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The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires all of the Commission's employees assigned a vehicle owned or leased by the State affirm the employee is (1) duly licensed to drive and (2) either has liability insurance coverage extending to the employee when the vehicle is used for other than official State business or has filed a bond with the Secretary of State as proof of financial responsibility annually in July or within 30 days of any new assignment of a vehicle on an ongoing basis, whichever is later. Further, the State Records Act (5 ILCS 160/8) requires the Commission to make and preserve records containing adequate and proper documentation of the Commission's functions and essential transactions to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities.

Commission officials indicated these exceptions were due to other competing priorities.

- One of 7 (14%) vehicle accidents tested was not reported timely to the Auto Liability Unit at CMS. We noted this incident's *Illinois Motorist Report* (Form SR-1) was submitted 28 days late.

The Code (44 Ill. Admin. Code 5040.520(i)) requires the Commission to submit the Form SR-1 to the Auto Liability Unit at CMS within seven calendar days following the incident, or risk forfeiture of coverage under the State's liability plan.

Commission officials stated the Form SR-1 was late due to oversight.

Failure to perform an analysis of the Commission's vehicles to determine whether maintaining each vehicle can be justified as the most cost effective solution for the specific operational needs of the Commission could result in an unnecessary use of State funds to acquire and maintain vehicles not necessary for operations. Further, the Commission's failure to both timely submit the Form SR-1 to CMS and retain on file each driver's annual insurance and licensure certification as required by State law for personally-assigned vehicles could expose the Commission to unnecessary litigation risks. (Finding Code No. 2017-003, 2015-004)

RECOMMENDATION

We recommend the Commission perform an analysis of its automobiles to determine whether each vehicle can be justified as the most cost effective solution for the Commission's specific operational needs. Further, the Commission should properly document that its employees are duly licensed and insured and accident reports are timely filed with CMS as required by State law.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

COMMISSION RESPONSE

The Commission agrees with the finding. The Commission will continue to evaluate our fleet to best meet the operational needs of the agency. The audit period was during the Statewide budget impasse and, as a result, several vacancies were not filled during the period. However, since the audit period, several of the nine vehicles listed in the table above have been assigned to employees.

The Commission will continue to remind employees of the reporting requirements when their State vehicle is involved in an accident.

The Commission has included the insurance certification as part of the new employee paperwork for those with individually-assigned vehicles and will follow up with current employees to ensure compliance.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-004. **FINDING** (Inadequate Control over Grade Crossing Mitigation Grants)

The Illinois Commerce Commission (Commission) did not exercise adequate internal control over Railroad-Highway Grade Crossing Mitigation grants.

During testing of five grants, totaling \$1,289,600, we noted the following:

- The Commission failed to complete inspections of the construction work for all five tested grants (100%). We noted the grantees constructed the following items using the grant funds provided to each grantee:
 - 1) One project included the replacement of residential windows and installation of sound proofing insulation, fencing, and landscaping.
 - 2) One project included extending the useful life of a street and removing and replacing existing pavement to avoid expensive roadway reconstruction costs.
 - 3) One project included the installation of safety fencing and landscaping for noise abatement.
 - 4) One project included the installation of sound mitigating fencing.
 - 5) One project included the installation of an at-grade crossing with pedestrian crossing gates and an extension of the existing at-grade roadway crossing pad to accommodate non-motorized transportation.

The Code of Federal Regulations (49 C.F.R. § 262.19(c)) requires, when a project is completed, the Commission complete a full inspection of the completed work and submit a report to the U.S. Department of Transportation, Federal Railroad Administration (FRA).

Commission officials stated they had an understanding with the FRA that these grants were not designated as construction grants; therefore, the Commission did not have to perform inspections.

- The Commission did not ensure it received complete close-out reports from its grantees, as each of the five tested grants (100%) did not have:
 - the *Close-Out Certification Statement* required by Section 6.3 of the various grant agreements;
 - the *Close-Out Report – Final Expenditure Summary* required by Section 6.4 of the various grant agreements; and,
 - the *Close-Out Report – Sub-Grantee Release* required by Section 6.5 of the various grant agreements;
- The Commission did not have documentation supporting one of five (20%) grantees submitted its close out report timely, as the grantee did not sign or date the report.

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- The Commission did not ensure one of five grantees timely submitted its close out report, as it was submitted 19 days late.

Section 6.2 of the various grant agreements requires each grantee submit its close out report within 15 days of the grant's end date specified in the *Grant Agreement Cover Letter*.

Commission officials stated these exceptions were due to oversight by both the Commission and its grantees.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law and obligations and costs are in compliance with applicable law.

Failure to complete a full inspection of constructed projects represents noncompliance with the Code of Federal Regulations and could result in deficiencies not being timely identified and rectified, increasing risks to the public. Further, failure to ensure close out reports are complete and timely filed could lead to improper payments or a misuse of grant funds. (Finding Code No. 2017-004)

RECOMMENDATION

We recommend the Commission complete a full inspection of the completed work, which should include projects completed in prior years which have not been inspected as of yet, and submit a report to the FRA as required by the Code of Federal Regulations, or seek a formal written exemption from the FRA to this requirement. Further, the Commission should implement controls to ensure grantees submit all required close-out documentation and remind its grantees to submit reports when due.

COMMISSION RESPONSE

The Commission agrees with the finding. The Railroad Safety Section will seek a formal written exemption from the FRA to the inspection requirement. Further, the Federal grants received were part of a one-time only noise abatement program. However, should the ICC receive FRA grants in the future, the Railroad Safety Section will implement controls to ensure grantees submit all required close out documentation and remind grantees to submit reports when due.

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2017-005. **FINDING** (Failure to Provide Proper Notification of the Impending Expiration of Licenses and Recovery Permits)

The Illinois Commerce Commission (Commission) did not provide proper notification of the impending expiration of licenses and recovery permits.

During testing, we noted the following:

- The Commission did not mail timely notifications to licensees or permit holders.
 - The Commission mailed 4 of 76 (5%) expirations tested between 3 and 279 days after the license or permit had expired.
 - The Commission mailed 17 of 76 (22%) expirations tested between 89 to 17 days prior to the expiration date of the license or permit, or between 1 and 73 days late, respectively.
- The Commission did not have evidence to support it had mailed a notification to licensees or permit holders in 25 of 76 (33%) expirations tested. While discussing this condition with Commission officials, they stated the individual responsible for these notifications separated from the Commission in October 2016 and that a detailed, exhaustive search of the former employee's e-mails and network files only resulted in the location of some of the required notifications.

The Collateral Recovery Act (225 ILCS 422/75(f)) requires the Commission mail licensees and permit holders the current renewal form prescribed by the Commission at least 90 days prior to the expiration of a license or recovery permit. Further, the State Records Act (5 ILCS 160/8) requires the Commission preserve adequate and proper documentation of the essential functions, procedures, and transactions of the Commission to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities. Finally, good internal controls over compliance include ensuring continuity of operations in the event of an employee's temporary absence or separation from employment.

Commission officials stated these problems were due to inadequate staffing.

Failure to ensure renewal notices are timely mailed and evidence supporting this event is maintained represents noncompliance with State law, may result in untimely renewals by licensees and permit holders and delayed recognition of revenues within the State Treasury, and could subject the State to unnecessary legal risks and enforcement difficulties. (Finding Code No. 2017-005)

RECOMMENDATION

We recommend the Commission provide timely notification of the impending expiration of a license or recovery permit and retain documentation to support the notification occurred.

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COMMISSION RESPONSE

The Commission agrees with the finding and accepts the recommendation to provide timely notifications relating to the impending expiration of collateral recovery licenses and permits.

When the Collateral Recovery Act became effective, no additional staff or resources were provided to the Commission to implement the new law. As a result, collateral recovery duties imposed on the Commission by the Act were assigned to an existing staff member. In addition to all of the new collateral recovery duties, this staff member was solely responsible for processing household goods and personal property warehouse applications, activities relating to household goods movers and relocation towing annual reports and performing the more complex and detailed processes in the Processing and Information Section. This employee resigned from the Commission in October 2016, which left the Section without any staff members that had institutional knowledge regarding the handling of collateral recovery renewals. Moreover, all staff members of the Processing and Information Section that were employed at the time the Act went into effect have resigned or retired from the Commission. In fact, by October 2016, the Processing and Information Section had experienced 100% turnover in staff since the Act went into effect in 2012.

Corrective measures have been implemented to ensure timely renewal notices are sent out to license and permit holders such as cross-training staff members in collateral recovery activities and working with the Commission's IT staff to develop an automated renewal process whereby renewal notices will be generated automatically on a regular basis eliminating the need for staff to track upcoming renewals. In addition, as an interim solution, all renewal notices sent by staff are now saved to the specific license or permit holder's database profile. This change in recordkeeping process will allow for accurate and quick retrieval of documentation relating to renewal notices sent by the Commission.

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2017-006. **FINDING** (Inadequate Control over Timekeeping)

The Illinois Commerce Commission (Commission) did not ensure its employee timekeeping records were accurate.

