

**STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2015

STATE OF ILLINOIS  
 LEGISLATIVE RESEARCH UNIT  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2015

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STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
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For the Two Years Ended June 30, 2015

**AGENCY OFFICIALS**

Executive Director	Mr. Alan Kroner
Associate Director	Mr. Jonathan Wolff
Deputy Director for Research	Mr. David Miller
Fiscal Officer	Ms. Cindy Bates

Agency office is located at:

222 S. College  
Suite 301  
Springfield, IL 62704-1894



ILLINOIS GENERAL ASSEMBLY  
**LEGISLATIVE RESEARCH UNIT**



ALAN R. KRONER, EXECUTIVE DIRECTOR

JONATHAN P. WOLFF, ASSOCIATE DIRECTOR

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland  
Auditor General  
Iles Park Plaza  
740 East Ash Street  
Springfield, IL 62703

November 9, 2015

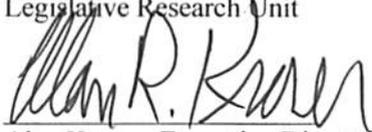
Dear Mr. Holland:

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 Legislative Research Unit. 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 Legislative Research Unit'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 Legislative Research Unit has materially complied with the assertions below.

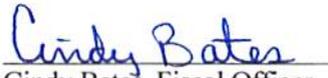
- A. The Legislative Research Unit has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Legislative Research Unit has obligated, expended, received and used public funds 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 Legislative Research Unit 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 Legislative Research Unit 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 Legislative Research Unit on behalf of the State or held in trust by the Legislative Research Unit have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

Legislative Research Unit

Handwritten signature of Alan R. Kroner in black ink.

Alan Kroner, Executive Director

Handwritten signature of Cindy Bates in blue ink.

Cindy Bates, Fiscal Officer

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2015

**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 Report</u>	<u>Prior Report</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

**EXIT CONFERENCE**

The Legislative Research Unit waived an exit conference in correspondence dated November 2, 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, Legislative Research Unit's (Unit) 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 Unit is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Unit's compliance based on our examination.

- A. The Unit 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 Unit 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 Unit 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 Unit 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 Unit on behalf of the State or held in trust by the Unit 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 Unit'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 Unit's compliance with specified requirements.

In our opinion, the Unit 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.

### **Internal Control**

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

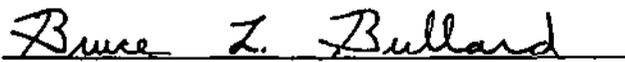
As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

**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 through 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 June 30, 2014 accompanying supplementary information in Schedules 1 through 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 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 Unit's board members, and the Unit's 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, Illinois

November 9, 2015

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
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 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)
  - 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 accompanying supplementary information 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  
LEGISLATIVE RESEARCH UNIT  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**

For the Fiscal Year Ended June 30, 2015

Fourteen Months Ended August 31, 2015

Public Act 98-0679	Appropriations	Expenditures Through 6/30/15	Lapse Period		Balances Lapsed
			Expenditures 07/01 - 08/31/15	Total Expenditures	
<b>GENERAL REVENUE FUND - 001</b>					
Lump Sum: Operating Expenditures	\$ 2,950,700	\$ 2,636,044	\$ 89,009	\$ 2,725,053	\$ 225,647
<b>Total Fiscal Year 2015</b>	<u>\$ 2,950,700</u>	<u>\$ 2,636,044</u>	<u>\$ 89,009</u>	<u>\$ 2,725,053</u>	<u>\$ 225,647</u>

Note 1: Appropriations, expenditures, and lapsed balances were taken from the State Comptroller's 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  
LEGISLATIVE RESEARCH UNIT  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**

