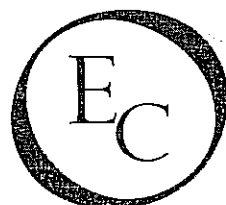


**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2008

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



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

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**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Agency Officials

Acting Chairman

Mr. G. Tanner Girard

Staff of Board:

Fiscal Officer

Ms. Kathryn Griffin

Human Resource Manager

Mr. James Lippson

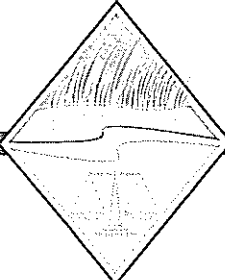
Agency offices are located at:

1021 North Grand Avenue East
Springfield, Illinois 62702

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

704 North Schrader Avenue
Havana, Illinois 62644

2125 South 1st Street
Champaign, Illinois 61820



ILLINOIS POLLUTION CONTROL BOARD

MANAGEMENT ASSERTION LETTER

GOVERNOR
Rod R. Blagojevich

December 8, 2008

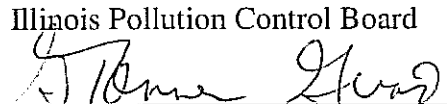
E.C. Ortiz & Co., LLP
333 South Des Plaines, Suite 2-N
Chicago, Illinois 60661


Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois 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, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, 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.
- E. Money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,
Illinois Pollution Control Board


G. Tanner Girard, Acting Chairman


Kathryn L. Griffin, Fiscal Officer

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**State of Illinois
 Pollution Control Board
 Compliance Examination
 For the Two Years Ended June 30, 2008**

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 Findings</u>	<u>Compliance Report</u>	<u>Prior Compliance Report</u>
Findings	2	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	1

Details of findings are presented in a separately tabbed report section of this report.

Schedule of Findings

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
08-1	8	Employee Performance Evaluations not Performed on a Timely Basis	Noncompliance
08-2	9	Failure to Comply with the Provisions of the State Hispanic Employment Plan Program	Noncompliance

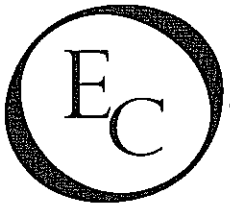
**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Compliance Report (Continued)

Exit Conference

The Board waived having an exit conference in a letter dated December 2, 2008, from the Board's Fiscal Officer, Kathryn Griffin.

Responses to the recommendation were provided by Kathryn Griffin in a letter dated December 2, 2008.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' 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

As Special Assistant Auditors for the Auditor General, we have examined the Illinois Pollution Control Board's (Board) 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, 2008. The management of the Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

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

We conducted our examination 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 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 Board's compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as finding 08-1 and 08-2.

Internal Control

The management of the 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 Board's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures 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 Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-1 and 08-2 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

The Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Board'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 as listed in the table of contents as Supplementary Information for State Compliance Purposes 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 2007 and the 2008 Supplementary Information for State Compliance Purposes, except for Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

C. C. Aziz & Co. LLP
December 8, 2008

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Current Findings - State Compliance

08-1 *Employee Performance Evaluations not Performed on a Timely Basis*

The Board did not conduct employee performance evaluations in a timely manner for 6 of 18 (33%) employees tested during the examination period. The time elapsed from the employees' anniversary dates ranged from 79 to 309 days.

The Board's Personnel Manual (Chapter 5, Section 15) states that employees are to be evaluated at least annually. The Board's internal procedure follows a 60-day timeframe from the anniversary date to complete and sign-off on the evaluation by all parties. In addition, the Illinois Administrative Code (Title 80, Subtitle B, 302.270) requires performance records to include an evaluation of employee performance prepared by each agency with such evaluation performed not less often than annually.

Board management indicated the delay in completion of employee performance evaluations was due to personnel turnover.

Performance evaluations are a systematic and uniform approach for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, and discharge, layoff and reinstatement decisions. (Finding Code No. 08-1)

Recommendation

We recommend the Board comply with its Personnel Manual and the Illinois Administrative Code and perform evaluations timely for all employees.