During testing of 32 employees' records for four months, we noted discrepancies within 10 (31%) tested employees. These employees had variances between the number of benefit time hours recorded on the employees' time records when compared to the number of benefit time hours used as recorded within the Commission's Human Relations Timekeeping System (HRTS), with the variances between ¼ hour and 2½ hours. These discrepancies included the following:

- Four employees' benefit time used was misclassified between the sick, vacation, and personal leave categories.
- Three employees' used benefit time that was not recorded within HRTS.
- Two employees' benefit time usage reported on their *Request for Time Off Form* and recorded within HRTS did not agree with the amount of benefit time used reported on the employees' respective timesheets.
- One employee's benefit time usage was not reported on their timesheet.
- The Commission was unable to provide one employee's *Request for Time Off Form*.

In addition, during testing of overtime (compensatory time) records of eight employees, we noted five tested employees (63%) did not have documentation supporting the overtime had been approved in advance by Commission management for 72 transactions.

The Illinois Administrative Code (80 Ill. Admin. Code 303.340) requires the Commission to maintain accurate daily attendance records. In addition, the State Officials and Employees Ethics Act (5 ILCS 430/5-5(c)) requires employees periodically submit timesheets which document the time spent each day on official State business to the nearest quarter hour. Further, the Commission's *Employee Manual* (Chapter 2, Section 7(1)) requires overtime to be worked only when it has been authorized by the employee's immediate supervisor and the respective Division Director. Finally, the State Records Act requires the Commission to make and preserve adequate and proper documentation of its functions, decisions and essential transactions to protect the legal and financial rights of the State and of persons directly impacted by the Commission's activities (5 ILCS 160/8) and maintain an active, continuing program for the economical and efficient management of its records, including providing effective controls over the creation, maintenance, and use of records in conducting its current business (5 ILCS 160/9).

Commission officials stated these errors were primarily due to clerical error and employees are obtaining only verbal approval for overtime.

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Failure to maintain accurate daily attendance records and document the Commission's decision to authorize overtime represents noncompliance with State laws and regulations, increases the risk that errors or other irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties, and may result in improper payments and inaccurate reporting of liabilities relating to compensated absences included within the State's Comprehensive Annual Financial Report. (Finding Code No. 2017-006, 2015-003)

RECOMMENDATION

We recommend the Commission take action to ensure it maintains accurate daily attendance records, timekeeping documentation is internally consistent and agrees with benefit time usage of the Commission's staff, and all overtime approvals – even if verbally pre-approved – are documented.

COMMISSION RESPONSE

The Commission agrees with the part of the finding regarding daily attendance and disagrees with the part of the finding regarding approval of overtime.

In regards to the daily attendance records, Human Resources will meet with all of the Commission's timekeepers, go over the results of the audit, and address, again, the importance of accuracy and attention to detail when processing employees' monthly payroll reporting. The noted discrepancies have been addressed and corrected.

In regards to overtime approvals, the Commission acknowledges that its policy requires overtime be "worked only when it is authorized by the [employee's] immediate supervisor and the Division Director." See ICC Employee Manual, Chapter Two, Section 7(1) – Overtime. However, this portion of the finding misinterprets the Commission's policy. By its own terms, the policy does not require written authorization for an employee to work overtime prior to it being worked. The policy simply requires authorization – written or verbal authorizations are equally permissible under the policy.

While the Commission recognizes that written authorizations create a documentation trail that is perhaps easier to track for auditing purposes, the policy does not require the authorization be in writing. Audit staff can contact employees, supervisors, and/or Division Directors to confirm that proper authorization was obtained for a particular overtime assignment. Moreover, to require overtime authorizations in writing is not practical, and, in some instances, would impinge Commission staff from performing their duties and responsibilities in a timely manner. For example, if a Commerce Commission Police Officer arrived at the scene of an accident towards the end of his/her shift and needed to provide assistance which would extend beyond the end of the shift and, thus, make the employee entitled to overtime, it makes no sense for the employee to first obtain written authorization for the overtime when a simple phone call can accomplish the same thing. The officer's responsibility is to quickly provide assistance, not wait for written authorization to work overtime.

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As noted in the earlier response to this portion of the finding, the Payroll Change Notice Form (which appears to be the only reasoning relied upon for this portion of the finding) is not an authorization to work overtime; rather it is a form used to properly pay the employee for the overtime or to credit with compensatory time. Relying on the significant dates on this form as the authorization date is incorrect and reflects a misunderstanding on the purpose of this form's use. **In fact, a supervisor's signature on the Payroll Change Notice Form verifies the overtime was requested in advance. If an employee attempted to claim overtime without prior authorization, the employee would be subject to disciplinary procedures, and the supervisor would have submitted documentation accordingly.**

ACCOUNTANT'S COMMENT

As stated in the body of the finding, the Commission's Employee Manual (Chapter 2, Section 7(1)) requires overtime to be worked ***only when it has been authorized*** (emphasis added). During the course of our audit, we were informed, and as stated in the Commission's response, the Payroll Change Notice Form **is not an authorization to work overtime**, rather it is a form used to properly pay the employee for the overtime. The Commission's policy does not require the verification of overtime (which is for what the Commission's response states the form is used), rather it requires authorization. We are recommending the authorization of the overtime, as required; whether it is documented after-the-fact in cases of emergency as the Commission's example portrays, or prior to the overtime as stated in their policy.

Additionally, the Commission's response suggests the Payroll Change Notice Form was the only support relied upon for the portion of the finding in question. While other supporting documentation was reviewed when available (i.e. e-mails documenting overtime approvals), the Payroll Change Notice Form was the main document used for the items noted in the finding due to the fact that no other supporting documentation was able to be provided by the Commission, which is precisely the reason this issue was noted in the finding.

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PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2017

A. **FINDING** (Inaccurate Fee Imposition Reports)

During the prior examination, the Illinois Commerce Commission (Commission) improperly included miscellaneous fees within its annual Agency Fee Imposition Report submitted in Fiscal Year 2015.

During the current examination, our testing indicated the Commission included all required fees within its Agency Fee Imposition Report for Fiscal Year 2016 and Fiscal Year 2017. (Finding Code No. 2015-002, 2013-003)

B. **FINDING** (Inadequate Controls over Grant Documentation)

During the prior examination, the Illinois Commerce Commission (Commission) did not maintain documentation to substantiate compliance with a grant's requirements, specifically whether a local government had met its matching requirement and the reason for increasing the disbursement paid to the local government to a level \$22,245 above the total allowable maximum.

During the current examination, our sample testing did not identify similar issues with the Commission's grants. (Finding Code No. 2015-005)

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COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

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 2017

- Schedule of Appropriations, Expenditures, and Lapsed Balances –
Fiscal Year 2016

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

- Schedule of Changes in State Property

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

- Analysis of Operations (Not Examined):

- Commission 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)

- Memoranda of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. 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.

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COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Act 99-0524					
FISCAL YEAR 2017					
<u>APPROPRIATED FUNDS</u>					
TRANSPORTATION REGULATORY FUND - 0018					
Chair and Commissioners (Division 20)					
Personal Services	\$ 68,800	\$ 62,024	\$ 3,008	\$ 65,032	\$ 3,768
State Contributions to State Employees' Retirement System	30,700	27,643	1,340	28,983	1,717
State Contributions to Social Security	5,300	4,506	219	4,725	575
Group Insurance	24,000	23,458	-	23,458	542
Contractual Services	1,000	-	-	-	1,000
Travel	1,500	-	-	-	1,500
Equipment	500	-	-	-	500
Telecommunications	4,000	1,611	830	2,441	1,559
Total, Division 20	\$ 135,800	\$ 119,242	\$ 5,397	\$ 124,639	\$ 11,161
Transportation (Division 40)					
Personal Services	\$ 6,791,200	\$ 4,642,855	\$ 226,489	\$ 4,869,344	\$ 1,921,856
State Contributions to State Employees' Retirement System	3,026,700	2,073,443	101,136	2,174,579	852,121
State Contributions to Social Security	517,300	303,828	14,969	318,797	198,503
Group Insurance	1,942,000	1,214,276	64,995	1,279,271	662,729
Contractual Services	881,800	654,088	17,887	671,975	209,825
Travel	80,000	23,876	2,612	26,488	53,512
Commodities	35,000	16,296	6,056	22,352	12,648
Printing	75,000	47,931	17,807	65,738	9,262
Equipment	71,300	53,920	8,076	61,996	9,304
Electronic Data Processing	371,100	193,254	49,825	243,079	128,021
Telecommunications	240,000	67,027	153,181	220,208	19,792
Operation of Automotive Equipment	150,000	68,592	4,125	72,717	77,283
Refunds	24,700	24,700	-	24,700	-
Single State Insurance Registration Program and/or Unified Carrier Registration System					
Total, Division 40	\$ 18,446,100	\$ 12,867,916	\$ 679,774	\$ 13,547,690	\$ 4,898,410
Total, Fund 0018	\$ 18,581,900	\$ 12,987,158	\$ 685,171	\$ 13,672,329	\$ 4,909,571

