

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2014

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2014

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STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

AGENCY OFFICIALS

Chairman (9/13/13-present)	Deanna Glosser
Chairman (7/1/12-6/30/13)	Thomas Holbrook
Executive Director (6/3/13-present)	Tom Johnson
Executive Director (7/1/12-6/2/13)	Vacant
Fiscal Officer	Kathryn Griffin
General Counsel (4/30/14-present)	Vacant
General Counsel (7/1/12-4/29/14)	Kathleen Crowley

Board offices are located at:

1021 North Grand Avenue East
Springfield, Illinois 62702

2009 Mall Street
Collinsville, Illinois 62234

James R. Thompson Center
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601

2125 South 1st Street
Champaign, Illinois 61820



ILLINOIS POLLUTION CONTROL BOARD

STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

GOVERNOR

Bruce Rauner



CHAIRMAN

Deanna Glosser, Ph.D.



MEMBERS

Jennifer Burke

Gerald M. Keenan

Jerome O'Leary

Carrie Zalewski



SPRINGFIELD OFFICE

1021 N. Grand Ave. East
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100 West Randolph
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Chicago, IL
60601-3233

Main: 312-814-3620
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TTY: 866-323-1677



WEB SITE

www.ipcb.state.il.us

April 17, 2015

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 E. Ash
Springfield, IL 62703-3154

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Pollution Control Board (Board). 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 Board's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the year(s) ended June 30, 2013 and June 30, 2014, the Board has materially complied with the assertions below.

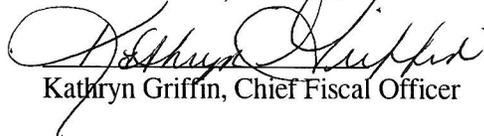
- A. The Board has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Board has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Board 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 Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Yours truly,

Illinois Pollution Control Board



Deanna Glosser, Chairman



Kathryn Griffin, Chief Fiscal Officer

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2014

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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>Report</u>
Repeated findings	0	1
Prior recommendations implemented or not repeated	0	0
	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
None noted.			
PRIOR FINDINGS NOT REPEATED			
A	8	Failure to comply with the Identity Protection Act	

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

EXIT CONFERENCE

The Board waived an exit conference in correspondence dated April 17, 2015.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois Pollution Control Board'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, 2014. The management of the State of Illinois Pollution Control Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Pollution Control Board's compliance based on our examination.

- A. The State of Illinois Pollution Control Board 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 Pollution Control Board 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 Pollution Control Board 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 Pollution Control Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the

Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Pollution Control Board'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 State of Illinois Pollution Control Board's compliance with specified requirements.

In our opinion, the State of Illinois Pollution Control Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014.

Internal Control

Management of the State of Illinois Pollution Control Board 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 Pollution Control Board'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 Pollution Control Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Pollution Control Board's internal control over compliance.

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

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

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

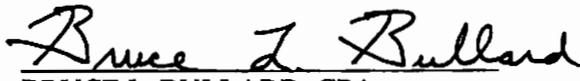
Supplementary Information for State Compliance Purposes

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, 2014 and June 30, 2013 in Schedules 1 through 7 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, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 7. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 3 through 7 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, the Pollution Control Board, and agency management and is not intended to be and should not be used by anyone other than these specified parties.



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

Springfield, IL
April 17, 2015

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2014

A. **FINDING** (Failure to Comply with the Identity Protection Act)

During the prior period engagement, the Pollution Control Board (Board) failed to implement the provisions of the Identity Protection Act (Act).