For the Fiscal Year Ended June 30, 2014

Fourteen Months Ended August 31, 2014

Public Act 98-0064	Appropriations	Expenditures Through 6/30/14	Lapse Period		Balances Lapsed
			Expenditures 07/01 - 08/31/14	Total Expenditures	
<b>GENERAL REVENUE FUND - 001</b>					
Lump Sum: Operating Expenditures	\$ 2,950,700	\$ 2,609,422	\$ 151,611	\$ 2,761,033	\$ 189,667
<b>Total Fiscal Year 2014</b>	<u>\$ 2,950,700</u>	<u>\$ 2,609,422</u>	<u>\$ 151,611</u>	<u>\$ 2,761,033</u>	<u>\$ 189,667</u>

Note 1: Appropriations, expenditures, and lapsed balances were taken from the State Comptroller's 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  
 LEGISLATIVE RESEARCH UNIT  
**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>P.A. 98-0679</u>	<u>P.A. 98-0064</u>	<u>P.A. 97-0726</u>
<b>GENERAL REVENUE FUND - 001</b>			
Appropriations	<u>\$ 2,950,700</u>	<u>\$ 2,950,700</u>	<u>\$ 2,931,000</u>
Expenditures			
Lump Sum: Operating Expenditures	<u>\$ 2,725,053</u>	<u>\$ 2,761,033</u>	<u>\$ 2,693,338</u>
<b>Total Expenditures</b>	<u>\$ 2,725,053</u>	<u>\$ 2,761,033</u>	<u>\$ 2,693,338</u>
Lapsed Balances	<u><u>\$ 225,647</u></u>	<u><u>\$ 189,667</u></u>	<u><u>\$ 237,662</u></u>

STATE OF ILLINOIS  
 LEGISLATIVE RESEARCH UNIT  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2015

	<u>Equipment</u>
Balance at July 1, 2013	\$ 493,195
Additions	35,328
Deletions	-
Net Transfers	<u>(41,923)</u>
Balance at June 30, 2014	<u>\$ 486,600</u>
Balance at July 1, 2014	\$ 486,600
Additions	5,260
Deletions	-
Net Transfers	<u>(58,311)</u>
Balance at June 30, 2015	<u>\$ 433,549</u>

Note: The above schedule has been derived from the Unit's records and reconciled to the Agency Report of State Property Quarterly Reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
 LEGISLATIVE RESEARCH UNIT  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION  
 OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
 For the Years Ended June 30, 2015, 2014 and 2013

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Revenue Fund - 001</b>			
FOIA Requests	\$ 9	\$ -	\$ -
Prior Year Refund	<u>231</u>	<u>-</u>	<u>-</u>
Total Receipts per Agency Records	<u>240</u>	<u>-</u>	<u>-</u>
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u><u>\$ 240</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2015

The following is a summary of explanations for significant variations in expenditures. Variations between fiscal years were considered significant if greater than \$10,000 and 20%.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014**

There were no significant variations in expenditures between Fiscal Year 2015 and Fiscal Year 2014.

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

There were no significant variations in expenditures between Fiscal Year 2014 and Fiscal Year 2013.

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
**ANALYSIS OF SIGNIFICANT VARIANCES IN RECEIPTS**  
For the Two Years Ended June 30, 2015

**General Revenue Fund - 001**

The Legislative Research Unit (Unit) receives minimal receipts. The receipts consist of FOIA requests and prior year refunds. These receipts are expected to fluctuate between fiscal years. The Unit received a FOIA request and two prior year refunds during Fiscal Year 2015. There were no receipts collected by the Unit during Fiscal Year 2014 or Fiscal Year 2013.

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2015

The following is a summary of explanations for significant lapse period spending. Lapse period spending was considered significant if 20% or greater of total expenditures for the fiscal year occurred during the lapse period.

**FISCAL YEAR 2015**

There were no instances of significant lapse period spending during Fiscal Year 2015.

**FISCAL YEAR 2014**

There were no instances of significant lapse period spending during Fiscal Year 2014.