Board Response

The Board accepts the recommendation. Controls have been put in place to ensure compliance with timely evaluations.

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Current Findings - State Compliance (Continued)

08-2 *Failure to Comply with the Provisions of the State Hispanic Employment Plan Program*

The Board failed to submit its survey reports on the State Hispanic Employment Plan Program for both calendar years 2006 and 2007.

During our testing, we noted the Board did not have the 2006 survey report on file and could not provide any transmittal documentation on the submission of its 2007 survey report.

The Civil Administrative Code of Illinois (20 ILCS 405/405-125) (Code) states that each State agency shall report annually to the Department of Central Management Services (DCMS) and the Department of Human Rights, in a format prescribed by the DCMS, all of the agency's activities in implementing the State Hispanic Employment Plan.

Board management indicated the exceptions noted were due to the following: (1) the Board assumed the 2006 survey report was combined with the Illinois Environmental Protection Agency's survey report, and (2) the 2007 survey report had been prepared but the Board was not sure if it was received by DCMS.

Failure to submit the survey report on the State Hispanic Employment Plan Program resulted in noncompliance with the Code. (Finding Code No. 08-2)

Recommendation

We recommend the Board submit the information required by the State Hispanic Employment Plan Program and retain copies of the transmittal and report on file.

Board Response

The Board accepts the recommendation. Procedures have been put in place for the completion and proof of submission of the report.

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

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
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State
Comptroller
- Explanation of Significant Variations in Expenditures
- Analysis of Significant Account Balances

- **Analysis of Operations:**

- Agency Functions and Planning Program
- Average Number of Employees
- Interagency Agreements
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2008

Fourteen Months Ended August 31, 2008

	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01/08-8/31/08	Total Expenditures	Balances Lapsed
Public Act 95-0348					
<u>Appropriated Funds</u>					
Clean Air Act Permit Fund - 091					
Personal Services	\$ 707,900	\$ 698,334	\$ -	\$ 698,334	\$ 9,566
State Contributions to State Employees' Retirement System	117,500	115,734	-	115,734	1,766
State Contributions to Social Security Group Insurance	54,200	50,157	-	50,157	4,043
	207,200	155,902	-	155,902	51,298
Contractual Services	10,000	10,000	-	10,000	-
	\$ 1,096,800	\$ 1,030,127	\$ -	\$ 1,030,127	\$ 66,673

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

**POLLUTION CONTROL BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2008**

Fourteen Months Ended August 31, 2008

	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01/08-8/31/08	Total Expenditures	Balances Lapsed
<u>Appropriated Funds</u>					
Pollution Control Board Fund - 277					
Contractual Services	\$ 13,200	\$ 7,601	\$ 836	\$ 8,437	\$ 4,763
Telecommunications	4,000	-	-	-	4,000
Refunds	1,000	225	-	225	775
Subtotal - Fund 277	<u>\$ 18,200</u>	<u>\$ 7,826</u>	<u>\$ 836</u>	<u>\$ 8,662</u>	<u>\$ 9,538</u>

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2008

Fourteen Months Ended August 31, 2008

	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01/08-8/31/08	Total Expenditures	Balances Lapsed
<u>Public Act 95-0348</u>					
<u>Appropriated Funds</u>					
Used Tire Management Fund - 294					
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 18,500	\$ 18,179	\$ 321	\$ 18,500	\$ -
Subtotal - Fund 294	\$ 18,500	\$ 18,179	\$ 321	\$ 18,500	\$ -