During the current engagement, our testing results indicated the Board had drafted and implemented an Identity Protection Policy. The Policy met all of the requirements per the Act. (Finding Code No. 12-1)

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

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 of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Annual Cost Statistics (Not Examined)
 - Interagency Agreement (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, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 7. 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
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2014

Fourteen Months Ended August 31, 2014

P.A. 98-0064	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
Underground Storage Tank Fund - 0072					
Case Processing	\$ 429,900	\$ 419,390	\$ -	\$ 419,390	\$ 10,510
Total Underground Storage Tank Fund	\$ 429,900	\$ 419,390	\$ -	\$ 419,390	\$ 10,510
Clean Air Act Permit Fund - 0091					
Personal Services	\$ 799,600	\$ 680,230	\$ -	\$ 680,230	\$ 119,370
State Contributions to State Employees' Retirement System	322,300	274,452	-	274,452	47,848
State Contributions to Social Security	61,200	49,528	-	49,528	11,672
Group Insurance	276,000	162,816	-	162,816	113,184
Contractual Services	10,000	10,000	-	10,000	-
Total Clean Air Act Permit Fund	\$ 1,469,100	\$ 1,177,026	\$ -	\$ 1,177,026	\$ 292,074
Pollution Control Board Fund - 0277					
Contractual Services	\$ 45,000	\$ 12,469	\$ -	\$ 12,469	\$ 32,531
Telecommunications	4,000	4,000	-	4,000	-
Refunds	1,000	-	-	-	1,000
Total Pollution Control Board Fund	\$ 50,000	\$ 16,469	\$ -	\$ 16,469	\$ 33,531

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2014

Fourteen Months Ended August 31, 2014

P.A. 98-0064	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Lapsed
Used Tire Management Fund - 0294					
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 260,000	\$ 249,999	\$ -	\$ 249,999	\$ 10,001
Total Used Tire Management Fund	\$ 260,000	\$ 249,999	\$ -	\$ 249,999	\$ 10,001
Environmental Protection Permit and Inspection Fund - 0944					
Personal Services	\$ 551,400	\$ 541,119	\$ -	\$ 541,119	\$ 10,281
State Contributions to State Employees' Retirement System	222,300	218,892	-	218,892	3,408
State Contributions to Social Security Group Insurance	42,300	38,611	-	38,611	3,689
Contractual Services	161,000	147,655	-	147,655	13,345
Travel	-	-	-	-	-
Telecommunications	-	-	-	-	-
Total Environmental Protection Permit and Inspection Fund	\$ 977,000	\$ 946,277	\$ -	\$ 946,277	\$ 30,723
TOTAL- ALL APPROPRIATED FUNDS	\$ 3,186,000	\$ 2,809,161	\$ -	\$ 2,809,161	\$ 376,839

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2014

Fourteen Months Ended August 31, 2014

P.A. 98-0064	Appropriations (Net After Transfers)	Expenditures Through 6/30/14	Lapse Period Expenditures 7/01-8/31/14	Total Expenditures	Balances Lapsed
NON-APPROPRIATED FUND					
Pollution Control Board State Trust Fund - 0207					
Case Management	\$ 847,952		\$ 34,382	\$ 882,334	
Total Pollution Control Board State Trust Fund	\$ 847,952		\$ 34,382	\$ 882,334	
TOTAL NON-APPROPRIATED FUND	\$ 847,952		\$ 34,382	\$ 882,334	
GRAND TOTAL-ALL FUNDS	\$ 3,657,113		\$ 34,382	\$ 3,691,495	

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

Note 2: Expenditures amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment.

Note 3: All appropriated funds were appropriated to the Illinois Environmental Protection Agency (Agency) and therefore the appropriations and expenditures related to these funds have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0727	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
Underground Storage Tank Fund - 0072					
Case Processing	\$ 100,000	\$ 76,756	\$ 6,155	\$ 82,911	\$ 17,089
Total Underground Storage Tank Fund	\$ 100,000	\$ 76,756	\$ 6,155	\$ 82,911	\$ 17,089
Clean Air Act Permit Fund - 0091					
Personal Services	\$ 841,000	\$ 834,426	\$ 3,638	\$ 838,064	\$ 2,936
State Contributions to State Employees' Retirement System	319,500	317,386	1,382	318,768	732
State Contributions to Social Security	64,400	61,110	270	61,380	3,020
Group Insurance	322,000	242,064	1,188	243,252	78,748
Contractual Services	10,000	7,394	2,606	10,000	-
Total Clean Air Act Permit Fund	\$ 1,556,900	\$ 1,462,380	\$ 9,084	\$ 1,471,464	\$ 85,436
Pollution Control Board Fund - 0277					
Contractual Services	\$ 13,200	\$ 12,798	\$ 270	\$ 13,068	\$ 132
Telecommunications	4,000	4,000	-	4,000	-
Refunds	1,000	-	15	15	985
Total Pollution Control Board Fund	\$ 18,200	\$ 16,798	\$ 285	\$ 17,083	\$ 1,117

