

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

FINANCIAL AUDIT
FUND 270 – WATER REVOLVING FUND
For the Year Ended June 30, 2008

AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

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

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FOR THE TWO YEARS ENDED JUNE 30, 2008**

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**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FOR THE TWO YEARS ENDED JUNE 30, 2008**

AGENCY OFFICIALS

| | |
|-------------------------------------------------------------------------|---------------------------------------------|
| Director | Douglas P. Scott |
| Deputy Director – Environmental Operations and Administration | Bernard P. Killian (7/01/06 to 12/31/07) |
| Acting Deputy Director – Environmental Operations and Administration | Lisa Bonnett (1/01/08 to present) |
| Chief Financial Officer | Lisa Bonnett |
| Chief Legal Counsel | Robert A. Messina |
| Purchasing Officer | John Donato |
| Fiscal Services Manager | Willa Barger |

Agency Headquarter offices are located at:

1021 North Grand Avenue East
Springfield, Illinois 62794



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 – (217) 782-3397
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 – (312) 814-6026

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

January 28, 2009

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 State of Illinois, Environmental Protection Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Environmental Protection Agency'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 State of Illinois, Environmental Protection Agency has materially complied with the assertions below.

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


Douglas P. Scott
Director


Lisa Bonnett
Chief Financial Officer


Robert A. Messina
Chief Legal Counsel

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
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' 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>This Report</u> | <u>Prior Reports</u> |
|---------------------------------------------------|--------------------|----------------------|
| Findings | 9 | 6 |
| Repeated Findings | 6 | 3 |
| Prior Recommendations Implemented or Not Repeated | 0 | 4 |

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

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-------------------------------------------------|-------------|-----------------------------------------------------------------------------|------------------------|
| <i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i> | | | |
| 08-1 | 10 | Oversight of Financial Reporting | Material Weakness |
| 08-2 | 12 | Inadequate Controls Over Bank Reconciliation | Significant Deficiency |
| <i>FINDINGS (STATE COMPLIANCE)</i> | | | |
| 08-3 | 14 | Employee Performance Evaluations not Performed on a Timely Basis | Noncompliance |
| 08-4 | 15 | Lack of Industrial Hygiene Examining Board | Noncompliance |
| 08-5 | 16 | Noncompliance with the Annual Illinois Water Quality Reporting Requirements | Noncompliance |
| 08-6 | 17 | Lack of Water Pollution Control and Public Water Supply Committee Meetings | Noncompliance |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FOR THE TWO YEARS ENDED JUNE 30, 2008**

SCHEDULE OF FINDINGS (Continued)

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|--------------------------------------------------------------------------------------------------|---------------------|
| FINDINGS (STATE COMPLIANCE) | | | |
| 08-7 | 18 | Failure to Update Illinois Administrative Code to Reflect Increase in Fees | Noncompliance |
| 08-8 | 20 | Noncompliance with the Site Remediation Program | Noncompliance |
| 08-9 | 22 | Failure to Perform Quarterly Inspections on the Release of Radionuclides at Nuclear Power Plants | Noncompliance |

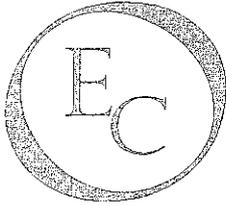
In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

| | | | |
|------|----|----------------------------------------------|---------------------------|
| 08-1 | 10 | Oversight of Financial Reporting | Material Noncompliance |
| 08-2 | 12 | Inadequate Controls Over Bank Reconciliation | Noncompliance |

EXIT CONFERENCE

The Agency waived having an exit conference in a letter dated January 12, 2009, from the Agency's Fiscal Services Manager, Willa Barger.

Responses to the recommendations were provided by the Willa Barger in a letter dated January 27, 2009.



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 State of Illinois, Environmental Protection Agency's (Agency) 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 Agency is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

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

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 Agency'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 Agency's compliance with specified requirements.

As described in finding 08-1 in the accompanying schedule of findings, the Agency did not comply with requirement regarding:

- C. The Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Compliance with such requirement is necessary, in our opinion, for the Agency to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Agency complied, in all material respects, with the requirements listed in the first paragraph of this report during the two year 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 findings 08-2 through 08-9.

Internal Control

The management of the Agency 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 Agency'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 Agency's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 and a deficiency that we consider to be a material weakness.

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 as described in the accompanying schedule of findings as findings 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. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider item 08-1 to be a material weakness.

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

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

Supplementary Information for State Compliance Purposes

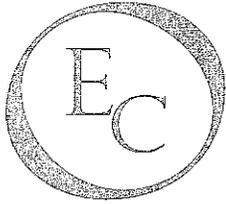
Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2008 and the 2007 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 Agency management, and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Ortiz & Co. LLP

January 28, 2009



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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the Water Revolving Fund of the State of Illinois, Environmental Protection Agency (Agency), as of and for the year ended June 30, 2008, and have issued our report thereon dated January 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting of the Water Revolving Fund as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, and not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting (08-1 and 08-2).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 08-1 and 08-2.

We also noted certain matters which we have reported to management of the Agency in a separate letter dated January 28, 2009.

The Agency's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Agency's response and, accordingly, we express no opinion on it.

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

E. C. Ortiz & Co. LLP

January 28, 2009

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS

08-1 *Oversight of Financial Reporting*

The Illinois Environmental Protection Agency (Agency) did not identify errors in the Generally Accepted Accounting Principles (GAAP) Reporting Package or the draft financial statements provided to auditors.

During our review of the GAAP Reporting Package accounting reports submitted to the Office of the State Comptroller and the draft financial statements of the Water Revolving Fund (Fund 270), we noted the following errors:

- The current portion of restricted loans receivable of \$5.686 million and loans and notes receivable of \$21.830 million were classified as noncurrent receivables.
- Interest income on pledged loans amounting to \$1.493 million was classified as interest income on unpledged loans.

The above errors resulted in a reclassification of \$2.855 million from restricted net assets for debt service to unrestricted net assets.

- Accrued interest receivable on pledged loans receivable and other receivables amounting to \$0.173 million and \$0.177 million, respectively, were overstated.

The Agency subsequently adjusted the financial statements to properly record the above transactions.

Management has the ultimate responsibility for the Agency's internal control over financial reporting. This responsibility should include an adequate system of review of the completeness and accuracy of the Agency's financial statements and disclosures to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America. In addition, the Fiscal Control and Internal Auditing Act requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that financial data is properly recorded and accounted for to permit the preparation of reliable financial reports.

Agency management indicated that the total accounts receivable is correct, however, the error was in the manual calculations required to properly classify receivables. Because the Agency's Financial Assistance System requires further manual adjustment to provide proper classification of receivables for financial statement preparation, errors are more likely to occur.

Failure to maintain adequate controls over the financial reporting process led to material misstatements in the financial statements. (Finding Code Nos. 08-1, 07-1)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS* (Continued)

Recommendation

We recommend the Agency review its current process for the preparation and review of the annual financial statements and allocate the technical resources necessary to ensure a thorough and timely review of the financial statements and disclosures.

Agency Response

Accepted and implemented. The Agency will eliminate the current method of using ratios to determine the current and long-term portion of restricted and unrestricted accounts receivable. The revised method will enable the Agency to report actual receivable amounts for each classification. In addition, thorough and timely reviews of the financial statements and disclosures will continue to be performed.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS* (Continued)

08-2 *Inadequate Controls Over Bank Reconciliation*

The Agency did not have adequate controls over its bank reconciliation process. In our review of monthly bank reconciliations for 16 bank accounts, we noted the following:

- Bank reconciliations for nine months during the examination period were prepared 40 to 88 days from receipt of the bank statements.
- Bank reconciliations did not have evidence of review and approval. The Agency uses an accounting firm under contract to assist in the monthly preparation of bank reconciliations and financial statements.

Sound internal controls require the preparation of timely bank reconciliations and the review and approval of the reconciliations by a person independent of the preparer. In addition, the Fiscal Control and Internal Auditing Act requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that assets and resources are safeguarded against waste, loss, unauthorized use or misappropriation.

Agency management indicated the current agreement with their accounting firm is to prepare financial statements on a quarterly basis. Currently, the reconciliations and ledgers are sent to the Agency when the financial statements have been prepared. The bank reconciliations for the first two months of each quarter were presented late due to this procedure. The Agency does not currently document the reconciliations provided have been reviewed by Agency staff.

Delayed preparation of bank reconciliations may result in errors or irregularities not being detected timely. Absence of review and approval by a person independent of the preparer may result in inaccurate bank reconciliations. (Finding Code No. 08-2)

Recommendation

We recommend the Agency require bank reconciliations be prepared before the end of the following month. In addition, a person independent of the preparer should indicate the review and approval of the bank reconciliations has occurred monthly to ensure accuracy and timeliness of preparation. The Agency should also consider cross-training of staff for back-up in case of vacation and/or absences.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS* (Continued)

Agency Response

Accepted and implemented. The Illinois EPA has met with the accounting firm and effective October of 2008, the firm will submit the reconciliations to EPA on a monthly basis. The EPA will then document that the reconciliations have been reviewed and approved by an Agency employee. This change of procedure will assure that future reconciliations will be performed in a timely manner.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE

08-3 Employee Performance Evaluations not Performed on a Timely Basis

The Agency did not conduct employee performance evaluations in a timely manner. During our review of 60 employee personnel files, we noted the following:

- 18 of 60 (30%) employees tested did not have performance evaluation for the evaluation period tested. The time elapsed from the employee's previous performance reviews ranged from 13 to 88 months.
- 35 of 60 (58%) employee evaluations were performed after the due date. The time elapsed from the due date to the performance review approval date ranged from 1 to 353 days.

The Agency's Employee Handbook (Chapter 3) states that the employees are to be evaluated at least annually. 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. In addition, prudent business practices require employee performance evaluations to be performed to communicate to employees the strengths and deficiencies in meeting their job responsibilities.

Agency management stated staff shortages and additional management assignments led to the Agency's inability to evaluate all employees in a timely manner.

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, discharge, layoff and reinstatement decisions. (Finding Code Nos. 08-3, 06-1, 04-2, 02-1, 00-1, 99-4, 98-5, 96-7, 94-9)

Recommendation

We recommend the Agency comply with internal procedures, Administrative Code rules, and prudent business practices by performing annual evaluations for all employees in a timely manner.

Agency Response

Accepted. The Agency continues to strive for performance evaluations to be completed timely. The Office of Human Resources continues to track performance evaluations due dates and to ensure that the appropriate manager or supervisor is aware of the need to complete reviews in a timely manner.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-4 *Lack of Industrial Hygiene Examining Board*

The Agency's Director appointed an Industrial Hygiene Examining Board (Board) as required by the Industrial Hygienists Licensure Act in October 1994. However, the Board has been inactive since then.

The Industrial Hygienists Licensure Act (Act) (225 ILCS 52/35) requires the Director of the Agency to appoint an Industrial Hygiene Examining Board consisting of five persons who shall serve in an advisory capacity to the Director. The Board shall be comprised of four certified or licensed industrial hygienists, one of whom shall serve as the chairperson, and one member of the public who is not regulated under this Act or a similar Act and who clearly represents consumer interests. The Act further states that the Board is charged with the duties and responsibilities of recommending to the Director the adoption of all policies, procedures, and rules which may be required or deemed advisable in order to perform the duties and functions conferred on the Board, the Director, and the Agency to carry out the provisions of this Act.

Agency management stated that there has not been an active Board since October 1994. The Board had licensed only 230 industrial hygienists during the time the Board was active. During fiscal year 2007, there were 81 active licensed industrial hygienists and 15 have renewed their license while during fiscal year 2008, there were 58 active licensed industrial hygienists and only 30 have renewed their license. Therefore, the Agency believes the decline in registration demonstrates the program did not enhance a licensee's business opportunities. The Agency's Safety Unit continues to monitor licensing activities and will continue until the General Assembly abolishes the program.

Failure to appoint members and maintain an Industrial Hygiene Examining Board is noncompliance with the Act and could lead to inadequate administration or regulation of the profession. (Finding Code Nos. 08-4, 06-2, 04-5)

Recommendation

We recommend the Agency comply with the Industrial Hygienists Licensure Act requirements or seek legislative remedy to the statutory requirement.

Agency Response

Accepted. The Illinois EPA will seek a legislative change to the Industrial Hygienists Licensure Act to allow us to convene an ad hoc advisory committee to address specific issues and concerns as they arise.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-5 *Noncompliance with the Annual Illinois Water Quality Reporting Requirements*

The Agency did not submit the 2007 Annual Illinois Water Quality Report as required by the Rivers, Lakes and Streams Act (Act).

The Rivers, Lakes and Streams Act (615 ILCS 5/14a) requires the Agency to submit the Illinois Water Quality Report to the Governor and General Assembly on an annual basis.

Agency management stated they believed the biennial water quality report submitted under federal regulation supported compliance with the annual report required by State statute.

Failure to submit the Illinois Water Quality Report on an annual basis is noncompliance with the Act and could prevent the proper preservation and utilization of Lake Michigan. (Finding Code Nos. 08-5, 06-3, 04-6)

In addition, during the prior engagement, the Agency did not publish an annual report on the progress of pollution prevention as required by the Illinois Pollution Prevention Act. During the current engagement period, the Illinois Pollution Prevention Act was repealed.

Recommendation

We recommend the Agency ensure the Illinois Water Quality Report is submitted to the Governor and General Assembly on an annual basis or seek legislative remedy to the statutory requirement.

Agency Response

Accepted. Future Illinois Water Quality Reports will be submitted annually.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-6 *Lack of Water Pollution Control and Public Water Supply Committee Meetings*

The Agency did not ensure the committees for the clean and drinking water programs met on a periodic basis, or recurring intervals. The Water Pollution Control Program and the Public Water Supply Program committees have not met since 2003.

The Environmental Protection Act (415 ILCS 5/19.8) (Act) requires the Director of the Agency to appoint committees to advise the Agency concerning the financial structure of the clean and drinking water programs. The committees are required to meet periodically.

Agency management stated the Agency has been unable to complete the formation of this Committee. Prior to this year, internal decisions were not finalized regarding how best to utilize the Committee.

Failure to conduct periodic committee meetings for the clean and drinking water programs is a noncompliance with the Act which could lead to inadequate administration and the Agency's inability to revise the financial structure of its programs to meet current needs. (Finding Code Nos. 08-6, 06-4)

Recommendation

We recommend the Agency ensure the committees for clean and drinking water programs meet periodically or seek legislative remedy to the statutory requirement.

Agency Response

Accepted. Illinois EPA will seek a legislative remedy to allow us to move from having standing advisory committees for the Water Pollution Control SRF and Drinking Water SRF to using ad hoc advisory committees as issues or potential regulation changes arise.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-7 *Failure to Update Illinois Administrative Code to Reflect Increase in Fees*

The Agency did not update or revise the Illinois Administrative Code (Code) to reflect the increase or establishment of new permit fees, which became effective on July 1, 2003. The following parts of the Code, Title 35: Environmental Protection, Chapter II: Environmental Protection Agency were not updated:

- (a) Part 251.201 Amount of Air Pollution Site Fee
- (b) Part 320.201 Amount of the Fee
- (c) Part 690.201 Amount of the Fee
- (d) Part 857.201 Payment of Fees
- (e) Part 1450.300 Quarterly Submission of Payment of Potentially Infectious Medical Waste (PIMW) Transporter Fee

Amendments to the Environmental Protection Act (415 ILCS 5/sections 9.6(b), 12.2(c), 16.1(d), 56.5(a) and 56.6 (a)) increased the fees defined and discussed in the parts of the Code above. Prudent business practices require the Agency to update the Code to eliminate conflicts with State statutes. In addition, the Fiscal Control and Internal Auditing Act requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance the Agency complies with applicable laws.

Agency management stated the air pollution site fees (Part 251.201) have been discussed by the Agency's Division of Legal Counsel and the Bureau of Air. However, the delay has been caused by a number of issues related to administrative and legal interpretation concerns that had to be resolved (i.e. broad use terms in drafts of rules that may affect programs that weren't otherwise intended to be addressed). For the remaining Parts, the Agency has drafted the necessary rules but they have not been filed due to limited legal resources that had to be devoted to higher priority regulatory matters.

Failure to update existing administrative rules to reflect statutory changes to the Agency's fees increases the risk that regulated entities or the general public will make incorrect decisions or statements by relying on incomplete and inaccurate information when reviewing administrative rules. (Finding Code Nos. 08-7, 06-5)

Recommendation

We recommend the Agency ensure the drafted rules are filed with the Joint Committee on Administrative Rules to reflect current statutes increasing permit fees.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

Agency Response

Accepted. The Agency has finalized all rules related to permit fees and it is anticipated that rulings by the Joint Committee on Administrative Rules will be adopted by the end of the calendar year; most of these rules are in the First Notice with the Secretary of State for filing in the Illinois Register.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-8 *Noncompliance with the Site Remediation Program*

The Agency did not comply with the required timeframe to complete and communicate decisions to the remediation applicants on submitted plans and reports for review and approval under the Site Remediation Program.

During our review, we noted 5 of the 25 (20%) remediation applicants tested during the examination period, the time elapsed from the dates the submitted plans and reports were received by the Agency to the dates the review and approval were completed and communicated by the Agency ranged from 62 to 277 days (2 to 187 days late). There were no available written waivers or extension approvals from the five remediation applicants on file.

The Environmental Protection Act Section (415 ILCS 5/58.7 (d) (5)) (Act) requires all reviews undertaken by the Agency be completed and the decision communicated to the remediation applicant (RA) within 60 days of the request for review or approval. The RA may waive the deadline upon a request from the Agency. If the Agency disapproves or approves with conditions a plan or report or fails to issue a final decision within the 60 day period and the RA has not agreed to a waiver of the deadline, the RA may, within 35 days, file an appeal to the Pollution Control Board.

The Administrative Code: Title 35 Section 740.505 (d) (5) states if any plans or reports are submitted concurrently, the Agency's timeline for review shall increase to a total of 90 days for all plans or reports submitted.

Agency management indicated they have met the deadlines since the Agency and the remediation applicant mutually agree, verbally, to extend the timeframe. However, the Agency does not always have the additional time and resources of sending letters and tracking a waiver when the applicant works with the Agency towards the issuance of a "No Further Remediation" letter which acknowledges that a site owner or operator has satisfied the respective Bureau of Land laws and regulations.

Failure to approve the plans and reports within the required timeframe resulted in noncompliance with State statutes. Failure to formally document extension approvals from remediation applicants may lead to disputes over the critical timelines. (Finding Code No. 08-8)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

Recommendation

We recommend the Agency ensure the submitted plans and reports are processed within the mandated timeframe to ensure compliance with the Act. In addition, written waivers or extension of deadlines should be documented and kept by the Agency in cases of appeals filed by remediation applicants.

Agency Response

Accepted. The Agency will ensure that there is clear written documentation of waivers or extensions of the deadlines maintained with the project notes in the Bureau of Land's files which are established within the mandated timeframes in accordance with the regulations.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

08-9 *Failure to Perform Quarterly Inspections on the Release of Radionuclides at Nuclear Power Plants*

The Agency, in cooperation with the Illinois Emergency Management, failed to perform inspections on the release of radionuclides at nuclear power plants.

During our testing, we noted quarterly inspections were not made on any of the six nuclear power plants in Illinois during the first quarter of fiscal year 2007. In addition, quarterly inspections were not made for all of the six nuclear power plants from the second quarter of fiscal year 2007 to the third quarter of fiscal year 2008.

The Environmental Protection Act (415 ILCS 5/13.6(d)) (Act) states the Agency and the Illinois Emergency Management Agency shall inspect each nuclear power plant for compliance no less than once each calendar quarter for release of radionuclides. This requirement was an amendment to the Act effective August 13, 2007.

Agency management indicated the exception was due to a delay in the development of the framework on how to implement the mandate. Proposed procedures were just recently adopted by the Pollution Control Board on May 1, 2008.

Failure to perform quarterly inspection on the release of radionuclides at nuclear power plants resulted to noncompliance with the Act. (Finding Code No. 08-9)

Recommendation

We recommend the Agency ensure compliance with the provisions of the Act by performing the inspection of release of radionuclides at nuclear power plants on a quarterly basis.

Agency Response

Accepted. During the first and second quarters of fiscal year 2007, the Agency was organizing, training and coordinating with IEMA and the facilities with regard to the subject inspections. This required coordination delayed the performance of the initial inspections. After that time, however, the vast majority of the quarterly inspections were performed, and the Agency will continue to ensure compliance with the provisions of the Act by performing the inspections on a quarterly basis.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

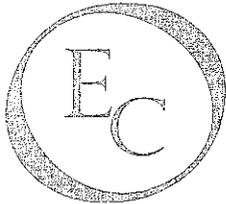
**FINANCIAL AUDIT
For the Year Ended June 30, 2008**

FINANCIAL STATEMENT REPORT

Summary

The audit of the accompanying individual nonshared proprietary financial statements of the Water Revolving Fund of the State of Illinois, Environmental Protection Agency (Agency) was performed by E.C. Ortiz and Co., LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Agency's individual nonshared proprietary financial statements of the Water Revolving Fund.



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

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the Water Revolving Fund of the State of Illinois, Environmental Protection Agency (Agency), as of and for the year ended June 30, 2008, as listed in the Table of Contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Water Revolving Fund and do not purport to, and do not, present fairly the financial position of the Agency as of June 30, 2008, and its changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Water Revolving Fund of the Agency, as of June 30, 2008, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2009 on our consideration of the Agency's internal control over financial reporting of the Water Revolving Fund and on our tests of the Agency's compliance with certain provisions of laws, regulations, contracts and, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Agency has not presented a management's discussion and analysis and budgetary comparison information for the Water Revolving Fund that accounting principles generally accepted in the United State of America has determined is necessary to supplement, although not required to be part of, the financial statements.

