

State of Illinois
Office of the Lieutenant Governor

COMPLIANCE EXAMINATION

For The Two Years Ended June 30, 2015

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

Kyle E. McGinnis
Certified Public Accountant
200 East Pine
Springfield, Illinois 62704

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2015

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STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2015

AGENCY OFFICIALS

Lieutenant Governor

(01/12/15 – Present)
(07/01/13 – 01/12/15)

Ms. Evelyn Sanguinetti
Ms. Sheila Simon

Chief of Staff

(01/12/15 – Present)
(07/01/13 – 01/12/15)

Mr. Brian Colgan
Ms. Kathryn Phillips

General Counsel

(03/02/15 – Present)
(07/01/13 – 01/12/15)

Ms. Ennedy Rivera
Ms. Leslie Reis

Lieutenant Governor's Offices are located at:

James R. Thompson Center
100 West Randolph Street, Suite 15-200
Chicago, Illinois 60601

214 State House
Springfield, Illinois 62706

414 Stratton Building
Springfield, Illinois 62706



STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
100 WEST RANDOLPH STREET
CHICAGO, ILLINOIS 60601

EVELYN SANGUINETTI
LIEUTENANT GOVERNOR

MANAGEMENT ASSERTION LETTER

January 20, 2016

Kyle E. McGinnis, CPA
200 East Pine January 13, 2016
Springfield, Illinois 62704

Ladies and Gentlemen:

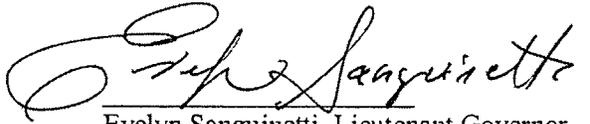
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2015. Based on this evaluation, we assert that during the years ended June 30, 2014 and June 30, 2015, the Agency has materially complied with the assertions below.

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

Yours truly,

State of Illinois

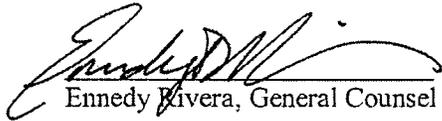
Office of the Lieutenant Governor

A handwritten signature in cursive script, appearing to read "Evelyn Sanguinetti".

Evelyn Sanguinetti, Lieutenant Governor

A handwritten signature in cursive script, appearing to read "Brian Colgan".

Brian Colgan, Chief of Staff

A handwritten signature in cursive script, appearing to read "Enmedy Rivera".

Enmedy Rivera, General Counsel

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

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.

ACCOUNTANTS' REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	3	2
Repeated findings	1	1
Prior recommendations implemented or not repeated	1	1

SCHEDULE OF FINDINGS

<u>Item</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2015-001	9	Inadequate controls over voucher processing	Significant Deficiency and Noncompliance
2015-002	10	Untimely filing of reports	Significant Deficiency and Noncompliance
2015-003	11	Inadequate controls over State property and related reporting	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE REPORT

SUMMARY

PRIOR FINDING NOT REPEATED

A 15 Untimely filing of reports

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 16, 2015.

Attending were:

Brian Colgan, Agency Chief of Staff;
Ennedy D. Rivera, Agency General Counsel;
Max Paller, Office of the Auditor General Audit Manager;
Kyle E. McGinnis, Kyle E. McGinnis, CPA Principal; and
Shelley Bussen, Kyle E. McGinnis, CPA Audit Manager.

The responses to the recommendations were provided by Ennedy D. Rivera in correspondence dated December 17, 2015.

KYLE E. MCGINNIS

Certified Public Accountant

MEMBER OF:

**AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ILLINOIS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

200 EAST PINE * SPRINGFIELD, ILLINOIS 62704

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Office of the Lieutenant Governor'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, 2015. The management of the Office of the Lieutenant Governor is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Office of the Lieutenant Governor's compliance based on our examination.

