

**STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
COMPLIANCE EXAMINATION**

For The Two Years Ended June 30, 2011

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

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AGENCY OFFICIALS

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

Executive Director

Mr. Daniel R. Long

Deputy Director

Mr. Trevor J. Clatfelter

Fiscal Officer

Ms. Victoria Copp

Agency office is located at:

703 Stratton Building
Springfield, IL 62706

SENATE
Jeffrey M. Schoenberg
Co-Chair

Michael Frerichs
Matt Murphy
Suzi Schmidt
Dave Syverson
Donne Trotter

EXECUTIVE DIRECTOR
Dan R. Long



State of Illinois
COMMISSION ON GOVERNMENT
FORECASTING AND ACCOUNTABILITY
703 Stratton Ofc. Bldg., Springfield, IL 62706
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HOUSE
Patricia R. Bellock
Co-Chair

Elaine Nekritz
Raymond Poe
Al Riley
Mike Tryon

DEPUTY DIRECTOR
Trevor J. Clatfelter

March 9, 2012

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East 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 Commission of Government Forecasting and Accountability (Commission). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the two-year period ended June 30, 2011. Based on this evaluation, we assert that during the years ended June 30, 2011 and June 30, 2010, the Commission has materially complied with the assertions below.

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

- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours very truly,
Commission on Government Forecasting and Accountability



Dan R. Long
Executive Director



Victoria Copp
Fiscal Officer

DRL:dkb
S310 AG Management Assertion Letr

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' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	2	2
Repeated findings	2	1
Prior recommendations implemented or not repeated	0	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
11-1	9	Property control weaknesses	Significant Deficiency and Noncompliance
11-2	11	Inadequate expenditure records	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

There were no prior year findings not repeated.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on March 8, 2012. Attending were:

Commission on Government Forecasting and Accountability

Dan Long, Executive Director

Trevor Clatfelter, Deputy Director

Victoria Copp, Fiscal Officer

Lynnae Kapp, Network Administrator/Sr. Analyst

Brianna Jackson, Receptionist/Office Assistant

Office of the Auditor General

Jane Clark, Audit Manager

Stephanie Wildhaber, Audit Supervisor

Responses to the recommendations were provided by Dan Long, Executive Director in correspondence dated March 8, 2012.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

We have examined the State of Illinois, Commission on Government Forecasting and Accountability's (Commission) 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, 2011. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

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

In our opinion, the Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2011. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 11-1 and 11-2.

Internal Control

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Commission's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 11-1 and 11-2. *A significant deficiency in an entity's 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.

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

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

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 2011 and 2010 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 2009 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 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

March 9, 2012

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

11-1. **FINDING** (Property control weaknesses)

The Commission on Government Forecasting and Accountability (Commission) did not maintain sufficient controls over the recording and reporting of its State property. During testing, we noted the following:

- The Commission's property and equipment expenditures processed by the Office of the Comptroller (Comptroller) during FY10 and FY11 did not reconcile to additions reported on the Quarterly Reports of State Property (C-15). Property and equipment expenditures totaling \$134 during FY10 and \$703 during FY11 were never recorded on the property listing or C-15's. The Statewide Accounting Management System (SAMS) Procedure 29.20.10 requires an agency to report all additions to each asset category that occurred during the quarter being reported.
- One of two (50%) equipment additions tested, totaling \$130, did not include shipping and installation charges of \$8 to the value of the equipment item. The Illinois Administrative Code (44 Ill. Adm. Code 5010.240) states the purchase price of the equipment is the price of the equipment delivered and installed, including delivery and installation costs, if any.
- One of eight (13%) C-15 reports prepared by the Commission and submitted to the Comptroller incorrectly reported transfers of \$41,869 as deletions. SAMS Procedure 29.20.10 defines transfers as items that have either been moved between agencies or within an agency between property categories, including Central Management Services surplus property.
- One of 14 (7%) equipment deletions tested, totaling \$150, was reported to the Department of Central Management Services (DCMS) on the Surplus Property Delivery Form at a value of \$80, resulting in an understatement of \$70. Good business practices require an agency to review all reported information for accuracy before submission.

Commission personnel stated the errors were due to oversight and clerical errors.

Failure to maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate property reporting reduces the reliability of statewide property information. (Finding Code No. 11-1, 09-1, 07-1, 05-1)

In addition, during the prior examination period, the Commission included computer software and licenses on its property control records, filed its FY08 Annual Real Property Utilization Report 27 days late, did not include deletions in the proper period, did not file a surplus furniture affidavit and did not submit its C-15s by the reporting deadlines. In the current examination period, we noted during our testwork that computer software was removed from its property

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

control records, the Annual Real Property Utilization Reports and C-15s were filed timely, and deletions were reported in the proper period. In addition, they were not required to file a surplus furniture affidavit for any items in our sample.