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

E. C. Ortiz & Co. LLP

January 28, 2009

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
INDIVIDUAL NONSHARED PROPRIETARY FUND**

STATEMENT OF NET ASSETS

**JUNE 30, 2008
(amounts in \$000's)**

| | Water Revolving Fund (270 Fund) |
|----------------------------------------------------|------------------------------------------------|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 430,833 |
| Loans and notes receivable | 109,224 |
| Other receivables | 14,599 |
| Due from federal government | 17,363 |
| Due from component unit | 353 |
| Other current assets | 129 |
| Restricted assets - accrued interest receivable | 1,494 |
| Restricted assets - loans receivable | 31,122 |
| Total current assets | 605,117 |
| Noncurrent assets | |
| Loans and notes receivable, net of current portion | 1,195,117 |
| Restricted assets - loans receivable | 340,535 |
| Capital assets, net of accumulated depreciation | 183 |
| Other noncurrent assets | 651 |
| Total noncurrent assets | 1,536,486 |
| TOTAL ASSETS | 2,141,603 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable and accrued liabilities | 80 |
| Due to other funds | 248 |
| Due to component units | 28 |
| Compensated absences | 139 |
| Leases payable | 3 |
| Total current liabilities | 498 |
| Noncurrent liabilities | |
| Long-term obligations | 97,136 |
| Compensated absences | 1,168 |
| Leases payable | 2 |
| Total noncurrent liabilities | 98,306 |
| TOTAL LIABILITIES | 98,804 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 183 |
| Restricted for: | |
| Debt service | 373,151 |
| Other purposes | 1,634,485 |
| Unrestricted | 34,980 |
| TOTAL NET ASSETS | \$ 2,042,799 |

See accompanying notes to financial statements

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
INDIVIDUAL NONSHARED PROPRIETARY FUND**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

**FOR THE YEAR ENDED JUNE 30, 2008
(amounts in \$000's)**

| | <u>Water Revolving Fund (270 Fund)</u> |
|--------------------------------------|----------------------------------------------------|
| OPERATING REVENUES | |
| Interest income on loans - unpledged | \$ 33,256 |
| Interest income on loans - pledged | 10,907 |
| Total operating revenues | <u>44,163</u> |
| OPERATING EXPENSES | |
| General and administrative | 13,626 |
| Depreciation | 2 |
| Total operating expenses | <u>13,628</u> |
| OPERATING INCOME | <u>30,535</u> |
| NONOPERATING REVENUES | |
| Interest and investment income | 19,013 |
| Other nonoperating revenues | 41,022 |
| Total nonoperating revenues | <u>60,035</u> |
| NONOPERATING EXPENSES | |
| Interest | 3,972 |
| Other nonoperating expenses | 89 |
| Total nonoperating expenses | <u>4,061</u> |
| INCREASE IN NET ASSETS | 86,509 |
| NET ASSETS, BEGINNING OF YEAR | <u>1,956,290</u> |
| NET ASSETS, END OF YEAR | <u><u>\$ 2,042,799</u></u> |

See accompanying notes to financial statements

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
INDIVIDUAL NONSHARED PROPRIETARY FUND**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

(amounts in \$000's)

| | <u>Water Revolving Fund (270 Fund)</u> |
|-----------------------------------------------------------------------------------------|----------------------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash receipts from interest income on loans | \$ 76,378 |
| Cash payments to employees for services | (11,134) |
| Other payments | (2,387) |
| Net cash provided by operating activities | <u>62,857</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Operating grants received | 24,079 |
| Interest and principal paid on borrowing | (14,566) |
| Net cash provided by noncapital financing activities | <u>9,513</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Acquisition of capital assets | (83) |
| Principal paid on capital lease | (1) |
| Net cash used in capital and related financing activities | <u>(84)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest and investment income | 19,905 |
| Loans disbursed to governmental units | (164,091) |
| Loans repaid by governmental units | 66,799 |
| Net cash used in investing activities | <u>(77,387)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (5,101) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>435,934</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 430,833</u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 30,535 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation expense | 2 |
| Change in assets and liabilities: | |
| Decrease in other receivables and restricted assets - accrued interest receivable | 32,285 |
| Increase in due from component unit | (70) |
| Decrease in accounts payable and accrued liabilities | (204) |
| Increase in due to other funds | 199 |
| Increase in due to component units | 27 |
| Increase in compensated absences | 83 |
| Net cash provided by operating activities | <u>\$ 62,857</u> |

See accompanying notes to financial statements

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

1. Description of Funds

The Environmental Protection Agency (Agency) administers the nonshared proprietary fund described below. A nonshared fund is a fund in which a single State agency is responsible for administering substantially all financial transactions of the fund.

The Water Revolving Fund held by the State Treasurer consists of the Water Pollution Control Loan Program (“Clean Water Program”) established under authority granted in the Water Quality Act of 1987, which amended the Clean Water Act of 1972 and the Public Water Supply Loan Program (“Drinking Water Program”) established under authority granted in the Federal Safe Drinking Water Act Amendments of 1996.

The Clean Water Program is administered by the Agency pursuant to the Illinois Environmental Protection Act, as supplemented and amended. The Clean Water Program was established as a revolving fund to accept federal capitalization grants, the required 20% State match and any proceeds of revenue bonds for the purpose of making low interest loans to units of local government to finance the construction of wastewater treatment works.

The Drinking Water Program is administered by the Agency pursuant to the Illinois Environmental Protection Act to accept federal capitalization grants, the required 20% State match and any proceeds of revenue bonds for the purpose of making low interest loans to units of local government and certain private community water supplies to finance the construction of public water facilities.

2. Summary of Significant Accounting Policies

The financial statements of the individual nonshared proprietary fund administered by the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

Reporting Entity: As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

2. Summary of Significant Accounting Policies (Continued)

- (1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the required criteria, the individual nonshared proprietary fund does not have component units, nor is it a component unit of any other entity. However, because the individual nonshared proprietary fund is not legally separate from the State of Illinois (State), it is included in the financial statements of the State as a proprietary fund. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois, 62704-1871.

The financial statements present only the Water Revolving Fund (270) administered by the Illinois Environmental Protection Agency and do not purport to, and do not, present fairly the financial position of the Illinois Environmental Protection Agency as of June 30, 2008, and changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation: In government, the basic accounting and reporting entity is a fund. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. A statement of net assets, statement of revenues, expenses, and changes in fund net assets and statement of cash flows have been presented for the individual nonshared proprietary fund administered by the Agency.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

2. Summary of Significant Accounting Policies (Continued)

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Basis of Accounting: The individual nonshared proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and entitlements. Revenue from grants, entitlements, and similar items is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the individual nonshared proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State has elected not to follow subsequent private-sector guidance as for the individual nonshared proprietary fund administered by the Agency.

Cash and Cash Equivalents: Cash and cash equivalents consist principally of deposits held in the State Treasury. Cash and cash equivalents also include cash in banks for locally-held funds.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

2. Summary of Significant Accounting Policies (Continued)

Interfund Transactions: The individual nonshared proprietary fund has the following types of interfund transactions with other funds of the State:

Loans - amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e., due to other funds) in borrower funds.

Services provided and used - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund statement of net assets.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. Transfers are reported after nonoperating revenues and expenses.

Capital Assets: Capital assets, which include equipment, are reported at cost. Contributed assets are reported at estimated fair value at the time received. Capital assets are depreciated using the straight-line method.

The capitalization threshold and the estimated useful lives are as follows:

| <u>Capital Asset Category</u> | <u>Capitalization Threshold</u> | <u>Estimated Useful Life</u> |
|-------------------------------|---------------------------------|------------------------------|
| Equipment | \$ 5,000 | 3-25 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

2. Summary of Significant Accounting Policies (Continued)

Compensated Absences: The liability for compensated absences reported in the individual nonshared proprietary fund consists of unpaid, accumulated vacation and sick leave balances for Agency employees. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary-related costs (e.g., social security and Medicare tax).

Legislation that became effective January 1, 1998, capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue 12 sick days per year but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997, (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997, will be converted to service time for purposes of calculating employee pension benefits.

Net Assets: Equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, and then unrestricted resources when they are needed.

Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets - Loans Receivable: Under the bond agreements, the repayments of certain loans to municipalities and water districts are pledged against the bond payments. The repayments of those loans are collected in a separate trust account and are used to make bond payments.

Reclassifications: Certain reclassifications of beginning balances were made due to a change in the accounting for revenue bonds issued by the Illinois Finance Authority. Previously, the bonds were accounted for as a liability of the Agency. There is no effect on net assets because of this change, but the outstanding balance of the bonds and related investments and cash held by the bond trustee have been removed from this Fund and reported on the financial statements of the Illinois Finance Authority, as of July 1, 2007. As a result, the beginning balance presented in the Statement of Cash Flows has been restated. See also Note 8.

3. Cash and Cash Equivalents

Deposits: The State Treasurer is the custodian of the State's cash and cash equivalents for funds maintained in the State Treasury. The Agency independently manages cash and cash equivalents maintained outside the State Treasury.

Deposits in the custody of the State Treasurer (or in transit) at June 30, 2008, were \$421,387 (expressed in thousands). Deposits in the custody of the State Treasurer are pooled and invested with other State funds in accordance with the Deposit of State Moneys Act of the Illinois Compiled Statutes (15 ILCS 520/11). Funds held by the State Treasurer have not been categorized as to credit risk because the Agency does not own individual securities. Details on the nature of these investments are available within the State of Illinois' Comprehensive Annual Financial Report.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

3. Cash and Cash Equivalents (Continued)

Custodial credit risk is the risk that, in the event of a bank failure, the Agency's deposits might not be recovered. The Agency does not have a deposit policy for custodial credit risk. As of June 30, 2008, none of the bank balances of \$9,446 (expressed in thousands) held outside the State Treasury was exposed to custodial credit risk.

4. General and Administrative Costs

The Agency is authorized to utilize up to 4% of the total Clean Water Capitalization Grants received for administration of the loan program. In order to allow the maximum amount of grant dollars for loan disbursements, the Agency currently funds administrative costs for the Clean Water Program from sources other than the grant. The Drinking Water Grant Program sets aside and restricts 4% of each grant for the administrative costs of running the program. As of June 30, 2008, the Agency had \$2,685 (expressed in thousands) to fund future administration costs of the Drinking Water Program.

The Agency also charges a loan support fee. This loan support fee is used to defray program expenses and for state match on federal grants. Loan support fees are collected, deposited and held in the Water Revolving Fund. This fee cannot exceed 50% of the fixed loan rate.

The Agency is also authorized to use a portion of each capitalization for specific set-asides authorized under Federal Statutes.

The Administrative Revenues and Expenses (expressed in thousands) reported in the Water Revolving Fund for the year ended June 30, 2008, are as follows:

| | |
|----------------------------------|-----------------|
| Revenues | |
| Administrative grants | \$ 1,131 |
| Loan Support | 11,976 |
| Set-asides | <u>19</u> |
| | <u>13,126</u> |
| Expenses | |
| Payroll and insurance | 11,217 |
| Other general expenses | <u>2,409</u> |
| | <u>13,626</u> |
| Excess of expenses over revenues | \$ <u>(500)</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

5. Loans and Notes Receivable

Loans and notes receivable consist of loans made to local governments for infrastructure programs.

Each loan to a participant for an eligible project from funds in the Clean Water Program or the Drinking Water Program is evidenced by a Loan Agreement. In each Loan Agreement, the Agency agrees to make a loan in an amount up to the maximum amount provided in the Loan Agreement. Funds are disbursed to a participant only to pay eligible project costs that actually have been incurred by the participant, and the amount of a loan is generally equal to the aggregate of such disbursed amounts, although in certain instances such amount may also include capitalized interest. The actual amounts loaned to participants will generally depend upon the actual progress of construction on the related projects.

Each Loan Agreement specifies a date as of which the Project is required to initiate operation (“Operation Initiation Date”). Amortization of each Loan is required to begin no later than one year from the earlier of the Operation Initiation Date or the date identified in the Loan Agreement as the initiation of loan repayment date (“Initiation of Loan Repayment Date”). The final maturity of each loan is not later than 20 years from the earlier of the Operation Initiation Date or the Initiation of Loan Repayment Date. Each Loan Agreement permits prepayment of all or a portion of the balance of the loan, without premium. Most of the Loan Agreements provide for semi-annual principal and interest payments, with the actual dates of repayment varying from Loan Agreement to Loan Agreement, with a few Loan Agreements providing for quarterly or annual principal and interest payments.

Fixed Loan Rate: The Agency assigns to each loan a fixed loan rate at the time a loan is made to the participant. The fixed loan rate is comprised of an interest portion and a loan support portion and is computed by using the mean interest rate of the 20-year Tax-Exempt Bonds General Obligation Bond Buyer Index, as published weekly by The Bond Buyer, from July 1 to June 30 of the preceding fiscal year rounded to the nearest 100th of a percent and multiplied by 50 percent. There is no maximum, but the minimum fixed loan rate is 2.5% per annum. The interest rates on the loans currently outstanding are between 2.5% to 3.75%.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

5. Loans and Notes Receivable (Continued)

Security for Loans: Generally, the repayment obligations of each participant will either be (i) secured by the revenues generated by its wastewater or drinking water system or (ii) a general obligation of the participant. The Agency conducts an analysis as part of its loan review process to determine the appropriate security for a loan and upon making such determination, the participant evidences its obligation under the loan agreement and grants the security determined by the Agency by adopting a bond ordinance or resolution or similar authorization in accordance with State law. In certain instances, a participant may issue revenue bonds, general obligation bonds or other obligations, as applicable, to evidence its repayment obligations.

6. Interfund Balances and Activity

Balances Due to/from Other Funds: The following balances (expressed in thousands) at June 30, 2008, represent amounts due to other Agency and State of Illinois funds:

| <u>Description/Purpose</u> | <u>Amount</u> |
|-----------------------------------------|---------------|
| Due to Central Management Services for: | |
| State garage revolving payments | \$ 3 |
| Statistical services revolving payments | 222 |
| Communications revolving payments | 17 |
| Group insurance premium payments | 6 |
| Total Due to Other Funds | <u>\$ 248</u> |

Balances Due to/from Component Units: At June 30, 2008, \$27 and \$1 (expressed in thousands) were due to Southern Illinois University and University of Illinois, respectively.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

7. Capital Assets

Capital asset activities (expressed in thousands) for the year ended June 30, 2008, were as follows:

| | <u>July 01, 2007</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2008</u> |
|----------------------------------------|----------------------|------------------|------------------|----------------------|
| Capital assets being depreciated: | | | | |
| Equipment | \$ 460 | \$ 83 | \$ 167 | \$ 376 |
| Capital lease – equipment | - | 6 | - | 6 |
| Less: accumulated depreciation | <u>275</u> | <u>2</u> | <u>78</u> | <u>199</u> |
| Total capital assets being depreciated | <u>\$ 185</u> | <u>\$ 87</u> | <u>\$ 89</u> | <u>\$ 183</u> |

8. Long-Term Obligations

Changes in Long-Term Obligations: Changes in long-term obligations (expressed in thousands) for the year ended June 30, 2008, were as follows:

| | <u>Balance July 1, 2007, as originally reported</u> | <u>Reclassification*</u> | <u>Balance July 1, 2007 as restated</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2008</u> | <u>Amounts Due Within One Year</u> |
|---------------------------|-----------------------------------------------------------------|--------------------------|-------------------------------------------------|------------------|------------------|----------------------------------|--------------------------------------------|
| Revenue bonds payable | \$ 220,880 | \$ (220,880) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Add: Unamortized premiums | <u>8,869</u> | <u>(8,869)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | 229,749 | (229,749) | - | - | - | - | - |
| Due to Illinois | | | | | | | |
| Finance Authority | - | 107,872 | 107,872 | 5,238 | 15,974 | 97,136 | - |
| Compensated absences | 1,224 | - | 1,224 | 643 | 560 | 1,307 | 139 |
| Capital leases | <u>-</u> | <u>-</u> | <u>-</u> | <u>6</u> | <u>1</u> | <u>5</u> | <u>3</u> |
| | <u>\$ 230,973</u> | <u>\$ (121,877)</u> | <u>\$ 109,096</u> | <u>\$ 5,887</u> | <u>\$ 16,535</u> | <u>\$ 98,448</u> | <u>\$ 142</u> |

* The reclassification of the beginning balances is due to a change in the accounting for the revenue bonds. Previously, the bonds were accounted for as a liability of the Agency. There is no effect on net assets as a result of this change, but the outstanding balance of the bonds and related investments and cash held by the bond trustee have been removed from this Fund and reported on the financial statements of the Illinois Finance Authority as of July 1, 2007.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

8. Long-Term Obligations (Continued)

Due to Illinois Finance Authority: The Illinois Finance Authority (IFA), a nonmajor component unit, issued \$280 million State of Illinois Revolving Fund Revenue Bonds (Bonds), Series 2002 and 2004. The proceeds (including bond premiums of \$16.4 million) were deposited in the Water Revolving Fund for the purpose of making loans pursuant to the Clean Water Program and the Drinking Water Program. Prior to the issuance of these revenue bonds, the Agency sold and assigned certain loans outstanding related to the Clean Water Program and the Drinking Water Program to the IFA and pledged the loans to secure payment of the bonds. \$372 million of the total outstanding loans at June 30, 2008 have been pledged for repayment of the Bonds. The bond trustee is entitled to receive all principal and interest due on these pledged loans. Any loans funded with the proceeds from the bonds are not pledged to the bond trustee and are not deemed to be pledged loans.

The Bonds are to be repaid from a) payments made pursuant to the pledged loans, b) the income derived from the investment of moneys held in funds and accounts established under the bond indentures and c) moneys held in the debt service fund, the reserve fund and other funds and accounts held by the trustee under the bond indentures and available for payment. The reserve accounts are in the name of the IFA. The reserve accounts are required to contain an amount equal to one-half the amount of the outstanding balance of the bonds. As a result, the Water Revolving Fund has recorded an obligation to repay the remaining one-half of the outstanding balance of the bonds, adjusted for excess amounts held by IFA, and for bond premium. Total principal remaining on the bonds as of June 30, 2008 is \$202,930 (expressed in thousands), payable through 2024. The balance of the unamortized premium on the bonds at June 30, 2008 is \$7.46 million. The Agency has also committed to paying approximately one-half the interest on the bonds, with interest rates ranging from 3.25% to 5.50%.

The amounts required to repay the obligation due to IFA (expressed in thousands) are as follows:

| <u>Year ending June 30</u> | <u>Obligation</u> | <u>Interest</u> |
|----------------------------|-------------------|------------------|
| 2009 | \$ - | \$ 5,152 |
| 2010 | 6,761 | 4,692 |
| 2011 | 9,760 | 4,215 |
| 2012 | 9,992 | 3,712 |
| 2013 | 9,278 | 3,204 |
| 2014-2018 | 38,372 | 9,464 |
| 2019-2023 | 15,438 | 1,460 |
| 2024 | 75 | 2 |
| | <u>\$ 89,676</u> | <u>\$ 31,901</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

9. Net Assets

Net assets (expressed in thousands) at June 30, 2008, are restricted for:

| | |
|--------------------------------------------------------------------------------|---------------------|
| United States Environmental Protection Agency (U.S. EPA) Capitalization Grants | \$ 1,354,305 |
| State match | <u>280,180</u> |
| Subtotal net assets restricted for other purposes | 1,634,485 |
| Debt service | <u>373,151</u> |
| Total restricted net assets | <u>\$ 2,007,636</u> |

U.S. EPA Capitalization Grants and State Match: The Water Revolving Fund was created pursuant to the Clean Water Act and Safe Drinking Water Act and established to provide financial assistance in the form of loans. In order to qualify for Federal Capitalization Grants, the state must pay into the Revolving Fund a matching amount equal to at least 20% of the amount of such grants (State Match). These funds are restricted for the purpose of making low interest loans from the Fund.

Debt Service: The amount restricted for debt service consists of loans receivable pledged and related interest receivable pursuant to the sale of revenue bonds in 2002 and 2004 (see Note 8).

10. Capitalization Grants

The Agency has entered into Capitalization Grant Agreements with the U.S. EPA to administer the Waste Water and Drinking Water Loan Programs, jointly the Water Revolving Fund (270). Pursuant to these Capitalization Grant Agreements, \$1,172,617 (expressed in thousands) for Waste Water and \$332,196 (expressed in thousands) for Drinking Water have been made available to be drawn (pursuant to state matching requirements being met) on the Capital Grant facility at June 30, 2008, with respect to costs in connection with loans made under the Waste Water and Drinking Water Loan Programs.

The remaining Capital Grant Facility as of June 30, 2008, is summarized below:

| | <u>Waste Water</u> | <u>Drinking Water</u> | <u>Total</u> |
|----------------------------|--------------------|-----------------------|--------------------|
| Total Capital Grants | \$ 1,172,617 | \$ 332,196 | \$ 1,504,813 |
| Less: Cumulative drawdowns | <u>(1,099,607)</u> | <u>(273,795)</u> | <u>(1,373,402)</u> |
| Capital Grant Facility | <u>\$ 73,010</u> | <u>\$ 58,401</u> | <u>\$ 131,411</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

11. Pension Plan

Substantially all of the Agency's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer defined benefit public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal year 2008 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2008. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

The Agency pays employer retirement contributions in the individual nonshared proprietary funds based upon an actuarially determined percentage of their payrolls. For fiscal year 2008, the employer contribution rate was 16.56%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies (including the Agency) with employees covered by the State Employees' and Teachers' Retirement Systems. Beginning July 1, 2003, this "pickup" of 4% of the pension was paid by non-bargaining unit employees. The State continues to pay for bargaining unit employees. The pickup is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies.

12. Post-employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 – WATER REVOLVING FUND**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2008**

12. Post-employment Benefits (Continued)

contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes \$5,000.

The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents. A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

13. Contingencies

The Agency is involved in a number of legal proceedings and claims covering a wide range of matters. The ultimate results of these lawsuits and other proceedings against the Agency cannot be predicted with certainty; however, the Agency does not expect such matters to have a material effect on the financial position of the Agency.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
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 Expenditures of Federal Awards (SEFA) and Notes to SEFA
 - Fiscal Year 2008
 - Fiscal Year 2007
 - Schedule of Appropriations, Expenditures and Lapsed Balances By Fund
 - Fiscal Year 2008
 - Fiscal Year 2007
 - Schedule of Appropriations, Expenditures and Lapsed Balances By Division By Fund
 - Fiscal Year 2008
 - Fiscal Year 2007
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances Appropriated and Non-Appropriated Funds
 - Comparative Schedule of Expenditures by Type
 - Schedule of State Officer's Salaries
 - 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 Accounts Receivable Fiscal Year 2008
 - Analysis of Accounts Receivable Fiscal Year 2007
- 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
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures | Sub-Recipient Payments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------------------|---------------------------|
| U.S. Environmental Protection Agency | | | | |
| Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | 66.034 | | | |
| National Air Toxics Monitoring | | XA965430-01 | \$ 39 | \$ - |
| National Air Toxics Monitoring (Great Lakes Commission) | | MOAIL-9 | 29 | - |
| 103 PM 2.5 Monitoring Grant (new) | | PM96579602 | 221 | - |
| 103 PM 2.5 Monitoring Grant | | PM98577102-0 | 456 | - |
| | | | 745 | - |
| Water Pollution State, Interstate, and Tribal Program Support | 66.419 | | | |
| 01 106(b) Supplemental | | I9756001-0 | 96 | - |
| Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104 (b) (3) of the Clean Water Act | 66.436 | | | |
| Lake Bloomington | | X796574801 | 45 | - |
| Raccoon Lake | | X796568901 | 69 | - |
| | | | 114 | - |
| Water Quality Management Planning | 66.454 | | | |
| 04 604(b) | | C6995911-02 | 137 | - |
| 07 604(b) | | C6995911-07 | 49 | - |
| 03 604(b) | | C6995911-03 | 253 | - |
| | | | 439 | - |
| Nonpoint Source Implementation Grants | 66.460 | | | |
| 05 319 TMDL | | C996577001 | 2 | - |
| 06 319(h) | | C9995010-06 | 112 | 637 |
| 07 319(h) | | C9995010-00 | - | 101 |
| 01 319(h) | | C9995010-01 | 168 | 534 |
| 02 319(h) | | C9995010-02 | - | 577 |
| 03 319(h) | | C9995010-03 | 2,025 | 1,246 |
| 04 319(h) | | C9995200-04 | 361 | 1,481 |
| 05 319(h) | | C9995200-05 | 115 | 1,420 |
| | | | 2,783 | 5,996 |
| National Pollutant Discharge Elimination Water Quality Cooperative Agreements | 66.463 | | | |
| Fox River Watershed | | X7965258-01 | 302 | - |
| 05 104 b 3 NPDES | | CP97511301 | 99 | - |
| | | | 401 | - |
| Great Lakes Program | 66.469 | GL00E06801-1 | 50 | - |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures | Sub-Recipient Payments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------|
| Wastewater Operator Training Grant Program (Technical Assistance) 07 104(g) | 66.467 | T96526107 | 28 | - |
| State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs Water Operator Certification | 66.471 | CT975609-01 | 367 | - |
| Water Protection Grants to the States 06 Water Counter Terrorism Water Counter Terrorism | 66.474 | WP97520002 WP97520001-01 | 47 144 <u>191</u> | - - - |
| Performance Partnership Grants Performance Partnership Agreement FY07 Performance Partnership Agreement FY08 | 66.605 | BG985428-07 BG985428-08 | 4,770 14,413 <u>19,183</u> | - 15 <u>15</u> |
| Surveys, Studies, Investigations and Special Purpose Grants 02 104 B 3 TMDL | 66.606 | X995520-02 | 725 | - |
| Environmental Policy & Innovation Grants Environmental Policy & Innovation | 66.611 | PI96548101 | 25 | - |
| Environmental Information Exchange Network Grant Program and Related Assistance 04 Environmental Information Exchange 05 Environmental Information Exchange | 66.608 | OS831963-01 OS83258501 | 33 267 <u>300</u> | - - - |
| Pollution Prevention Grants Program Metal Working Fluids | 66.708 | NP00E01101 | 17 | - |
| Multi-media Capacity Building Grants for States and Tribes OCEA | 66.709 | EA00E25401 | 50 | - |
| Superfund State, Political Subdivision, and Indian Tribe Site Specific Cooperative Agreements SE Rockford 9,10,11 07/08 Site Assessment Beloit South East Rockford Groundwater Hegler Zinc Superfund Site Jennison Wright Superfund SE Rockford Area 7 Superfund Block Grant III | 66.802 | V96558501 V00E18101 V96582701 V965651-01 V96595201 V965480-01 V965588-01 V965443-01 | 286 979 610 1,030 50 2,595 704 <u>176</u> 6,430 | - - - - - - - - - |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures | Sub-Recipient Payments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|----------------------------------|---------------------------|
| Leaking Underground Storage Tank Trust Fund 07/08 LUST | 66.805 | LS97515708 | 4,251 | - |
| Superfund State and Indian Tribe Core Program Cooperative Agreements 07/08 Core | 66.809 | VC00E18001 | 515 | - |
| State and Tribal Response Program Grants Brownfields 128 (a) | 66.817 | RP965079-02 | 1,211 | - |
| Capitalization Grants for Clean Water State Revolving Funds 06 State Water Revolving Fund | 66.458 | CS170001-06 | 15,000 | - |
| Capitalization Grants for Drinking Water State Revolving Fund 05 Drinking Water Loan | 66.468 | FS985777-05 | 1,074 | - |
| 06 Drinking Water Loan | | FS985777-06 | 7,929 | - |
| 03 Drinking Water Revolving Loan Program | | FS985777-03 | 19 | - |
| | | | 9,022 | - |
| Total U.S. Environmental Protection Agency | | | <u>61,943</u> | <u>6,011</u> |
| Department of Interior | | | | |
| State Memorandum Agreement Crab Orchard | 15.xxx | 301810J022 | 90 | - |
| Total Department of Interior | | | <u>90</u> | <u>-</u> |
| Department of Homeland Security | | | | |
| Homeland Security Biowatch Program Bio-Watch | 97.091 | 2006-ST-091-000025 | 486 | - |
| Total Department of Homeland Security | | | <u>486</u> | <u>-</u> |
| Department of Defense | | | | |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services 07/08 DSMOA Cooperative Agreement Former Melvin Price Support Center | 12.113 | IL-18-8 W911S7-06-P0110 | 1,153 18 | - - |
| Total Department of Defense | | | <u>1,171</u> | <u>-</u> |
| Received from Department of Transportation | | | | |
| Highway Planning and Construction | 20.205 | C-75-005-06 | 587 | - |
| Total Department of Transportation | | | <u>587</u> | <u>-</u> |
| Grand Totals | | | <u>\$ 64,277</u> | <u>\$ 6,011</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of Illinois Environmental Protection Agency (Agency). A general description of the reporting entity can be found in Note 1 of the Fund 0270-Water Revolving Fund financial statements and within the State of Illinois Comprehensive Annual Financial Report. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois 62704-1871. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in this schedule.