- A. The Office of the Lieutenant Governor 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 Office of the Lieutenant Governor 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 Office of the Lieutenant Governor 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 Office of the Lieutenant Governor 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 Office of the Lieutenant Governor on behalf of the State or held in trust by the Office of the Lieutenant Governor have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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

In our opinion, the Office of the Lieutenant Governor complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2015. 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 Office of the Auditor General and which are described in the accompanying schedule of findings as items 2015-001, 2015-002 and 2015-003.

Internal Control

Management of the Office of the Lieutenant Governor 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 Office of the Lieutenant Governor'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 Office of the Lieutenant Governor's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office of the Lieutenant Governor's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2015-001, 2015-002 and 2015-003 that we considered to be significant deficiencies.

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

The Office of Lieutenant Governor's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Office of Lieutenant Governor's responses and, accordingly, we express no opinion on them.

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, 2015 and June 30, 2014 in Schedules 1 – 8 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, 2015 and the June 30, 2014 accompanying supplementary information in Schedules 1 – 8. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2013 accompanying supplementary information in Schedules 3, 4, 5, 6 and 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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

A handwritten signature in black ink that reads "Kyle E. McGinnis". The signature is written in a cursive style with a large initial 'K' and 'M'.

Kyle E. McGinnis, CPA
Springfield, Illinois

January 20, 2016

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2015

2015-001. FINDING (Inadequate controls over voucher processing)

The Office of the Lieutenant Governor (Agency) did not exercise adequate control over voucher processing.

We noted the following:

- Forty of 166 vouchers (24%) totaling \$10,242, included invoices that were not date stamped. In addition, fifteen of 166 vouchers (9%) totaling \$29,611, were not properly date stamped for approval of payment by the Agency.
- Two of 166 vouchers (1%) totaling \$634, were not recorded to the proper detail object code.
- One of 166 vouchers (1%) totaling \$416, was approved for payment 25 days late.

The Illinois Administrative Code (Title 74, Section 900.30(b)(2)) states that all State agencies must maintain written or electronic records reflecting the date or dates on which a proper bill was received and approved for payment by the State agency. The State Finance Act (30 ILCS 105/9.04) requires an authorized agent to certify that the vouchers submitted are true and correct. Statewide Accounting Management System (SAMS) (Procedure 11.10.50) states that the purpose of assigning a correct detail object code is to report expenditure information at a more refined level with a common object. The Illinois Administrative Code (Title 74, Section 900.70) requires an agency to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physical receipt of the bill.

Management of the Office of the Lieutenant Governor indicated the above deficiencies were due to staff oversight.

Failure to date invoices when received and to obtain invoice approval within 30 days increases the potential for non-payment of invoices in a timely manner and may require the payment of interest. In addition, inaccurate detail object codes reduce the overall control over expenditures. (Finding Code 2015-001; 2013-001; 11-2)

RECOMMENDATION

We recommend the Agency strengthen controls over voucher processing to ensure invoices are processed timely and properly approved.

AGENCY RESPONSE

The Office of the Lieutenant Governor has changed office policy to address this finding.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2015

2015-002. FINDING (Untimely Filing of Reports)

The Office of the Lieutenant Governor (Agency) did not file its Travel Headquarter Reports (TA-2 Report) with the Legislative Audit Commission in a timely manner. In addition, the Agency did not file its Agency Report of State Property (C-15 Report) by the reporting deadlines.

During testing we noted the following:

- Two of four (50%) TA-2 reports were submitted 67 and 260 days late.
- Two of eight (25%) C-15 reports were filed 31 and 123 days late.

The State Finance Act (Act) (30 ILCS 105/12-3) requires State agencies to file Travel Headquarter Reports with the Legislative Audit Commission for all individuals whose official headquarters are located other than where their official duties require them to spend the largest part of their working time. The reports shall be filed no later than July 15 for the period from January 1 through June 30 of that year and no later than January 15 for the period July 1 through December 31 of the preceding year. Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires the C-15s to be filed on a quarterly basis no later than the last day of the month following the last day of the quarter.

Management indicated the above deficiencies were due to staff oversight.