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0727	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Lapsed
Used Tire Management Fund - 0294					
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 18,500	\$ 16,055	\$ 2,444	\$ 18,499	\$ 1
Total Used Tire Management Fund	\$ 18,500	\$ 16,055	\$ 2,444	\$ 18,499	\$ 1
Environmental Protection Permit and Inspection Fund - 0944					
Personal Services	\$ 732,000	\$ 719,026	\$ 10,183	\$ 729,209	\$ 2,791
State Contributions to State Employees' Retirement System	278,100	273,719	3,879	277,598	502
State Contributions to Social Security Group Insurance	56,000	52,691	766	53,457	2,543
Contractual Services	230,000	222,437	2,105	224,542	5,458
Travel	9,900	9,228	672	9,900	-
Telecommunications	5,000	4,993	-	4,993	7
	8,200	8,200	-	8,200	-
Total Environmental Protection Permit and Inspection Fund	\$ 1,319,200	\$ 1,290,294	\$ 17,605	\$ 1,307,899	\$ 11,301
TOTAL- ALL APPROPRIATED FUNDS	\$ 3,012,800	\$ 2,862,283	\$ 35,573	\$ 2,897,856	\$ 114,944

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P. A. 97-0727	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01-8/31/13	Total Expenditures	Balances Lapsed
NON-APPROPRIATED FUND					
Pollution Control Board State Trust Fund - 0207					
Case Management	\$ 297,452	\$ 51,501	\$ 348,953		
Total Pollution Control Board State Trust Fund	\$ 297,452	\$ 51,501	\$ 348,953		
TOTAL NON-APPROPRIATED FUND	\$ 297,452	\$ 51,501	\$ 348,953		
GRAND TOTAL-ALL FUNDS	\$ 3,159,735	\$ 87,074	\$ 3,246,809		

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

Note 2: Expenditures amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment.

Note 3: All appropriated funds were appropriated to the Illinois Environmental Protection Agency (Agency) and therefore the appropriations and expenditures related to these funds have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0064	P.A. 97-0727	P.A. 97-0062
APPROPRIATED FUNDS			
Underground Storage Tank Fund - 0072			
Appropriations (Net After Transfers)	\$ 429,900	\$ 100,000	\$ -
Expenditures			
Case Processing	\$ 419,390	\$ 82,911	\$ -
Total Expenditures	\$ 419,390	\$ 82,911	\$ -
Lapsed Balances	\$ 10,510	\$ 17,089	\$ -
Clean Air Act (CAA) Permit Fund - 0091			
Appropriations (Net After Transfers)	\$ 1,469,100	\$ 1,556,900	\$ 1,425,500
Expenditures			
Personal Services	\$ 680,230	\$ 838,064	\$ 830,935
State Contributions to State Employees' Retirement System	274,452	318,768	284,478
State Contributions to Social Security	49,528	61,380	60,322
Group Insurance	162,816	243,252	216,159
Contractual Services	10,000	10,000	10,000
Total Expenditures	\$ 1,177,026	\$ 1,471,464	\$ 1,401,894
Lapsed Balances	\$ 292,074	\$ 85,436	\$ 23,606
Pollution Control Board Fund - 0277			
Appropriations (Net After Transfers)	\$ 50,000	\$ 18,200	\$ 18,200
Expenditures			
Contractual Services	\$ 12,469	\$ 13,068	\$ 4,037
Telecommunications	4,000	4,000	4,000
Refunds	-	15	-
Total Expenditures	\$ 16,469	\$ 17,083	\$ 8,037
Lapsed Balances	\$ 33,531	\$ 1,117	\$ 10,163