NOTE 2 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards was prepared on a cash basis of accounting.

NOTE 3 - INDIRECT COSTS

In accordance with Attachment A to Office of Management and Budget Circular A-87 "Cost Principles for State and Local Governments", rates have been established by the Agency in allocating indirect costs to federal programs. The Agency's federal cognizant agency, the United States Environmental Protection Agency has approved the following indirect cost rates for fiscal year 2008:

| <u>Division</u> | |
|-------------------------|--------|
| Land Pollution Control | 41.89% |
| Water Pollution Control | 25.02% |
| Bureau of Air | 31.68% |
| All Other Divisions | 11.86% |

The purpose of an indirect cost reimbursement rate is to provide funding for allowable program costs that, by definition, are incurred for a common or joint purpose and are not readily assignable to the specific cost objectives benefited without effort disproportionate to the results achieved. The Agency considers indirect cost reimbursements to be federal funds and deposits all indirect cost recoveries into the U.S. Environmental Protection Fund.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 - CAPITALIZATION GRANT PAYMENTS

Payments to municipalities were made in two programs during fiscal year 2008. \$15,000 (in thousands) was paid to municipalities from the Capitalization Grants for State Revolving Funds (66.458) program and \$7,928 (in thousands) was paid to municipalities from the Capitalization Grants for Drinking Water State Revolving Fund (66.468) program.

NOTE 5 - NON-CASH ASSISTANCE

The Agency did not receive any federal non-cash assistance during the fiscal year ended June 30, 2008.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <u>U.S. Environmental Protection Agency</u> | | | |
| Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | 66.034 | | |
| National Air Toxics Monitoring | | XA965430-01 | \$ 35 |
| National Air Toxics Monitoring (Great Lakes Commission) | | MOAIL-9 | 39 |
| Diesel Retrofit Technology | | XA83218101 | (60) |
| 103 PM 2.5 Monitoring Grant | | PM98577102-0 | 776 |
| | | | <u>790</u> |
| Water Pollution State, Interstate, and Tribal Program Support 01 106(b) Supplemental | 66.419 | 19756001-0 | <u>171</u> |
| Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104 (b) (3) of the Clean Water Act | 66.436 | | |
| Lake Bloomington | | X796574801 | 16 |
| Raccoon Lake | | X796568901 | 9 |
| | | | <u>25</u> |
| Water Quality Management Planning 04 604(b) 03 604(b) | 66.454 | C6995911-02 C6995911-03 | 140 287 |
| | | | <u>427</u> |
| Nonpoint Source Implementation Grants 05 319 TMDL 06 319(h) 00 319(h) 01 319(h) 02 319(h) 03 319(h) 04 319(h) 05 319(h) | 66.460 | C996577001 C9995010-06 C9995010-00 C9995010-01 C9995010-02 C9995010-03 C9995200-04 C9995200-05 | 362 148 173 1,086 2,502 1,254 2,181 1,654 |
| | | | <u>9,360</u> |
| National Pollutant Discharge Elimination Water Quality Cooperative Agreements 104 b 3 Nutrient Standards Fox River Watershed 05 104 b 3 NPDES | 66.463 | CP965592-01 X7965258-01 | 235 60 36 |
| | | | <u>331</u> |
| Great Lakes Program | 66.469 | | <u>11</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|-----------------------------------------|
| Wastewater Operator Training Grant Program (Technical Assistance) 07 104(g) | 66.467 | | <u>6</u> |
| State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs Water Operator Certification | 66.471 | CT975609-01 | <u>120</u> |
| Water Protection Grants to the States Water Counter Terrorism | 66.474 | WP97520001-01 | <u>247</u> |
| Air Pollution Control Research Air Bio Watch | 66.500 | BW96502201 | <u>236</u> |
| Performance Partnership Grants Performance Partnership Agreement FY07 Performance Partnership Agreement FY06 | 66.605 | BG985428-07 BG985428-06 | 15,282 <u>4,102</u> <u>19,384</u> |
| Surveys, Studies, Investigations and Special Purpose Grants Air Toxic Chicago 02 104 B 3 TMDL | 66.606 | X975767-01 X995520-02 | 37 <u>1,046</u> <u>1,083</u> |
| Environmental Policy and Innovation Grants | 66.611 | | <u>4</u> |
| Environmental Information Exchange Network Grant Program and Related Assistance 04 Environmental Information Exchange | 66.608 | OS831963-01 | 108 <u>108</u> |
| Pollution Prevention Grants Program Metal Working Fluids 04 Pollution Prevention | 66.708 | NP965092-01 | 11 <u>70</u> <u>81</u> |
| Multi-media Capacity Building Grants for States and Tribes Multi Media Assistance | 66.709 | | <u>104</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures |
|----------------------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------------------|
| Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements | 66.802 | | |
| SE Rockford 9,10,11 | | | 10 |
| 06 Site Assessment | | V96582401 | 312 |
| 07/08 Site Assessment | | | 198 |
| Beloit | | V96582701 | 332 |
| South East Rockford Groundwater | | V965651-01 | 58 |
| Hegler Zinc Superfund Site | | V96595201 | (31) |
| Jennison Wright Superfund | | V965480-01 | 73 |
| SE Rockford Area 7 | | V965588-01 | 138 |
| Superfund Block Grant III | | V965443-01 | 137 |
| | | | <u>1,227</u> |
| Leaking Underground Storage Tank Trust Fund | 66.805 | | |
| 07/08 LUST | | | 1,750 |
| 06 LUST first 3 months | | | 425 |
| 06 LUST | | LS975157062 | 737 |
| | | | <u>2,912</u> |
| Superfund State and Indian Tribe Core Program Cooperative Agreements | 66.809 | | |
| 07/08 Core | | | 106 |
| 05/06 Core | | VC965869-01 | 388 |
| | | | <u>494</u> |
| State and Tribal Response Program Grants | 66.817 | | |
| Brownfields 128 (a) | | RP965079-02 | 1,115 |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | | |
| 05 State Water Revolving Fund | | CS170001-05 | 43,074 |
| Capitalization Grants for Drinking Water State Revolving Fund | 66.468 | | |
| 04 Drinking Water Revolving Loan Program | | FS985777-04 | 5,065 |
| 05 Drinking Water Loan | | FS985777-05 | 30,800 |
| 06 Drinking Water Loan | | FS985777-06 | 1,193 |
| 03 Drinking Water Revolving Loan Program | | FS985777-03 | 186 |
| | | | <u>37,244</u> |
| Total U.S. Environmental Protection Agency | | | <u><u>118,554</u></u> |
| Department of Interior | | | |
| State Memorandum Agreement | 15.xxx | | |
| Crab Orchard | | 301810J022 | 95 |
| Total Department of Interior | | | <u><u>95</u></u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007
(in thousands)**

| Federal Grantor/ Pass-through Agency Program Title | Federal CFDA Number | Grant I.D. Number | Total Program Expenditures |
|--------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------------------|
| Department of Homeland Security | | | |
| Homeland Security Biowatch Program | 97.091 | | 583 |
| Bio-Watch | | | 583 |
| Total Department of Homeland Security | | | <u>583</u> |
| Department of Defense | | | |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services | 12.113 | | |
| 03/04 DSMOA Cooperative Agreement | | IL-18-3 | 76 |
| 07/08 DSMOA Cooperative Agreement | | IL-18-8 | 807 |
| Former Melvin Price Support Center | | | 5 |
| Total Department of Defense | | | <u>888</u> |
| Received from Department of Transportation | | | |
| Highway Planning and Construction | 20.205 | | 367 |
| Total Department of Transportation | | | <u>367</u> |
| Grand Totals | | | <u>\$ 120,487</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of Illinois Environmental Protection Agency (Agency). A general description of the reporting entity can be found in Note 1 of the Fund 0270-Water Revolving Fund financial statements and within the State of Illinois Comprehensive Annual Financial Report. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, Illinois 62704-1871. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in this schedule.

NOTE 2 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting.

NOTE 3 - INDIRECT COSTS

In accordance with Attachment A to Office of Management and Budget Circular A-87 "Cost Principles for State and Local Governments", rates have been established by the Agency in allocating indirect costs to federal programs. The Agency's federal cognizant agency, the United States Environmental Protection Agency has approved the following indirect cost rates for fiscal year 2007:

| <u>Division</u> | |
|-------------------------|--------|
| Land Pollution Control | 37.30% |
| Water Pollution Control | 28.08% |
| Bureau of Air | 31.32% |
| All Other Divisions | 14.78% |

The purpose of an indirect cost reimbursement rate is to provide funding for allowable program costs that, by definition, are incurred for a common or joint purpose and are not readily assignable to the specific cost objectives benefited without effort disproportionate to the results achieved. The Agency considers indirect cost reimbursements to be federal funds and deposits all indirect cost recoveries into the U.S. Environmental Protection Fund.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 4 – NEGATIVE CURRENT YEAR EXPENDITURES

The fiscal year 2007 expenditures for CFDA Number 66.034 had negative expenditures for an individual grant during 2007 as a result of a refund received by the original grantee. The grant was subsequently re-awarded to another grantee. The negative expenditures for CFDA Number 66.802 was as a result of an overdraw of grant funds for an individual grant. This overdraw was refunded to U.S. EPA in fiscal year 2008.

The Agency is not allowed to adjust the prior year receivables on the GAAP forms and have been instructed by the Office of the Comptroller personnel to adjust the receivables through the current year expenditures.

NOTE 5 - CAPITALIZATION GRANT PAYMENTS

Payments to municipalities were made in two programs during fiscal year 2007. \$43,074 (in thousands) was paid to municipalities from the Capitalization Grants for State Revolving Funds (66.458) program and \$42,855 (in thousands) was paid to municipalities from the Capitalization Grants for Drinking Water State Revolving Fund (66.468) program.

NOTE 6 - NON-CASH ASSISTANCE

The Agency did not receive any federal non-cash assistance during the fiscal year ended June 30, 2007.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
FOR FISCAL YEAR 2008
FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances | |
|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------|----------------------|
| | | | | | Reappropriated July 1 | Lapsed August 31 |
| Appropriated Funds | | | | | | |
| General Revenue Fund - 0001 | \$ 1,581,600 | \$ 1,266,730 | \$ 10,679 | \$ 1,277,409 | \$ - | \$ 304,191 |
| Industrial Hygiene Regulatory and Enforcement Fund- 0049 | 5,000 | - | - | - | - | 5,000 |
| U.S. Environmental Protection Fund - 0065 | 56,542,600 | 36,544,610 | 2,934,535 | 39,479,145 | - | 17,063,455 |
| Underground Storage Tank Fund - 0072 | 68,354,100 | 57,853,771 | 41,820 | 57,895,591 | - | 10,458,509 |
| EPA Special State Projects Trust Fund - 0074 | 3,200,000 | 799,529 | 27,640 | 827,169 | - | 2,372,831 |
| Solid Waste Management Fund - 0078 | 15,628,200 | 13,594,093 | 606,643 | 14,200,736 | - | 1,427,464 |
| Subtitle D Management Fund - 0089 | 2,831,400 | 2,453,397 | 35,909 | 2,489,306 | - | 342,094 |
| Clean Air Act (CAA) Permit Fund - 0091 | 19,910,100 | 17,495,002 | 267,472 | 17,762,474 | - | 2,147,626 |
| Brownfields Redevelopment Fund - 0214 | 15,847,200 | 2,131,856 | 172,051 | 2,303,907 | - | 13,543,293 |
| Water Pollution Control Revolving Fund - 0270 | 878,479,911 | 177,122,960 | 378,257 | 177,501,217 | 699,421,584 | 1,557,110 |
| Pollution Control Board Fund - 0277 | 18,200 | 8,985 | (323) | 8,662 | - | 9,538 |
| Hazardous Waste Occupational Licensing Fund - 0282 | 95,000 | 10,281 | 5,590 | 15,871 | - | 79,129 |
| Community Water Supply Laboratory Fund - 0288 | 3,156,700 | 1,324,844 | 78,148 | 1,402,992 | - | 1,753,708 |
| Used Tire Management Fund - 0294 | 7,569,200 | 6,075,169 | 780,097 | 6,855,266 | - | 713,934 |
| Environmental Laboratory Certification Fund - 0336 | 678,300 | 497,873 | 1,447 | 499,320 | - | 178,980 |
| Alternative Fuels Fund - 0422 | 1,725,000 | 564,534 | 96,610 | 661,144 | - | 1,063,856 |
| Anti-Pollution Fund - 0551 | 15,217,187 | 45,071 | - | 45,071 | 6,229,716 | 8,942,400 |
| Conservation 2000 Fund - 0608 | 3,799,078 | 1,019,017 | 104,780 | 1,123,797 | 2,675,268 | 13 |
| Illinois Clean Water Fund - 0731 | 8,506,100 | 7,759,188 | 230,452 | 7,989,640 | - | 516,460 |
| Alternate Compliance Market Fund - 0738 | 150,000 | 108,043 | - | 108,043 | - | 41,957 |
| Oil Spill Response Fund - 0774 | 150,000 | 35,854 | 46,481 | 82,335 | - | 67,665 |
| Hazardous Waste Fund - 0828 | 29,239,900 | 21,335,624 | 510,829 | 21,846,453 | - | 7,393,447 |
| Environmental Protection Trust Fund - 0845 | 6,000,000 | 5,400,000 | - | 5,400,000 | - | 600,000 |
| Environmental Protection Permit and Inspection Fund- 0944 | 12,114,700 | 10,440,088 | 346,806 | 10,786,894 | - | 1,327,806 |
| Landfill Closure and Post-Closure Fund - 0945 | 500,000 | - | - | - | - | 500,000 |
| Vehicle Inspection Fund - 0963 | 28,279,024 | 24,231,121 | 2,083,602 | 26,314,723 | - | 1,964,301 |
| Build Illinois Bond Fund - 0971 | 98,959,168 | 5,149,376 | - | 5,149,376 | 93,809,792 | - |
| Total Appropriated Funds | \$ 1,278,537,668 | 393,267,016 | 8,759,525 | 402,026,541 | \$ 802,136,360 | \$ 74,374,767 |
| Non-appropriated Funds | | | | | | |
| EPA Special State Projects Trust Fund - 0074 | | 894,829 | 76,838 | 971,667 | | |
| Pollution Control Board State Trust Fund - 0207 | | 176,825 | 137,522 | 314,347 | | |
| Total Non-appropriated Funds | | 1,071,654 | 214,360 | 1,286,014 | | |
| Total All Funds | | \$ 394,338,670 | \$ 8,973,885 | \$ 403,312,555 | | |

Note: All data on this schedule has been taken from Agency records and reconciled to records of the Office of the Comptroller.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
FOR FISCAL YEAR 2007
FOURTEEN MONTHS ENDED AUGUST 31, 2007**

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures | | Total Expenditures 14 Months Ended August 31 | Balances | |
|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------|-------------|-------------------------------------------------------|--------------------------|-----------------------|
| | | | July 1 to August 31 | August 31 | | Reappropriated July 1 | Lapsed August 31 |
| Appropriated Funds | | | | | | | |
| General Revenue Fund - 0001 | \$ 1,229,100 | \$ 1,211,793 | \$ 13,482 | \$ - | \$ 1,225,275 | \$ - | \$ 3,825 |
| Industrial Hygiene Regulatory and Enforcement Fund- 0049 | 10,000 | 4,153 | - | - | 4,153 | - | 5,847 |
| U.S. Environmental Protection Fund - 0065 | 57,318,700 | 32,303,147 | 4,277,292 | - | 36,580,439 | - | 20,738,261 |
| Underground Storage Tank Fund - 0072 | 79,643,500 | 54,569,779 | 53,023 | - | 54,622,802 | - | 25,020,698 |
| EPA Special State Projects Trust Fund - 0074 | 3,200,000 | 482,629 | 55,475 | - | 538,104 | - | 2,661,896 |
| Solid Waste Management Fund - 0078 | 14,974,100 | 11,978,737 | 734,241 | - | 12,712,978 | - | 2,261,122 |
| Subtle D Management Fund - 0089 | 2,619,600 | 2,210,883 | 105,490 | - | 2,316,373 | - | 303,227 |
| Clean Air Act (CAA) Permit Fund - 0091 | 19,328,600 | 16,521,038 | 431,579 | - | 16,952,617 | - | 2,375,983 |
| Brownfields Redevelopment Fund - 0214 | 9,563,000 | 3,128,625 | 21,069 | - | 3,149,694 | - | 6,413,306 |
| Water Pollution Control Revolving Fund - 0270 | 848,236,134 | 192,362,819 | 531,581 | - | 192,894,400 | 592,700,593 | 62,641,141 |
| Pollution Control Board Fund - 0277 | 17,500 | 4,103 | 350 | - | 4,453 | - | 13,047 |
| Hazardous Waste Occupational Licensing Fund - 0282 | 95,000 | 54,891 | 1,498 | - | 56,389 | - | 38,611 |
| Community Water Supply Laboratory Fund - 0288 | 3,164,300 | 2,115,286 | 158,945 | - | 2,274,231 | - | 890,069 |
| Used Tire Management Fund - 0294 | 5,963,100 | 4,591,221 | 567,241 | - | 5,158,462 | - | 804,638 |
| Environmental Laboratory Certification Fund - 0336 | 665,800 | 429,974 | 16,558 | - | 446,532 | - | 219,268 |
| Alternative Fuels Fund - 0422 | 1,700,000 | 393,580 | 10,514 | - | 404,094 | - | 1,295,906 |
| Anti-Pollution Fund - 0551 | 15,984,819 | 767,632 | - | - | 767,632 | 15,217,187 | - |
| Conservation 2000 Fund - 0608 | 5,988,290 | 1,677,808 | 109,034 | - | 1,786,842 | 3,197,378 | 1,004,070 |
| Illinois Clean Water Fund - 0731 | 8,300,400 | 7,451,887 | 283,145 | - | 7,735,032 | - | 565,368 |
| Alternate Compliance Market Fund - 0738 | 150,000 | - | 104,850 | - | 104,850 | - | 45,150 |
| Oil Spill Response Fund - 0774 | 150,000 | 84,743 | 53,979 | - | 138,722 | - | 11,278 |
| Hazardous Waste Fund - 0828 | 27,221,400 | 14,640,547 | 1,380,295 | - | 16,020,842 | - | 11,200,558 |
| Environmental Protection Trust Fund - 0845 | 6,000,000 | 5,150,000 | - | - | 5,150,000 | - | 850,000 |
| Environmental Protection Permit and Inspection Fund- 0944 | 12,936,100 | 11,178,727 | 270,035 | - | 11,448,762 | - | 1,487,338 |
| Landfill Closure and Post-Closure Fund - 0945 | 500,000 | 106,276 | - | - | 106,276 | - | 393,724 |
| Vehicle Inspection Fund - 0963 | 61,305,300 | 37,527,309 | 2,409,401 | - | 39,936,710 | - | 21,368,590 |
| Build Illinois Bond Fund - 0971 | 113,588,300 | 14,629,132 | - | - | 14,629,132 | 98,959,168 | - |
| Total Appropriated Funds | \$ 1,299,853,043 | 415,576,719 | 11,589,077 | \$ - | 427,165,796 | \$ 710,074,326 | \$ 162,612,921 |
| Non-appropriated Funds | | | | | | | |
| EPA Special State Projects Trust Fund - 0074 | | 546,477 | 187,211 | - | 733,688 | - | - |
| Pollution Control Board State Trust Fund - 0207 | | 595,755 | 88,806 | - | 684,561 | - | - |
| Total Non-appropriated Funds | | 1,142,232 | 276,017 | \$ - | 1,418,249 | \$ - | \$ - |
| Total All Funds | | \$ 416,718,951 | \$ 11,865,094 | \$ - | \$ 428,584,045 | \$ 710,074,326 | \$ 162,612,921 |