Failure to file timely Travel Headquarter Reports decreases the effectiveness of oversight controls and results in noncompliance with the State Finance Act. Further, failure to submit timely Agency Reports of State Property increases the likelihood of inaccurate inventory records and the potential for fraud and possible loss or theft of State property and reduces the reliability of Statewide property information. (Finding Code No. 2015-002)

RECOMMENDATION

We recommend the Agency ensure all reports are filed timely as required.

AGENCY RESPONSE

The Office of the Lieutenant Governor has changed office policy to address this finding.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2015

2015-003. FINDING (Inadequate control over State property and related reporting)

The Office of the Lieutenant Governor (Agency) did not maintain adequate controls over State property and related reporting.

During testing, we identified unused equipment items, totaling approximately \$59,500, that had not been transferred to the Department of Central Management Services (CMS) and were still reported on their property control listing.

The State Property Control Act (30 ILCS 605/7.3) requires all State agencies to review inventories and report potential items of transferable property to CMS. Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires all assets that are obsolete, damaged, or no longer used in operations to be identified and, if necessary, removed from the agency's asset records.

Management stated unused property items had not been transferred to CMS pending completion of the audit.

Failure to maintain adequate control over property items impairs the State's objectives of good stewardship and the preservation of assets, and increases the risk of loss due to waste, unauthorized use, and misappropriation. (Finding Code No. 2015-003)

RECOMMENDATION

We recommend the Agency follow the appropriate laws, rules and regulations regarding the disposal or transfer of obsolete or unused State property, control over State property, and the accounting, recording and reporting of State property.

AGENCY RESPONSE

Management of the Office of the Lieutenant Governor indicated that while in communication with the Office of the Auditor General it was conveyed that office space and equipment was requested by the contract auditors. The Office of the Lieutenant Governor retained the Stratton Office and its equipment through the completion of the Audit. All space and equipment have since been returned to CMS as surplus.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

PRIOR FINDING NOT REPEATED (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2015

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Untimely filing of reports)

In the prior examination period, the Office of the Lieutenant Governor (Agency) did not file its Fiscal Year 2012 Fiscal Control and Internal Auditing Act (FCIAA) certification.

In the current examination period, the Agency filed both annual FCIAA certifications by the deadline. (Finding Code No. 2013-002)

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR
COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2015

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
 - 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 Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
- Analysis of Operations (Not examined):
 - Agency Functions and Planning Program (Not examined)
 - Memorandum of Understanding (Not examined)
 - Average Number of Employees (Not examined)
 - Service Efforts and Accomplishments (Not examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2015 and June 30, 2014 in Schedules 1 through 8. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015
Fourteen Months Ended August 31, 2015

Public Act 98-0679	Appropriations (Net after Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 7/01 - 8/31/15	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Lump Sums - Operational Expenses	\$ 1,396,000	\$ 1,060,872	\$ 134,355	\$ 1,195,227	\$ 200,773
Subtotal	\$ 1,396,000	\$ 1,060,872	\$ 134,355	\$ 1,195,227	\$ 200,773
<u>AGRICULTURAL PREMIUM FUND - 045</u>					
Lump Sums - Ordinary and Contingent Expenses of the Rural Affairs Council	\$ 47,500	\$ 11,359	\$ -	\$ 11,359	\$ 36,141
Subtotal	\$ 47,500	\$ 11,359	\$ -	\$ 11,359	\$ 36,141
TOTAL - ALL APPROPRIATED FUNDS	\$ 1,443,500	\$ 1,072,231	\$ 134,355	\$ 1,206,586	\$ 236,914

Note 1: Appropriations, expenditures, and lapsed balances were obtained from State Comptroller records and have been reconciled to the Agency's records.