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2008

Fourteen Months Ended August 31, 2008

	Appropriations (Net After Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01/08-8/31/08	Total Expenditures	Balances Lapsed
<u>Appropriated Funds</u>					
Environmental Protection Permit and Inspection Fund- 944					
Personal Services	\$ 679,500	\$ 676,896	\$ -	\$ 676,896	\$ 2,604
State Contribution to State Employees' Retirement System	112,800	112,210	-	112,210	590
State Contributions to Social Security Group Insurance	52,000	49,213	-	49,213	2,787
Contractual Services	162,800	140,952	-	140,952	21,848
Travel	9,900	9,058	-	9,058	842
Electronic Data Processing	5,000	4,993	-	4,993	7
Telecommunications	1,000	1,000	-	1,000	-
	7,200	7,200	-	7,200	-
Subtotal - Fund 944	\$ 1,030,200	\$ 1,001,522	\$ -	\$ 1,001,522	\$ 28,678
Total - All Appropriated Funds	\$ 2,163,700	\$ 2,057,654	\$ 1,157	\$ 2,058,811	\$ 104,889

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2008

Fourteen Months Ended August 31, 2008

	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01/08-8/31/08	Total Expenditures
 <u>Non-Appropriated Funds</u>			
 Pollution Control Board State Trust Fund - 207			
Case management	\$ 176,025	\$ 137,522	\$ 313,547
Total Non-Appropriated Funds	\$ 176,025	\$ 137,522	\$ 313,547
Grand Total All Funds	\$ 2,233,679	\$ 138,679	\$ 2,372,358

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007

Fourteen Months Ended August 31, 2007

	Appropriations (Net After Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01/07-8/31/07	Total Expenditures	Balances Lapsed
<u>Public Act 94-798</u>					
<u>Appropriated Funds</u>					
Clean Air Act Permit Fund - 091					
Personal Services	\$ 699,700	\$ 686,810	\$ -	\$ 686,810	\$ 12,890
State Contributions to State Employees' Retirement System	80,600	79,200	-	79,200	1,400
State Contributions to Social Security Group Insurance	53,500	49,790	-	49,790	3,710
Contractual Services	203,000	154,158	-	154,158	48,842
	10,000	10,000	-	10,000	-
	<u>\$ 1,046,800</u>	<u>\$ 979,958</u>	<u>\$ -</u>	<u>\$ 979,958</u>	<u>\$ 66,842</u>

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007

Fourteen Months Ended August 31, 2007

<u>Public Act 94-798</u>	Appropriations (Net After Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01/07-8/31/07	Total Expenditures	Balances Lapsed
<u>Appropriated Funds</u>					
<u>Pollution Control Board Fund - 277</u>					
Contractual Services	\$ 12,500	\$ 4,103	\$ 350	\$ 4,453	\$ 8,047
Telecommunications	4,000	-	-	-	4,000
Refunds	1,000	-	-	-	1,000
Subtotal - Fund 277	<u>\$ 17,500</u>	<u>\$ 4,103</u>	<u>\$ 350</u>	<u>\$ 4,453</u>	<u>\$ 13,047</u>

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007

Fourteen Months Ended August 31, 2007

	Appropriations (Net After Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01/07-8/31/07	Total Expenditures	Balances Lapsed
<u>Public Act 94-798</u>					
<u>Appropriated Funds</u>					
Used Tire Management Fund - 294					
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 17,800	\$ 17,192	\$ 47	\$ 17,239	\$ 561
Subtotal - Fund 294	\$ 17,800	\$ 17,192	\$ 47	\$ 17,239	\$ 561

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007

Fourteen Months Ended August 31, 2007

	Appropriations (Net After Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01/07-8/31/07	Total Expenditures	Balances Lapsed
<u>Public Act 94-798</u>					
<u>Appropriated Funds</u>					
Environmental Protection Permit and Inspection Fund- 944					
Personal Services	\$ 656,800	\$ 617,982	-	\$ 617,982	\$ 38,818
State Contributions to State Employees' Retirement System	75,700	71,265	-	71,265	4,435
State Contributions to Social Security Group Insurance	50,200	45,250	-	45,250	4,950
Contractual Services	159,500	131,049	-	131,049	28,451
Travel	9,900	9,500	-	9,500	400
Electronic Data Processing	5,000	4,972	-	4,972	28
Telecommunications	1,000	1,000	-	1,000	-
	7,200	7,200	-	7,200	-
Subtotal - Fund 944	\$ 965,300	\$ 888,218	-	\$ 888,218	\$ 77,082
Total - All Appropriated Funds	\$ 2,047,400	\$ 1,889,471	397	\$ 1,889,868	\$ 157,532