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0064	P.A. 97-0727	P.A. 97-0062
Used Tire Management Fund - 0294			
Appropriations (Net After Transfers)	\$ 260,000	\$ 18,500	\$ 18,500
Expenditures			
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 249,999	\$ 18,499	\$ 18,500
Total Expenditures	\$ 249,999	\$ 18,499	\$ 18,500
Lapsed Balances	\$ 10,001	\$ 1	\$ -
Environmental Protection Permit and Inspection Fund - 0944			
Appropriations (Net After Transfers)	\$ 977,000	\$ 1,319,200	\$ 1,220,400
Expenditures			
Personal Services	\$ 541,119	\$ 729,209	\$ 720,862
State Contributions to State Employees' Retirement System	218,892	277,598	247,078
State Contributions to Social Security	38,611	53,457	52,783
Group Insurance	147,655	224,542	158,539
Contractual Services	-	9,900	9,900
Travel	-	4,993	4,992
Telecommunications	-	8,200	8,200
Total Expenditures	\$ 946,277	\$ 1,307,899	\$ 1,202,354
Lapsed Balances	\$ 30,723	\$ 11,301	\$ 18,046
<u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Total Appropriations (Net After Transfers)	\$ 3,186,000	\$ 3,012,800	\$ 2,682,600
Total Expenditures	\$ 2,809,161	\$ 2,897,856	\$ 2,630,785
Lapsed Balances	\$ 376,839	\$ 114,944	\$ 51,815

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	P.A. 98-0064	P.A. 97-0727	P.A. 97-0062
NON-APPROPRIATED FUND			
Pollution Control Board State Trust Fund - 0207			
Expenditures			
Case Management	\$ 882,334	\$ 348,953	\$ 502,556
Total Expenditures	<u>\$ 882,334</u>	<u>\$ 348,953</u>	<u>\$ 502,556</u>
TOTAL NON-APPROPRIATED FUND	<u>\$ 882,334</u>	<u>\$ 348,953</u>	<u>\$ 502,556</u>
GRAND TOTAL-ALL FUNDS			
Total Expenditures	<u>\$ 3,691,495</u>	<u>\$ 3,246,809</u>	<u>\$ 3,133,341</u>
State Officers' Salaries			
Appropriations			
Chairperson	\$ 121,100	\$ 121,100	\$ 121,100
Board Members	<u>468,200</u>	<u>468,200</u>	<u>468,200</u>
Total Appropriations	<u>\$ 589,300</u>	<u>\$ 589,300</u>	<u>\$ 589,300</u>
Expenditures			
Chairperson	\$ 96,749	\$ 121,040	\$ 121,034
Board Members	<u>374,484</u>	<u>443,908</u>	<u>465,392</u>
Total Expenditures	<u>\$ 471,233</u>	<u>\$ 564,948</u>	<u>\$ 586,426</u>
Total Lapsed Balances	<u>\$ 118,067</u>	<u>\$ 24,352</u>	<u>\$ 2,874</u>

Note 1: The Fiscal Year 2012 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Board and submitted to the Comptroller for payment after August.

Note 2: All appropriated funds were appropriated to the Illinois Environmental Protection Agency (Agency) and therefore the appropriations and expenditures related to these funds have also been reported in the Agency's appropriation schedules.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2014

	<u>Equipment</u>
Balance at July 1, 2012	\$ 704,202
Additions	4,208
Deletions	(159,600)
Net Transfers	<u>(64,586)</u>
Balance at June 30, 2013	<u>\$ 484,224</u>
Balance at July 1, 2013	\$ 484,224
Additions	-
Deletions	(159,741)
Net Transfers	<u>(402)</u>
Balance at June 30, 2014	<u>\$ 324,081</u>