Note: All data on this schedule has been taken from Agency records and reconciled to records of the Office of the Comptroller.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-----------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| General Revenue Fund - 0001 | | | | | | |
| Administration | \$ 1,581,600 | \$ 1,266,730 | \$ 10,679 | \$ 1,277,409 | \$ - | \$ 304,191 |
| Total General Revenue Fund | 1,581,600 | 1,266,730 | 10,679 | 1,277,409 | - | 304,191 |
| Industrial Hygiene Fund - 0049 | | | | | | |
| Administration | 5,000 | - | - | - | - | 5,000 |
| Total Industrial Hygiene Fund | 5,000 | - | - | - | - | 5,000 |
| U.S. Environmental Protection Fund - 0065 | | | | | | |
| Administration | 2,525,900 | 1,732,751 | 265,880 | 1,998,631 | - | 527,269 |
| Air Pollution Control | 8,207,300 | 5,534,802 | 560,621 | 6,095,423 | - | 2,111,877 |
| Land Pollution Control | 19,326,900 | 12,560,743 | 91,749 | 12,652,492 | - | 6,674,408 |
| Bureau of Water | 26,132,400 | 16,466,952 | 2,011,236 | 18,478,188 | - | 7,654,212 |
| Shared Services | 350,100 | 249,362 | 5,049 | 254,411 | - | 95,689 |
| Total U.S. Environmental Protection Fund | 56,542,600 | 36,544,610 | 2,934,535 | 39,479,145 | - | 17,063,455 |
| Underground Storage Tank Fund - 0072 | | | | | | |
| Administration | 434,600 | 393,971 | - | 393,971 | - | 40,629 |
| Land Pollution Control | 67,855,900 | 57,407,703 | 41,820 | 57,449,523 | - | 10,406,377 |
| Shared Services | 63,600 | 52,097 | - | 52,097 | - | 11,503 |
| Total Underground Storage Tank Fund | 68,354,100 | 57,853,771 | 41,820 | 57,895,591 | - | 10,458,509 |
| EPA Special State Projects Trust Fund - 0074 | | | | | | |
| Administration | 300,000 | 135,886 | 937 | 136,823 | - | 163,177 |
| Air Pollution Control | 1,500,000 | 301,147 | - | 301,147 | - | 1,198,853 |
| Laboratory Services | 150,000 | 3,690 | 796 | 4,486 | - | 145,514 |
| Land Pollution Control | 450,000 | 104,625 | - | 104,625 | - | 345,375 |
| Bureau of Water | 800,000 | 254,181 | 25,907 | 280,088 | - | 519,912 |
| Total EPA Special State Projects Trust Fund | 3,200,000 | 799,529 | 27,640 | 827,169 | - | 2,372,831 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Solid Waste Management Fund - 0078 | | | | | | |
| Administration | \$ 433,500 | \$ 255,984 | \$ 3,750 | \$ 259,734 | \$ - | \$ 173,766 |
| Land Pollution Control | 15,067,400 | 13,237,174 | 596,399 | 13,833,573 | - | 1,233,827 |
| Shared Services | 127,300 | 100,935 | 6,494 | 107,429 | - | 19,871 |
| Total Solid Waste Management Fund | 15,628,200 | 13,594,093 | 606,643 | 14,200,736 | - | 1,427,464 |
| Subtitle D Management Fund - 0089 | | | | | | |
| Administration | 111,200 | 111,200 | - | 111,200 | - | - |
| Land Pollution Control | 2,689,800 | 2,315,383 | 35,909 | 2,351,292 | - | 338,508 |
| Shared Services | 30,400 | 26,814 | - | 26,814 | - | 3,586 |
| Total Subtitle D Management Fund | 2,831,400 | 2,453,397 | 35,909 | 2,489,306 | - | 342,094 |
| Clean Air Act (CAA) Permit Fund - 0091 | | | | | | |
| Administration | 2,247,000 | 2,219,860 | 25,231 | 2,245,091 | - | 1,909 |
| Air Pollution Control | 16,351,800 | 14,064,332 | 240,374 | 14,304,706 | - | 2,047,094 |
| Pollution Control Board | 1,096,800 | 1,028,261 | 1,867 | 1,030,128 | - | 66,672 |
| Shared Services | 214,500 | 182,549 | - | 182,549 | - | 31,951 |
| Total Clean Air Act (CAA) Permit Fund | 19,910,100 | 17,495,002 | 267,472 | 17,762,474 | - | 2,147,626 |
| Brownfields Redevelopment Fund - 0214 | | | | | | |
| Land Pollution Control | 15,847,200 | 2,131,856 | 172,051 | 2,303,907 | - | 13,543,293 |
| Total Brownfields Redevelopment Fund | 15,847,200 | 2,131,856 | 172,051 | 2,303,907 | - | 13,543,293 |
| Water Pollution Control Revolving Fund - 0270 | | | | | | |
| Administration | 1,228,000 | 1,005,423 | 222,577 | 1,228,000 | - | - |
| Bureau of Water | 877,064,911 | 175,961,466 | 155,498 | 176,116,964 | 699,421,584 | 1,526,363 |
| Shared Services | 187,000 | 156,071 | 182 | 156,253 | - | 30,747 |
| Total Water Pollution Control Revolving Fund | 878,479,911 | 177,122,960 | 378,257 | 177,501,217 | 699,421,584 | 1,557,110 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAFSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|---------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Pollution Control Board Fund - 0277 | | | | | | |
| Pollution Control Board | \$ 18,200 | \$ 8,985 | \$ (323) | \$ 8,662 | \$ - | \$ 9,538 |
| Total Pollution Control Board Fund | 18,200 | 8,985 | (323) | 8,662 | - | 9,538 |
| Hazardous Waste Occupational Licensing Fund - 0282 | | | | | | |
| Land Pollution Control | 95,000 | 10,281 | 5,590 | 15,871 | - | 79,129 |
| Total Hazardous Waste Occupational Licensing Fund | 95,000 | 10,281 | 5,590 | 15,871 | - | 79,129 |
| Community Water Supply Laboratory Fund - 0288 | | | | | | |
| Administration | 153,600 | - | - | - | - | 153,600 |
| Laboratory Services | 3,003,100 | 1,324,844 | 78,148 | 1,402,992 | - | 1,600,108 |
| Total Community Water Supply Laboratory Fund | 3,156,700 | 1,324,844 | 78,148 | 1,402,992 | - | 1,753,708 |
| Used Tire Management Fund - 0294 | | | | | | |
| Administration | 371,800 | 371,800 | - | 371,800 | - | - |
| Land Pollution Control | 7,123,500 | 5,632,609 | 778,838 | 6,411,447 | - | 712,053 |
| Pollution Control Board | 18,500 | 18,179 | 321 | 18,500 | - | - |
| Shared Services | 55,400 | 52,581 | 938 | 53,519 | - | 1,881 |
| Total Used Tire Management Fund | 7,569,200 | 6,075,169 | 780,097 | 6,855,266 | - | 713,934 |
| Environmental Laboratory Certification Fund - 0336 | | | | | | |
| Laboratory Services | 678,300 | 497,873 | 1,447 | 499,320 | - | 178,980 |
| Total Environmental Laboratory Certification Fund | 678,300 | 497,873 | 1,447 | 499,320 | - | 178,980 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Alternative Fuels Fund - 0422 | | | | | | |
| Air Pollution Control | \$ 1,725,000 | \$ 564,534 | \$ 96,610 | \$ 661,144 | \$ - | \$ 1,063,856 |
| Total Alternative Fuels Fund | 1,725,000 | 564,534 | 96,610 | 661,144 | - | 1,063,856 |
| Anti-Pollution Fund - 0551 | | | | | | |
| Bureau of Water | 15,217,187 | 45,071 | - | 45,071 | 6,229,716 | 8,942,400 |
| Total Anti-Pollution Fund | 15,217,187 | 45,071 | - | 45,071 | 6,229,716 | 8,942,400 |
| Conservation 2000 Fund - 0608 | | | | | | |
| Administration | 31,100 | 31,100 | - | 31,100 | - | - |
| Bureau of Water | 3,767,978 | 987,917 | 104,780 | 1,092,697 | 2,675,268 | 13 |
| Total Conservation 2000 Fund | 3,799,078 | 1,019,017 | 104,780 | 1,123,797 | 2,675,268 | 13 |
| Illinois Clean Water Fund - 0731 | | | | | | |
| Administration | 863,700 | 720,685 | 142,904 | 863,589 | - | 111 |
| Bureau of Water | 7,546,900 | 6,950,845 | 87,548 | 7,038,393 | - | 508,507 |
| Shared Services | 95,500 | 87,658 | - | 87,658 | - | 7,842 |
| Total Illinois Clean Water Fund | 8,506,100 | 7,759,188 | 230,452 | 7,989,640 | - | 516,460 |
| Alternate Compliance Market Fund - 0738 | | | | | | |
| Air Pollution Control | 150,000 | 108,043 | - | 108,043 | - | 41,957 |
| Total Alternate Compliance Market Fund | 150,000 | 108,043 | - | 108,043 | - | 41,957 |
| Oil Spill Response Fund - 0774 | | | | | | |
| Administration | 150,000 | 35,854 | 46,481 | 82,335 | - | 67,665 |
| Total Oil Spill Response Fund | 150,000 | 35,854 | 46,481 | 82,335 | - | 67,665 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-----------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Hazardous Waste Fund - 0828 | | | | | | |
| Administration | \$ 589,000 | \$ 458,202 | \$ 82,853 | \$ 541,055 | \$ - | \$ 47,945 |
| Land Pollution Control | 28,028,600 | 20,343,887 | 417,513 | 20,761,400 | - | 7,267,200 |
| Bureau of Water | 515,800 | 439,620 | 10,463 | 450,083 | - | 65,717 |
| Shared Services | 106,500 | 93,915 | - | 93,915 | - | 12,585 |
| Total Hazardous Waste Fund | 29,239,900 | 21,335,624 | 510,829 | 21,846,453 | - | 7,393,447 |
| Environmental Protection Trust Fund - 0845 | | | | | | |
| Administration | 6,000,000 | 5,400,000 | - | 5,400,000 | - | 600,000 |
| Total Environmental Protection Trust Fund | 6,000,000 | 5,400,000 | - | 5,400,000 | - | 600,000 |
| Environmental Protection Permit and Inspection Fund - 0944 | | | | | | |
| Administration | 731,700 | 510,805 | 151,154 | 661,959 | - | 69,741 |
| Air Pollution Control | 4,874,200 | 4,295,314 | 160,478 | 4,455,792 | - | 418,408 |
| Land Pollution Control | 2,917,700 | 2,482,367 | 6,749 | 2,489,116 | - | 428,584 |
| Bureau of Water | 2,418,400 | 2,088,903 | 26,077 | 2,114,980 | - | 303,420 |
| Pollution Control Board | 1,030,200 | 999,174 | 2,348 | 1,001,522 | - | 28,678 |
| Shared Services | 142,500 | 63,525 | - | 63,525 | - | 78,975 |
| Total Environmental Protection Permit and Inspection Fund | 12,114,700 | 10,440,088 | 346,806 | 10,786,894 | - | 1,327,806 |
| Landfill Closure and Post-Closure Fund - 0945 | | | | | | |
| Land Pollution Control | 500,000 | - | - | - | - | 500,000 |
| Total Landfill Closure and Post-Closure Fund | 500,000 | - | - | - | - | 500,000 |
| Vehicle Inspection Fund - 0963 | | | | | | |
| Administration | 585,100 | 334,195 | 10,163 | 344,358 | - | 240,742 |
| Air Pollution Control | 27,591,524 | 23,814,550 | 2,072,974 | 25,887,524 | - | 1,704,000 |
| Shared Services | 102,400 | 82,376 | 465 | 82,841 | - | 19,559 |
| Total Vehicle Inspection Fund | 28,279,024 | 24,231,121 | 2,083,602 | 26,314,723 | - | 1,964,301 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAFSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2008
 FOURTEEN MONTHS ENDED AUGUST 31, 2008

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Build Illinois Bond Fund - 0971 | | | | | | |
| Administration | \$ 54,285,360 | \$ 5,010,153 | \$ - | \$ 5,010,153 | \$ 49,275,207 | \$ - |
| Land Pollution Control | 19,000,000 | - | - | - | 19,000,000 | - |
| Bureau of Water | 25,673,808 | 139,223 | - | 139,223 | 25,534,585 | - |
| Total Build Illinois Bond Fund | 98,959,168 | 5,149,376 | - | 5,149,376 | 93,809,792 | - |
| Subtotal - Appropriated Funds | \$ 1,278,537,668 | 393,267,016 | 8,759,525 | 402,026,541 | \$ 802,136,360 | \$ 74,374,767 |
| Non-appropriated Expenditures | | | | | | |
| EPA Special State Projects Trust Fund - 0074 | | | | | | |
| Administration | | 894,829 | 76,838 | 971,667 | | |
| Total EPA Special State Projects Trust Fund | | 894,829 | 76,838 | 971,667 | | |
| Pollution Control Board State Trust Fund - 0207 | | | | | | |
| Pollution Control Board | | 176,825 | 137,522 | 314,347 | | |
| Total Pollution Control Board State Trust Fund | | 176,825 | 137,522 | 314,347 | | |
| Subtotal - Appropriated Funds | | 1,071,654 | 214,360 | 1,286,014 | | |
| Total - All Funds | \$ 1,278,537,668 | \$ 394,338,670 | \$ 8,973,885 | \$ 403,312,555 | | |

Notes:

- 1) We have not performed any procedures on the expenditures related to Division 70 (Pollution Control Board). The expenditures were tested in a separate examination of the Pollution Control Board.
- 2) All appropriations received pursuant to Public Act 95-0348
- 3) All data on this schedule has been taken from records of the Agency and reconciled with State Comptroller records.

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-----------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| General Revenue Fund - 0001 | | | | | | |
| Administration | \$ 1,229,100 | \$ 1,211,793 | \$ 13,482 | \$ 1,225,275 | \$ - | \$ 3,825 |
| Total General Revenue Fund | 1,229,100 | 1,211,793 | 13,482 | 1,225,275 | - | 3,825 |
| Industrial Hygiene Fund - 0049 | | | | | | |
| Administration | 10,000 | 4,153 | - | 4,153 | - | 5,847 |
| Total Industrial Hygiene Fund | 10,000 | 4,153 | - | 4,153 | - | 5,847 |
| U.S. Environmental Protection Fund - 0065 | | | | | | |
| Administration | 3,459,300 | 1,593,981 | 750,240 | 2,344,221 | - | 1,115,079 |
| Air Pollution Control | 7,956,700 | 5,010,312 | 271,936 | 5,282,248 | - | 2,674,452 |
| Land Pollution Control | 20,274,800 | 9,523,306 | 139,933 | 9,663,239 | - | 10,611,561 |
| Bureau of Water | 25,627,900 | 16,175,548 | 3,115,183 | 19,290,731 | - | 6,337,169 |
| Total U.S. Environmental Protection Fund | 57,318,700 | 32,303,147 | 4,277,292 | 36,580,439 | - | 20,738,261 |
| Underground Storage Tank Fund - 0072 | | | | | | |
| Administration | 237,400 | 234,900 | 683 | 235,583 | - | 1,817 |
| Land Pollution Control | 79,406,100 | 54,334,879 | 52,340 | 54,387,219 | - | 25,018,881 |
| Total Underground Storage Tank Fund | 79,643,500 | 54,569,779 | 53,023 | 54,622,802 | - | 25,020,698 |
| EPA Special State Projects Trust Fund - 0074 | | | | | | |
| Administration | 200,000 | 135,364 | 8,296 | 143,660 | - | 56,340 |
| Air Pollution Control | 1,500,000 | - | - | - | - | 1,500,000 |
| Laboratory Services | 150,000 | 19,215 | 858 | 20,073 | - | 129,927 |
| Land Pollution Control | 450,000 | 318,050 | - | 318,050 | - | 131,950 |
| Bureau of Water | 900,000 | 10,000 | 46,321 | 56,321 | - | 843,679 |
| Total EPA Special State Projects Trust Fund | 3,200,000 | 482,629 | 55,475 | 538,104 | - | 2,661,896 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Solid Waste Management Fund - 0078 | | | | | | |
| Administration | \$ 354,300 | \$ 276,998 | \$ 1,708 | \$ 278,706 | \$ - | \$ 75,594 |
| Land Pollution Control | 14,619,800 | 11,701,739 | 732,533 | 12,434,272 | - | 2,185,528 |
| Total Solid Waste Management Fund | 14,974,100 | 11,978,737 | 734,241 | 12,712,978 | - | 2,261,122 |
| Subtitle D Management Fund - 0089 | | | | | | |
| Administration | 93,900 | 86,227 | - | 86,227 | - | 7,673 |
| Land Pollution Control | 2,525,700 | 2,124,656 | 105,490 | 2,230,146 | - | 295,554 |
| Total Subtitle D Management Fund | 2,619,600 | 2,210,883 | 105,490 | 2,316,373 | - | 303,227 |
| Clean Air Act (CAA) Permit Fund - 0091 | | | | | | |
| Administration | 1,957,800 | 1,724,269 | 123,635 | 1,847,904 | - | 109,896 |
| Air Pollution Control | 16,324,000 | 13,819,224 | 305,530 | 14,124,754 | - | 2,199,246 |
| Pollution Control Board | 1,046,800 | 977,545 | 2,414 | 979,959 | - | 66,841 |
| Total Clean Air Act (CAA) Permit Fund | 19,328,600 | 16,521,038 | 431,579 | 16,952,617 | - | 2,375,983 |
| Brownfields Redevelopment Fund - 0214 | | | | | | |
| Land Pollution Control | 9,563,000 | 3,128,625 | 21,069 | 3,149,694 | - | 6,413,306 |
| Total Brownfields Redevelopment Fund | 9,563,000 | 3,128,625 | 21,069 | 3,149,694 | - | 6,413,306 |
| Water Pollution Control Revolving Fund - 0270 | | | | | | |
| Administration | 1,099,800 | 774,652 | 34,069 | 808,721 | - | 291,079 |
| Bureau of Water | 847,136,334 | 191,588,167 | 497,512 | 192,085,679 | 592,700,593 | 62,350,062 |
| Total Water Pollution Control Revolving Fund | 848,236,134 | 192,362,819 | 531,581 | 192,894,400 | 592,700,593 | 62,641,141 |
| Pollution Control Board Fund - 0277 | | | | | | |
| Pollution Control Board | 17,500 | 4,103 | 350 | 4,453 | - | 13,047 |
| Total Pollution Control Board Fund | 17,500 | 4,103 | 350 | 4,453 | - | 13,047 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-----------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Hazardous Waste Occupational Licensing Fund - 282 | | | | | | |
| Land Pollution Control | \$ 95,000 | \$ 54,891 | \$ 1,498 | \$ 56,389 | \$ - | \$ 38,611 |
| Total Hazardous Waste Occupational Licensing Fund | 95,000 | 54,891 | 1,498 | 56,389 | - | 38,611 |
| Community Water Supply Laboratory Fund - 0288 | | | | | | |
| Administration | 153,600 | - | - | - | - | 153,600 |
| Laboratory Services | 3,010,700 | 2,115,286 | 158,945 | 2,274,231 | - | 736,469 |
| Total Community Water Supply Laboratory Fund | 3,164,300 | 2,115,286 | 158,945 | 2,274,231 | - | 890,069 |
| Used Tire Management Fund - 0294 | | | | | | |
| Administration | 232,900 | 199,476 | 23,243 | 222,719 | - | 10,181 |
| Land Pollution Control | 5,712,400 | 4,374,553 | 543,951 | 4,918,504 | - | 793,896 |
| Pollution Control Board | 17,800 | 17,192 | 47 | 17,239 | - | 561 |
| Total Used Tire Management Fund | 5,963,100 | 4,591,221 | 567,241 | 5,158,462 | - | 804,638 |
| Environmental Laboratory Certification Fund - 0336 | | | | | | |
| Laboratory Services | 665,800 | 429,974 | 16,558 | 446,532 | - | 219,268 |
| Total Environmental Laboratory Certification Fund | 665,800 | 429,974 | 16,558 | 446,532 | - | 219,268 |
| Alternative Fuels Fund - 0422 | | | | | | |
| Air Pollution Control | 1,700,000 | 393,580 | 10,514 | 404,094 | - | 1,295,906 |
| Total Alternative Fuels Fund | 1,700,000 | 393,580 | 10,514 | 404,094 | - | 1,295,906 |
| Anti-Pollution Fund - 0551 | | | | | | |
| Bureau of Water | 15,984,819 | 767,632 | - | 767,632 | 15,217,187 | - |
| Total Anti-Pollution Fund | 15,984,819 | 767,632 | - | 767,632 | 15,217,187 | - |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|---------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Conservation 2000 Fund - 0608 | | | | | | |
| Administration | \$ 31,100 | \$ 28,544 | - | \$ 28,544 | \$ - | \$ 2,556 |
| Bureau of Water | 5,957,190 | 1,649,264 | 109,034 | 1,758,298 | 3,197,378 | 1,001,514 |
| Total Conservation 2000 Fund | 5,988,290 | 1,677,808 | 109,034 | 1,786,842 | 3,197,378 | 1,004,070 |
| Illinois Clean Water Fund - 0731 | | | | | | |
| Administration | 741,900 | 563,115 | 122,744 | 685,859 | - | 56,041 |
| Bureau of Water | 7,558,500 | 6,888,772 | 160,401 | 7,049,173 | - | 509,327 |
| Total Illinois Clean Water Fund | 8,300,400 | 7,451,887 | 283,145 | 7,735,032 | - | 565,368 |
| Alternate Compliance Market Fund - 0738 | | | | | | |
| Air Pollution Control | 150,000 | - | 104,850 | 104,850 | - | 45,150 |
| Total Alternate Compliance Market Fund | 150,000 | - | 104,850 | 104,850 | - | 45,150 |
| Oil Spill Response Fund - 0774 | | | | | | |
| Administration | 150,000 | 84,743 | 53,979 | 138,722 | - | 11,278 |
| Total Oil Spill Response Fund | 150,000 | 84,743 | 53,979 | 138,722 | - | 11,278 |
| Hazardous Waste Fund - 0828 | | | | | | |
| Administration | 495,600 | 131,846 | 326,928 | 458,774 | - | 36,826 |
| Land Pollution Control | 26,241,000 | 14,111,636 | 1,042,833 | 15,154,469 | - | 11,086,531 |
| Bureau of Water | 484,800 | 397,065 | 10,534 | 407,599 | - | 77,201 |
| Total Hazardous Waste Fund | 27,221,400 | 14,640,547 | 1,380,295 | 16,020,842 | - | 11,200,558 |
| Environmental Protection Trust Fund - 0845 | | | | | | |
| Administration | 6,000,000 | 5,150,000 | - | 5,150,000 | - | 850,000 |
| Total Environmental Protection Trust Fund | 6,000,000 | 5,150,000 | - | 5,150,000 | - | 850,000 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-----------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Environmental Protection Permit and Inspection Fund - 0944 | | | | | | |
| Administration | \$ 958,100 | \$ 821,425 | \$ 109,621 | \$ 931,046 | \$ - | \$ 27,054 |
| Air Pollution Control | 4,919,700 | 4,231,351 | 85,493 | 4,316,844 | - | 602,856 |
| Land Pollution Control | 3,694,700 | 3,277,475 | 6,194 | 3,283,669 | - | 411,031 |
| Bureau of Water Pollution Control Board | 2,398,300 | 1,965,240 | 63,745 | 2,028,985 | - | 369,315 |
| | 965,300 | 883,236 | 4,982 | 888,218 | - | 77,082 |
| Total Environmental Protection Permit and Inspection Fund | 12,936,100 | 11,178,727 | 270,035 | 11,448,762 | - | 1,487,338 |
| Landfill Closure and Post-Closure Fund - 0945 | | | | | | |
| Land Pollution Control | 500,000 | 106,276 | - | 106,276 | - | 393,724 |
| Total Landfill Closure and Post-Closure Fund | 500,000 | 106,276 | - | 106,276 | - | 393,724 |
| Vehicle Inspection Fund - 0963 | | | | | | |
| Administration | 645,100 | 219,425 | 381,580 | 601,005 | - | 44,095 |
| Air Pollution Control | 60,660,200 | 37,307,884 | 2,027,821 | 39,335,705 | - | 21,324,495 |
| Total Vehicle Inspection Fund | 61,305,300 | 37,527,309 | 2,409,401 | 39,936,710 | - | 21,368,590 |
| Build Illinois Bond Fund - 0971 | | | | | | |
| Administration | 60,428,163 | 6,142,803 | - | 6,142,803 | 54,285,360 | - |
| Land Pollution Control | 19,000,000 | - | - | - | 19,000,000 | - |
| Bureau of Water | 34,160,137 | 8,486,329 | - | 8,486,329 | 25,673,808 | - |
| Total Build Illinois Bond Fund | 113,588,300 | 14,629,132 | - | 14,629,132 | 98,959,168 | - |
| Subtotal - Appropriated Funds | \$ 1,299,853,043 | 415,576,719 | 11,589,077 | 427,165,796 | \$ 710,074,326 | \$ 162,612,921 |