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

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2014
Fourteen Months Ended August 31, 2014

Public Act 98-0064	Appropriations (Net after Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01 - 8/31/14	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Lump Sums - Operational Expenses	\$ 1,396,000	\$ 1,208,594	\$ 54,907	\$ 1,263,501	\$ 132,499
Subtotal	<u>\$ 1,396,000</u>	<u>\$ 1,208,594</u>	<u>\$ 54,907</u>	<u>\$ 1,263,501</u>	<u>\$ 132,499</u>
<u>AGRICULTURAL PREMIUM FUND - 045</u>					
Lump Sums - Ordinary and Contingent Expenses of the Rural Affairs Council	\$ 47,500	\$ 20,238	\$ 13,716	\$ 33,954	\$ 13,546
Subtotal	<u>\$ 47,500</u>	<u>\$ 20,238</u>	<u>\$ 13,716</u>	<u>\$ 33,954</u>	<u>\$ 13,546</u>
TOTAL - ALL APPROPRIATED FUNDS	<u><u>\$ 1,443,500</u></u>	<u><u>\$ 1,228,832</u></u>	<u><u>\$ 68,623</u></u>	<u><u>\$ 1,297,455</u></u>	<u><u>\$ 146,045</u></u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from State Comptroller records and have been reconciled to the Agency's records.

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

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
	P.A. 98-0679	P.A. 98-0064	P.A. 97-0727
GENERAL REVENUE FUND - 001			
Appropriations (Net After Transfers)	\$ 1,396,000	\$ 1,396,000	\$ 1,846,000
<u>Expenditures</u>			
Lump Sums - Operational Expenses	\$ 1,195,227	\$ 1,263,501	\$ 1,712,035
Total Expenditures	\$ 1,195,227	\$ 1,263,501	\$ 1,712,035
Lapsed Balances	\$ 200,773	\$ 132,499	\$ 133,965

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
	P.A. 98-0679	P.A. 98-0064	P.A. 97-0727
<u>AGRICULTURAL PREMIUM FUND - 045</u>			
Appropriations (Net After Transfers)	\$ 47,500	\$ 47,500	\$ 60,000
<u>Expenditures</u>			
Ordinary and Contingent Expenses of the Rural Affairs Council	\$ 11,359	\$ 33,954	\$ 26,135
Total Expenditures	\$ 11,359	\$ 33,954	\$ 26,135
Lapsed Balances	\$ 36,141	\$ 13,546	\$ 33,865
 <u>LIEUTENANT GOVERNOR'S GRANT FUND-924</u>			
Appropriations (Net After Transfers)	\$ -	\$ -	\$ 50,000
<u>Expenditures</u>			
Exercise of the Powers or Performance of the Duties of the Office of the Lieutenant Governor	-	-	-
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	\$ -	\$ -	\$ 50,000
 <u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (Net of Transfers)	\$ 1,443,500	\$ 1,443,500	\$ 1,956,000
Total Expenditures	\$ 1,206,586	\$ 1,297,455	\$ 1,738,170
Lapsed Balances	\$ 236,914	\$ 146,045	\$ 217,830
 <u>GRAND TOTAL, ALL FUNDS</u>			
Total Expenditures	\$ 1,206,586	\$ 1,297,455	\$ 1,738,170

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
<u>GENERAL REVENUE FUND - 001</u>			
Appropriations (Net of Transfers)	\$ 135,700	\$ 135,700	\$ 135,700
Lieutenant Governor's Salary	136,257	135,669	135,669
Total Expenditures	136,257	135,669	135,669
Lapsed Balances	<u>\$ (557)</u>	<u>\$ 31</u>	<u>\$ 31</u>

Lieutenant Governor Simon voluntarily returns a portion of her salary to the General Revenue Fund. She returned \$1,258 to GRF in Fiscal Year 2015, \$4,402 in Fiscal Year 2014 and \$3,144 in Fiscal Year 2013.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2015

	<u>State Property</u>
Balance at July 1, 2013	\$ 172,137
Additions	2,266
Deletions	(17,699)
Net Transfers	-
Adjustments	<u>228</u>
Balance at June 30, 2014	<u>\$ 156,932</u>
Balance at July 1, 2014	\$ 156,932
Additions	-
Deletions	(15,889)
Net Transfers	-
Adjustments	<u>-</u>
Balance at June 30, 2015	<u>\$ 141,043</u>