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Act 99-0524					
FISCAL YEAR 2017					
PUBLIC UTILITY FUND - 0059					
Chair and Commissioners (Division 20)					
Personal Services	\$ 784,800	\$ 740,814	\$ 37,462	\$ 778,276	\$ 6,524
State Contributions to State Employees' Retirement System	349,800	330,264	16,700	346,964	2,836
State Contributions to Social Security	60,100	54,388	2,758	57,146	2,954
Group Insurance	236,000	186,963	8,939	195,902	40,098
Contractual Services	24,900	10,878	776	11,654	13,246
Travel	50,000	22,648	99	22,747	27,253
Commodities	1,000	-	-	-	1,000
Equipment	500	-	-	-	500
Telecommunications	14,000	5,778	1,750	7,528	6,472
Operation of Automotive Equipment	500	-	-	-	500
Total, Division 20	\$ 1,521,600	\$ 1,351,733	\$ 68,484	\$ 1,420,217	\$ 101,383
Public Utilities (Division 30)					
Personal Services	\$ 15,204,700	\$ 10,946,048	\$ 467,847	\$ 11,413,895	\$ 3,790,805
State Contributions to State Employees' Retirement System	6,776,500	4,886,848	208,845	5,095,693	1,680,807
State Contributions to Social Security	1,161,500	798,738	34,371	833,109	328,391
Group Insurance	4,127,900	2,693,809	120,370	2,814,179	1,313,721
Contractual Services	1,700,900	1,161,752	134,985	1,296,737	404,163
Travel	100,000	80,112	4,147	84,259	15,741
Commodities	24,000	7,165	758	7,923	16,077
Printing	22,000	7,827	2,295	10,122	11,878
Equipment	91,400	54,697	29,017	83,714	7,686
Electronic Data Processing	836,800	301,374	74,114	375,488	461,312
Telecommunications	360,500	91,154	22,815	113,969	246,531
Operation of Automotive Equipment	45,000	21,438	1,777	23,215	21,785
Refunds	26,500	1,169	-	1,169	25,331
Total, Division 30	\$ 30,477,700	\$ 21,052,131	\$ 1,101,341	\$ 22,153,472	\$ 8,324,228
Total, Fund 0059	\$ 31,999,300	\$ 22,403,864	\$ 1,169,825	\$ 23,573,689	\$ 8,425,611

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Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Act 99-0524					
FISCAL YEAR 2017					
ILLINOIS UNDERGROUND UTILITY FACILITIES DAMAGE PREVENTION FUND - 0127					
Statewide One-Call Notice System	\$ 150,000	\$ 47,810	\$ -	\$ 47,810	\$ 102,190
Refunds	1,000	-	-	-	1,000
Total, Fund 0127	\$ 151,000	\$ 47,810	\$ -	\$ 47,810	\$ 103,190
ILLINOIS TELECOMMUNICATIONS ACCESS CORPORATION FUND - 0364					
Administrative Costs and Distributions	\$ 4,320,000	\$ 269,397	\$ 58,185	\$ 327,582	\$ 3,992,418
Total, Fund 0364	\$ 4,320,000	\$ 269,397	\$ 58,185	\$ 327,582	\$ 3,992,418
WIRELESS CARRIER REIMBURSEMENT FUND - 0613					
Reimbursement of Wireless Carrier and Administrative Costs	\$ 5,500,000	\$ 1,996,375	\$ 619,148	\$ 2,615,523	\$ 2,884,477
Total, Fund 0613	\$ 5,500,000	\$ 1,996,375	\$ 619,148	\$ 2,615,523	\$ 2,884,477
ILLINOIS POWER AGENCY RENEWABLE ENERGY RESOURCES FUND - 0836					
Deposit into the Public Utility Fund	\$ 12,000,000	\$ 12,000,000	\$ -	\$ 12,000,000	\$ -
Total, Fund 0836	\$ 12,000,000	\$ 12,000,000	\$ -	\$ 12,000,000	\$ -
TOTAL - APPROPRIATED FUNDS	\$ 72,552,200	\$ 49,704,604	\$ 2,532,329	\$ 52,236,933	\$ 20,315,267
NON-APPROPRIATED FUND					
ICC FEDERAL GRANTS TRUST FUND - 0379					
Federal Energy Regulatory Commission Settlement		\$ 6,199	\$ -	\$ 6,199	
Federal Railroad Association Grant		54,360	116,960	171,320	
Total, Fund 0379		\$ 60,559	\$ 116,960	\$ 177,519	
TOTAL - NON-APPROPRIATED FUND		\$ 60,559	\$ 116,960	\$ 177,519	
GRAND TOTAL - ALL FUNDS		\$ 49,765,163	\$ 2,649,289	\$ 52,414,452	

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures	Balances Lapsed
		Through June 30	July 1 to September 30		
Public Act 99-0524					
FISCAL YEAR 2017		September 30	September 30	September 30	September 30

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Commission records.

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

Note 3: Public Act 99-0524 authorized the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission submitted against its Fiscal Year 2017 appropriation.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Lapse Period		Total	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures					
FISCAL YEAR 2016					
APPROPRIATED FUNDS					
TRANSPORTATION REGULATORY FUND - 0018					
Chair and Commissioners (Division 20)					
Personal Services	\$ 68,800	\$ 68,760	\$ -	\$ 68,760	\$ 40
State Contributions to State Employees' Retirement System	31,700	31,353	-	31,353	347
State Contributions to Social Security	5,300	4,987	-	4,987	313
Group Insurance	27,658	27,658	-	27,658	-
Contractual Services	1,000	-	-	-	1,000
Travel	1,500	-	-	-	1,500
Equipment	500	-	-	-	500
Telecommunications	4,000	-	1,646	1,646	2,354
Total, Division 20	\$ 140,458	\$ 132,758	\$ 1,646	\$ 134,404	\$ 6,054
Transportation (Division 40)					
Personal Services	\$ 6,561,300	\$ 4,898,993	\$ 2,274	\$ 4,901,267	\$ 1,660,033
State Contributions to State Employees' Retirement System	3,015,500	2,238,581	1,037	2,239,618	775,882
State Contributions to Social Security	498,100	316,810	33	316,843	181,257
Group Insurance	1,683,800	1,223,644	28,472	1,252,116	431,684
Contractual Services	869,200	-	505,227	505,227	363,973
Travel	80,000	-	6,853	6,853	73,147
Commodities	35,000	-	409	409	34,591
Printing	54,000	-	477	477	53,523
Equipment	133,200	-	7,664	7,664	125,536
Electronic Data Processing	171,000	-	114,309	114,309	56,691
Telecommunications	210,000	-	101,733	101,733	108,267
Operation of Automotive Equipment	150,000	-	49,230	49,230	100,770
Refunds	24,700	-	8,547	8,547	16,153
Single State Insurance Registration Program and/or Unified Carrier Registration System	4,240,000	-	2,802,372	2,802,372	1,437,628
Total, Division 40	\$ 17,725,800	\$ 8,678,028	\$ 3,628,637	\$ 12,306,665	\$ 5,419,135
Total, Fund 0018	\$ 17,866,258	\$ 8,810,786	\$ 3,630,283	\$ 12,441,069	\$ 5,425,189

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COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures					
FISCAL YEAR 2016					
PUBLIC UTILITY FUND - 0059					
Chair and Commissioners (Division 20)					
Personal Services	\$ 844,600	\$ 766,045	\$ -	\$ 766,045	\$ 78,555
State Contributions to State Employees' Retirement System	388,200	349,405	-	349,405	38,795
State Contributions to Social Security	64,700	56,510	-	56,510	8,190
Group Insurance	205,600	204,447	-	204,447	1,153
Contractual Services	24,600	-	6,331	6,331	18,269
Travel	50,000	-	7,434	7,434	42,566
Commodities	1,000	-	-	-	1,000
Equipment	500	-	-	-	500
Telecommunications	14,000	-	9,977	9,977	4,023
Operation of Automotive Equipment	500	-	-	-	500
Total, Division 20	\$ 1,593,700	\$ 1,376,407	\$ 23,742	\$ 1,400,149	\$ 193,551
Public Utilities (Division 30)					
Personal Services	\$ 16,210,800	\$ 12,881,571	\$ 2,400	\$ 12,883,971	\$ 3,326,829
State Contributions to State Employees' Retirement System	7,450,200	5,881,635	1,095	5,882,730	1,567,470
State Contributions to Social Security	1,236,500	934,566	184	934,750	301,750
Group Insurance	3,778,300	3,136,013	19,796	3,155,809	622,491
Contractual Services	1,638,700	-	1,313,615	1,313,615	325,085
Travel	100,000	-	22,160	22,160	77,840
Commodities	24,000	-	1,034	1,034	22,966
Printing	22,000	-	2,329	2,329	19,671
Equipment	88,800	-	11,675	11,675	77,125
Electronic Data Processing	383,700	-	251,455	251,455	132,245
Telecommunications	305,500	-	120,786	120,786	184,714
Operation of Automotive Equipment	45,000	-	12,398	12,398	32,602
Refunds	26,500	-	-	-	26,500
Total, Division 30	\$ 31,310,000	\$ 22,833,785	\$ 1,758,927	\$ 24,592,712	\$ 6,717,288
Total Fund 0059	\$ 32,903,700	\$ 24,210,192	\$ 1,782,669	\$ 25,992,861	\$ 6,910,839