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007

Fourteen Months Ended August 31, 2007

	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01/07-8/31/07	Total Expenditures
 <u>Non-Appropriated Funds</u>			
 Pollution Control Board State Trust Fund - 207			
Case management	\$ 595,755	\$ 88,806	\$ 684,561
Total Non-Appropriated Funds	\$ 595,755	\$ 88,806	\$ 684,561
Grand Total All Funds	\$ 2,485,226	\$ 89,203	\$ 2,574,429

Note: Information was obtained from the Board's records which have been reconciled to those of the State Comptroller.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
Clean Air Act Permit Fund-091			
<u>Appropriations (Net of Transfers)</u>	\$ 1,096,800	\$ 1,046,800	\$ 1,010,900
<u>Expenditures</u>			
Personal Services	\$ 698,334	\$ 686,810	\$ 668,939
State Contributions to State Employees' Retirement System	115,734	79,200	52,210
State Contributions to Social Security	50,157	49,790	48,420
Group Insurance	155,902	154,158	164,585
Contractual Services	10,000	10,000	10,000
Subtotal Expenditures - Fund 091	\$ 1,030,127	\$ 979,958	\$ 944,154
Lapsed Balances - Fund 091	\$ 66,673	\$ 66,842	\$ 66,746

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
Pollution Control Board Fund-277			
<u>Appropriations (Net of Transfers)</u>	\$ 18,200	\$ 17,500	\$ 17,500
<u>Expenditures</u>			
Contractual Services	\$ 8,437	\$ 4,453	\$ 5,318
Printing	-	-	-
Telecommunications	-	-	-
Refunds	225	-	-
Subtotal Expenditures - Fund 277	\$ 8,662	\$ 4,453	\$ 5,318
Lapsed Balances - Fund 277	\$ 9,538	\$ 13,047	\$ 12,182

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
 AND LAPSED BALANCES
 FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
Used Tire Management Fund-294			
<u>Appropriations (Net of Transfers)</u>	\$ 18,500	\$ 17,800	\$ 17,800
<u>Expenditures</u>			
Used for purposes provided in Section 55.6 of the Environmental Protection Act	\$ 18,500	\$ 17,239	\$ 17,800
Subtotal Expenditures - Fund 294	\$ 18,500	\$ 17,239	\$ 17,800
Lapsed Balances - Fund 294	\$ -	\$ 561	\$ -

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
Environmental Protection Permit and Inspection Fund-944			
<u>Appropriations (Net of Transfers)</u>	\$ 1,030,200	\$ 965,300	\$ 937,100
<u>Expenditures</u>			
Personal Services	\$ 676,896	\$ 617,982	\$ 638,496
State Contributions to State Employees' Retirement System	112,210	71,265	49,785
Employee Retirement Contribution Paid by the State	-	-	3,787
State Contributions to Social Security	49,213	45,250	46,843
Group Insurance	140,952	131,049	139,820
Contractual Services	9,058	9,500	9,900
Travel	4,993	4,972	5,000
Electronic Data Processing	1,000	1,000	1,000
Telecommunications	7,200	7,200	7,200
Subtotal Expenditures - Fund 944	\$ 1,001,522	\$ 888,218	\$ 901,831
Lapsed Balances - Fund 944	\$ 28,678	\$ 77,082	\$ 35,269
Total Appropriations - All Funds	\$ 2,163,700	\$ 2,047,400	\$ 1,983,300
Total Expenditures - All Appropriated Funds	2,058,811	1,889,868	1,869,103
Total Lapsed Balanced - All Appropriated Funds	\$ 104,889	\$ 157,532	\$ 114,197