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

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenue Fund - 001			
Equipment Reimbursement	\$ -	\$ -	\$ 100
Travel Reimbursement	-	-	86
Miscellaneous	1,258	4,402	3,145
Telephone Reimbursement	-	4	2
Jury Duty	<u>-</u>	<u>16</u>	<u>-</u>
Total Cash Receipts per State Comptrollers Records	<u>\$ 1,258</u>	<u>\$ 4,422</u>	<u>\$ 3,333</u>
Cash Receipts per Agency records	\$ 1,258	\$ 4,422	\$ 3,333
Less-in Transit at End of Year	-	-	-
Plus-in Transit at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts per State Comptrollers Records	<u>\$ 1,258</u>	<u>\$ 4,422</u>	<u>\$ 3,333</u>

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNORANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2015

Significant variations in expenditures (\$10,000 and 20%) for the fiscal years ended June 30, 2015 and June 30, 2014 were as follows:

FISCAL YEAR 2015GENERAL REVENUE FUND – 001Contractual Employee Payroll

The contractual employee payroll expenditures decreased \$88,325 (22%) in Fiscal Year 2015. This decrease was caused by the transitioning of a new administration after the new Lieutenant Governor took office.

Telecommunication Expenditures

The telecommunication expenditures decreased \$15,423 (49%) in Fiscal Year 2015. This decrease was caused by downsizing of the Agency's offices, two offices were eliminated and are no longer operating.

FISCAL YEAR 2014GENERAL REVENUE FUND – 001Regular Position

The regular positions expenditures decreased \$360,427 (37%) in Fiscal Year 2014. The Agency's appropriation was reduced and as a result they downsized which resulted in less expenditures.

State Paid Retirement Contributions

The State paid retirement contribution expenditures increased \$12,694 (100%) in Fiscal Year 2014. The Agency's started making contributions to the State paid retirement for its employees.

State Contribution to Social Security

The State contribution to social security expenditures decreased \$27,662 (38%) in Fiscal Year 2014. The Agency's appropriation was reduced and as a result they downsized which resulted in less expenditures.

Contractual Services

The contractual services expenditures decreased \$71,355 (37%) in Fiscal Year 2014. The Agency's appropriation was reduced and as a result they downsized which resulted in less expenditures.

Telecommunication Expenditures

The telecommunication expenditures decreased \$15,281 (33%) in Fiscal Year 2014. This decrease was caused by downsizing of the Agency's offices, office space that was no longer being utilized was eliminated.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNORANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2015FISCAL YEAR 2015GENERAL REVENUE FUND – 001Contractual Services

During Fiscal Year 2015 the Agency paid contractual expenditures of \$63,788 or 50% in the lapse period. Payment to Northern Illinois University (\$57,500) was paid during the lapse period per an intergovernmental agreement for the Consolidated and Unfunded Mandates Task Force project.

Travel

During Fiscal Year 2015 the Agency paid travel expenditures of \$13,893 or 47% in the lapse period. These payments were for employee mileage reimbursement requests made towards the end of the fiscal year.

FISCAL YEAR 2014GENERAL REVENUE FUND – 001Contractual Services

During Fiscal Year 2014 the Agency paid contractual expenditures of \$28,508 or 23% in the lapse period. Payment to Northern Illinois University (\$17,500) was paid during the lapse period for report preparation that was performed during the year and invoiced towards the end of the fiscal year.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2015

There were no significant variations in receipts for the two years ended June 30, 2015.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)

FUNCTIONS

The Office of Lieutenant Governor is an elected position for a four-year term (10 ILCS 5/2A-5). Evelyn Sanguinetti was elected Lieutenant Governor and was sworn into office January 12, 2015.

The Lieutenant Governor is the second highest executive office in Illinois and first in line for the governorship. Under the Illinois Constitution, the Lieutenant Governor becomes the Acting Governor if the Governor is unable to discharge the duties of the office. Over the course of Illinois history, seven Lieutenant Governors have replaced Governors who died, resigned or were removed from office.