STATE OF ILLINOIS
 ENVIRONMENTAL PROTECTION AGENCY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
 FOR FISCAL YEAR 2007
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period Expenditures July 1 to August 31 | Total Expenditures 14 Months Ended August 31 | Balances Reappropriated July 1 | Balances Lapsed August 31 |
|-------------------------------------------------|-----------------------------------------|-----------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|--------------------------------------|---------------------------------|
| Non-appropriated Expenditures | | | | | | |
| EPA Special State Projects Trust Fund - 0074 | | | | | | |
| Administration | \$ 546,477 | \$ 187,211 | \$ 733,688 | | | |
| Total EPA Special State Projects Trust Fund | 546,477 | 187,211 | 733,688 | | | |
| Pollution Control Board State Trust Fund - 0207 | | | | | | |
| Pollution Control Board | 595,755 | 88,806 | 684,561 | | | |
| Total Pollution Control Board State Trust Fund | 595,755 | 88,806 | 684,561 | | | |
| Subtotal - Appropriated Funds | 1,142,232 | 276,017 | 1,418,249 | | | |
| Total - All Funds | \$ 416,718,951 | \$ 11,865,094 | \$ 428,584,045 | | | |

Notes:

- 1) We have not performed any procedures on the expenditures related to Division 70 (Pollution Control Board). The expenditures were tested in a separate examination of the Pollution Control Board.
- 2) All appropriations received pursuant to Public Act 94-798
- 3) All data on this schedule has been taken from records of the Agency and reconciled with State Comptroller records.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|------------------------------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| General Revenue Fund - 0001 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 1,581,600 | \$ 1,229,100 | \$ 1,196,100 |
| <u>Expenditures</u> | | | |
| Division - Administration | 1,277,409 | 1,225,275 | 1,193,114 |
| Total Expenditures | <u>1,277,409</u> | <u>1,225,275</u> | <u>1,193,114</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>304,191</u> | <u>3,825</u> | <u>2,986</u> |
| Industrial Hygiene Regulatory and Enforcement Fund - 0049 | | | |
| <u>Appropriations (Net After Transfers)</u> | 5,000 | 10,000 | 20,000 |
| <u>Expenditures</u> | | | |
| Division - Administration | - | 4,153 | 9,971 |
| Total Expenditures | <u>-</u> | <u>4,153</u> | <u>9,971</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>5,000</u> | <u>5,847</u> | <u>10,029</u> |
| U.S. Environmental Protection Fund - 0065 | | | |
| <u>Appropriations (Net After Transfers)</u> | 56,542,600 | 57,318,700 | 57,909,700 |
| <u>Expenditures</u> | | | |
| Division - Administration | 1,998,631 | 2,344,221 | 2,534,600 |
| Division - Air Pollution Control | 6,095,423 | 5,282,248 | 5,400,891 |
| Division - Land Pollution Control | 12,652,492 | 9,663,239 | 13,869,971 |
| Bureau of Water | 18,478,188 | 19,290,731 | 15,848,224 |
| Shared Services | 254,411 | - | - |
| Total Expenditures | <u>39,479,145</u> | <u>36,580,439</u> | <u>37,653,686</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>17,063,455</u> | <u>20,738,261</u> | <u>20,256,014</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|---------------------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| Underground Storage Tank Fund - 0072 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 68,354,100 | \$ 79,643,500 | \$ 66,387,000 |
| <u>Expenditures</u> | | | |
| Division - Administration | 393,971 | 235,583 | 243,400 |
| Division - Land Pollution Control | 57,449,523 | 54,387,219 | 58,326,344 |
| Shared Services | 52,097 | - | - |
| Total Expenditures | <u>57,895,591</u> | <u>54,622,802</u> | <u>58,569,744</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>10,458,509</u> | <u>25,020,698</u> | <u>7,817,256</u> |
| EPA Special State Projects Trust Fund - 0074 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>3,200,000</u> | <u>3,200,000</u> | <u>5,986,078</u> |
| <u>Expenditures</u> | | | |
| Division - Administration | 136,823 | 143,660 | 522,070 |
| Division - Air Pollution Control | 301,147 | - | 743,737 |
| Division - Laboratory Services | 4,486 | 20,073 | 91,561 |
| Division - Land Pollution Control | 104,625 | 318,050 | 203,951 |
| Division - Bureau of Water | 280,088 | 56,321 | 163,663 |
| Total Expenditures | <u>827,169</u> | <u>538,104</u> | <u>1,724,982</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>2,372,831</u> | <u>2,661,896</u> | <u>4,261,096</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|-----------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| Solid Waste Management Fund - 0078 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 15,628,200 | \$ 14,974,100 | \$ 16,792,100 |
| <u>Expenditures</u> | | | |
| Division - Administration | 259,734 | 278,706 | 267,500 |
| Division - Land Pollution Control | 13,833,573 | 12,434,272 | 11,614,386 |
| Shared Services | 107,429 | - | - |
| Total Expenditures | <u>14,200,736</u> | <u>12,712,978</u> | <u>11,881,886</u> |
| <u>Balances Reappropriated</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Lapsed Balances</u> | <u>1,427,464</u> | <u>2,261,122</u> | <u>4,910,214</u> |
| Subtitle D Management Fund - 0089 | | | |
| <u>Appropriations (Net After Transfers)</u> | 2,831,400 | 2,619,600 | 2,120,700 |
| <u>Expenditures</u> | | | |
| Division - Administration | 111,200 | 86,227 | 97,300 |
| Division - Land Pollution Control | 2,351,292 | 2,230,146 | 1,749,354 |
| Shared Services | 26,814 | - | - |
| Total Expenditures | <u>2,489,306</u> | <u>2,316,373</u> | <u>1,846,654</u> |
| <u>Balances Reappropriated</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Lapsed Balances</u> | <u>342,094</u> | <u>303,227</u> | <u>274,046</u> |
| Clean Air Act (CAA) Permit Fund - 0091 | | | |
| <u>Appropriations (Net After Transfers)</u> | 19,910,100 | 19,328,600 | 19,339,000 |
| <u>Expenditures</u> | | | |
| Division - Administration | 2,245,091 | 1,847,904 | 1,328,100 |
| Division - Air Pollution Control | 14,304,706 | 14,124,754 | 13,919,598 |
| Division - Pollution Control Board | 1,030,128 | 979,959 | 944,154 |
| Shared Services | 182,549 | - | - |
| Total Expenditures | <u>17,762,474</u> | <u>16,952,617</u> | <u>16,191,852</u> |
| <u>Balances Reappropriated</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Lapsed Balances</u> | <u>2,147,626</u> | <u>2,375,983</u> | <u>3,147,148</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|------------------------------------------------------|-------------|-------------|-------------|
| | 2008 | 2007 | 2006 |
| EPA Court Ordered Trust - 0154 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ - | \$ - | \$ 960,000 |
| <u>Expenditures</u> | | | |
| Division - Land Pollution Control | - | - | 669,134 |
| Total Expenditures | - | - | 669,134 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | - | - | 290,866 |
| Brownfields Redevelopment Fund - 0214 | | | |
| <u>Appropriations (Net After Transfers)</u> | 15,847,200 | 9,563,000 | 11,873,000 |
| <u>Expenditures</u> | | | |
| Division - Land Pollution Control | 2,303,907 | 3,149,694 | 5,274,175 |
| Total Expenditures | 2,303,907 | 3,149,694 | 5,274,175 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 13,543,293 | 6,413,306 | 6,598,825 |
| Water Pollution Control Revolving Fund - 0270 | | | |
| <u>Appropriations (Net After Transfers)</u> | 878,479,911 | 848,236,134 | 752,991,632 |
| <u>Expenditures</u> | | | |
| Division - Administration | 1,228,000 | 808,721 | 664,700 |
| Bureau of Water | 176,116,964 | 192,085,679 | 138,736,040 |
| Shared Services | 156,253 | | |
| Total Expenditures | 177,501,217 | 192,894,400 | 139,400,740 |
| <u>Balances Reappropriated</u> | 699,421,584 | 592,700,593 | 332,214,371 |
| <u>Lapsed Balances</u> | 1,557,110 | 62,641,141 | 281,376,521 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|-----------------------------------------------------------|-------------|-----------|-----------|
| | 2008 | 2007 | 2006 |
| Pollution Control Board Fund - 0277 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 18,200 | \$ 17,500 | \$ 17,500 |
| <u>Expenditures</u> | | | |
| Division - Pollution Control Board | 8,662 | 4,453 | 5,317 |
| Total Expenditures | 8,662 | 4,453 | 5,317 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 9,538 | 13,047 | 12,183 |
| Hazardous Waste Occupational Licensing Fund - 0282 | | | |
| <u>Appropriations (Net After Transfers)</u> | 95,000 | 95,000 | 100,000 |
| <u>Expenditures</u> | | | |
| Division - Land Pollution Control | 15,871 | 56,389 | 1,264 |
| Total Expenditures | 15,871 | 56,389 | 1,264 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 79,129 | 38,611 | 98,736 |
| Community Water Supply Laboratory Fund - 0288 | | | |
| <u>Appropriations (Net After Transfers)</u> | 3,156,700 | 3,164,300 | 3,532,500 |
| <u>Expenditures</u> | | | |
| Division - Administration | - | - | 159,100 |
| Division - Laboratory Services | 1,402,992 | 2,274,231 | 2,221,984 |
| Total Expenditures | 1,402,992 | 2,274,231 | 2,381,084 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 1,753,708 | 890,069 | 1,151,416 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|----------------------------------------------------------------|--------------------|------------------|------------------|
| | 2008 | 2007 | 2006 |
| Used Tire Management Fund - 0294 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 7,569,200 | \$ 5,963,100 | \$ 5,050,500 |
| <u>Expenditures</u> | | | |
| Division - Administration | 371,800 | 222,719 | 128,400 |
| Division - Land Pollution Control | 6,411,447 | 4,918,504 | 4,033,206 |
| Division - Pollution Control Board | 18,500 | 17,239 | 17,800 |
| Shared Services | 53,519 | - | - |
| Total Expenditures | <u>6,855,266</u> | <u>5,158,462</u> | <u>4,179,406</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>713,934</u> | <u>804,638</u> | <u>871,094</u> |
| Environmental Laboratory Certification Fund - 0336 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>678,300</u> | <u>665,800</u> | <u>733,000</u> |
| <u>Expenditures</u> | | | |
| Division - Laboratory Services | <u>499,320</u> | <u>446,532</u> | <u>523,421</u> |
| Total Expenditures | <u>499,320</u> | <u>446,532</u> | <u>523,421</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>178,980</u> | <u>219,268</u> | <u>209,579</u> |
| Alternative Fuels Fund - 0422 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>1,725,000</u> | <u>1,700,000</u> | <u>2,200,000</u> |
| <u>Expenditures</u> | | | |
| Division - Air Pollution Control | <u>661,144</u> | <u>404,094</u> | <u>343,383</u> |
| Total Expenditures | <u>661,144</u> | <u>404,094</u> | <u>343,383</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>1,063,856</u> | <u>1,295,906</u> | <u>1,856,617</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|---------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| Anti-Pollution Fund - 0551 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 15,217,187 | \$ 15,984,819 | \$ 16,618,395 |
| <u>Expenditures</u> | | | |
| Division - Bureau of Water | 45,071 | 767,632 | 633,576 |
| Total Expenditures | <u>45,071</u> | <u>767,632</u> | <u>633,576</u> |
| <u>Balances Reappropriated</u> | <u>6,229,716</u> | <u>15,217,187</u> | <u>15,984,819</u> |
| <u>Lapsed Balances</u> | <u>8,942,400</u> | <u>-</u> | <u>-</u> |
| Conservation 2000 Fund - 0608 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>3,799,078</u> | <u>5,988,290</u> | <u>5,333,506</u> |
| <u>Expenditures</u> | | | |
| Division - Administration | 31,100 | 28,544 | 32,200 |
| Bureau of Water | 1,092,697 | 1,758,298 | 875,696 |
| Total Expenditures | <u>1,123,797</u> | <u>1,786,842</u> | <u>907,896</u> |
| <u>Balances Reappropriated</u> | <u>2,675,268</u> | <u>3,197,378</u> | <u>4,386,589</u> |
| <u>Lapsed Balances</u> | <u>13</u> | <u>1,004,070</u> | <u>39,021</u> |
| Illinois Clean Water Fund - 0731 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>8,506,100</u> | <u>8,300,400</u> | <u>7,901,500</u> |
| <u>Expenditures</u> | | | |
| Division - Administration | 863,589 | 685,859 | 631,200 |
| Bureau of Water | 7,038,393 | 7,049,173 | 6,609,034 |
| Shared Services | 87,658 | - | - |
| Total Expenditures | <u>7,989,640</u> | <u>7,735,032</u> | <u>7,240,234</u> |
| <u>Balances Reappropriated</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Lapsed Balances</u> | <u>516,460</u> | <u>565,368</u> | <u>661,266</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|------------------------------------------------|--------------------|-------------|-------------|
| | 2008 | 2007 | 2006 |
| Alternate Compliance Market Fund - 0738 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 150,000 | \$ 150,000 | \$ 150,000 |
| <u>Expenditures</u> | | | |
| Division- Air Pollution Control | 108,043 | 104,850 | - |
| Total Expenditures | 108,043 | 104,850 | - |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 41,957 | 45,150 | 150,000 |
| Oil Spill Response Fund - 0774 | | | |
| <u>Appropriations (Net After Transfers)</u> | 150,000 | 150,000 | 150,000 |
| <u>Expenditures</u> | | | |
| Division- Administration | 82,335 | 138,722 | 121,904 |
| Total Expenditures | 82,335 | 138,722 | 121,904 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 67,665 | 11,278 | 28,096 |
| Hazardous Waste Fund - 0828 | | | |
| <u>Appropriations (Net After Transfers)</u> | 29,239,900 | 27,221,400 | 26,590,800 |
| <u>Expenditures</u> | | | |
| Division - Administration | 541,055 | 458,774 | 513,500 |
| Division - Land Pollution Control | 20,761,400 | 15,154,469 | 14,662,571 |
| Bureau of Water | 450,083 | 407,599 | 384,206 |
| Shared Services | 93,915 | - | - |
| Total Expenditures | 21,846,453 | 16,020,842 | 15,560,277 |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | 7,393,447 | 11,200,558 | 11,030,523 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|-------------------------------------------------------------------|--------------------|-------------------|------------------|
| | 2008 | 2007 | 2006 |
| Environmental Protection Trust Fund - 0845 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 6,000,000 | \$ 6,000,000 | \$ 6,037,100 |
| <u>Expenditures</u> | | | |
| Division - Administration | 5,400,000 | 5,150,000 | 4,000,000 |
| Division - Air Pollution Control | - | - | 167 |
| Total Expenditures | <u>5,400,000</u> | <u>5,150,000</u> | <u>4,000,167</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>600,000</u> | <u>850,000</u> | <u>2,036,933</u> |
| Environmental Protection Permit and Inspection Fund - 0944 | | | |
| <u>Appropriations (Net After Transfers)</u> | 12,114,700 | 12,936,100 | 12,874,100 |
| <u>Expenditures</u> | | | |
| Division - Administration | 661,959 | 931,046 | 708,187 |
| Division - Air Pollution Control | 4,455,792 | 4,316,844 | 3,508,419 |
| Division - Land Pollution Control | 2,489,116 | 3,283,669 | 2,985,652 |
| Division -Bureau of Water | 2,114,980 | 2,028,985 | 1,777,728 |
| Division - Pollution Control Board | 1,001,522 | 888,218 | 901,831 |
| Shared Services | 63,525 | - | - |
| Total Expenditures | <u>10,786,894</u> | <u>11,448,762</u> | <u>9,881,817</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>1,327,806</u> | <u>1,487,338</u> | <u>2,992,283</u> |
| Landfill Closure and Post-Closure Fund - 0945 | | | |
| <u>Appropriations (Net After Transfers)</u> | 500,000 | 500,000 | 500,000 |
| <u>Expenditures</u> | | | |
| Division - Land Pollution Control | - | 106,276 | - |
| Total Expenditures | <u>-</u> | <u>106,276</u> | <u>-</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>500,000</u> | <u>393,724</u> | <u>500,000</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|---------------------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2007 | 2006 |
| Vehicle Inspection Fund - 0963 | | | |
| <u>Appropriations (Net After Transfers)</u> | \$ 28,279,024 | \$ 61,305,300 | \$ 61,462,500 |
| <u>Expenditures</u> | | | |
| Division - Administration | 344,358 | 601,005 | 541,600 |
| Division - Air Pollution Control | 25,887,524 | 39,335,705 | 50,938,862 |
| Shared Services | 82,841 | - | - |
| Total Expenditures | <u>26,314,723</u> | <u>39,936,710</u> | <u>51,480,462</u> |
| <u>Balances Reappropriated</u> | - | - | - |
| <u>Lapsed Balances</u> | <u>1,964,301</u> | <u>21,368,590</u> | <u>9,982,038</u> |
| Build Illinois Bond Fund - 0971 | | | |
| <u>Appropriations (Net After Transfers)</u> | <u>98,959,168</u> | <u>113,588,300</u> | <u>107,381,610</u> |
| <u>Expenditures</u> | | | |
| Division - Administration | 5,010,153 | 6,142,803 | 6,871,084 |
| Division - Bureau of Water | 139,223 | 8,486,329 | 8,522,226 |
| Total Expenditures | <u>5,149,376</u> | <u>14,629,132</u> | <u>15,393,310</u> |
| <u>Balances Reappropriated</u> | <u>93,809,792</u> | <u>98,959,168</u> | <u>91,988,300</u> |
| <u>Lapsed Balances</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Appropriations (Net After Transfers) | 1,278,537,668 | 1,299,853,043 | 1,192,208,321 |
| Total Expenditures | 402,026,541 | 427,165,796 | 387,069,456 |
| Balances Reappropriated | <u>802,136,360</u> | <u>710,074,326</u> | <u>444,574,079</u> |
| Lapsed Balances | <u>74,374,767</u> | <u>162,612,921</u> | <u>360,564,786</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2008, 2007, AND 2006**

| | FISCAL YEAR | | |
|--------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Non-Appropriated Funds | | | |
| EPA Special State Projects Trust Fund - 0074 | | | |
| <u>Expenditures</u> | | | |
| Division - Administration | \$ 971,667 | \$ 733,688 | \$ 822,748 |
| Total Expenditures | <u>971,667</u> | <u>733,688</u> | <u>822,748</u> |
| Pollution Control Board State Trust Fund - 0207 | | | |
| <u>Expenditures</u> | | | |
| Division - Pollution Control Board (See Note below) | 314,347 | 684,561 | 641,298 |
| Total Expenditures | <u>314,347</u> | <u>684,561</u> | <u>641,298</u> |
| Grand Total, All Non-Appropriated Funds | <u>1,286,014</u> | <u>1,418,249</u> | <u>1,464,046</u> |
| Grand Total, All Funds | <u>\$ 403,312,555</u> | <u>\$ 428,584,045</u> | <u>\$ 388,533,502</u> |

Note:

We have not performed any procedures on the expenditures related to Division 70 (Pollution Control Board). The expenditures were tested and reported in a separate examination of the Pollution Control Board.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2007 | 2006 |
| Total Expenditures By Fund | | | |
| General Revenue Fund - 0001 | \$ 1,277,409 | \$ 1,225,275 | \$ 1,193,114 |
| Industrial Hygiene Regulatory Fund - 0049 | - | 4,153 | 9,971 |
| U.S. Environmental Protection Fund - 0065 | 39,479,145 | 36,580,439 | 37,653,686 |
| Underground Storage Tank Fund - 0072 | 57,895,591 | 54,622,802 | 58,569,744 |
| EPA Special State Projects Trust Fund - 0074 | 1,798,836 | 1,271,792 | 2,547,730 |
| Solid Waste Management Fund - 0078 | 14,200,736 | 12,712,978 | 11,881,886 |
| Subtitle D Management Fund - 0089 | 2,489,306 | 2,316,373 | 1,846,654 |
| Clean Air Act (CAA) Permit Fund - 0091 | 17,762,474 | 16,952,617 | 16,191,852 |
| EPA Court Ordered Trust Fund - 0154 | - | - | 669,134 |
| Pollution Control Board State Trust Fund - 0207 | 314,347 | 684,561 | 641,298 |
| Brownfields Redevelopment Fund -0214 | 2,303,907 | 3,149,694 | 5,274,175 |
| Water Pollution Control Revolving Fund - 0270 | 177,501,217 | 192,894,400 | 139,400,740 |
| Pollution Control Board Fund - 0277 | 8,662 | 4,453 | 5,317 |
| Hazardous Waste Occupational Licensing Fund - 0282 | 15,871 | 56,389 | 1,264 |
| Community Water Supply Laboratory Fund - 0288 | 1,402,992 | 2,274,231 | 2,381,084 |
| Used Tire Management Fund - 0294 | 6,855,266 | 5,158,462 | 4,179,406 |
| Environmental Laboratory Certification Fund - 0336 | 499,320 | 446,532 | 523,421 |
| Alternative Fuels Fund - 0422 | 661,144 | 404,094 | 343,383 |
| Anti-Pollution Fund - 0551 | 45,071 | 767,632 | 633,576 |
| Conservation 2000 Fund - 0608 | 1,123,797 | 1,786,842 | 907,896 |
| Illinois Clean Water Fund - 0731 | 7,989,640 | 7,735,032 | 7,240,234 |
| Alternate Compliance Market Fund - 0738 | 108,043 | 104,850 | - |
| Oil Spill Response Fund - 0774 | 82,335 | 138,722 | 121,904 |
| Hazardous Waste Fund - 0828 | 21,846,453 | 16,020,842 | 15,560,277 |
| Environmental Protection Trust Fund - 0845 | 5,400,000 | 5,150,000 | 4,000,167 |
| Environmental Protection Permit and Inspection Fund - 0944 | 10,786,894 | 11,448,762 | 9,881,817 |
| Landfill Closure and Post-Closure Fund - 0945 | - | 106,276 | - |
| Vehicle Inspection Fund - 0963 | 26,314,723 | 39,936,710 | 51,480,462 |
| Build Illinois Bond Fund - 0971 | 5,149,376 | 14,629,132 | 15,393,310 |
| | <u>\$ 403,312,555</u> | <u>\$ 428,584,045</u> | <u>\$ 388,533,502</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| <u>Personal Services By Fund</u> | | | |
| General Revenue Fund - 0001 | \$ 714,648 | \$ 641,637 | \$ 631,498 |
| Industrial Hygiene Regulatory Fund - 0049 | - | 2,930 | 7,127 |
| U.S. Environmental Protection Fund - 0065 | 14,794,791 | 14,975,179 | 15,323,517 |
| Underground Storage Tank Fund - 0072 | 2,866,719 | 2,569,874 | 2,523,618 |
| EPA Special State Projects Trust Fund - 0074 | - | 111,363 | 1,842 |
| Solid Waste Management Fund - 0078 | 5,378,027 | 4,678,480 | 4,765,625 |
| Subtitle D Management Fund - 0089 | 1,358,804 | 1,228,893 | 1,046,618 |
| Clean Air Act (CAA) Permit Fund - 0091 | 9,627,471 | 9,755,575 | 9,201,950 |
| Pollution Control Board State Trust Fund - 0207 | - | 298,186 | 248,622 |
| Brownfields Redevelopment Fund -0214 | 520,230 | 595,422 | 576,949 |
| Water Pollution Control Revolving Fund - 0270 | 7,579,867 | 7,207,240 | 6,698,512 |
| Community Water Supply Laboratory Fund - 0288 | 535,109 | 618,038 | 490,167 |
| Used Tire Management Fund - 0294 | 2,333,628 | 1,667,095 | 1,400,781 |
| Environmental Laboratory Certification Fund - 0336 | 291,433 | 273,456 | 326,734 |
| Alternative Fuels Fund - 0422 | 136,390 | 139,912 | 138,144 |
| Conservation 2000 Fund - 0608 | - | - | 174,387 |
| Illinois Clean Water Fund - 0731 | 4,071,120 | 3,916,006 | 3,642,339 |
| Oil Spill Response Fund - 0774 | - | 56,482 | 66,618 |
| Hazardous Waste Fund - 0828 | 4,785,310 | 4,195,203 | 3,435,021 |
| Environmental Protection Permit and Inspection Fund - 0944 | 6,433,075 | 6,971,790 | 6,105,051 |
| Vehicle Inspection Fund - 0963 | 3,245,951 | 3,290,363 | 3,179,220 |
| Total Personal Services | 64,672,573 | 63,193,124 | 59,984,340 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|--------------------|-------------|-------------|
| | 2008 | 2007 | 2006 |
| <u>Other Payroll Costs By Fund</u> | | | |
| General Revenue Fund - 0001 | \$ 169,562 | \$ 120,219 | \$ 99,081 |
| Industrial Hygiene Regulatory Fund - 0049 | - | 1,223 | 2,844 |
| U.S. Environmental Protection Fund - 0065 | 6,746,683 | 6,161,388 | 6,218,382 |
| Underground Storage Tank Fund - 0072 | 1,300,718 | 1,037,923 | 957,946 |
| EPA Special State Projects Trust Fund - 0074 | 8,968 | 9,097 | 10,132 |
| Solid Waste Management Fund - 0078 | 2,451,225 | 1,941,834 | 1,885,384 |
| Subtitle D Management Fund - 0089 | 626,771 | 503,552 | 424,289 |
| Clean Air Act (CAA) Permit Fund - 0091 | 4,315,025 | 3,886,690 | 3,541,230 |
| Pollution Control Board State Trust Fund - 0207 | - | 118,861 | 109,076 |
| Brownfields Redevelopment Fund -0214 | 227,816 | 233,464 | 215,755 |
| Water Pollution Control Revolving Fund - 0270 | 3,551,494 | 2,985,245 | 2,720,294 |
| Community Water Supply Laboratory Fund - 0288 | 303,185 | 318,484 | 252,591 |
| Used Tire Management Fund - 0294 | 1,083,823 | 714,110 | 581,600 |
| Environmental Laboratory Certification Fund - 0336 | 131,939 | 112,990 | 137,599 |
| Alternative Fuels Fund - 0422 | 57,280 | 52,963 | 50,072 |
| Conservation 2000 Fund - 0608 | - | - | 68,737 |
| Illinois Clean Water Fund - 0731 | 1,867,212 | 1,629,498 | 1,432,793 |
| Oil Spill Response Fund - 0774 | - | 21,206 | 22,468 |
| Hazardous Waste Fund - 0828 | 2,145,977 | 1,665,508 | 1,295,135 |
| Environmental Protection Permit and Inspection Fund - 0944 | 2,936,895 | 2,815,619 | 2,402,101 |
| Vehicle Inspection Fund - 0963 | 1,683,273 | 1,567,480 | 1,515,372 |
| | <hr/> | <hr/> | <hr/> |
| Total Other Payroll Costs | 29,607,846 | 25,897,354 | 23,942,881 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|--------------------|-------------------|-------------------|
| | 2008 | 2007 | 2006 |
| <u>Contractual Services By Fund</u> | | | |
| General Revenue Fund - 0001 | \$ 7,883 | \$ 9,100 | \$ 8,872 |
| U.S. Environmental Protection Fund - 0065 | 10,702,059 | 6,363,860 | 9,848,981 |
| Underground Storage Tank Fund - 0072 | 552,584 | 461,124 | 493,471 |
| EPA Special State Projects Trust Fund - 0074 | 793,670 | 766,528 | 611,303 |
| Solid Waste Management Fund - 0078 | 4,635,459 | 4,086,377 | 3,194,274 |
| Subtitle D Management Fund - 0089 | 381,517 | 357,785 | 291,906 |
| Clean Air Act (CAA) Permit Fund - 0091 | 2,578,507 | 2,050,341 | 3,103,002 |
| EPA Court Ordered Trust Fund - 0154 | - | - | 658,158 |
| Pollution Control Board State Trust Fund - 0207 | 160,418 | 132,016 | 163,559 |
| Brownfields Redevelopment Fund -0214 | 36,889 | 89,247 | 220,257 |
| Water Pollution Control Revolving Fund - 0270 | 1,381,356 | 1,814,023 | 1,666,785 |
| Pollution Control Board Fund - 0277 | 8,437 | - | 5,317 |
| Hazardous Waste Occupational Licensing Fund - 0282 | 511 | 965 | - |
| Community Water Supply Laboratory Fund - 0288 | 480,690 | 1,082,161 | 1,280,808 |
| Used Tire Management Fund - 0294 | 3,063,460 | 2,449,741 | 2,065,358 |
| Environmental Laboratory Certification Fund - 0336 | 63,528 | 52,652 | 46,265 |
| Alternative Fuels Fund - 0422 | - | 112 | 47 |
| Conservation 2000 Fund - 0608 | 31,100 | 28,544 | 232,079 |
| Illinois Clean Water Fund - 0731 | 1,596,366 | 1,623,050 | 1,762,800 |
| Alternate Compliance Market Fund - 0738 | 39 | - | - |
| Oil Spill Response Fund - 0774 | - | 1,568 | 5,511 |
| Hazardous Waste Fund - 0828 | 14,725,162 | 9,922,481 | 10,593,193 |
| Environmental Protection Permit and Inspection Fund - 0944 | 871,115 | 932,324 | 1,158,086 |
| Landfill Closure and Post-Closure Fund - 0945 | - | 106,276 | - |
| Vehicle Inspection Fund - 0963 | 20,804,360 | 34,385,897 | 46,338,255 |
| Total Contractual Services | 62,875,110 | 66,716,172 | 83,748,287 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2007 | 2006 |
| <u>All Other Operating Costs By Fund</u> | | | |
| General Revenue Fund - 0001 | \$ 52,516 | \$ 54,319 | \$ 53,663 |
| U.S. Environmental Protection Fund - 0065 | 1,594,716 | 1,719,501 | 1,131,874 |
| Underground Storage Tank Fund - 0072 | 98,964 | 128,557 | 65,278 |
| EPA Special State Projects Trust Fund - 0074 | 470,051 | 324,804 | 222,994 |
| Solid Waste Management Fund - 0078 | 236,669 | 184,389 | 256,806 |
| Subtitle D Management Fund - 0089 | 122,214 | 226,143 | 83,841 |
| Clean Air Act (CAA) Permit Fund - 0091 | 1,241,471 | 1,260,011 | 345,670 |
| EPA Court Ordered Trust Fund - 0154 | - | - | 10,976 |
| Pollution Control Board State Trust Fund - 0207 | 153,929 | 135,498 | 120,041 |
| Brownfields Redevelopment Fund - 0214 | 138,071 | - | - |
| Water Pollution Control Revolving Fund - 0270 | 898,073 | 708,869 | 330,451 |
| Pollution Control Board Fund - 0277 | 225 | 4,453 | - |
| Hazardous Waste Occupational Licensing Fund - 0282 | 15,360 | 55,424 | 1,264 |
| Community Water Supply Laboratory Fund - 0288 | 84,008 | 255,548 | 357,517 |
| Used Tire Management Fund - 0294 | 374,355 | 327,516 | 131,667 |
| Environmental Laboratory Certification Fund - 0336 | 12,420 | 7,434 | 12,824 |
| Alternative Fuels Fund - 0422 | 13,697 | 5,035 | 10,946 |
| Conservation 2000 Fund - 0608 | - | - | 81,670 |
| Illinois Clean Water Fund - 0731 | 454,942 | 566,478 | 402,302 |
| Alternate Compliance Market Fund - 0738 | 108,004 | 104,850 | - |
| Oil Spill Response Fund - 0774 | 82,335 | 59,466 | 27,307 |
| Hazardous Waste Fund - 0828 | 190,004 | 237,650 | 236,928 |
| Environmental Protection Trust Fund - 0845 | - | - | 167 |
| Environmental Protection Permit and Inspection Fund - 0944 | 545,809 | 729,029 | 207,479 |
| Vehicle Inspection Fund - 0963 | 581,139 | 692,970 | 447,615 |
| Build Illinois Bond Fund - 0971 | - | 8,237,300 | 8,300,000 |
| Total Other Operating Costs | 7,468,972 | 16,025,244 | 12,839,280 |
| TOTAL OPERATING COSTS | 164,624,501 | 171,831,894 | 180,514,788 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | Fiscal Year | | |
|------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| | 2008 | 2007 | 2006 |
| <u>Grants By Fund</u> | | | |
| General Revenue Fund - 0001 | \$ 332,800 | \$ 400,000 | \$ 400,000 |
| U.S. Environmental Protection Fund - 0065 | 5,640,896 | 7,360,511 | 5,130,932 |
| Underground Storage Tank Fund - 0072 | 53,076,606 | 50,425,324 | 54,529,431 |
| EPA Special State Projects Trust Fund - 0074 | 526,147 | 60,000 | 1,701,459 |
| Solid Waste Management Fund - 0078 | 1,499,356 | 1,821,898 | 1,779,797 |
| Brownfields Redevelopment Fund - 0214 | 1,380,901 | 2,231,561 | 4,261,214 |
| Water Pollution Control Revolving Fund - 0270 | 164,090,427 | 180,179,023 | 127,984,698 |
| Alternative Fuels Fund - 0422 | 453,777 | 206,072 | 144,174 |
| Anti-Pollution Fund - 0551 | 45,071 | 767,632 | 633,576 |
| Conservation 2000 Fund - 0608 | 1,092,697 | 1,758,298 | 351,023 |
| Environmental Protection Trust Fund - 0845 | 5,400,000 | 5,150,000 | 4,000,000 |
| Environmental Protection Permit and Inspection Fund - 0944 | - | - | 9,100 |
| Build Illinois Bond Fund - 0971 | 5,149,376 | 6,391,832 | 7,093,310 |
| | <u>238,688,054</u> | <u>256,752,151</u> | <u>208,018,714</u> |
| TOTAL EXPENDITURES | <u>\$ 403,312,555</u> | <u>\$ 428,584,045</u> | <u>\$ 388,533,502</u> |

Note: These funds include expenditures related to Division 70 (Pollution Control Board). We have not performed any procedures on these expenditures. These expenditures were tested and reported in a separate examination of the Pollution Control Board.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF STATE OFFICER'S SALARIES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | <u>2008</u> | <u>2007</u> |
|----------------------------|----------------|-----------------|
| Appropriations - Director | \$ 128,400 | \$ 121,000 |
| Expenditures - Director | <u>128,394</u> | <u>118,626</u> |
| Lapsed Balances - Director | <u>\$ 6</u> | <u>\$ 2,374</u> |

Note:

The Director's salary is appropriated to the Office of the State Comptroller.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Year Ended June 30, 2008

| | Equipment |
|-------------------------------|---------------|
| Balance per Agency, Beginning | \$ 26,662,030 |
| Additions | 2,748,033 |
| Deletions | (2,435,758) |
| Balance per Agency, Ending | \$ 26,974,305 |

Year Ended June 30, 2007

| | Equipment |
|-------------------------------|---------------|
| Balance per Agency, Beginning | \$ 26,828,917 |
| Additions | 1,678,549 |
| Deletions | (1,845,436) |
| Balance per Agency, Ending | \$ 26,662,030 |

Notes:

Beginning and ending balances per Agency include the Pollution Control Board.

The Schedule of Changes in State Property reflects all Agency property, including amount: falling below the capitalization thresholds set for financial statement reporting purposes.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|------------------------------------------------------------------|-------------|------------|------------|
| | 2008 | 2007 | 2006 |
| General Revenue Fund - 0001 | | | |
| Copying Charges | \$ 4,918 | \$ 8,040 | \$ 15,803 |
| Court & Hearing Costs | - | 2,002 | - |
| Personal Phone Calls | 226 | 237 | 548 |
| Witness Fees | - | - | 25 |
| Miscellaneous | 825 | 170 | 3,011 |
| Total General Revenue Fund | 5,969 | 10,449 | 19,387 |
| Industrial Hygiene Regulatory and Enforcement Fund - 0049 | | | |
| License | 3,870 | 3,155 | 3,390 |
| U.S. Environmental Protection Fund - 0065 | | | |
| Federal Grant Proceeds | 37,521,970 | 37,288,001 | 35,393,518 |
| Jury Duty | 428 | 711 | 797 |
| Witness Fees | 149 | 66 | 268 |
| Travel Reimbursement | 334 | - | - |
| IDOT Agreement | 74,943 | 470,456 | 529,241 |
| Federal Grants (Department of Defense) | 976,606 | 971,496 | 589,929 |
| Great Lakes Commission | 26,000 | 22,250 | 32,000 |
| Personal Phone Calls | 82 | 155 | 449 |
| Miscellaneous | 1,152 | 235 | 19 |
| Total U.S. Environmental Protection Fund | 38,601,664 | 38,753,370 | 36,546,221 |
| Underground Storage Tank Fund - 0072 | | | |
| Jury Duty | 15 | 80 | 81 |
| Witness Fees | - | 49 | 100 |
| Total Underground Storage Tank Fund | 15 | 129 | 181 |
| EPA Special State Projects Trust Fund - 0074 | | | |
| Transfer from Environmental Protection Fund | 1,350,000 | 1,350,000 | 1,000,000 |
| ENV Council of the States | - | 65,000 | 35,000 |
| DCEO Grants | - | 469,014 | 366,078 |
| P2 Intern Program | - | 6,782 | 22,142 |
| Governor's Environmental Corps | 105,000 | 143,426 | 144,000 |
| Great Lakes Com. | 669,268 | - | 300,748 |
| Jury Duty | 4,291 | 34 | - |
| Household Haz. Waste | 163,000 | 179,500 | 243,500 |
| Lab Cost Recovery | 25,629 | 106,508 | 114,928 |
| Penalties | 335,000 | 732,500 | 275,000 |
| Total EPA Special State Projects Trust Fund | 2,652,188 | 3,052,764 | 2,501,396 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|------------------------------------------------------|--------------------|--------------------|--------------------|
| | 2008 | 2007 | 2006 |
| Solid Waste Management Fund - 0078 | | | |
| Solid Waste Collection Fees | \$ 24,706,101 | \$ 25,842,636 | \$ 25,161,949 |
| Jury Duty | 50 | 62 | 156 |
| Witness Fees | 48 | 82 | 96 |
| Personal Phone Calls | 21 | - | - |
| Miscellaneous | - | 461 | - |
| Total Solid Waste Management Fund | <u>24,706,220</u> | <u>25,843,241</u> | <u>25,162,201</u> |
| Subtitle D Management Fund - 0089 | | | |
| Solid Waste Collection Fees | 2,867,002 | 2,845,415 | 2,772,882 |
| Jury Duty | - | 150 | - |
| Total Subtitle D Management Fund | <u>2,867,002</u> | <u>2,845,565</u> | <u>2,772,882</u> |
| Clean Air Act (CAA) Permit Fund - 0091 | | | |
| Fees | 15,582,435 | 15,863,771 | 21,247,112 |
| Jury Duty | 96 | 251 | 108 |
| Personal Phone Calls | 10 | - | 205 |
| Witness Fees | 196 | - | 100 |
| Employee Reimbursement | - | 11 | - |
| Total Clean Air Act Permit Fund | <u>15,582,737</u> | <u>15,864,033</u> | <u>21,247,525</u> |
| Pollution Control Board Trust 0207 | | | |
| Trust Fund Grant | 750,000 | 750,000 | 1,000,000 |
| Total Pollution Control Board Trust | <u>750,000</u> | <u>750,000</u> | <u>1,000,000</u> |
| Brownfields Redevelopment Fund (214) | | | |
| Cost Recovery | - | 1,000 | - |
| Federal Grant Receipts | 1,334,228 | 1,247,362 | 1,929,599 |
| Total Brownsfield Redevelopment Fund | <u>1,334,228</u> | <u>1,248,362</u> | <u>1,929,599</u> |
| Water Pollution Control Revolving Fund - 0270 | | | |
| Federal Grant Proceeds | 24,078,349 | 94,236,119 | 21,661,603 |
| Jury Duty | 34 | 100 | 419 |
| Witness Fees | - | - | 25 |
| Personal Phone Calls | 147 | - | - |
| Loan Payments - Principal | 71,005,402 | 78,778,155 | 52,919,974 |
| Loan Payments - Interest | 21,265,748 | 19,679,692 | 18,125,356 |
| Loan Payments - Support | 11,899,259 | 11,665,362 | 11,301,814 |
| Escrow | 8,975,000 | 8,577,500 | 8,227,500 |
| Miscellaneous | - | - | 511 |
| Fund Interest | 128,003 | 130,385 | 91,911 |
| Leveraged Loan Repayments | 14,641,493 | 14,242,128 | 13,276,803 |
| Total Water Pollution Control Revolving Fund | <u>151,993,435</u> | <u>227,309,441</u> | <u>125,605,916</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|---------------------------------------------------------------|-------------|------------|------------|
| | 2008 | 2007 | 2006 |
| Pollution Control Board Fund - 0277 | | | |
| Opinion Sales | \$ 6,492 | \$ 5,649 | \$ 5,723 |
| Filing Fees | 4,650 | 3,600 | 5,225 |
| Subscription Sales | 220 | 360 | 380 |
| Total Pollution Control Board Fund | 11,362 | 9,609 | 11,328 |
| Hazardous Waste Occupational Licensing Fund - 0282 | | | |
| Hazardous Waste Laborers Licenses | 21,950 | 13,450 | 12,450 |
| Community Water Supply Laboratory Fund - 0288 | | | |
| PWS Laboratory Fees | 1,927,344 | 1,074,600 | 2,608,688 |
| Jury Duty | - | 30 | - |
| Total Community Water Supply Laboratory Fund | 1,927,344 | 1,074,630 | 2,608,688 |
| Used Tire Management Fund - 0294 | | | |
| Jury Duty | - | 46 | 15 |
| Miscellaneous | 133 | - | - |
| Cost Recovery | 8,375 | 121,100 | 23,750 |
| Total Used Tire Management Fund | 8,508 | 121,146 | 23,765 |
| Environmental Laboratory Certification Fund - 0336 | | | |
| Cost Recovery | 3,945 | 1,574 | 3,381 |
| Lab Certification Fees | 507,000 | 509,500 | 514,000 |
| Total Laboratory Certification Fund | 510,945 | 511,074 | 517,381 |
| Clean Water Fund - 0731 | | | |
| NPDES Fees | 20,242,794 | 22,970,087 | 15,982,256 |
| Water Quality Certification | 274,492 | 418,377 | 286,397 |
| Jury Duty | 267 | 57 | 76 |
| Witness Fees | - | - | 114 |
| Miscellaneous | 884 | - | 124 |
| NPDES Interest | 27,000 | 87,272 | 46,940 |
| Total Clean Water Fund | 20,545,437 | 23,475,793 | 16,315,907 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|-----------------------------------------------------|-------------|------------|-----------|
| | 2008 | 2007 | 2006 |
| Alternative Compliance Market Account (0738) | | | |
| Fees | \$ 13,169 | \$ 336,831 | \$ 92,168 |
| Oil Spill Response Fund - 0774 | | | |
| Penalty | - | - | 125,116 |
| Total Oil Spill Response Fund | - | - | 125,116 |
| Hazardous Waste Fund - 0828 | | | |
| Hazardous Waste Financial Assurance | - | 489,081 | 2,462,285 |
| Hazardous Waste Collection Fees | 1,367,865 | 1,424,183 | 1,571,088 |
| Hazardous Waste Cost Recoveries | 9,608,680 | 10,887,550 | 4,918,181 |
| Penalties and Fines | 648,285 | 1,573,333 | 125,000 |
| Miscellaneous | 28,350 | 562 | - |
| Jury Duty | 129 | 92 | 31 |
| Witness Fees | 40 | 65 | 20 |
| Court & Hearing Costs | 32,516 | - | - |
| Total Hazardous Waste Fund | 11,685,865 | 14,374,866 | 9,076,605 |
| Hazardous Waste Research Fund - 0840 | | | |
| Hazardous Waste Collection Fees | 151,985 | 158,243 | 174,565 |
| Hazardous Waste Hauler Fees | 217,609 | 230,881 | 246,007 |
| Total Hazardous Waste Research Fund | 369,594 | 389,124 | 420,572 |
| Environmental Protection Trust Fund - 0845 | | | |
| Penalty Payments | 1,994,965 | 4,204,610 | 4,039,575 |
| Interest on Past Due Penalties | 17,321 | 7,585 | 12,411 |
| Court and Hearing Costs | - | 290 | 685 |
| Total Environmental Protection Trust Fund | 2,012,286 | 4,212,485 | 4,052,671 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|-------------------------------------------------------------------|--------------|--------------|--------------|
| | 2008 | 2007 | 2006 |
| Environmental Protection Permit and Inspection Fund - 0944 | | | |
| Permit & Inspection Fees - APC | \$ 2,194,750 | \$ 2,089,499 | \$ 2,072,110 |
| Asbestos Fee | 615,300 | 621,150 | 633,300 |
| Air Construction Fee | 2,729,600 | 3,518,000 | 2,654,000 |
| Permit & Inspection Fees - LPC | 240,500 | 255,500 | 227,000 |
| Hazardous Waste Hauler Fees - LPC | 38,402 | 40,744 | 43,413 |
| Large Generator Fees | 377,500 | 382,000 | 394,700 |
| Manifest Fees - LPC | 53,002 | 127,672 | 1,025,130 |
| PIMW Manifests - LPC | 840,599 | 761,800 | 721,840 |
| PIMW Haulers - LPC | 152,792 | 101,250 | 112,250 |
| PIMW Transporters - LPC | 1,439,050 | 1,382,376 | 1,387,959 |
| Used Tire Storage Fee - LPC | 22,000 | 21,800 | 25,200 |
| Uniform Hazardous Waste Transport Permit - LPC | 65,980 | 72,960 | 69,095 |
| Permit & Inspection Fees - Industrial Construction | 148,100 | 133,600 | 159,600 |
| Permit & Inspection Fees - PWS Oper | 25,910 | 25,220 | 26,390 |
| Permit & Inspection Fees - PWS Cons | 524,270 | 760,168 | 991,740 |
| Permit & Inspection Fees - WPC Cons | 783,380 | 1,201,320 | 1,614,950 |
| Penalty | 1,750 | 47,575 | 13,300 |
| Repayment Pursuant to Law | - | 333 | 31 |
| Jury Duty | 197 | 36 | 50 |
| Witness Fees | 66 | - | 53 |
| Miscellaneous | 1,235 | 110 | - |
| Total Environmental Protection Permit and Inspection Fund | 10,254,383 | 11,543,113 | 12,172,111 |
| Landfill Closure and Post-Closure Fund - 0945 | | | |
| Surety Bond Forfeiture | - | 414,000 | - |
| Vehicle Inspection Fund - 0963 | | | |
| Jury Duty | 68 | 69 | 82 |
| Empoyee Reimbursement | 937 | - | - |
| Witness Fees | - | - | 137 |
| IDOT Agreement | 4,184,452 | 6,600,000 | 17,000,000 |
| Vehicle Emissions Inspection Fee | 26,520 | 67,160 | 106,680 |
| Total Vehicle Inspection Fund | 4,211,977 | 6,667,229 | 17,106,899 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2008, 2007 AND 2006**