Note: This schedule was prepared from the Board's records and reconciled to the Agency Reports of State Property submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Clean Air Act (CAA) Permit Fund - 0091			
Jury Duty	\$ 22	\$ -	\$ 16
Receipts per Board Records	22	-	16
Plus - In transit at beginning of year	-	-	-
Less - In transit at end of year	-	-	-
Total Cash per State Comptroller's Records	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 16</u>
Pollution Control Board State Trust Fund - 0207			
Trust Fund Grant	\$ 600,000	\$ 900,000	\$ 500,000
Receipts per Board Records	600,000	900,000	500,000
Plus - In transit at beginning of year	-	-	-
Less - In transit at end of year	-	-	-
Total Cash per State Comptroller's Records	<u>\$ 600,000</u>	<u>\$ 900,000</u>	<u>\$ 500,000</u>
Pollution Control Board Fund - 0277			
Photocopying	\$ 450	\$ 49	\$ 2,927
Filing Fees	1,725	2,025	2,250
Subscriptions	20	60	180
Receipts per Board Records	2,195	2,134	5,357
Plus - In transit at beginning of year	8	20	710
Less - In transit at end of year	-	8	20
Total Cash per State Comptroller's Records	<u>\$ 2,203</u>	<u>\$ 2,146</u>	<u>\$ 6,047</u>
Environmental Protection Permit and Inspection Fund - 0944			
Reimbursements for Jury Duty	\$ 34	\$ 1	\$ 17
Reimbursement for Telephone Calls	105	-	2
Receipts per Board Records	139	1	19
Plus - In transit at beginning of year	-	2	17
Less - In transit at end of year	-	-	2
Total Cash per State Comptroller's Records	<u>\$ 139</u>	<u>\$ 3</u>	<u>\$ 34</u>
GRAND TOTAL - ALL FUNDS			
Total Cash Receipts per Board	\$ 602,356	\$ 902,135	\$ 505,392
Plus - In transit at beginning of year	8	22	727
Less - In transit at end of year	-	8	22
Total Cash Receipts per State Comptroller's Records - All Funds	<u>\$ 602,364</u>	<u>\$ 902,149</u>	<u>\$ 506,097</u>

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
 For the Two Years Ended June 30, 2014

Significant variances were determined to be changes of at least \$5,000 and 20% between fiscal years as reported in the Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances, and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2014

Underground Storage Tank Fund - 0072

Case processing expenditures increased by \$336,479 or 406%. The increase was due to a shift of personal services dollars and benefits for two employees to this fund. There was one employee from Fund 0091 and one employee from Fund 0944 moved to this fund.

Clean Air Act Permit Fund - 0091

Group Insurance expenditures decreased by \$80,436 or 33%. This was due to payroll costs being shifted from Fund 0091 to Fund 0207 to stabilize available cash flow in Fund 0091. Also, one employee was moved to Fund 0072 from this fund.

Used Tire Management Fund - 0294

The increase of \$231,500 or 1,251% was due to a shift of personal services dollars and benefits for two employees to this fund from Fund 0944.

Environmental Protection Permit and Inspection Fund - 0944

Personal Services expenditures decreased by \$188,090 or 26%. State Contributions to State Employees' Retirement System expenditures decreased by \$58,706 or 21%. State Contributions to Social Security expenditures decreased by \$14,846 or 28%. Group Insurance expenditures decreased by \$76,887 or 34%. The decreases were due to a shift of personal services and benefits for three employees from this fund.

Contractual Services expenditures decreased by \$9,900 or 100%. No contractual services dollars were appropriated to this fund in Fiscal Year 2014.

Telecommunication expenditures decreased by \$8,200 or 100%. No telecommunication dollars were appropriated to this fund in Fiscal Year 2014.

Pollution Control Board State Trust Fund - 0207

Case Management expenditures increased by \$533,381 or 153%. This increase was due to the Governor appointing an Executive Director to the Board, as well as payroll costs being shifted from Fund 0091 to Fund 0207 to stabilize available cash flow in Fund 0091. The Board also consolidated its IT functions under CMS in November 2013 and paid a full year's cost at that time.

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2014

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2013

Underground Storage Tank Fund - 0072

Case processing expenditures increased by \$82,911 or 100%. The increase was due to a shift of personal services dollars and benefits for one employee to this fund from Fund 0091.

Pollution Control Board Fund - 0277

Contractual Services expenditures increased by \$9,031 or 224%. The increase was due to an increase in court reporting and advertising costs paid from this fund.