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
Public Act 99-0491, Public Act 99-0524, and Court-Ordered Expenditures					
FISCAL YEAR 2016					
ILLINOIS UNDERGROUND UTILITY FACILITIES DAMAGE PREVENTION FUND - 0127					
Statewide One-Call Notice System	\$ 150,000	\$ -	\$ 89,215	\$ 89,215	\$ 60,785
Refunds	1,000	-	-	-	1,000
Total, Fund 0127	\$ 151,000	\$ -	\$ 89,215	\$ 89,215	\$ 61,785
WIRELESS SERVICE EMERGENCY FUND - 0612					
Grants to Emergency Telephone System Boards, Qualified Government Entities, or the Department of State Police	\$ 22,153,738	\$ 22,153,738	\$ -	\$ 22,153,738	\$ -
Total, Fund 0612	\$ 22,153,738	\$ 22,153,738	\$ -	\$ 22,153,738	\$ -
WIRELESS CARRIER REIMBURSEMENT FUND - 0613					
Reimbursement of Wireless Carriers and Administrative Costs	\$ 14,000,000	\$ -	\$ 2,815,742	\$ 2,815,742	\$ 11,184,258
Total, Fund 0613	\$ 14,000,000	\$ -	\$ 2,815,742	\$ 2,815,742	\$ 11,184,258
TOTAL - APPROPRIATED FUNDS	\$ 87,074,696	\$ 55,174,716	\$ 8,317,909	\$ 63,492,625	\$ 23,582,071
NON-APPROPRIATED FUND					
ICC FEDERAL GRANTS TRUST FUND - 0379					
Federal Energy Regulatory Commission Settlement		\$ 55,271	\$ -	\$ 55,271	
Federal Railroad Association Grant		137,946	-	137,946	
Total, Fund 0379		\$ 193,217	\$ -	\$ 193,217	
TOTAL - NON-APPROPRIATED FUND		\$ 193,217	\$ -	\$ 193,217	
GRAND TOTAL - ALL FUNDS		\$ 55,367,933	\$ 8,317,909	\$ 63,685,842	

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

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

Note 3: During Fiscal Year 2016, the Commission operated without enacted appropriations until Public Act 99-0491 was signed into law on December 7, 2015, and Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Mungler* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Commission's court-ordered payroll payments were merged into the enacted appropriation within Funds 0018 and 0059. Further, the Commission incurred non-payroll obligations within Funds 0018, 0059, 0127, 0612, and 0613, which the Commission was unable to pay until the passage of Public Act 99-0491 and Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission to be submitted against its Fiscal Year 2017 appropriation.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2017, 2016, and 2015

	Fiscal Year		
	2017 P.A. 99-0524	2016 P.A. 99-0491, P.A. 99-0524, and Court Order	2015 P.A. 98-0679 P.A. 99-0001
APPROPRIATED FUNDS			
Transportation Regulatory Fund - 0018			
Appropriations (Net of Transfers)	\$ 18,581,900	\$ 17,866,258	\$ 18,040,100
Expenditures			
Personal Services	\$ 4,934,376	\$ 4,970,027	\$ 5,564,727
State Contributions to State Employees' Retirement System	2,203,562	2,270,971	2,360,021
State Contributions to Social Security	323,522	321,830	354,330
Group Insurance	1,302,729	1,279,774	1,216,305
Contractual Services	671,975	505,227	583,803
Travel	26,488	6,853	32,069
Commodities	22,352	409	13,087
Printing	65,738	477	27,975
Equipment	61,996	7,664	58,033
Electronic Data Processing	243,079	114,309	121,902
Telecommunications	222,649	103,379	123,811
Operation of Automotive Equipment	72,717	49,230	67,028
Refunds	24,700	8,547	4,637
Single State Insurance Registration Program and/or Unified Carrier Registration System	3,496,446	2,802,372	2,844,288
Total Expenditures	\$ 13,672,329	\$ 12,441,069	\$ 13,372,016
Lapsed Balances	\$ 4,909,571	\$ 5,425,189	\$ 4,668,084
Public Utility Fund - 0059			
Appropriations (Net of Transfers)	\$ 31,999,300	\$ 32,903,700	\$ 33,446,200
Expenditures			
Personal Services	\$ 12,192,171	\$ 13,650,016	\$ 15,498,587
State Contributions to State Employees' Retirement System	5,442,657	6,232,135	6,575,791
State Contributions to Social Security	890,255	991,260	1,133,218
Group Insurance	3,010,081	3,360,256	3,295,757
Contractual Services	1,308,391	1,319,946	1,393,527
Travel	107,006	29,594	86,827
Commodities	7,923	1,034	14,468
Printing	10,122	2,329	8,590
Equipment	83,714	11,675	-
Electronic Data Processing	375,488	251,455	165,793
Telecommunications	121,497	130,763	135,639
Operation of Automotive Equipment	23,215	12,398	18,722
Refunds	1,169	-	-
Total Expenditures	\$ 23,573,689	\$ 25,992,861	\$ 28,326,919
Lapsed Balances	\$ 8,425,611	\$ 6,910,839	\$ 5,119,281

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2017, 2016, and 2015

	Fiscal Year		
	2017 P.A. 99-0524	2016 P.A. 99-0491, P.A. 99-0524, and Court Order	2015 P.A. 98-0679 P.A. 99-0001
Illinois Underground Utility Facilities Damage Prevention Fund - 0127			
Appropriations (Net of Transfers)	\$ 151,000	\$ 151,000	\$ 401,000
Expenditures			
Statewide One-Call Notice System	\$ 47,810	\$ 89,215	\$ 372,543
Total Expenditures	\$ 47,810	\$ 89,215	\$ 372,543
Lapsed Balances	\$ 103,190	\$ 61,785	\$ 28,457
Illinois Telecommunications Access Corporation Fund - 0364			
Appropriations (Net of Transfers)	\$ 4,320,000	\$ -	\$ -
Expenditures			
Administrative Costs and Distributions	\$ 327,582	\$ -	\$ -
Total Expenditures	\$ 327,582	\$ -	\$ -
Lapsed Balances	\$ 3,992,418	\$ -	\$ -
Wireless Service Emergency Fund - 0612			
Appropriations (Net of Transfers)	\$ -	\$ 22,153,738	\$ 77,130,000
Expenditures			
Grants to Emergency Telephone System Boards, Qualified Government Entities, or the Department of State Police	\$ -	\$ 22,153,738	\$ 66,041,203
Total Expenditures	\$ -	\$ 22,153,738	\$ 66,041,203
Lapsed Balances	\$ -	\$ -	\$ 11,088,797
Wireless Carrier Reimbursement Fund - 0613			
Appropriations (Net of Transfers)	\$ 5,500,000	\$ 14,000,000	\$ 9,689,800
Expenditures			
Reimbursement of Wireless Carriers and Administrative Costs	\$ 2,615,523	\$ 2,815,742	\$ 9,689,118
Total Expenditures	\$ 2,615,523	\$ 2,815,742	\$ 9,689,118
Lapsed Balances	\$ 2,884,477	\$ 11,184,258	\$ 682
Illinois Power Agency Renewable Energy Resources Fund - 0836			
Appropriations (Net of Transfers)	\$ 12,000,000	\$ -	\$ -
Expenditures			
Deposit into the Public Utility Fund	\$ 12,000,000	\$ -	\$ -
Total Expenditures	\$ 12,000,000	\$ -	\$ -
Lapsed Balances	\$ -	\$ -	\$ -

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Years Ended June 30, 2017, 2016, and 2015

	Fiscal Year		
	2017 P.A. 99-0524	2016 P.A. 99-0491, P.A. 99-0524, and Court Order	2015 P.A. 98-0679 P.A. 99-0001
TOTAL - APPROPRIATED FUNDS			
Appropriations (Net of Transfers)	\$ 72,552,200	\$ 87,074,696	\$ 138,707,100
Total Expenditures	\$ 52,236,933	\$ 63,492,625	\$ 117,801,799
Lapsed Balances	\$ 20,315,267	\$ 23,582,071	\$ 20,905,301
NON-APPROPRIATED FUND			
ICC Federal Grants Trust Fund - 0379			
Expenditures			
Federal Energy Regulatory Commission Settlement	\$ 6,199	\$ 55,271	\$ 5,069
Federal Railroad Association Grant	171,320	137,946	857,818
Total Expenditures	\$ 177,519	\$ 193,217	\$ 862,887
TOTAL - NON-APPROPRIATED FUND	\$ 177,519	\$ 193,217	\$ 862,887
GRAND TOTAL - ALL FUNDS			
Total Expenditures	\$ 52,414,452	\$ 63,685,842	\$ 118,664,686
STATE OFFICERS' SALARIES			
Expenditures			
Commission Chair	\$ 134,022	\$ 134,022	\$ 127,260
Four Commission Members	468,359	468,172	471,596
Total Expenditures	\$ 602,381	\$ 602,194	\$ 598,856

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and September 30, 2016, and have been reconciled to Agency records.