In addition to being prepared to lead the State, the Lieutenant Governor exercises the powers delegated to her by the Governor and that may be prescribed by law. This includes acting as the State's top advocate for rural communities, military families, and river conservation through her leadership of the Governor's Rural Affairs Council, the Interagency Military Base Support and Economic Development Committee and the Illinois River, Mississippi River, and Wabash and Ohio Rivers Coordinating Councils.

The Lieutenant Governor also is committed to education reform as chair of the Joint Educational Leadership Committee for the P-20 Council, serves as the ambassador to Illinois Main Street, a downtown revitalization program and is a Budgeting for Results commissioner, among other appointed roles.

PLANNING PROGRAM

The Office of the Lieutenant Governor's primary objective is to support government services, according to the State's Budgeting for Results Commission. The office applies that objective to its required duties and roles as highlighted below.

Chair, Governor's Rural Affairs Council

- Improve rural resources: Expand virtual legal clinics to underserved areas; raise funds for rural domestic violence and rape crisis shelters; recruit and train farmer's markets for food stamp acceptance; support local food expansion.
- Advocate for rural health: Sponsor the State's only Emergency Medical Services (EMS) Summit to identify challenges and solutions faced by rural health responders; support legislation to improve EMS care provided to rural patients; promote health research registry and annual check-ups for rural women.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED) (Continued)

- Strengthen rural education: Launch State's 6th-12th grade math curriculum; expand criteria for school consolidation; sponsor higher education conference; publish superintendent survey, Game Changers reform report and Complete College Playbook; lobby for transparency and remediation reforms; advocate for funding reforms.

Chair, Interagency Military Base Support and Economic Development Committee

- Support defense communities: Conduct listening posts and online survey in communities with military installations; prepare Statewide economic impact study of active military bases; coordinate communication among agencies working to retain and recruit military and civilian jobs in Illinois.

Chair, River Coordinating Councils

- Promote river conservation: Coordinate agency communications on the ecological health of the Illinois, Ohio, Mississippi and Wabash rivers; release new Integrated Management Plan for the Illinois River Watershed; conduct research on Asian Carp elimination and mining impacts on adjacent waterways.

MEMORANDUM OF UNDERSTANDING (NOT EXAMINED)

On January 26, 2015 pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1, the Agency entered into an Interagency Agreement (agreement) with the Office of the Comptroller (IOC). This agreement transferred fiscal processes to the IOC including: human resources, payroll; timekeeping; fixed assets; accounts receivable; accounts payable; general accounting; financial statements; procurement; fiscal contract monitoring and budgeting.

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)

The following table, prepared from the Office of the Lieutenant Governor’s records, presents the average number of employees by program, for the fiscal years ended June 30,

	Fiscal Year		
	2015	2014	2013
Rural Affairs Council			6
River Coordinating Council			6
Military Committee			6
General Office	17	20	6
Total	17	20	24

*Note: The above schedule contains annual averages.

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

Local Government Consolidation and Unfunded Mandates Task Force:

- Held 8 task force meetings around the State
- Task force made 3 recommendations on Local Government Consolidation
- Task force made 5 recommendations on Unfunded Mandate Relief
- Executed Intergovernmental Agreement with Northern Illinois University on Consolidation & Unfunded Mandate Study
- Met with hundreds of local government officials in dozens of meetings to gather information about unfunded mandates and consolidation affecting local government

Interagency Military Base Support and Economic Development Committee:

- Held first committee meeting to review past work of Lieutenant Governor Simon
- Visited and briefed by officials on all 3 of the State’s major military installations (Rock Island Arsenal, Scott Air Force Base, and Naval Station Great Lakes)
- Visited 3 of our Illinois National Guard Facilities
- Lieutenant Governor performed Changing of the Guard Ceremony officially swearing in new Adjutant General Hayes

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (Continued)

Rivers-related:

- Held 2 quarterly rivers coordinating council meetings
- Creating a comprehensive rivers agenda
- Toured lock and dams with US Army Corps of Engineers (USACE) on Illinois, Mississippi, and Ohio rivers and received briefings on waterway infrastructure challenges
- Visited the National Great Rivers Research and Education Center and received a briefing on environmental issues affecting our river systems