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008	2007	2006
<u>Non - Appropriated Funds</u>			
Pollution Control Board State Trust Fund - 207			
<u>Expenditures</u>			
Case management	\$ 313,547	\$ 684,561	\$ 641,299
Total Expenditures - Non-Appropriated Funds	<u>\$ 313,547</u>	<u>\$ 684,561</u>	<u>\$ 641,299</u>
Total Expenditures - All Appropriated and Non-Appropriated Funds	<u>\$ 2,372,358</u>	<u>\$ 2,574,429</u>	<u>\$ 2,510,402</u>

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008	2007	2006
State Officer's Salaries			
General Revenue Fund - 001			
<u>Appropriations:</u>			
Chairperson	\$ 116,700	\$ 107,800	\$ 102,900
Board members	451,100	416,800	397,700
Total	<u>\$ 567,800</u>	<u>\$ 524,600</u>	<u>\$ 500,600</u>
<u>Expenditures:</u>			
Chairperson	\$ -	\$ -	\$ 42,837
Board members	451,032	416,718	397,657
Total	<u>\$ 451,032</u>	<u>\$ 416,718</u>	<u>\$ 440,494</u>
Total Lapsed Balances	<u>\$ 116,768</u>	<u>\$ 107,882</u>	<u>\$ 60,106</u>

Note: The above salaries are paid out of the State Officials payroll at the Comptrollers Office, and are not deducted from the Board's appropriation. The lapsed balances in fiscal year 2007 and 2008 were the result of vacancies on the Board.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2008**

	<u>2008</u>	<u>2007</u>
Equipment		
Beginning Balance	\$ 870,492	\$ 898,930
Purchases	55,941	73,023
Deletions	<u>13,070</u>	<u>101,461</u>
Ending Balance	<u>\$ 913,363</u>	<u>\$ 870,492</u>
 Equipment Balance By Location		
Springfield Location	\$ 374,356	\$ 347,940
Chicago Location	510,854	494,299
Champaign Location	<u>28,153</u>	<u>28,253</u>
	<u>\$ 913,363</u>	<u>\$ 870,492</u>

Note: The Board's inventory records were reconciled to the Agency Report of Fixed Assets submitted to the Office of the Comptroller. The Board's fixed assets were comprised solely of equipment.

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006**

	Fiscal Year		
	2008	2007	2006
General Revenue Fund - 001			
Reimbursement for Telephone Calls	\$ 146	\$ 235	\$ 548
Subtotal - Fund 001	\$ 146	\$ 235	\$ 548
Pollution Control Board State Trust Fund - 207			
Case management	\$ 750,000	\$ 750,000	\$ 1,000,000
Subtotal - Fund 207	\$ 750,000	\$ 750,000	\$ 1,000,000
Pollution Control Board Fund - 277			
Filing Fees	\$ 4,650	\$ 3,525	\$ 5,025
Photocopying	6,492	5,649	5,853
Subscriptions	220	360	380
Subtotal - Fund 277	\$ 11,362	\$ 9,534	\$ 11,258
Total Receipts - All Funds	\$ 761,508	\$ 759,769	\$ 1,011,806

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2007**

General Revenue Fund - 001	<u>2008</u>	<u>2007</u>
Receipts per Board records	\$ 146	\$ 235
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits recorded by the Comptroller - 001	<u>\$ 146</u>	<u>\$ 235</u>
 Pollution Control Board State Trust Fund - 207		
Receipts per Board records	\$ 750,000	\$ 750,000
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits recorded by the Comptroller - 207	<u>\$ 750,000</u>	<u>\$ 750,000</u>
 Pollution Control Board Fund - 277		
Receipts per Board records	\$ 11,362	\$ 9,534
Plus deposits in transit, beginning of year	264	210
Less deposits in transit, end of year	<u>(440)</u>	<u>(264)</u>
Deposits recorded by the Comptroller - 277	<u>\$ 11,186</u>	<u>\$ 9,480</u>

STATE OF ILLINOIS
 POLLUTION CONTROL BOARD
 ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES
 FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006

Following are explanations for significant variances between expense accounts exceeding \$5,000 and 20%:

	Increase				Explanation
	Amount		%		
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2008</u>	<u>2007</u>
<u>Clean Air Act Permit Fund - 091</u>					
State Contributions to State Employees' Retirement System	\$ 115,734	\$ 79,200	\$ 52,210	\$ 36,534	\$ 26,990
				46%	52%
				Increase due to the increase in State retirement contribution rates from 7.79%, 11.52%, and 16.56% in 2006, 2007, and 2008, respectively.	
<u>Environmental Protection Permit and Inspection Fund - 944</u>					
State Contributions to State Employees' Retirement System	\$ 112,210	\$ 71,265	\$ 49,785	\$ 40,945	\$ 21,480
				57%	43%
				Increase due to the increase in State retirement contribution rates from 7.79%, 11.52%, and 16.56% in 2006, 2007, and 2008, respectively.	

**STATE OF ILLINOIS
POLLUTION CONTROL BOARD
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Receivables - Pollution Control Board Fund - 277

Accounts receivables are derived from billings for photocopying services. A reserve for uncollectible accounts has not been established. Uncollectible accounts are recognized through the direct write-off method in which a bad debt is expensed only when specific account is determined to be uncollectible.

Accounts receivables for the years ended June 30, 2008 and 2007 are presented below:

<u>Fiscal Year 2008</u>	<u>Fiscal Year 2007</u>
<u>\$ 991</u>	<u>\$ 451</u>

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Agency Functions and Planning Program

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 reviewed by the Illinois General Assembly. The Board operates under a budget approved by the General Assembly appropriated through the Environmental Protection Agency (IEPA). The Board receives its appropriation through IEPA. 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.

The Board's mission is to protect the public health and State environment while permitting the operation of businesses and communities necessary for economic growth. The Board creates and modifies regulations relating to pollution standards, emissions permits, and regulatory enforcement plans. The Board is the court of original jurisdiction in cases alleging violations of environmental standards that are presented by the Environmental Protection Agency, the Office of the Attorney General, or any other person. In addition, cases originating from the regulated community and, in certain cases, other concerned citizens regarding permit appeals and petitions for exceptions and variances are heard by the Board's membership. Further, the Board served as the court of original jurisdiction for review of decisions by units of local government regarding the citing of new regional pollution control facilities.

The Board is directed by four technically qualified bi-partisan members appointed by the Governor with the advice and consent of the Senate. Each member serves a three year staggered term. Board members are assisted by legal, administrative, and clerical staff. The Board is chaired by Mr. G. Tanner Girard.

Planning Program

The Illinois Pollution Control 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.

**State of Illinois
Pollution Control Board
Compliance Examination
For the Two Years Ended June 30, 2008**

Agency Functions and Planning Program (Continued)

The Board set-up three goals 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 AND OTHER MATTERS
 JUNE 30, 2008**

Below is a comparative schedule of the average number of Board employees for the Fiscal Years ended June 30:

	2008	2007	2006
General Office			
Fiscal Officer	1	1	1
Executive Coordinator	0	0	1
Attorney Assistants	2	3	4
Clerk of the Board	0	0	1
Senior Attorney	2	2	2
Staff Attorney	3	3	3
Secretaries	1	3	3
Other	9	10	10
Environmental Scientist	2	2	2
Personnel Manager	1	1	1
Total	21	25	28

Interagency Agreement

The 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 (NOT EXAMINED)
JUNE 30, 2008**

Represented below are cases handled by the Board in the three years ended June 30, 2008
This information was provided by Board personnel and has not been tested.

	Fiscal Years		
	2008	2007	2006
<u>Case by Type</u>			
Variances (an extension to comply with rules)	1	1	3
Enforcement Cases	34	50	63
Permit Appeals	40	67	39
Administrative Citations	38	72	59
UST (Underground Storage Tanks)	16	45	41
Adjusted Standards	10	7	4
Other (Energy planning, Community right to know, trade secret cases and procedural rules amendments)	31	29	43
Total Case Distribution	<u>170</u>	<u>271</u>	<u>252</u>
<u>Regulations Proposed</u>	<u>19</u>	<u>21</u>	<u>26</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.