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

Note 3: During Fiscal Year 2016, the Commission operated without enacted appropriations until Public Act 99-0491 was signed into law on December 7, 2015, and Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 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 Commission's court-ordered payroll payments were merged into the enacted appropriation within Funds 0018 and 0059. Further, the Commission incurred non-payroll obligations within Funds 0018, 0059, 0127, 0612, and 0613, which the Commission was unable to pay until the passage of Public Act 99-0491 and Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission to be submitted against its Fiscal Year 2017 appropriation.

Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 58 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2017

	<u>Equipment</u>
Balance at July 1, 2015	\$ 4,587,653
Additions	93,424
Deletions	(34,240)
Net Transfers	<u>(10,799)</u>
Balance at June 30, 2016	<u>\$ 4,636,038</u>
Balance at July 1, 2016	\$ 4,636,038
Additions	184,776
Deletions	(33,810)
Net Transfers	<u>(1,293,367)</u>
Balance at June 30, 2017	<u>\$ 3,493,637</u>

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

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	Fiscal Year		
	2017	2016	2015
General Revenue Fund - 0001			
Qualified Solid Waste Energy Facility Tax Credit Repayment	\$ 2,265,449	\$ 3,237,352	\$ 2,784,840
Settlement from Commission Order	-	500,000	-
Wireless Emergency Telephone Safety Act Penalties	-	-	375
Fines, Penalties, or Violations	4,900	284,800	1,409,200
Total Cash Receipts per Commission	<u>2,270,349</u>	<u>4,022,152</u>	<u>4,194,415</u>
Less - In Transit at End of Year	(390,386)	(255,656)	(351,715)
Plus - In Transit at Beginning of Year	255,656	351,715	87,756
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 2,135,619</u></u>	<u><u>\$ 4,118,211</u></u>	<u><u>\$ 3,930,456</u></u>
Transportation Regulatory Fund - 0018			
Franchise Fees	\$ 2,583,106	\$ 2,542,629	\$ 2,443,423
Transportation Carrier Tax	414,788	574,969	576,950
Unified Carrier Registration	12,050,314	1,293,400	6,361,281
Civil Penalties	821,193	670,913	795,391
Collateral Recovery Act Fees	1,396,367	1,248,813	1,200,039
Miscellaneous	16,798	31,955	82,495
Total Cash Receipts per Commission	<u>17,282,566</u>	<u>6,362,679</u>	<u>11,459,579</u>
Less - In Transit at End of Year	(88,476)	(62,220)	(171,051)
Plus - In Transit at Beginning of Year	62,220	171,051	178,543
Returned Checks	-	-	11,057
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 17,256,310</u></u>	<u><u>\$ 6,471,510</u></u>	<u><u>\$ 11,478,128</u></u>
Public Utility Fund - 0059			
Gross Revenue Tax	\$ 6,152,866	\$ 6,961,456	\$ 8,390,964
U.S. Department of Transportation	1,316,402	2,209,436	1,902,000
Securities Issuance Fees	2,924,424	3,623,686	1,996,043
Copy Fees	1,824	1,688	2,933
Returned Petty Cash Fund	-	-	100
Wireless Emergency Telephone Safety Act Administrative Fees	-	607,959	883,655
Miscellaneous	254,326	148,916	34,258
Expedited Transmission Filing	100,000	-	300,000
Transfer from the Illinois Power Agency Renewable Energy Resources Fund	12,000,000	-	-
Distributed Generation Installer Certification Fee	1,250	1,400	2,100
Electric Vehicle Charging Station Certification Fee	250	450	1,800
Settlement from Commission Order	-	4,000,000	-
Total Cash Receipts per Commission	<u>22,751,342</u>	<u>17,554,991</u>	<u>13,513,853</u>
Less - In Transit at End of Year	(24,964)	(35,663)	(335,304)
Plus - In Transit at Beginning of Year	35,663	335,304	545,281
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 22,762,041</u></u>	<u><u>\$ 17,854,632</u></u>	<u><u>\$ 13,723,830</u></u>

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	Fiscal Year		
	2017	2016	2015
Illinois Underground Facility Damage Prevention Fund - 0127			
Fines, Penalties, or Violations	\$ 52,110	\$ 75,384	\$ 373,335
Total Cash Receipts per Commission	52,110	75,384	373,335
Less - In Transit at End of Year	(2,002)	-	(2,093)
Plus - In Transit at Beginning of Year	-	2,093	2,903
Total Cash Receipts per State Comptroller's Records	<u>\$ 50,108</u>	<u>\$ 77,477</u>	<u>\$ 374,145</u>
ICC Federal Grants Fund - 0379			
Federal Railroad Association	\$ 54,360	\$ 137,946	\$ 857,818
Total Cash Receipts per Commission	54,360	137,946	857,818
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ 54,360</u>	<u>\$ 137,946</u>	<u>\$ 857,818</u>
Wireless Service Emergency Fund - 0612			
Wireless 911 Surcharge	\$ -	\$ 30,497,353	\$ 59,992,126
Wireless Emergency Telephone Safety Act Penalties	-	1,055	2,896
Miscellaneous	-	6,109	-
Total Cash Receipts per Commission	-	30,504,517	59,995,022
Less - In Transit at End of Year	-	-	(4,127,440)
Plus - In Transit at Beginning of Year	-	4,127,440	3,602,740
Total Cash Receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ 34,631,957</u>	<u>\$ 59,470,322</u>
Wireless Carrier Reimbursement Fund - 0613			
Wireless 911 Surcharge	\$ -	\$ 2,242,452	\$ 5,275,865
Miscellaneous	-	756	-
Total Cash Receipts per Commission	-	2,243,208	5,275,865
Less - In Transit at End of Year	-	-	(303,178)
Plus - In Transit at Beginning of Year	-	303,178	912,282
Total Cash Receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ 2,546,386</u>	<u>\$ 5,884,969</u>
Illinois Power Agency Renewable Energy Resources Fund - 0836			
Alternative Retail Electronic Suppliers	\$ 71,649,806	\$ 86,278,411	\$ 77,172,263
Total Cash Receipts per Commission	71,649,806	86,278,411	77,172,263
Less - In Transit at End of Year	-	-	-
Plus - In Transit at Beginning of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ 71,649,806</u>	<u>\$ 86,278,411</u>	<u>\$ 77,172,263</u>

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2017	2016	2015
GRAND TOTAL - ALL FUNDS			
Total Cash Receipts per Commission	\$ 114,060,533	\$ 147,179,288	\$ 172,842,150
Less - In Transit at End of Year	(505,828)	(353,539)	(5,290,781)
Plus - In Transit at Beginning of Year	353,539	5,290,781	5,329,505
Returned Checks	-	-	11,057
Total Cash Receipts per State Comptroller's Records	<u>\$ 113,908,244</u>	<u>\$ 152,116,530</u>	<u>\$ 172,891,931</u>

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

COMMISSION FUNCTIONS

The Commission regulates investor-owned telecommunications, electricity, natural gas, water and sewer utilities, and competitive providers. In addition, the Commission also:

- protects consumers through the administration and enforcement of a program to assure the legal and ethical operation of household goods movers, including ensuring compliance with filed rates and service territory;
- registers all intrastate and interstate trucking companies operating in the State;
- assesses various fees used solely for the administration of certain transportation programs;
- administers and enforces financial responsibility, insurance coverage, and safety requirements for public trucking companies;
- directs safety improvements at railroad grade crossings, inspects registered rail carriers' track, inspects railroad cars and facilities involved in the movement of hazardous materials, and assures railroad company compliance with operating practice standards;
- regulates personal property warehouses in the State;
- regulates individuals and agencies engaged in the business of collateral recovery;
- regulates certain towing companies which relocate trespassing vehicles;
- acts as an administrative decision-maker in territorial service area disputes and considers negotiated agreements between investor-owned public utilities and electric cooperatives; and,
- exercises safety jurisdiction over all pipeline facilities which transport natural gas, except for most facilities of interstate natural gas pipelines, and implements minimum safety standards embodied in federal law.

In addition, the Commission coordinated the implementation of 911 emergency telephone systems throughout the State until Public Act 099-0006 transferred those responsibilities to the Department of State Police on January 1, 2016.