Environmental Protection Permit and Inspection Fund - 0944

Group Insurance expenditures increased by \$66,003 or 42%. The increase was caused by a rate increase in Group Insurance costs per person from \$15,900 in Fiscal Year 2012 to \$23,000 in Fiscal Year 2013.

Pollution Control Board State Trust Fund - 0207

Case Management expenditures decreased by \$153,603 or 31%. The Board was allowed two years to spend the allocation from the Environmental Protection Trust Fund (EPTF). The level of funds available varies greatly depending on Board activity, number of cases, and availability of appropriations in other funds.

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the two years ending June 30, 2014

Significant fluctuations were determined to be change of at least \$5,000 and 20% between fiscal years as reported in the Comparative Schedule of Cash Receipts and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2013 AND 2014

Pollution Control State Trust Fund - Fund 0207

Receipts for case management decreased by \$300,000 or 33%. The purpose of this fund is to receive and expend funds made available from the Environmental Protection Trust Fund Commission (Commission). The funding varies from year to year based on money available and resolutions approved by the Commission.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 AND 2013

Pollution Control State Trust Fund - Fund 0207

Receipts for case management increased by \$400,000 or 80%. The purpose of this fund is to receive and expend funds made available from the Commission. The funding varies from year to year based on money available and resolutions approved by the Commission. More funding from the Commission was available during Fiscal Year 2013.

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

Functions

The Pollution Control Board (Board) was created July 1, 1970, as a result of Public Act 76-2429. It was established by the authority of the Illinois Environmental Protection Act (Act) (415 ILCS 5/5) to provide a unified State-wide program to restore, protect and enhance the quality of the environment and to assure that adverse effects upon the environment are fully considered and borne by those who cause them.

The Board is a part of the executive branch of the State of Illinois and operates under the authority of and review by the Illinois General Assembly. The Board operates under a budget approved by the General Assembly appropriated for the use of the Board. Activities of the Board are subject to the authority of the Office of the Governor, the State's chief executive officer, and other departments of the executive and legislative branches of government as defined by the General Assembly. All funds appropriated to the Board and all other cash received are under the custody and control of the State Treasurer.

The Illinois Pollution Control Board has two major responsibilities: determining, defining, and implementing environmental control standards for the State of Illinois, and adjudicating complaints that allege non-criminal violations of the Act. The Board also reviews appeals arising from permitting and other determinations made by the Illinois Environmental Protection Agency (Agency), as well as pollution control facility citing determinations made by units of local government.

Board decisions in rulemakings and adjudicatory cases are based on legal documents filed with the Board, and testimony or comments gathered at public hearings or submitted by the public. The Board takes formal action and issues its orders by a majority vote of at least three Board Members at meetings open to the public under the Open Meetings Act. Final Board decisions may be appealed directly to the State's appellate courts.

After completing meetings, the Board issues formal, written opinions and orders, explaining and setting forth reasons for decisions. Board opinions and orders and Board meeting agendas and minutes can be found on the Board's web site.

The Board hears many types of adjudicatory cases. The Board hears enforcement actions alleging violations of the Act and Board regulations. An enforcement action may be brought by anyone, including the Illinois Attorney General, a State's Attorney, or any individual, citizens group, association, unit of local government, or corporation. The Board also hears appeals of various types of decisions, including permit decisions made by the Agency; appeals of decisions made by

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2014
(Not Examined)

the Office of the State Fire Marshal regarding the Underground Storage Tank Fund; appeals of landfill siting decisions made by counties and municipalities; and appeals of administrative citations issued by the Agency or units of local government that have been delegated the authority to issue such citations. The Board hears various other types of cases, including requests for variances, adjusted standards and other types of relief from Board regulations and trade secret claims.

The Board is directed by five technically qualified bi-partisan members appointed by the Governor with the advice and consent of the Senate. Board members bring a balance of qualifications and backgrounds to the environmental cases they consider. With legal, engineering, geological and environmental science expertise, the Board reviews nearly 300 environmental cases annually and holds more than 150 public hearings each year. Each member serves a three-year staggered term. Board members are assisted by legal, administrative, and clerical staff. The Board is chaired by Deanna Glosser.