Rural Affairs-related:

- Developing a 2015 Rural Affairs Agenda in the following policy areas:
 - Rural Entrepreneurship
 - Rural Public Safety
 - Rural Education
 - Agriculture
 - Rural Manufacturing
 - Rural Health Care Access
- The Lieutenant Governor has visited 7 of the 10 least populous counties in the State in order to connect with local leaders and residents and hear their priorities and issue areas firsthand (Pope, Calhoun, Scott, Stark, Putnam, Pulaski, Brown).
- The Lieutenant Governor submitted the 2015 Annual Report to the Governor and General Assembly titled “Rural Illinois: New Challenges, New Opportunities”.
- Initiated contact with the State’s 9-1-1 Services Advisory Board to support and ensure passage of SB96 which is consistent with the Governor’s Turnaround Agenda and the Governor’s Rural Affairs Council (GRAC) Policy Agenda. SB96 amends the Emergency Telephone Safety Act and the Wireless Emergency Telephone Safety Act to create a single Statewide 9-1-1 system to be administered by the Department of State Police and
 - Allows for the creation of a Statewide Next Generation 9-1-1 Advisory Board and the Illinois Commerce Commission
 - Outlines the consolidation of Emergency Telephone System Boards (ETSB) and Public Safety Answering Points (PSAP) throughout the State of Illinois in order to create a streamline delivery of 9-1-1 services in a cost effective manner
 - Creates a consolidation grant fund
 - Provides enhanced 9-1-1 in the nine counties that currently do not have 9-1-1

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (Continued)

Community Outreach:

- Lieutenant Governor has been accessible to community leaders across the State of Illinois and various ethnic communities
- Lieutenant Governor has participated in various community events including, but not limited to:
 - Chicago MLK Breakfast
 - Peoria MLK Luncheon
 - India Republic Day
 - Taiwanese American Lunar New Year Celebration
 - India Independence Day Celebration
 - Pakistan Independence Day Celebration
 - Ecuador Independence Day Celebration
 - Cuban Festival
- Year to Date Lieutenant Governor has met with and participated in celebrations with representatives of various countries including, but not limited to:
 - Argentina- Participated in their annual independence day celebration with Consul General and the Ambassador
 - Ecuador- Welcomed new Consul General to Chicago
 - Peru- Met with Consul General and Ambassador
 - Mexico- Met with Consul General and Mexican Under Secretary of Social and Human Development
 - Dominican Republic- Met with Consul General to discuss trade opportunities between Illinois and Dominican Republic
 - Costa Rica- Met with Consul General
 - Guatemala- Met with Consul General
 - Turkey- Met with Consul General
 - Chile- Met with Consul General
 - Serbia- Met with Ambassador
 - Bosnia & Herzegovina- Met with Consul General and Ambassador
 - South Africa- Met with Consul General and Ambassador

STATE OF ILLINOIS
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS (NOT EXAMINED)
FOR THE TWO YEARS ENDED JUNE 30, 2015

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED) (Continued)

Hispanic Working Group:

- Lieutenant Governor is also in process of developing a Hispanic Agenda that will address economic empowerment, workforce development, STEM education, and financial literacy
- Lieutenant Governor has met with various Hispanic organizations and universities to gather information on issues that are important in communities across the State
- Lieutenant Governor has met with:
 - La Casa - University of Illinois at Urbana Champaign
 - Daley College Student Government
 - ASPIRA students and parents
 - Quad Cities Hispanic Chamber of Commerce
 - Aurora Regional Hispanic Chamber of Commerce
 - Rockford Hispanic Chamber of Commerce
 - Illinois Hispanic Chamber of Commerce
 - The Little Village Chamber of Commerce
- Lieutenant Governor also participated in the 2015 Unity Day Celebration in Springfield, Illinois. She met with leaders from various Hispanic organizations in Illinois and listened to their concerns and recommendations to improve the fiscal status of the State
- Lieutenant Governor participated in a statewide tour to visit various Hispanic communities in September 2015, in honor of Hispanic Heritage Month.