RECOMMENDATION

We recommend the Commission strengthen internal controls over the recording and reporting of State equipment. Specifically, the Commission should ensure all equipment is accurately and timely recorded on the Commission's property records and reconcile its property reports and records to the C-15s and Comptroller expenditure reports for property on a quarterly basis to ensure completeness and accuracy of its property records.

COMMISSION RESPONSE

The Commission agrees with the finding that there were several clerical errors with regard to property control. However, these errors occurred as a result of the Commission converting to a fully automated property control system administered by the Legislative Information Systems. As noted in the finding, many of the property control issues noted in previous audits have been corrected. In addition, the items noted in this audit, to the extent possible, have also been corrected.

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

11-2. **FINDING** (Inadequate expenditure records)

The Commission on Government Forecasting and Accountability (Commission) did not maintain accurate expenditure records. The Commission's expenditure records did not agree with the Illinois Office of the Comptroller's (Comptroller) records for one of three (33%) and one of one (100%) appropriation line items in FY10 and FY11, respectively. We noted differences totaling \$6,900.

In addition, the Commission did not properly complete the reconciliations of the Commission's expenditure records to those of the Comptroller. The expenditure balance per the agency and the expenditure balance per the Comptroller were not recorded on the reconciliation. In addition, the vouchers in transit recorded on the reconciliation did not resolve the difference between the Comptroller expenditure amounts and the Commission's expenditure amounts. A proper reconciliation would have alerted the Commission to the discrepancies noted with their records.

The Statewide Accounting Management System (SAMS) Procedures 11.40.20 requires each agency reconcile appropriation expenditures monthly and notify the Comptroller of irreconcilable differences. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) states all State agencies shall establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Commission personnel stated this was the result of the extended lapse period spending and the failure to perform reconciliations over the extended period of time.

Failure to maintain accurate Commission records and failure to properly complete reconciliations impairs the agency's ability to identify possible errors and reduces the usefulness and reliability of financial information. (Finding Code No. 11-2, 09-2)

RECOMMENDATION

We recommend the Commission correct errors in records to ensure accurate accounting records are maintained. Additionally, we recommend the Commission properly complete reconciliations of its accounting records to those of the Comptroller each month.

COMMISSION RESPONSE

We agree.

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2011

There were no prior year findings not repeated.

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
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - 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
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For The Fiscal Year Ended June 30, 2011

P.A. 96 - 0956 Fiscal Year 2011	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period		Approximate Total Expenditures	Approximate Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
General Revenue Fund - 001						
Personal Services for Non-Bargaining Unit Employees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Contributions to Social Security for Non-Bargaining Unit Employees	0	0	0	0	0	0
Operational Expenses	6,932,900	1,877,203	57,564	1,934,767	4,998,133	4,998,133
Total Fiscal Year 2011	\$ 6,932,900	\$ 1,877,203	\$ 57,564	\$ 1,934,767	\$ 4,998,133	\$ 4,998,133

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

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

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after August.

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For The Fiscal Year Ended June 30, 2010

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed December 31
			Expenditures July 1 to December 31	Total Expenditures	
P.A. 96 - 0042 FISCAL YEAR 2010					
General Revenue Fund - 001					
Personal Services for Non-Bargaining Unit Employees	\$ 796,600	\$ 774,544	\$ 0	\$ 774,544	\$ 22,056
State Contributions to Social Security for Non-Bargaining Unit Employees	61,000	59,255	0	59,255	1,745
Operational Expenses	6,075,300	1,050,924	33,279	1,084,203	4,991,097
Total Fiscal Year 2010	\$ 6,932,900	\$ 1,884,723	\$ 33,279	\$ 1,918,002	\$ 5,014,898