Planning

The Board is a quasi-legislative and quasi-judicial body which does not function as a programmatic agency. The Board's strategic challenge is to provide a public process that fairly and effectively considers environmental cases and regulations, ensuring that the Environmental Protection Act is interpreted, applied, and implemented impartially and consistently. The Board formulated three goals to assist in achieving its objectives: (1) promulgate sensible and sound environmentally protective regulations based on a decision-making process that brings to bear the most current scientific and technological information, and affords maximum public participation; (2) create a stable system of Illinois environmental law by impartially considering and deciding contested cases and promptly issuing well-written, well-reasoned opinions and orders; and (3) reduce pollution by increasing public awareness of the Environmental Protection Act and Board regulations.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
AVERAGE NUMBER OF EMPLOYEES
 For the Two Years Ended June 30, 2014
 (Not Examined)

The following table, prepared from Board records, presents the average number of Board employees, by function, for the Fiscal Years ended June 30:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fiscal Officer	1	1	1
Attorney Assistants	3	3	3
Senior Attorney	1	2	2
Staff Attorney	3	3	3
Secretaries	3	2	2
Other	9	9	9
Environmental Scientist	2	2	2
Personnel Manager	<u>1</u>	<u>1</u>	<u>1</u>
Total	<u>23</u>	<u>23</u>	<u>23</u>

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
ANNUAL COST STATISTICS
 For the Two Years Ended June 30, 2014
 (Not Examined)

Cost Per Year Per Case Distribution

Comparative costs of case distributions was prepared from Board records for the three years ended June 30, 2014. This information was provided by Board personnel and has not been tested.

	Fiscal Year		
	2014	2013	2012
Total Case Distribution	202	194	220
Expenditures from Appropriated Funds	\$ 2,809,161	\$ 2,897,856	\$ 2,630,785
Expenditures from Non-Appropriated Funds	882,334	348,953	502,556
	\$ 3,691,495	\$ 3,246,809	\$ 3,133,341
Total Expenditures			
Case Distribution Cost per Year	\$ 18,275	\$ 16,736	\$ 14,242

Expenditures for computing case distribution cost per year represents total expenditures from appropriations and expenditures from the Pollution Control Board State Trust Fund (a non-appropriated fund).

STATE OF ILLINOIS
POLLUTION CONTROL BOARD
INTERAGENCY AGREEMENT
For the Two Years Ended June 30, 2014
(Not Examined)

The Illinois Pollution Control Board (Board) entered into an interagency agreement with the Illinois Environmental Protection Agency (Agency). This agreement established the Agency to act as a fiscal conduit through which funding will be made available to the Board. The Board shall, however, continue to operate as an independent board, without the direction or oversight by the Agency. This agreement stated that the Agency would process payments for the Board's employees. However, the Board shall maintain control over matters of employment, procurement and policy.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
 For the Two Years Ended June 30, 2014
 (Not Examined)

Represented below are cases handled by the Board for the Fiscal Years ended June 30, 2014, 2013, and 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Case by Type			
Variances (an extension to comply with rules)	4	6	6
Enforcement Cases	34	44	34
Permit Appeals	22	38	32
Administrative Citations	51	70	61
UST (Underground Storage Tanks)	10	22	21
Adjusted Standards	3	4	3
Other (Energy planning, Community right to know, trade secret cases and procedural rule amendments)	<u>78</u>	<u>10</u>	<u>63</u>
Total Case Distribution	<u><u>202</u></u>	<u><u>194</u></u>	<u><u>220</u></u>
Regulations Proposed	<u><u>24</u></u>	<u><u>30</u></u>	<u><u>25</u></u>

Note: Under certain sections of the Illinois Environmental Protection Act, cases can be filed by various entities, such as the Illinois Environmental Protection Agency, the Attorney General, Counties or Pollution Sources. The Board has no input into the filing of enforcement cases, permit appeals, reviews or citations. As a result, any fluctuations are beyond the control of the Board.