The structure and many of the major functions of the Commission are derived from the Public Utilities Act (Act) (220 ILCS 5), which requires the Commission to maintain general supervision over all public utilities and to ensure compliance by public utility companies with the Act. The Act also requires the Commission to establish the governing rules and regulations of all proceedings before the Commission that are either instituted by the Commission on its own motion or brought before the Commission by utilities and consumers. In fulfilling its mandate, the Commission holds regular hearings and conducts technical investigations for the purpose of adjudicating legal and factual issues.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

PLANNING PROGRAM

The Commission, as a regulatory agency, is obligated to fulfill its responsibilities under various State laws. The Commission's agendas and, therefore, its allocation of resources, are affected by the timing, frequency, and nature of many of the substantive filings before the Commission by various regulated entities.

The Commission's planning and subsequent program development is primarily carried out by promulgating rules and regulations impacting entities under the Commission's jurisdiction. The Commission directs its efforts and activities to implementing rules and administering laws in the public interest. Additional related efforts include participation in proceedings before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC). These proceedings directly or indirectly affect the State's utilities and telecommunications carriers, and their customers. Finally, the Commission frequently offers comments to members of the State's congressional delegation and submits testimony, written or oral, to Congress.

In 2017, the Commission started to conduct its first strategic planning initiative since 2002 to align the Commission, including its staff and technology, with a rapidly evolving utility landscape. In April 2017, the Commission identified the following areas after holding stakeholder roundtables and internal staff discussions:

- 1) Review the Commission's mission statement and statutory requirements to ensure efficiency, effectiveness, and preparedness to comply with all statutory functions.

Focus Areas:

- a) Consumer Information and Services: Review consumer-facing information on the Commission's website to ensure access to clear and concise information about the Commission's purpose, current utility rates, and the Commission's role in the development and oversight of the competitive retail electric and natural gas markets.
- b) Case Management and Technology: Review the overall procedure for public utility and transportation cases in conjunction with administrative rules. Where possible, explore opportunities for mediation and clarify/streamline procedures to ensure efficiency and transparency. Explore expansion of e-Docket capabilities and electronic filing of reports.
- c) Reporting: Conduct a Commission-wide analysis of inbound and outbound reporting requirements for current relevance and explore opportunities to streamline and update requirements and record retention policies.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

- 2) Maximize productivity in an environment of limited resources and technological change.

Focus Area:

- a) Workforce Development: Conduct a Commission-wide workforce assessment to identify the special knowledge, skills, and abilities needed to ensure a talent pipeline for critical positions and establish a Workforce Development Task Force tasked with creating a professional development program to address the educational and technical needs of staff.
- 3) Prepare for emerging policy trends, with an emphasis on cybersecurity and 'utility of the future.'

Focus Areas:

- a) Cybersecurity: Develop the newly established Office of Cybersecurity and Risk Management tasked with developing policy and supporting and prioritizing the ongoing efforts of regulated utilities to protect critical infrastructure from cybersecurity risk.
- b) Utility Regulation of the Future: Launch the statewide NextGrid effort, inviting stakeholders to provide input and collaboratively assess policy and regulatory options related to Community and Customer Empowerment; Grid Design; Digital Network and Markets; Economic Development and Innovation; and the Future Regulatory Model.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

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

Transportation Regulatory Fund - 0018

Contractual Services

The increase was due to the hiring of temporary staff for the Processing Division, an increase in the lease for the Commission's building, an increase in court reporting costs, and two postage purchases, totaling \$40,000. Postage purchases were not made in Fiscal Year 2016 due to the budget impasse.

Commodities

The increase was due to the purchase of uniforms for three newly hired officers and replacement uniform items for current officers. Also, supplies were not purchased in Springfield or Des Plaines in Fiscal Year 2016, therefore, the Commission replenished their supplies in Fiscal Year 2017.

Printing

The increase was due to the budget impasse in Fiscal Year 2016. The Commission was unable to print forms needed by the Transportation Division due to the budget impasse, so paper was purchased and forms were printed when appropriations were made available in Fiscal Year 2017.

Equipment

The increase was due to the purchase of two vehicles in Fiscal Year 2017, a sports utility vehicle for the Railroad Division and a new vehicle for the Police Department.

Electronic Data Processing

The increase was due to the purchase of software in preparation for the Commission's transition to the new Enterprise Resource Planning (ERP) System and the purchase of software licenses for Fiscal Year 2017.

Telecommunications

The increase was due to the availability of a new grant in Fiscal Year 2017. The grant allowed the Commission to purchase and be reimbursed for new radios for the Police Department.

Operation of Automotive Equipment

The increase was due to an increase in the amount the Commission owed to the State Garage Revolving Fund in Fiscal Year 2017. During the Fiscal Year 2016 budget impasse, the State Garage Revolving Fund made a payment on behalf of the Commission for fuel purchases, as the Commission lacked appropriation authority. The State Garage Revolving Fund then billed the Commission for these costs in Fiscal Year 2017 when the Commission had appropriation authority.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Transportation Regulatory Fund – 0018 (Continued)

Single State Insurance Registration Program and/or Unified Carrier Registration System

Licensees for Unified Carrier Registration (UCR) have two methods of paying their annual fee. Some licensees remit directly to the Commission and other licensees pay through a national clearinghouse run by the State of Indiana. Because the Commission lacked appropriation authority to remit the portion of this fee due to the federal government due to the Fiscal Year 2016 budget impasse, the State of Indiana held the State's share of UCR fees which reduced overall cash receipts in Fiscal Year 2016 and the Commission's expenditures fell because it was unable to remit the portion due to the federal government in Fiscal Year 2016.

Public Utility Fund - 0059

Travel

The increase was due to Commission employees limiting their travel in Fiscal Year 2016 because of the budget impasse. In Fiscal Year 2017, the Commission returned to its normal travel level, which was higher than previous years because the Gas Pipeline Safety Division hired five new employees in September 2016.

Equipment

The increase was due to the purchase of four new vehicles for the Gas Pipeline Safety Division in Fiscal Year 2017.

Electronic Data Processing

The increase was due to the purchase of software in preparation for the Commission's transition to ERP System.

Illinois Underground Utility Facilities Damage Prevention Fund - 0127

Statewide One-Call Notice System

The decrease was due to fewer fines being collected during Calendar Year 2017 than in Calendar Year 2016. At the end of each calendar year, the Commission totals the fines collected and grants the monies to the Joint Utility Locating Information for Excavators (JULIE) program in accordance with the Illinois Underground Utility Facilities Damage Prevention Act (220 ILCS 50/11(k)).

Illinois Telecommunications Access Corporation Fund - 0364

Administrative Costs and Distributions

The increase was due to the grant program being established in Fiscal Year 2017. Under the Public Utilities Act (220 ILCS 5/13-703(f)), the Commission distributes assessments on wireless telecommunications and interconnected Voice over Internet Protocol (VoIP) transactions, less an administrative fee, to the Illinois Telecommunications Access Corporation.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Wireless Service Emergency Fund - 0612

Grants to Emergency Telephone System Boards, Qualified Government Entities, or the Department of State Police

The decrease was due to the transfer of the Wireless Service Emergency Fund on January 1, 2016, to the Department of State Police.

Illinois Power Agency Renewable Energy Fund - 0836

Deposit into the Public Utility Fund

The increase was due to an appropriation made in Fiscal Year 2017 that was not made in Fiscal Year 2016.

ICC Federal Grants Trust Fund - 0379

Federal Energy Regulatory Commission Settlement

The decrease was due to a high number of purchases in Fiscal Year 2016, including 44 computers and 88 monitors, that were not made in Fiscal Year 2017.

Federal Railroad Association Grant

The increase was due to the amount of reimbursement requests received by the Commission. In Fiscal Year 2016, the Commission received two requests for reimbursement from villages, totaling \$137,000. In Fiscal Year 2017, the Commission received two requests for reimbursement from villages, totaling \$171,000.

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

Transportation Regulatory Fund - 0018

Travel

The decrease was due to the Commission limiting staff travel because of the budget impasse in Fiscal Year 2016.

Printing

The decrease was due to the Commission not ordering forms for the Transportation Division because of the budget impasse in Fiscal Year 2016.

Equipment

The decrease was due to the Commission not purchasing any new vehicles or other equipment due to a lack of appropriations during the budget impasse in Fiscal Year 2016.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Public Utility Fund - 0059

Travel

The decrease was due to the Commission limiting staff travel because of the budget impasse in Fiscal Year 2016.

Electronic Data Processing

The increase was due to the purchase of software in preparation for the Commission's transition to ERP.

Illinois Underground Utility Facilities Damage Prevention Fund - 0127

Statewide One-Call Notice System

The decrease was due to a large fine collected in Fiscal Year 2014 that was paid in Fiscal Year 2015. At the end of each calendar year, the Commission totals the fines collected and grants the monies to the Joint Utility Locating Information for Excavators (JULIE) program in accordance with the Illinois Underground Utility Facilities Damage Prevention Act (220 ILCS 50/11(k)).