| | FISCAL YEAR | | |
|-----------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| | 2008 | 2007 | 2006 |
| Hazardous Waste Fund - 0828 Transfer from 078 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| Vehicle Inspection Fund - 0963 Transfer from DOT | 30,000,000 | 30,000,000 | 30,000,000 |
| Total Agency Cash Receipts Before Interest | <u>322,070,148</u> | <u>410,823,859</u> | <u>311,324,359</u> |
| Interest Deposited Directly into State Treasury | | | |
| Clean Air Act Permit Fund (0091) | 604,388 | 686,138 | 467,612 |
| EPA Court Trust Fund (0154) | 265 | 466 | 29,517 |
| Brownfields Redevelopment Fund (0214) | 157,714 | 240,502 | 256,571 |
| Water Pollution Control Revolving Fund (0270) | 18,974,152 | 21,308,906 | 14,490,437 |
| Community Water Supply Lab Fund (0288) | 38,122 | 67,339 | 68,653 |
| Environmental Lab Certification Fund (0336) Fund (738) | 7,394 | 5,020 | 10,295 |
| Clean Water Fund (731) | 16,334 | 15,430 | 3,985 |
| Total Interest Deposited Directly into State Treasury | <u>927,666</u> | <u>866,418</u> | <u>998,515</u> |
| | <u>20,726,035</u> | <u>23,190,219</u> | <u>16,325,585</u> |
| Total Agency Receipts After Interest | <u>\$ 342,796,183</u> | <u>\$ 434,014,078</u> | <u>\$ 327,649,944</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|----------------------------------------------------------------------|-------------------|-------------------|
| | 2008 | 2007 |
| <u>GENERAL REVENUE FUND - 0001</u> | | |
| Receipts per Agency Records | \$ 5,969 | \$ 10,449 |
| Plus deposits in transit, beginning of year | - | 146 |
| Less deposits in transit, end of year | 84 | - |
| Deposits Recorded by the Comptroller | <u>5,885</u> | <u>10,595</u> |
| <u>INDUSTRIAL HYGIENE REGULATORY AND ENFORCEMENT FUND - 0049</u> | | |
| Receipts per Agency Records | 3,870 | 3,155 |
| Plus deposits in transit, beginning of year | 200 | - |
| Less deposits in transit, end of year | - | 200 |
| Deposits Recorded by the Comptroller | <u>4,070</u> | <u>2,955</u> |
| <u>U.S. ENVIRONMENTAL PROTECTION FUND - 0065</u> | | |
| Receipts per Agency Records | 38,601,664 | 38,753,370 |
| Plus deposits in transit, beginning of year | 58 | - |
| Less deposits in transit, end of year | 64 | 58 |
| Deposits Recorded by the Comptroller | <u>38,601,658</u> | <u>38,753,312</u> |
| <u>UNDERGROUND STORAGE TANK FUND - 0072</u> | | |
| Receipts per Agency Records | 15 | 129 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | <u>15</u> | <u>129</u> |
| <u>EPA SPECIAL STATE PROJECTS TRUST FUND - 0074</u> | | |
| Receipts per Agency Records | 2,652,188 | 3,052,764 |
| Plus deposits in transit, beginning of year | 10,000 | 48,720 |
| Less deposits in transit, end of year | 43,251 | 10,000 |
| Deposits Recorded by the Comptroller | <u>2,618,937</u> | <u>3,091,484</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|---------------------------------------------------------------------------|---------------|---------------|
| | 2008 | 2007 |
| <u>SOLID WASTE MANAGEMENT FUND - 0078</u> | | |
| Receipts per Agency Records | \$ 24,706,220 | \$ 25,843,241 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | 24,706,220 | 25,843,241 |
| <u>SUBTITLE D MANAGEMENT FUND - 0089</u> | | |
| Receipts per Agency Records | 2,867,002 | 2,845,565 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | 2,867,002 | 2,845,565 |
| <u>CLEAN AIR ACT (CAA) PERMIT FUND - 0091</u> | | |
| Receipts per Agency Records | 15,582,737 | 15,864,033 |
| Plus deposits in transit, beginning of year * | 1,754,569 | 2,497,544 |
| Less deposits in transit, end of year | 2,472,901 | 1,755,269 |
| Deposits Recorded by the Comptroller | 14,864,405 | 16,606,308 |
| <i>* Adjusted Prior Year Deposits in Transits for Prior Year Transfer</i> | | |
| <u>POLLUTION CONTROL BOARD</u> | | |
| <u>STATE TRUST - 0207</u> | | |
| Receipts per Agency Records | 750,000 | 750,000 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | 750,000 | 750,000 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|----------------------------------------------------------------|--------------------|--------------------|
| | 2008 | 2007 |
| <u>BROWNFIELDS REDEVELOPMENT FUND - 0214</u> | | |
| Receipts per Agency Records | \$ 1,334,228 | \$ 1,248,362 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | <u>1,334,228</u> | <u>1,248,362</u> |
| <u>WATER POLLUTION CONTROL REVOLVING FUND - 0270</u> | | |
| Receipts per Agency Records | 151,993,435 | 227,309,441 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | <u>151,993,435</u> | <u>227,309,441</u> |
| <u>POLLUTION CONTROL BOARD - 0277</u> | | |
| Receipts per Agency Records | 11,362 | 9,609 |
| Plus deposits in transit, beginning of year | 189 | 60 |
| Less deposits in transit, end of year | 365 | 189 |
| Deposits Recorded by the Comptroller | <u>11,186</u> | <u>9,480</u> |
| <u>HAZARDOUS WASTE OCCUPATIONAL LICENSING FUND - 0282</u> | | |
| Receipts per Agency Records | 21,950 | 13,450 |
| Plus deposits in transit, beginning of year | 1,000 | - |
| Less deposits in transit, end of year | 900 | 1,000 |
| Deposits Recorded by the Comptroller | <u>22,050</u> | <u>12,450</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|---------------------------------------------|-------------------|-------------------|
| | 2008 | 2007 |
| <u>COMMUNITY WATER SUPPLY</u> | | |
| <u>LABORATORY FUND - 0288</u> | | |
| Receipts per Agency Records | \$ 1,927,344 | \$ 1,074,630 |
| Plus deposits in transit, beginning of year | 50,937 | 1,896 |
| Less deposits in transit, end of year | 1,720 | 43,956 |
| Deposits Recorded by the Comptroller | <u>1,976,561</u> | <u>1,032,570</u> |
| <u>USED TIRE MANAGEMENT FUND - 0294</u> | | |
| Receipts per Agency Records | 8,508 | 121,146 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | <u>8,508</u> | <u>121,146</u> |
| <u>ENVIRONMENTAL LABORATORY</u> | | |
| <u>CERTIFICATION FUNDS - 0336</u> | | |
| Receipts per Agency Records | 510,945 | 511,074 |
| Plus deposits in transit, beginning of year | 14,800 | - |
| Less deposits in transit, end of year | 9,339 | 14,800 |
| Deposits Recorded by the Comptroller | <u>516,406</u> | <u>496,274</u> |
| <u>CLEAN WATER FUND - 0731</u> | | |
| Receipts per Agency Records | 20,545,437 | 23,475,793 |
| Adjusment for deposits to Protest Fund | (404,001) | (462,357) |
| Plus deposits in transit, beginning of year | 4,458,727 | 1,860,689 |
| Less deposits in transit, end of year | 3,901,169 | 4,459,229 |
| Deposits Recorded by the Comptroller | <u>20,698,994</u> | <u>20,414,896</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|---------------------------------------------------|-------------|------------|
| | 2008 | 2007 |
| <u>ALTERNATIVE COMPLIANCE MARKET - 738</u> | | |
| Receipts per Agency Records | \$ 13,169 | \$ 336,831 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | 13,169 | 336,831 |
| <u>HAZARDOUS WASTE FUND - 0828</u> | | |
| Receipts per Agency Records | 11,685,865 | 14,374,866 |
| Plus deposits in transit, beginning of year | 60,417 | 271,932 |
| Less deposits in transit, end of year | 288,698 | 60,417 |
| Deposits Recorded by the Comptroller | 11,457,584 | 14,586,381 |
| <u>HAZARDOUS WASTE RESEARCH FUND - 0840</u> | | |
| Receipts per Agency Records | 369,594 | 389,124 |
| Plus deposits in transit, beginning of year | 6,749 | 4,446 |
| Less deposits in transit, end of year | 6,724 | 6,749 |
| Deposits Recorded by the Comptroller | 369,619 | 386,821 |
| <u>ENVIRONMENTAL PROTECTION TRUST FUND - 0845</u> | | |
| Receipts per Agency Records | 2,012,286 | 4,212,485 |
| Plus deposits in transit, beginning of year | 11,400 | 52,622 |
| Less deposits in transit, end of year | 76,211 | 11,400 |
| Deposits Recorded by the Comptroller | 1,947,475 | 4,253,707 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|-----------------------------------------------------------------------|----------------|----------------|
| | 2008 | 2007 |
| <u>ENVIRONMENTAL PROTECTION PERMIT AND INSPECTION FUND - 0944</u> | | |
| Receipts per Agency Records | \$ 10,254,383 | \$ 11,543,113 |
| Plus deposits in transit, beginning of year | 330,907 | 195,170 |
| Less deposits in transit, end of year | 222,622 | 329,208 |
| Deposits Recorded by the Comptroller | 10,362,668 | 11,409,075 |
| <u>LANDFILL CLOSURE AND POST-CLOSURE FUND - 0945</u> | | |
| Receipts per Agency Records | - | 414,000 |
| Plus deposits in transit, beginning of year | - | - |
| Less deposits in transit, end of year | - | - |
| Deposits Recorded by the Comptroller | - | 414,000 |
| <u>VEHICLE INSPECTION FUND - 0963</u> | | |
| Receipts per Agency Records | 4,211,977 | 6,667,229 |
| Plus deposits in transit, beginning of year | 740 | - |
| Less deposits in transit, end of year | - | 740 |
| Deposits Recorded by the Comptroller | 4,212,717 | 6,666,489 |
| <u>AGENCY TOTALS</u> | | |
| Receipts per Agency Records | 290,070,148 | 378,823,859 |
| Protest Adjustments to Agency Funds | (404,001) | (462,357) |
| Protest Receipts on the Comptroller Reports | 404,001 | 462,357 |
| Plus deposits in transit, beginning of year | 6,700,693 | 4,933,225 |
| Less deposits in transit, end of year | 7,024,048 | 6,693,215 |
| Deposits Recorded by the Comptroller | \$ 289,746,793 | \$ 377,063,869 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE TWO YEARS ENDED JUNE 30, 2008**

| | FISCAL YEAR | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | 2008 | 2007 |
| Reconciliation of receipts per Agency records per the Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller to receipts before interest per Agency records on the Comparative Schedule of Cash Receipts: | | |
| Receipts per Agency Records - Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller | \$ 290,070,148 | \$ 378,823,859 |
| Plus deposits made to the Comptroller through an auto-transfer, not in the form of a warrant: | | |
| Vehicle Inspection Fund - 0963 for Transfer from DOT | 30,000,000 | 30,000,000 |
| Hazardous Waste Fund - Transfer from Solid Waste Management Fund - 0078 | 2,000,000 | 2,000,000 |
| Receipts per Agency Records before interest - Comparative Schedule of Cash Receipts | \$ 322,070,148 | \$ 410,823,859 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

A comparative schedule of net appropriations, expenditures and lapsed balances is presented on pages 69 through 79. The following is an explanation of significant fluctuations in expenditures, by fund total, among the years. Funds with appropriated and non-appropriated expenditures were analyzed in total. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant expenditure fluctuations are as follows:

Fiscal Year 2008

Fund 0074 – EPA Special State Projects Trust Fund

The expenditures increased by \$289,065 or 54%. This fund is utilized to process Clean School Bus grants (grants to reduce diesel emissions on school buses which are based on applications received and funding available). The increase was due to Clean School Bus grants which were submitted in fiscal year 2008 for processing.

Fund 0207 – Pollution Control Board State Trust Fund

The expenditures decreased by \$370,214 or 54%. The decrease was mainly due to staff reductions.

Fund 0214 - Brownfields Redevelopment Fund

The expenditures decreased by \$845,787 or 27%. The decrease was due to less funding received by the Agency for the Municipal Brownfields Redevelopment Grant Program. With less funding, fewer grants were awarded by the Agency.

Fund 0288 – Community Water Supply Laboratory

The expenditures decreased by \$871,239 or 38%. The decrease was due to a decrease in Agency indirect costs disbursed out of this fund. Adjustments are made each year so that no fund bears a disproportionate share of indirect costs.

Fund 0294 – Used Tire Management Fund

The expenditures increased by \$1,696,804 or 33%. The increase was due to an increase in available appropriations, increase in personnel in the Used Tire Fund's payroll and more tire (used, discarded, and abandoned) cleanups performed in fiscal year 2008.

Fund 0422 – Alternative Fuel Funds

The expenditures increased by \$257,050 or 64%. This fund is utilized to process rebates for the use of alternate fuels. The increase was due to an increase in the number of applications received and approved by the Agency for rebate. In fiscal year 2008, the Agency received 1,325 applications, which is twice the number received in fiscal year 2007.

Fund 0551- Anti-Pollution Fund

The expenditures decreased by \$722,561 or 94%. These expenditures represent disbursements to communities for wastewater compliance projects. During fiscal year 2007, funding was received for two grant funds namely, Sparta and Carmi. However, in fiscal year 2008, the Agency requested and received funding for Sparta grant only.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Fiscal Year 2008 (Continued)

Fund 0608 – Conservation 2000 Fund

The expenditures decreased by \$663,045 or 37%. The decrease was due to decreased disbursements made to recipients of Clean Lakes project as a result of less available funds to support new projects. Disbursements in fiscal year 2008 were made to support existing projects.

Fund 0828 – Hazardous Waste Fund

The expenditures increased by \$5,825,611 or 36%. The increase was due to the start of the cleanup of the Lake Calumet Cluster in fiscal year 2008.

Fund 0963 – Vehicle Inspection Fund

The expenditures decreased by \$13,621,987 or 34%. The decrease was due to three main factors namely: (1) renegotiated vehicle emissions testing costs with the former testing contractor; (2) reduction of approximately 30% of the testable “fleet” due to legislative action; and (3) technological improvements in vehicle emissions testing, which resulted in lower costs and competitive bidding for emissions testing under the contract with the current testing vendor. The realignment of Agency shared services costs to reflect adjustments in fund distributive share also contributed to the decrease in expenditures.

Fund 0971 – Build Illinois Bond Fund

The expenditures decreased by \$9,479,756 or 65%. These expenditures are predominantly for matching federal grants in the Water Revolving Fund. No match was provided in fiscal year 2008.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

A comparative schedule of net appropriations, expenditures and lapsed balances is presented on pages 69 through 79. The following is an explanation of significant fluctuations in expenditures, by fund total, among the years. Funds with appropriated and non-appropriated expenditures were analyzed in total. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant expenditure fluctuations are as follows

Fiscal Year 2007

Fund 0074 – EPA Special State Projects Trust Fund

The expenditures decreased by \$1,186,878 or 69%. The decrease was due to realignment of Agency shared services costs to reflect adjustments in fund distributive share. In addition, there were no Clean School Bus grants processed during fiscal year 2007.

Fund 0089 – Subtitle D Management Fund

The expenditures increased by \$469,719 or 25%. The increase was due to higher personnel costs since there were more employees in Subtitle D payroll in fiscal year 2007 compared to previous year. The increase was also due to an adjustment made to Subtitle D Fund to pay its overall respective fair share of its Bureau of Land operational expenses.

Fund 0154 – EPA Court Ordered Trust

The expenditures decreased by \$669,134 or 100% as no amounts were appropriated during fiscal year 2007.

Fund 0214 - Brownfields Redevelopment Fund

The expenditures decreased by \$2,124,481 or 40%. The decrease was due to less municipal grants awarded in fiscal year 2007 due to less funding available for the Municipal Brownfields Redevelopment Grant Program.

Fund 0270 – Water Pollution Control Revolving Fund

The expenditures increased by \$53,493,660 or 38%. The increase was due to an increase in loan disbursements requests from loan recipients who are constructing drinking water and wastewater facilities.

Fund 0294 – Used Tire Management Fund

The expenditures increased by \$979,056 or 23%. The increase was due to an increase in appropriations in fiscal year 2007. Further, there were more tire cleanups performed as well as more staff was on the Used Tire Fund's payroll.

Fund 0608 – Conservation 2000 Fund

The expenditures increased by \$878,946 or 97%. The increase was due to an increase in grant expenditures to local governments for Clean Lakes project.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Fiscal Year 2007 (Continued)

Fund 0845 - Environmental Protection Trust Fund Commission

The expenditures increased by \$1,149,833 or 29%. The increase was due to an increase in the Illinois Environmental Protection Agency's share of expenditures for enhanced enforcement activities and increased funding provided to the Illinois Department of Natural Resources for research, protection and educational activities.

Fund 0963 – Vehicle Inspection Fund

The expenditures decreased by \$11,543,752 or 22%. The decrease was due to the reduction of testable "fleet" because of legislative action and technological improvements in vehicle emissions testing resulting in lower costs.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2008**

A comparative schedule of cash receipts is presented on pages 88 through 93. The following is an explanation of significant fluctuations in receipts, by fund total, among years. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant receipts fluctuations are as follows:

Fiscal Year 2008

Fund 0270 - Water Pollution Control Revolving Fund

The receipts decreased by \$75,316,006 or 33%. The Federal Grant proceeds are largely dependent upon the Agency's ability to provide the required 20% in matching funds. The State provided the match only during the last quarter of fiscal year 2008.

Fund 0288 - Community Water Supply Laboratory Fund

The receipts increased by \$852,714 or 79%. The increase was due to a two-payment option offered to community participants wherein they can pay twice a year instead of the required annual payment.

Fund 0738 - Alternative Compliance Market Account

The receipts decreased by \$323,662 or 96%. This is a voluntary program and receipts vary from year to year. Fiscal year 2008 receipts were less than in fiscal year 2007.

Fund 0845 - Environmental Protection Trust Fund

The receipts decreased by \$2,200,199 or 52%. The decrease was due to fewer receipts from penalties. Penalty income is dependent on referrals and penalties assessed by the Attorney General's Office.

Fund 0945 - Landfill Closure and Post-Closure Fund

The receipts decreased by \$414,000 or 100% as no amount was received from forfeiture of surety bond during fiscal year 2008.

Fund 0963 - Vehicle Inspection Fund

The receipts decreased by \$2,455,252 or 37%. The decrease was due to decreased amount of funds requested from the Illinois Department of Transportation because of lower contractor expenses for the vehicle emission testing program.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2008**

A comparative schedule of cash receipts is presented on pages 88 through 93. The following is an explanation of significant fluctuations in receipts, by fund total, among years. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant receipts fluctuations are as follows:

Fiscal Year 2007

Fund 0074 - EPA Special State Projects Trust Fund

The receipts increased by \$551,368 or 22%. The increase was due to an increase in grant funds available from the Trust Fund Commission for environmental projects as well as an increase in penalty income.

Fund 0091 - Clean Air Act (CAA) Permit Fund

The receipts decreased by \$5,383,492 or 25%. The decrease was due to the one-time sale of early reduction credits during the previous fiscal year.

Fund 0207 - Pollution Control Board Trust

The receipts decreased by \$250,000 or 25%. The decrease was due to decrease in available grant funds from the Trust Fund Commission.

Fund 214 - Brownfields Redevelopment Fund

The receipts decreased by \$681,237 or 35%. The decrease was due to the timing of receipt of federal grants. Cash draw downs are received two to three months after the end of each quarter.

Fund 0270 - Water Pollution Control Revolving Fund

The receipts increased by \$101,703,525 or 81%. The increase was due to several factors namely: (1) increase in federal grant proceeds wherein matching funds were released in fiscal year 2007, (2) increase in the principal loan payments for loans issued after the 2004 bond issue, and (3) loans were paid off earlier in fiscal year 2007 than in fiscal year 2006.

Fund 0288 - Community Water Supply Laboratory Fund

The receipts decreased by \$1,534,058 or 59%. The decrease was due to a dramatic drop in the levels of community participants (i.e. drinking water supplies of the state such as the cities, trailer parks, municipalities, etc.) caused by fewer facilities opting into the program.

Fund 0731 - Clean Water Fund

The receipts increased by \$7,159,886 or 44%. The increase is a result of Non-Point Discharge Elimination System (NPDES) fees billed near the end of each fiscal year and normally result in an even split of each year's fees between two fiscal years. Further, increase in receipts was due to collection of prior year bills which were sent during the latter part of fiscal year 2006.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Fiscal Year 2007 (Continued)

Fund 0828 - Hazardous Waste Fund

The receipts increased by \$5,298,261 or 58%. The increase was from the Illinois Department of Transportation for remediation activities at the Lake Calumet Cluster Site, Cook County and penalties and fines received from two court ordered penalties.

Fund 0945 - Landfill Closure and Post-Closure Fund

The receipts increased by \$414,000 or 100%. Receipts for fiscal year 2007 were from a landfill owner and operator who became insolvent and bankrupt thereby forfeiting the surety bond.

Fund 0963 - Vehicle Inspection Fund

The receipts decreased by \$10,439,670 or 61%. The decrease was due to decreased amount of funds requested from the Illinois Department of Transportation because of lower contractor expenses for the vehicle emission testing program.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2008**

The schedule of appropriations, expenditures and lapsed balances by fund is presented on pages 55 through 56. Following is an explanation of significant lapse period spending. We considered spending of 15% or more of total expenditures to be significant. Funds with appropriated and non-appropriated portions were combined to calculate the fluctuation. Explanations of significant lapsed period spending are as follows:

Fiscal Year 2008

Fund 0282 - Hazardous Waste Occupational Licensing Fund

Lapse period expenditures were \$5,590 or 35% of total expenditures. Lapse period expenditures pertain to a Data Acquisition System ordered in May 2008. However, Federal Employer Identification Number issues were not resolved with the Office of the Comptroller until lapse period at which time the Agency was able to pay for the equipment.

Fund 0422 - Alternate Fuels Fund

Lapse period expenditures were \$96,610 or 15% of total expenditures. This fund is utilized to process rebates for the use of alternate fuels. The number of applications received and approved for a rebate in fiscal year 2008 was more than twice the number from fiscal year 2007. A portion of these rebates were processed during the lapse period.

Fund 0774 - Oil Spill Response Fund

Lapse period expenditures were \$46,481 or 56% of total expenditures. Lapse period expenditures pertain to a vehicle ordered during fiscal year 2008 but not invoiced and paid until the lapse period.

Fiscal Year 2007

Fund 0738 - Alternate Compliance Market Account

Lapse period expenditures were \$104,850 or 100% of total expenditures. Lapse period expenditures pertain to a gas analyzer ordered for Northeastern Illinois field staff during fiscal year 2007. However, the invoice was not received and paid until lapse period.