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30,

	Fiscal Year		
	2011	2010	2009
General Revenue Fund - 001	P.A. 96 - 0956	P.A. 96 - 0042	P.A. 95 - 0731
<hr/>			
Appropriations (Net of Transfers)	\$ 6,932,900	\$ 6,932,900	\$ 7,065,075
<hr/>			
<u>Expenditures</u>			
Personal Services	\$ 0	\$ 0	\$ 791,228
Employee Retirement Contributions Paid by Employer	0	0	30,047
State Contribution to State Employees' Retirement System	0	0	5,379,089
State Contributions to Social Security	0	0	58,597
Contractual Services			97,274
Travel	0	0	6,789
Commodities	0	0	2,734
Printing	0	0	4,593
Equipment	0	0	780
Electronic Data Processing			2,405
Telecommunications	0	0	6,700
Lump Sums - Costs associated with the assumption of duties of the Pension Laws Commission	0	0	183,024
Personal Services for Non-Bargaining Unit Employees	0	774,544	0
State Contributions to Social Security for Non-Bargaining Unit Employees	0	59,255	0
Operational Expenses	1,934,767	1,084,203	0
<hr/>			
Total Expenditures	\$ 1,934,767	\$ 1,918,002	\$ 6,563,260
<hr/>			
Lapsed Balances	\$ 4,998,133	\$ 5,014,898	\$ 501,815
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STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING & ACCOUNTABILITY
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2011

Balance at July 1, 2009	\$	218,061
Additions		13,146
Deletions		0
Net Transfers		<u>(41,869)</u>
Balance at June 30, 2010	<u>\$</u>	<u>189,338</u>
Balance at July 1, 2010	\$	189,338
Additions		8,734
Deletions		(30,212)
Net Transfers		<u>0</u>
Balance at June 30, 2011	<u>\$</u>	<u>167,860</u>

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

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
 For the Fiscal Year Ended June 30,

	2011	2010	2009
<u>General Revenue Fund-001</u>			
Jury Duty	\$ 0	\$ 37	\$ 0
Prior Year Refunds	0	4,245	0
Total Receipts	\$ 0	\$ 4,282	\$ 0

**RECONCILIATION OF CASH RECEIPTS
 TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Fiscal Year Ended June 30,

	2011	2010	2009
<u>General Revenue Fund-001</u>			
Receipts per Commission Records	\$ 0	\$ 4,282	\$ 0
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	0	0	0
Deposits Recorded by the Comptroller	\$ 0	\$ 4,282	\$ 0

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2010

General Revenue Fund - 001

For Fiscal Year 2011, the General Assembly changed the appropriation process for operating expenses that were paid from the General Fund. The Commission on Government Forecasting and Accountability received a lump sum appropriation for operational expenses, including personal services expenditures, rather than individual appropriations designated for specific purposes.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

General Revenue Fund - 001

For Fiscal Year 2010, the General Assembly changed the appropriation process for operating expenses that were paid from the General Revenue Fund. The Commission on Government Forecasting and Accountability received a lump sum appropriation for operational expenses, not including personal service expenditures, rather than individual appropriations designated for specific purposes.

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2011

General Revenue Fund – 001

The Commission on Government Forecasting and Accountability (Commission) receives minimal receipts. The receipts consist of refunds and reimbursement for jury duty. These receipts are expected to fluctuate between fiscal years. The Commission received two receipts for jury duty and two refunds for a salary refund and overpayment to vendor during Fiscal Year 2010. There were no receipts collected by the Commission in Fiscal Year 2009 or Fiscal Year 2011.

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2011

There was no significant lapse period spending noted during FY11 or FY10.

STATE OF ILLINOIS
COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2011

AGENCY FUNCTIONS AND PLANNING PROGRAM

Commission Functions

The Commission on Government Forecasting and Accountability (Commission) was created under the Commission on Government Forecasting and Accountability Act (25 ILCS 155/1 et seq.) as a legislative support agency. The Commission is a bipartisan, joint legislative commission that provides the General Assembly with information relevant to the Illinois economy, taxes, and other sources of revenue and debt obligations of the State.

The Commission's statutory requirements include:

- Preparation of annual revenue estimates with periodic updates
- Analysis of the fiscal impact of revenue bills
- Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization
- Periodic assessment of capital facility plans
- Annual estimates of public pension funding requirements and preparation of pension impact notes
- Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services
- Administration of the State Facility Closure Act
- Report to the General Assembly on economic trends in relation to long-rang planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois.

The Commission is co-chaired by Senator Jeffrey Schoenberg and Representative Patricia Bellock. The Commission members at June 30, 2011 were:

Senate

Jeffrey Schoenberg – Co-Chair
Michael Frerichs
Matt Murphy
Suzi Schmidt
Dave Syverson
Donne Trotter

House

Patricia Bellock – Co-Chair
Kevin McCarthy
Elaine Nekritz
Raymond Poe
Al Riley
Michael Tryon

Commission Planning

The Commission's objectives are defined by statute and its main activity is to study information relevant to the Illinois economy, taxes, and other sources of revenue and debt obligations of the State. The Commission reports its findings to the General Assembly by publishing various reports each year. The Director and Deputy Director meet regularly with the Revenue Unit Chief and the Pension Unit Chief to discuss State revenue projections, pension funding, and other economic issues they are required to address in their statutory functions. Commission meetings are held to discuss and review issues the Commission is required to report on along with other issues that have or could have an economic impact on the State.