Wireless Service Emergency Fund - 0612

Grants to Emergency Telephone System Boards, Qualified Government Entities, or the Department of State Police

The decrease was due to the transfer of the Wireless Service Emergency Fund on January 1, 2016, to the Department of State Police.

Wireless Carrier Reimbursement Fund - 0613

Reimbursement of Wireless Carriers and Administrative Costs

The decrease was due to a change in the calculation of carrier reimbursements. Prior to the change, carrier reimbursements were limited to each carrier's contribution. In Fiscal Year 2016, the carrier reimbursements were limited to the cash in the Wireless Carrier Reimbursement Fund. This change led to a smaller amount available to be distributed to the carriers.

ICC Federal Grants Trust Fund - 0379

Federal Energy Regulatory Commission Settlement

The increase was due to a large equipment purchase in Fiscal Year 2016, including 44 computers and 88 monitors.

Federal Railroad Association Grant

The decrease was due to the number of villages participating in the grant program. In Fiscal Year 2015, five villages participated in the grant program and requested reimbursement. In Fiscal Year 2016, only two villages participated in the grant program and requested reimbursement.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

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

General Revenue Fund – 0001

Qualified Solid Waste to Energy Facilities (QSWEF) Tax Credit Repayment

The decrease was due to the numbers of payments due from companies in Fiscal Year 2017 compared to Fiscal Year 2016. In Fiscal Year 2017, one company was able to use a credit to pay three months worth of payments and another company finished its repayment schedule in March 2017.

Settlement from Commission Order

The decrease was due to a onetime settlement the Commission received from a utility in Fiscal Year 2016.

Fines, Penalties, or Violations

The decrease was due to the Gas Pipeline Safety Program in the Commission not issuing any new penalties in Fiscal Year 2017.

Transportation Regulatory Fund – 0018

Transportation Carrier Tax

The decrease was due to the issuance and use of \$157,000 in credit memos by transportation carriers for Tax Year 2015. The transportation carriers used the credit memos in Fiscal Year 2017 to decrease the current amount due.

Unified Carrier Registration

Licenses for Unified Carrier Registration (UCR) have two methods of paying their annual fee. Some licenses remit directly to the Commission and other licenses pay through a national clearinghouse run by the State of Indiana. Because the Commission lacked appropriation authority to remit the portion of this fee due to the federal government due to the Fiscal Year 2016 budget impasse, the State of Indiana held the State's share of UCR fees which reduced overall cash receipts in Fiscal Year 2016 and the Commission's expenditures fell because it was unable to remit the portion due to the federal government in Fiscal Year 2016.

Civil Penalties

The increase was due to an increase in the number of civil penalties ordered by the Commission. In Fiscal Year 2016, the Commission ordered 33 civil penalties, totaling \$103,000; in Fiscal Year 2017, the Commission ordered 120 civil penalties, totaling \$355,000.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Public Utility Fund - 0059

U.S. Department of Transportation

The decrease was due to the Commission receiving allocations for two years in Fiscal Year 2016 and only one year in Fiscal Year 2017. Also, the reimbursement rate for the grant decreased from 75% to approximately 60-65% from Fiscal Year 2016 to Fiscal Year 2017.

Wireless Emergency Telephone Safety Act Administrative Fees

The decrease was due to the program being transferred to the Department of State Police on January 1, 2016.

Miscellaneous

The increase was due to the salary reimbursement from the Department of Transportation during Fiscal Year 2017, including reimbursement for the full year and two months from the prior year.

Expedited Transmission Filing

The increase was due to a filing in Fiscal Year 2017. The fee for each filing is \$100,000. There was one filing in Fiscal Year 2017 and no filings in Fiscal Year 2016.

Fund Transfer

The increase was due to a one-time transfer from the Illinois Power Agency Renewable Energy Resources Fund into the Public Utility Fund in Fiscal Year 2017.

Settlement from Commission Order

The decrease was due to a one-time settlement the Commission received from a utility in Fiscal Year 2016.

Illinois Underground Utility Facilities Damage Prevention Fund - 0127

Fines, Penalties, or Violations

The decrease was due to fewer fines being collected during Calendar Year 2017 than in Calendar Year 2016. At the end of each calendar year, the Commission totals the fines collected and grants the monies to the Joint Utility Locating Information for Excavators (JULIE) program in accordance with the Illinois Underground Utility Facilities Damage Prevention Act (220 ILCS 50/11(k)).

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

ICC Federal Grants Fund - 0379

Federal Railroad Association

The decrease was due to the amounts of reimbursement requested by two villages in Fiscal Year 2017 compared to Fiscal Year 2016. In Fiscal Year 2017, the two villages requested and received \$54,000 in reimbursement; in Fiscal Year 2016, those villages requested and received \$137,000 in reimbursement.

Wireless Service Emergency Fund - 0612

Wireless 911 Surcharge

The decrease was due to the Wireless 911 Program being transferred to the Department of State Police on January 1, 2016.

Wireless Carrier Reimbursement Fund - 0613

Wireless 911 Surcharge

The decrease was due to the Wireless 911 Program being transferred to the Department of State Police on January 1, 2016.

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

General Revenue Fund – 0001

Settlement from Commission Order

The increase was due to a one-time settlement the Commission received from a utility in Fiscal Year 2016.

Fines, Penalties, or Violations

The decrease was due to a reduction in the total amount of penalties assessed and collected by the Gas Pipeline Safety Program (Program). Specifically, in Fiscal Year 2015 a single penalty was assessed and paid, totaling \$1,400,000. This type of penalty does not occur frequently and did not occur in Fiscal Year 2016.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Transportation Regulatory Fund – 0018

Unified Carrier Registration

Licensees for Unified Carrier Registration (UCR) have two methods of paying their annual fee. Some licensees remit directly to the Commission and other licensees pay through a national clearinghouse run by the State of Indiana. Because the Commission lacked appropriation authority to remit the portion of this fee due to the federal government due to the Fiscal Year 2016 budget impasse, the State of Indiana held the State's share of UCR fees which reduced overall cash receipts in Fiscal Year 2016 and the Commission's expenditures fell because it was unable to remit the portion due to the federal government in Fiscal Year 2016.

Miscellaneous

The decrease was due to the Commission no longer receiving a Homeland Security Grant reimbursement from the Illinois Emergency Management Agency in Fiscal Year 2016. In Fiscal Year 2015, the Commission received \$60,000 in reimbursement.

Public Utility Fund - 0059

Securities Issuance Fees

The increase was due to a security authorization fee received from a utility for \$2,400,000 in Fiscal Year 2016. In Fiscal Year 2015, the security authorizations fees collected were significantly smaller dollar amounts.

Wireless Emergency Telephone Safety Act Administrative Fees

The decrease was due to the program being transferred to the Department of State Police on January 1, 2016.

Miscellaneous

The increase was due to the Commission receiving reimbursement from a new contract and a new interagency agreement in Fiscal Year 2016. The contract included a \$97,000 reimbursement from the Illinois Power Agency for Procurement Monitors, and the interagency agreement included a \$35,000 reimbursement from the Department of Transportation.

Expedited Transmission Filing Fees

The decrease was due to no filings occurring in Fiscal Year 2016. The fee for each filing is \$100,000. There were three filings in Fiscal Year 2015.

Settlement from Commission Order

The increase was due to a one-time settlement the Commission received from a utility in Fiscal Year 2016, which was not received in Fiscal Year 2015.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Illinois Underground Facility Damage Prevention Fund - 0127

Fines, Penalties, or Violations

The decrease was due to a large fine paid in Fiscal Year 2015. A utility paid a \$300,000 fine in Fiscal Year 2015.

ICC Federal Grants Fund - 0379

Federal Railroad Association

The decrease was due to the amounts of reimbursement requested by two villages in Fiscal Year 2016 compared to Fiscal Year 2015. In Fiscal Year 2016, the two villages requested and received \$137,000 in reimbursement; in Fiscal Year 2015, those villages requested and received \$325,000 in reimbursement.

Wireless Service Emergency Fund - 0612

Wireless 911 Surcharge

The decrease was due to the program being transferred to the Department of State Police on January 1, 2016.

Wireless Carrier Reimbursement Fund - 0613

Wireless 911 Surcharge

The decrease was due to the program being transferred to the Department of State Police on January 1, 2016.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

FISCAL YEAR 2017

Transportation Regulatory Fund - 0018

Electronic Data Processing

The Commission purchased software and laptops near the end of the fiscal year that were not delivered until the Lapse Period. In addition, Data Center charges for the Commission for May and June were also processed during the Lapse Period.

Telecommunications

The Commission purchased police radios near the end of the fiscal year that were not delivered until the Lapse Period. Also, the Commission rented dispatch services during Fiscal Year 2017, and they did not receive an invoice for those services until the Lapse Period.

Public Utilities Fund-0059

Equipment

The Commission purchased a vehicle for the Gas Pipeline Safety Division near the end of the fiscal year, and it was not delivered until the Lapse Period.

Telecommunications

The Commission received and processed the May 2017 and June 2017 Communications Revolving Fund billings during the Lapse Period.