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
(Not Examined)  
For the Two Years Ended June 30, 2015

The Legislative Research Unit (LRU) was established in 1937 as the Illinois Legislative Council and is the central research agency for the General Assembly. A staff of researchers responds to inquiries from legislators, committees and staff regarding questions of laws and court decisions; laws of other states; regulations; science and health; environmental protection; public utilities; business and economic development; and many others. The LRU maintains up-to-date information on federal aid received by the State. It is also responsible for tracking and monitoring membership of boards and commissions established by the State of Illinois.

Alan R. Kroner, Executive Director of LRU, serves at the direction of the Joint Committee and operates the Agency under the Operating Rules for Legislative Support Service Agencies.

A board of twelve legislators, appointed by the four legislative leaders, governs the LRU. The board members as of June 30, 2015 were:

Sen. Pamela J. Althoff- Co-Chair  
Rep. Co-Chair Position is currently vacant

Senators

Thomas Cullerton  
William “Sam” McCann  
Julie A. Morrison  
Jim Oberweis  
Martin A. Sandoval

Representatives

Adam Brown  
LaShawn K. Ford  
Chad Hays  
Barbara Wheeler  
Vacant

During Fiscal Year 2014 and Fiscal Year 2015, the LRU received all of its appropriations from the General Revenue Fund. With these appropriations, LRU conducts a new members’ conference and orientation after each general election and a District Office Staff Training seminar. Furthermore, LRU also administers the Illinois Legislative Staff Internship Program (ILSIP) and the Zeke Giorgi Memorial Fund Internship Program in cooperation with the University of Illinois at Springfield.

The planning program consists of annual budget requests, which present short-term goals and objectives. LRU’s long-term goals and objectives are set by statute and various other rules and guidelines. A member of upper management has been assigned responsibility to update and maintain information related to the statutes, rules and guidelines governing LRU.

The Deputy Director for Research manages and coordinates research functions and reports to the Director. Research production is monitored daily, and hundreds of requests are tracked electronically.

STATE OF ILLINOIS  
 LEGISLATIVE RESEARCH UNIT  
**AVERAGE NUMBER OF EMPLOYEES**  
 (Not Examined)  
 For the Two Years Ended June 30, 2015

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

Division	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administration	11	11	11
Research	<u>12</u>	<u>13</u>	<u>12</u>
Total average full-time employees	<u>23</u>	<u>24</u>	<u>23</u>

STATE OF ILLINOIS  
LEGISLATIVE RESEARCH UNIT  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
(Not Examined)  
For the Two Years Ended June 30, 2015

The number of research assignments completed by the library staff at the Legislative Research Unit (LRU) in FY14 was 27, including 1 Research Response. This is level with the previous fiscal year number of 27 assignments. This amount represents 10% of the total assignments done by LRU in FY14.

The number of assignments completed by the library staff at the LRU in FY15 was 22, including 1 Research Response. This is a decrease of 18% from the previous fiscal year number of 27 assignments. This amount represents 10% of the total assignments done by LRU in FY15.

During FY14, the LRU performed 259 research assignments for legislators and staff. In addition, the LRU recorded 1,345 appointments to boards and commissions of the State from July 1, 2013 to June 30, 2014.

Federal aid to State Agencies amounting to \$16.5 billion was tracked by the LRU during FY14.

During FY15, the LRU performed 221 research assignments for legislators and staff. In addition, the LRU recorded 1,053 appointments to boards and commissions of the State from July 1, 2014 to June 30, 2015.

Federal aid to State Agencies amounting to \$17.9 billion was tracked by the LRU during FY15.

The LRU also published the following major publications during the examination period (in addition to several other, smaller publications not listed):

*Catalog of State Assistance to Local Governments;*  
*Constituent Services Guide 2013;*  
*County Data Book;*  
*2013 & 2014 Directory of Illinois State Officials;*  
*2013 & 2014 Federal Funds to State Agencies;*  
*Laws for Older Adults;*  
*Laws for Youth;*  
*Penalties for Crimes in Illinois;*  
*Preface to Lawmaking;*  
*2013 & 2014 Roster of Illinois Legislators; and*  
*2013, 2014, & 2015 Illinois Tax Handbook for Legislators.*