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
AVERAGE NUMBER OF EMPLOYEES
 For the Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES

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

<u>Function</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Executive Director	1	1	1
Deputy Director	1	1	1
Administrative & Clerical	3	3	3
Revenue Analysts	5	5	5
Pension Analysts	<u>3</u>	<u>3</u>	<u>3</u>
Total average full-time employees	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>13</u></u>

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
 For the Two Years Ended June 30, 2011

The Commission on Government Forecasting and Accountability (Commission) is mandated per 25 ILCS 155 to report to the General Assembly information necessary for the State's long-range planning and budgeting. This results in several reports on various economic issues throughout the year. The Commission also publishes special topic reports that have or could have an impact on the economic well being of Illinois. Below is a list of all reports published during the examination period and the corresponding publication date:

<u>Report/Publication Name</u>	<u>Date Published</u>
Monthly Revenue Briefing	Monthly
FY 2011 Capital Plan Analysis	April, 2010
FY 2012 Capital Plan Analysis	April, 2011
FY 2011 Report of Liabilities of State Employees Group Insurance	March, 2010
FY 2012 Report of Liabilities of State Employees Group Insurance	March, 2011
FY 2011 Economic & Revenue Forecast & Updated FY 2010 Revenue Estimate	March, 2010
FY 2012 Economic & Revenue Forecast & Updated FY 2011 Revenue Estimate	March, 2011
Wagering in Illinois (Update)	September, 2009
Wagering in Illinois (2010 Update)	September, 2010
Gaming in Illinois (Video, Current, Potential Impact Video Gaming on Racetracks)	December, 2009
Sales Taxes in Illinois	May, 2010
Property Taxes in Illinois: 2009 Update	December, 2009
GAAP Report (FY 2011)	March, 2010
Illinois National Rankings in State Government Financing 2010 Update	May, 2010
Service Taxes: 2009 Update	August, 2009
Service Taxes: 2011 Update	April, 2011
FY 2010 Budget Summary	September, 2009
FY 2011 Budget Summary	September, 2010
3-Year Budget Forecast: FY 2012-FY 2014	April, 2011
State of Illinois Forecast	February, 2010
State of Illinois Forecast	February, 2011
Illinois Tax Incentives	July, 2009
Employment and Wages in Illinois	September, 2010
Prepared by MERCER for CGFA: Retiree Healthcare Contribution	May, 2011
Directory of the Illinois Public Retirement Systems/Pension Funds	March, 2010
IL Public Retirement Systems Chicago, Cook County & IL Municipal Retirement Systems	January, 2010
Report on the Financial Condition of Chicago, Cook County & IL	November, 2010

STATE OF ILLINOIS
 COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
 For the Two Years Ended June 30, 2011

Municipal Retirement Systems	
Report on the Financial Condition of the IL State Retirement Systems (financial condition as of June 30, 2009)	March, 2010
Report on the Financial Condition of the IL State Retirement Systems (financial condition as of June 30, 2010)	March, 2011
Pension Modernization Task Force	November, 2009
Teachers' Retirement Insurance Program (TRIP) & College Insurance (CIP)	July, 2009
Pension Modernization Task Force	November, 2009
Fiscal Analysis of Downstate Police/Fire Pension Funds in Illinois	December, 2009
Report on the Appropriateness of the 90% Funding Target of P.A. 88-593	June, 2011

The Commission prepares a written State Debt Impact Note in relation to any new legislative bill which proposes to increase or add new long-term debt authorization, or would require, through appropriation, the use of bond financed funds. The Commission prepared 45 and 65 Debt Impact Notes during FY10 and FY11, respectively.

The Commission prepares Pension Impact Notes (PIN's) on any legislative bill pertaining to pensions and related retirement and disability benefits. The Commission reviews and makes recommendations on proposed changes to those laws and practices and reports the results to the General Assembly. Below is a summary of the number of PIN's prepared for the fiscal years under examination and the number of bills that have become law:

Fiscal Year	Number of PIN's Prepared	Number of Bills that became Law
2010	140	27
2011	139	29