Wireless Carrier Reimbursement Fund - 0613

Reimbursement of Wireless Carriers and Administrative Costs

The Commission made the fourth quarterly payments to wireless carriers during the Lapse Period.

Federal Grants Trust Fund - 0379

Federal Railroad Association Grant

While the Commission received grant reimbursement requests throughout the fiscal year, they could not process payments until monies were received from the federal government. The Commission received the funds in August 2017, and they were able to process the payments during the Lapse Period.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

FISCAL YEAR 2016

Transportation Regulatory Fund - 0018

Contractual Services, Travel, Commodities, Printing, Equipment, Electronic Data Processing, Telecommunications, Operation of Automotive Equipment, and Single State Insurance Registration Program and/or Unified Carrier Registration System

Due to the budget impasse in Fiscal Year 2016, all expenditures were processed during the Lapse Period.

Public Utilities Fund - 0059

Contractual Services, Travel, Commodities, Printing, Equipment, Electronic Data Processing, Telecommunications, and Operations of Automotive Equipment

Due to the budget impasse in Fiscal Year 2016, all expenditures were processed during the Lapse Period.

Underground Utility Facilities Damage Prevention Fund- 0127

Statewide One-Call Notice System

Due to the budget impasse in Fiscal Year 2016, all expenditures were processed during the Lapse Period.

Wireless Carrier Reimbursement Fund - 0613

Reimbursement of Wireless Carriers and Administrative Costs

Due to the budget impasse in Fiscal Year 2016, all expenditures were processed during the Lapse Period.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Years Ended June 30, 2017, 2016, and 2015
(NOT EXAMINED)

Amounts Expressed in Thousands

Aging of Accounts Receivable, per Commission records, were as follows:

	General Revenue Fund - 0001		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current	\$ 12,661	\$ 16,085	\$ 20,359
1-30 Days	141	180	117
31-90 Days	121	580	330
91-180 Days	181	323	621
181 Days - 1 Year	711	1,025	731
Over 1 Year	3,795	1,687	960
Accounts Receivable Gross Balance	<u>17,610</u>	<u>19,880</u>	<u>23,118</u>
Less: Estimated Uncollectibles	(4,506)	(2,712)	(1,691)
Accounts Receivable Net Balance	<u>\$ 13,104</u>	<u>\$ 17,168</u>	<u>\$ 21,427</u>

These amounts represent receivables related to public utility taxes, miscellaneous receipts, and penalties.

	Transportation Regulatory Fund - 0018		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current	\$ 124	\$ 175	\$ 10
1-30 Days	52	36	45
31-90 Days	51	48	49
91-180 Days	58	38	45
181 Days - 1 Year	169	69	123
Over 1 Year	1,575	1,484	1,317
Accounts Receivable Gross Balance	<u>2,029</u>	<u>1,850</u>	<u>1,589</u>
Less: Estimated Uncollectibles	(1,742)	(1,553)	(1,437)
Accounts Receivable Net Balance	<u>\$ 287</u>	<u>\$ 297</u>	<u>\$ 152</u>

These amounts represent receivables related to transportation taxes, including fees, civil penalties, and administrative citations.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Years Ended June 30, 2017, 2016, and 2015
(NOT EXAMINED)

Amounts Expressed in Thousands

	Public Utility Fund - 0059		
	2017	2016	2015
Current	\$ 10	\$ 23	\$ 104
1-30 Days	11	92	3
31-90 Days	1	3	5
91-180 Days	1	3	2
181 Days - 1 Year	-	-	1
Over 1 Year	24	25	26
Accounts Receivable Gross Balance	47	146	141
Less: Estimated Uncollectibles	(24)	(25)	(26)
Accounts Receivable Net Balance	\$ 23	\$ 121	\$ 115

These amounts represent receivables related to gross revenue taxes on public utilities, federal grants, civil penalties, securities issuance fees, and copy fees.

	Illinois Underground Utility Facilities Damage Prevention Fund - 0127		
	2017	2016	2015
Current	\$ 21	\$ 6	\$ 8
1-30 Days	4	1	3
31-90 Days	-	8	5
91-180 Days	-	2	16
181 Days - 1 Year	7	4	2
Over 1 Year	120	108	97
Accounts Receivable Gross Balance	152	129	131
Less: Estimated Uncollectibles	(127)	(112)	(99)
Accounts Receivable Net Balance	\$ 25	\$ 17	\$ 32

These amounts represent receivables related to penalties authorized by the Illinois Underground Facilities Damage Protection Act.

The Commission has instituted policies and procedures to utilize the Comptroller's Offset System, the Attorney General, and private collection agencies to collect unpaid receivables; however, we noted the Commission did not maintain adequate control over its accounts receivable in Finding 2017-001.

STATE OF ILLINOIS
 ILLINOIS COMMERCE COMMISSION
BUDGET IMPASSE DISCLOSURES
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

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

FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid From Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
0059	Public Utilities Fund	2	\$ 1,660	0	\$ 0
		2	\$ 1,660	0	\$ 0

The Commission did not have any outstanding unpaid invoices from either Fiscal Year 2016 or Fiscal Year 2017 after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Commission and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 and Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

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

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

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

During Fiscal Year 2016 and Fiscal Year 2017, none of the Commission's vendors participated in the VPP.

Vendor Support Initiative Program (VSI)

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Commission lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Commission was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating

STATE OF ILLINOIS
 ILLINOIS COMMERCE COMMISSION
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
 PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

vendor entering into an agreement where the participating vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Commission receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

During Fiscal Year 2016, the Commission had 5 vendors participate in VSI for 34 invoices, totaling \$94,231. A summary of the amount of transactions by qualified purchaser follows:

**TRANSACTIONS BY
 QUALIFIED PURCHASER**

Qualified Purchaser	Total
A	\$ 2,376
B	44,795
C	11,652
D	602
E	34,806
	<u>\$ 94,231</u>

During Fiscal Year 2017, the Commission did not have any vendors participate in VSI.

STATE OF ILLINOIS
 ILLINOIS COMMERCE COMMISSION
INTEREST COSTS ON INVOICES
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

Prompt Payment Interest Costs

The Commission calculated prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Commission. The following chart shows the Commission's prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2016

Fund #	Fund Name	Invoices	Vendors	Dollar Value
018	Transportation Regulatory Fund	123	35	\$ 17,298
059	Public Utilities Fund	175	63	35,230
		298	98	\$ 52,528

No interest was incurred on Fiscal Year 2017 invoices.

STATE OF ILLINOIS
 ILLINOIS COMMERCE COMMISSION
AVERAGE NUMBER OF EMPLOYEES
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

The following table, prepared from Commission records, presents the average number of employees, by division, for the Fiscal Year Ended June 30,

<u>Division</u>	<u>Fiscal Year</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Chair & Commissioners	11	12	9
Executive Director's Office	11	10	10
Bureau of External Affairs	24	24	23
Bureau of Transportation	43	41	44
Office of the General Counsel	18	17	17
Bureau of Public Utilities	52	57	71
Administrative Law Judges	11	13	17
Bureau of Planning & Operations	27	31	35
Total Average Full-Time Employees	<u>197</u>	<u>204</u>	<u>226</u>

STATE OF ILLINOIS
 ILLINOIS COMMERCE COMMISSION
MEMORANDA OF UNDERSTANDING
 For the Two Years Ended June 30, 2017
 (NOT EXAMINED)

The Commission reported the following Memoranda of Understanding with other State agencies to the Office of the Auditor General during Fiscal Year 2016 and Fiscal Year 2017:

<u>Description of Requirements</u>	<u>Effective Dates</u>	<u>Amount</u>
A Memorandum of Understanding was entered into between the Commission and the Office of the State Comptroller. The purpose of the agreement was to arrange the terms by which the Commission would obtain access to the Comptroller's Information Warehouse.	5/14/03 - Open Ended	N/A
A Memorandum of Understanding was entered into between the Commission and the Illinois Emergency Management Agency. The purpose of the agreement was for mutual aid when emergencies exceed the resources, equipment, and/or law enforcement personnel of a law enforcement agency.	4/29/03 - Open Ended	N/A

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2017
(NOT EXAMINED)

The following compilation of data from Commission records is as of and for the Fiscal Year Ended June 30,

	Fiscal Year		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
PUBLIC UTILITIES PROGRAM			
Cases filed	540	609	729
Hearings	1,250	1,705	1,820
Cases resolved	636	701	782
Number of outage inquiries and complaints	156	205	140
Percent of consumer inquiries and complaints resolved in a single call	51%	53%	48%
Number of violations written by pipeline safety inspectors	117	139	148
	<u>2017</u>	<u>2016</u>	<u>2015</u>
TRANSPORTATION REGULATORY PROGRAM			
Administrative citations	1,503	1,997	1,781
Investigations	1,247	1,273	1,273
Track inspections (miles)	3,066	3,807	2,819
Number of collisions at public crossings	90	115	111
Grade crossing projects ordered	130	78	192