Fund 0774 - Oil Spill Response Fund

Lapse period expenditures were \$53,979 or 39% of total expenditures. Lapse period expenditures pertain to laboratory, scientific and computer equipment items ordered in April 2007 but not received and invoiced until the lapse period.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The Agency's accounts receivable balance was approximately \$1,735,554 (in thousands) at June 30, 2008. The Agency utilizes the Attorney General, a private collection agency, and the Computer Offset System to collect unpaid receivables.

An aging schedule of the Agency's accounts receivable at June 30, 2008 is presented below:

| <u>Fund</u> | (Amounts in Thousands) | | | | | | <u>Total</u> |
|---------------------------------------------------|------------------------|------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------|
| | <u>Current</u> | <u>Less than 30 Days</u> | <u>31 to 90 Days</u> | <u>91 to 181 Days</u> | <u>181 to 365 Days</u> | <u>Over 365 Days</u> | |
| General Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2 | \$ 2 |
| Environmental Protection | 3,499 | - | - | - | - | - | 3,499 |
| EPA Special Project Trust | 30 | - | - | - | - | 97 | 127 |
| Solid Waste Management | 5,098 | - | - | - | - | - | 5,098 |
| Subtitle D | 557 | - | - | - | - | - | 557 |
| Clean Air Act Permit | 3,785 | 104 | 28 | 36 | 31 | 137 | 4,121 |
| Water Revolving Loan | 1,691,297 | - | - | - | - | - | 1,691,297 |
| Community Water Supply | 46 | - | - | - | 5 | 3 | 54 |
| Used Tire Management | 28 | 10 | 20 | 30 | 60 | 621 | 769 |
| Laboratory Certification | - | - | - | 1 | - | - | 1 |
| Clean Water Fund | 11,679 | - | 35 | 35 | 943 | 1,134 | 13,826 |
| Alternative Compliance Market | - | - | 82 | - | - | 43 | 125 |
| Hazardous Waste | 765 | 83 | 240 | 238 | 75 | 12,035 | 13,436 |
| Hazardous Waste Research | 41 | - | - | - | - | - | 41 |
| Trust Fund Commission | 337 | - | 6 | 2 | 26 | 6,877 | 7,248 |
| Environmental Protection Permit and Inspection | 306 | 24 | 30 | 28 | 43 | 152 | 583 |
| Vehicle Inspection Fund | 50 | - | - | - | - | - | 50 |
| Total | \$ 1,717,518 | \$ 221 | \$ 441 | \$ 370 | \$ 1,183 | \$ 21,101 | 1,740,834 |
| Accrued interest receivable - all funds | | | | | | | 2,321 |
| Allowance for uncollectible accounts | | | | | | | (7,601) |
| Net Receivable | | | | | | | <u>\$ 1,735,554</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The Agency's accounts receivable balance was approximately \$1,672,354 (in thousands) at June 30, 2007. The Agency utilizes the Attorney General, a private collection agency, and the Comptroller Offset System to collect unpaid receivables.

An aging schedule of the Agency's accounts receivable at June 30, 2007 is presented below

| Fund | (Amounts in Thousands) | | | | | | Total |
|---------------------------------------------------|------------------------|----------------------|------------------|-------------------|--------------------|------------------|---------------------|
| | Current | Less than 30 Days | 31 to 90 Days | 91 to 181 Days | 181 to 365 Days | Over 365 Days | |
| General Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2 | \$ 2 |
| Environmental Protection | 2,671 | - | - | - | - | - | 2,671 |
| EPA Special Project Trust | 60 | - | - | - | - | 94 | 154 |
| Solid Waste Management | 6,118 | - | - | - | - | - | 6,118 |
| Subtitle D | 790 | - | - | - | - | - | 790 |
| Clean Air Act Permit | 3,770 | 52 | 7 | 91 | 49 | 128 | 4,097 |
| Brownfields | 123 | - | - | - | - | - | 123 |
| Water Revolving Loan | 1,626,783 | - | - | - | - | - | 1,626,783 |
| Community Water Supply | - | 250 | - | - | - | 3 | 253 |
| Used Tire Management | 150 | 10 | 20 | 10 | - | 621 | 811 |
| Laboratory Certification | 1 | - | - | - | - | - | 1 |
| Clean Water Fund | 12,965 | 57 | - | 24 | 577 | 971 | 14,594 |
| Alternative Compliance Market | - | - | - | - | - | 44 | 44 |
| Hazardous Waste | 889 | 496 | - | 1,169 | 382 | 12,253 | 15,189 |
| Hazardous Waste Research | 51 | - | - | - | - | - | 51 |
| Trust Fund Commission | 503 | 20 | 20 | 24 | 1,618 | 4,900 | 7,085 |
| Environmental Protection Permit and Inspection | 316 | 27 | 13 | 20 | 46 | 106 | 528 |
| Total | <u>\$ 1,655,190</u> | <u>\$ 912</u> | <u>\$ 60</u> | <u>\$ 1,338</u> | <u>\$ 2,672</u> | <u>\$ 19,122</u> | 1,679,294 |
| Accrued interest receivable - all funds | | | | | | | 1,741 |
| Allowance for uncollectible accounts | | | | | | | <u>(8,681)</u> |
| Net Receivable | | | | | | | <u>\$ 1,672,354</u> |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2008**

Functions

The mission of the Illinois Environmental Protection Agency (Agency) is to safeguard environmental quality, consistent with the social and economic needs of the State, so as to protect health, welfare, property and the quality of life.

In support of this mission statement, the following program goals have been developed:

1. Provide leadership to chart a new course for clean air which is responsive to relevant needs in Illinois and complies with priority aspects of the Clean Air Act Amendments.
2. Address outstanding solid and hazardous waste management concerns and participate, as appropriate, in the national deliberations on reauthorization of the hazardous waste program.
3. Utilize creative means to address the priority needs for clean and safe water in Illinois and participate, as appropriate, in the national deliberations on reauthorization of the water programs.
4. Enhance capability to fund environmental cleanup, when necessary, and to provide better service for private party actions.
5. Promote pollution prevention and market-based approaches for continued environmental progress.
6. Develop an environmental planning capability which emphasizes risk-based analysis, good science and sound data, and open communication and informed participation.

The IEPA is organized into three principal bureaus to carry out the Agency's mission. Each bureau is described below:

The **Bureau of Air** monitors air quality throughout the State to determine existing levels of pollution and evaluate historical trends. The Bureau of Air also addresses future needs of the State through an air quality planning program, analyzes alternative control strategies, proposes new or revised quality standards to the Pollution Control Board and conducts the Illinois Vehicle Emissions Testing Program to reduce air pollution from vehicle emissions in those sections of Illinois which do not meet federal air quality standards.

The **Bureau of Water** includes the Division of Public Water Supplies and the Division of Water Pollution Control. The Division of Public Water Supplies regulates operation of public water systems including inspections, water quality monitoring, technical assistance, facility permitting, system operator training, and enforcement programs. The Division of Water Pollution Control is responsible for identifying sources of water pollution and implementing procedures to abate the pollution.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2008**

The **Bureau of Land** administers the federal hazardous waste program pursuant to the federal Resource Conservation and Recovery Act and the State's solid waste program through permitting, surveillance, compliance and enforcement activities which control the transport, storage, treatment, and disposal of hazardous wastes. The Bureau also administers the Leaking Underground Storage Tank Program.

Laboratory facilities are located in, Champaign and Springfield. Regional offices are located in Rockford, Des Plaines, Elgin, Elk Grove, Peoria, Springfield, Champaign, Collinsville and Marion.

Planning

The Agency established a strategic plan that runs for four years and is updated every year going forward. The plan includes the set-up of five priorities. These are 1) to enhance air quality, 2) to reduce contamination of the land through prevention and cleanup, 3) provide clean and safe water, 4) provide good information about environmental conditions to educate the public and guide use of resources, and 5) develop innovative programs that promote economic development and benefit the environment. Each priority was setup with various initiatives in order to achieve the above program goals. These initiatives were programmed to direct the day-to-day operation of the Agency's various bureaus (air, land, and water).

In addition, the Agency also has the following Strategic Management Directions wherein the Agency widens its focus of promoting public awareness through social activities:

1. Pursue the State's environmental interests in concert with applicable national environmental programs.
2. Produce sound environmental decisions that are conducive to environmental progress.
3. Strengthen the government framework for environmental protection in Illinois.
4. Foster innovation, systems improvement and human resource development.
5. Stress responsiveness to relevant publics.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AVERAGE NUMBER OF EMPLOYEES
FOR THE TWO YEARS ENDED JUNE 30, 2008**

The following information was prepared from Agency records and represents the average number of employees for the fiscal years ended June 30:

| | Average Headcount | | |
|--------------------------|-------------------|-------|-------|
| | 2008 | 2007 | 2006 |
| Administrative Services* | 26 | 18 | 21 |
| Bureau of Air | 283 | 325 | 309 |
| Laboratories* | 375 | 403 | 17 |
| Bureau of Land | 317 | 348 | 394 |
| Bureau of Water | 15 | 18 | 329 |
| | 1,016 | 1,112 | 1,070 |

* Headcount associated with the General Revenue Fund, with exception of the Office of Emergency Response, have been allocated to Fee Programs and Federal Programs.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Environmental Protection Agency
(Dollars in Thousands)

| <u>Program</u> | <u>FY 2007</u> | | <u>FY 2008</u> | |
|----------------------|---------------------|------------------|---------------------|------------------|
| | <u>Expenditures</u> | <u>Headcount</u> | <u>Expenditures</u> | <u>Headcount</u> |
| Clean Water | \$ 245,394 | 348 | \$ 218,591 | 340 |
| Clean Land | 113,000 | 406 | 126,080 | 394 |
| Clean Air | 68,772 | 312 | 57,356 | 290 |
| Agency Totals | \$ 427,166 | 1,066 | \$ 402,027 | 1,024 |

The Illinois Environmental Protection Agency (Agency) was created as part of the Environmental Protection Act of 1970. The Agency's mission is to protect, restore, and enhance the quality of air, land and water resources to benefit current and future generations. In fiscal year 2008, the Agency expended \$402.0 million to fund the activities of the Agency, which included administering State and federal programs to protect and improve air, land and water resources. The Agency employed 1,024 people in fiscal year 2008, including engineers, biologists, attorneys and other professionals with skills necessary to carry out the functions of the Agency. Activities of the Agency include issuing permits for air, land and water to restrict pollutants into the environment from industrial and commercial sources; regulating pollution control facilities and solid waste disposal sites; testing the quality of water processing procedures for operators of sewage treatment plants and public drinking water supplies and testing gasoline vehicles in Chicago and Metro-East ozone non-attainment areas. The Agency also administers grants and loans to local governments for wastewater and drinking water treatment facilities and for Brownfields redevelopment projects.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Clean Air

Mission Statement:

Protect the health, welfare, property and the quality of life of the citizens of Illinois through the elimination or control of harmful pollutants in the air.

Program Goals - Objectives:

1. Ensure that all federal and state air quality standards are being achieved.
 - a. Issue permits; conduct inspections, compliance activities, and air monitoring; and track air quality trends.
 - b. Assess the status of air quality through data collection, modeling and analysis.
2. Implement air pollution control strategies to reduce industrial emissions.
 - a. Reduce power plant emissions by establishing requirements necessary to meet federal and state standards.
 - b. Promote clean coal technologies and encourage the development of new clean coal energy plants.
3. Reduce emissions from mobile sources (i.e., transportation) that impact air quality in the state.
 - a. Implement Illinois' Drive Green Initiative to reduce mobile source emissions.
 - b. Reduce emissions from diesel school buses.
 - c. Educate school administrators and bus drivers about reducing emissions from diesel school buses.
 - d. Encourage use of pollution control retrofit devices, construction equipment on Illinois Department of Transportation projects, and other diesel vehicles.
 - e. Promote clean burning alternate fuels.
4. Implement an improved vehicle emission test program in non-attainment areas.
 - a. Coordinate with the Secretary of State to change the motorist testing notification and enforcement mechanisms.
 - b. Design, develop, implement, and maintain an effective and efficient vehicle emissions testing program.
5. Participate in Midwest Governors Association Air Initiative.
 - a. Continue dialogue with other states on improving air quality in the Midwest by reducing emissions from power plants and other targeted sources.
 - b. Work collectively with other states toward achieving state and regional air quality goals.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Funds: U. S. Environmental Protection Fund, EPA State Projects Trust Fund, Clean Air Act (CAA) Permit Fund,
Compliance Market Account Fund, Environmental Protection Permit and Inspection Fund, Vehicle Inspection Fund

| | <u>Fiscal Year 2006 Actual</u> | <u>Fiscal Year 2007 Actual</u> | <u>Fiscal Year 2008 Target /Projected</u> | <u>Fiscal Year 2008 Actual</u> | <u>Fiscal Year 2009 Target /Projected</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------------------------|------------------------------------|---------------------------------------------------|
| <u>Input Indicators</u> | | | | | |
| • Total expenditures -all sources (in thousands) | \$ 80,074 | \$ 69,193 | \$ 91,132 | \$ 57,724 | \$ 69,464 |
| • Total expenditures -State appropriated funds (in thousands) | \$ 79,528 | \$ 68,772 | \$ 90,067 | \$ 57,356 | \$ 68,709 |
| • Average monthly full-time equivalents | 325 | 312 | 335 | 290 | 309 |
| <u>Output Indicators</u> | | | | | |
| • Number of permits issued to non-Title V sources | 1,782 | 2,111 | 2,100 | 2,381 | 2,200 |
| • Number of initial vehicle emission tests performed | 1,894,000 | 1,889,189 | 1,491,850 | 1,477,646 | 1,566,500 |
| • Number of pollutant emitting facilities inspected | 2,084 | 2,123 | 2,100 | 1,408 | 1,408 |
| • Number of permits issued to large pollutant emitting facilities (Title V) for the operation of such facilities | 190 | 55 | 200 | 68 | 100 |
| <u>Outcome Indicators</u> | | | | | |
| • Customer service rating for vehicle test program (maximum score of 5) | 4.7 | 4.7 | 4.5 | 4.7 | 4.7 |
| • Reduce pollution from diesel school buses (in pounds) | 9,374 | 0 | 1,200 | 0 | 0 |
| • Percent days with "Good" air quality in Chicago | 96% | 98% | 98% | 97% | 98% |
| • Percent days with "Good" air quality in St. Louis area | 98% | 98% | 97% | 98% | 96% |
| • Percent industrial source emission reductions | 38% | 42% | 44% | 50% | 50% |
| • Percent mobile source emission reductions | 25% | 46% | 48% | 54% | 54% |
| <u>Efficiency/Cost-Effectiveness</u> | | | | | |
| • Cost of inspecting and permitting each small (non-Title V) pollutant-emitting facility (in dollars) | \$ 1,964 | \$ 2,033 | \$ 2,105 | \$ 1,866 | \$ 2,080 |
| • Cost of inspecting and permitting each large (Title V) pollutant-emitting facility (in dollars) | \$ 73,194 | \$ 76,122 | \$ 79,166 | \$ 79,167 | \$ 82,334 |
| • Cost per vehicle tested in the Chicagoland and Metro-East areas to ensure compliance with state and federal air quality standards (in dollars) | \$ 27 | \$ 21 | \$ 19 | \$ 16 | \$ 12 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Clean Land

Mission Statement:

Reduce contamination of the land through prevention and cleanup.

Program Goals - Objectives:

1. Ensure that hazardous and nonhazardous wastes are managed in an environmentally sound manner.
 - a. Review and evaluate permit applications for hazardous, non-hazardous and special waste management facilities.
 - b. Complete closure of all inactive waste management units.
 - c. Review permitted groundwater monitoring programs, interpret groundwater standards, and offer assistance concerning impacts on groundwater.
 - d. Perform compliance inspections at waste generating facilities.
2. Encourage the recycling and recovery of waste materials.
 - a. Administer household hazardous waste collection programs with local governments and waste collections with K-12 schools.
 - b. Seek authority to allow reuse of waste in innovative non-regulated ways.
 - c. Implement Responsible Ideas for Disposal (RID).
3. Clean up sites with contaminated land and groundwater.
 - a. Investigate, reduce, eliminate, and manage impacts of contaminated land and contaminated groundwater.
 - b. Provide opportunities for the cleanup and reuse of Brownfields.
 - c. Clean up abandoned landfills.
 - d. Pursue insurance recovery for abandoned waste sites; target sites to be referred to the Attorney General.
 - e. Explore remediation of abandoned schools with environmental hazards.
 - f. Implement cleanup of Chicago cluster sites.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Funds: U. S. Environmental Protection Fund, Underground Storage Tank Fund, EPA State Projects Trust Fund, Solid Waste Management Fund, Subtitle D Management Fund, EPA Court Trust Fund, Brownfields Redevelopment Fund, Hazardous Waste Occupational Licensing Fund, Used Tire Management Fund, Anti-Pollution Fund, Hazardous Waste Fund, Environmental Protection Permit and Inspection Fund, Landfill Closure and Post-Closure Fund, Build Illinois Bond Fund

| | <u>Fiscal Year 2006 Actual</u> | <u>Fiscal Year 2007 Actual</u> | <u>Fiscal Year 2008 Targeted /Projected</u> | <u>Fiscal Year 2008 Actual</u> | <u>Fiscal Year 2009 Targeted /Projected</u> |
|----------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|-----------------------------------------------------|------------------------------------|-----------------------------------------------------|
| <u>Input Indicators</u> | | | | | |
| • Total expenditures - all sources (in thousands) | \$ 120,870 | \$ 113,542 | \$ 188,520 | \$ 126,578 | \$ 173,373 |
| • Total expenditures -State appropriated funds (in thousands) | \$ 120,169 | \$ 113,000 | \$ 187,162 | \$ 126,080 | \$ 172,424 |
| • Average monthly full-time equivalents | 422 | 406 | 431 | 394 | 390 |
| <u>Output Indicators</u> | | | | | |
| • Facility permits issued | 740 | 864 | 991 | 854 | 890 |
| • Facilities inspected | 4,721 | 4,860 | 4,500 | 4,959 | 4,600 |
| • Solid waste administrative citations | 29 | 48 | 30 | 29 | 30 |
| • Superfund constructions completed | 1 | 0 | 4 | 3 | 2 |
| • State cleanup projects completed | 6 | 4 | 5 | 3 | 4 |
| • Household hazardous waste collections | 30 | 21 | 20 | 20 | 20 |
| • LUST (Leaking Underground Storage Tanks) incidents reported | 503 | 532 | 500 | 525 | 500 |
| <u>Outcome Indicators</u> | | | | | |
| • Waste permits issued as a percent of applications reviewed | 98% | 99% | 95% | 99% | 95% |
| • Waste facilities in corrective action | 45% | 45% | 45% | 45% | 45% |
| • Waste diverted from landfills by household hazardous waste collections (measured in drums) | 7,011 | 6,807 | 6,500 | 8,353 | 8,400 |
| • Waste diverted from landfills by tire collections (measured in tons) | 9,876 | 7,243 | 9,000 | 7,606 | 10,000 |
| • Land remediated (measured in acres) | 2,857 | 6,687 | 5,500 | 2,777 | 2,500 |
| <u>Efficiency/Cost-Effectiveness</u> | | | | | |
| • Cost per household hazardous waste collection (in dollars) | \$ 57,111 | \$ 60,962 | \$ 61,000 | \$ 62,900 | \$ 62,900 |
| • Cost per facility permitted (in dollars) | \$ 5,194 | \$ 5,641 | \$ 6,000 | \$ 4,863 | \$ 5,100 |

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Clean Water

Mission Statement:

Illinois rivers, streams and lakes will support all designated uses; every public water supply will provide water that is consistently safe to drink and resource groundwater will be protected.

Program Goals - Objectives:

1. Implement programs to sustain beneficial uses of streams, lakes, and groundwater.
 - a. Protect and maintain existing high quality waters.
 - b. Eliminate use impairments in Illinois waters with identified problems.
 - c. By 2009, reduce water segments impacted by nonpoint source pollution by 20% from 1999 levels.
 - d. Promote nutrient management practices.
 - e. Work toward science-based standards (nutrients, bacteria, dissolved oxygen, sulfate) and more accurate use classifications.
 - f. Address non-continuous but recurring pollutant discharges related to wet weather conditions.
 - g. Develop a permit program for surface-discharging septic systems.
 - h. Continue financial assistance to communities seeking to achieve or maintain Non-Point Discharge Elimination System (NPDES) compliance.
 - i. Increase awareness of groundwater contamination, non-degradation standards, wellhead protection, source water protection through outreach and education.
2. Ensure that public water supply systems provide water that is consistently safe to drink.
 - a. Reduce the population served by community water supplies with violations of drinking water standards to less than 5%.
 - b. Work toward enhancing rules for groundwater protection, source water protection, and wellhead protection areas.
 - c. Target financial assistance to assure compliance with new and existing drinking water standards.
3. Protect and restore Lake Michigan.
 - a. Maintain the percentage of open shoreline miles in good condition.
 - b. Assist with remediation of Waukegan Harbor.
 - c. Continue work at contaminated cluster sites in Lake Calumet area.
4. Reduce mercury in the Illinois environment.
 - a. Implement reduction programs, including capture and disposal of mercury vehicle switches and mercury thermostat recycling program.
 - b. Identify and assess current levels of mercury loading to Illinois water environment and assess trends in fish tissue.
 - c. Seek adoption of and implement mercury reduction requirements from Illinois power plants.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Program Goals – Objectives (Continued)

5. Move from facility planning to watershed protection.
 - a. Develop 25 Total Maximum Daily Loads (TMDLs) for waters that fail to meet the use for which they have been designated.
 - b. Align the Agency's program activities on a watershed basis.
 - c. Pilot a watershed management approach in the Kishwaukee and Green River watersheds.
 - d. Foster local watershed management planning.
6. Assist with statewide water quantity planning.
 - a. Provide technical assistance to the Illinois Department of Natural Resources and regional planning groups.
 - b. Inform stakeholders of the impacts of water quantity on water quality and vice versa.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2008
(NOT EXAMINED)**

Funds: U. S. Environmental Protection Fund, Water Revolving Fund, Anti-Pollution Fund, Partners for Conservation Fund, Illinois Clean Water Fund, Hazardous Waste Fund, Environmental Protection Permit and Inspection Fund, Build Illinois Bond Fund

| | Fiscal Year 2006 Actual | Fiscal Year 2007 Actual | Fiscal Year 2008 Targeted /Projected | Fiscal Year 2008 Actual | Fiscal Year 2009 Targeted /Projected |
|------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|-----------------------------------------------------|------------------------------------|-----------------------------------------------------|
| <u>Input Indicators</u> | | | | | |
| • Total expenditures -all sources (in thousands) | \$ 187,590 | \$ 245,849 | \$ 1,022,014 | \$ 219,010 | \$ 1,087,364 |
| • Total expenditures -State appropriated funds (in thousands) | \$ 187,006 | \$ 245,394 | \$ 1,022,014 | \$ 218,591 | \$ 1,086,537 |
| • Average monthly full-time equivalents | 357 | 348 | 369 | 340 | 351 |
| <u>Output Indicators</u> | | | | | |
| • Drinking water permits issued | 5,171 | 4,924 | 4,900 | 3,974 | 3,300 |
| • Wastewater permits issued | 4,651 | 4,774 | 4,500 | 3,507 | 4,000 |
| • Drinking water facilities inspected | 607 | 660 | 550 | 710 | 600 |
| • Wastewater facilities inspected | 832 | 939 | 950 | 962 | 950 |
| • Infrastructure grants | 11 | 5 | 10 | 5 | 10 |
| • Wastewater loans | 26 | 25 | 25 | 18 | 20 |
| • Drinking water loans | 22 | 14 | 20 | 20 | 20 |
| • Non-point source control projects | 24 | 16 | 22 | 24 | 20 |
| • Lake restoration/protection grants | 1 | 0 | 0 | 0 | 16 |
| <u>Outcome Indicators</u> | | | | | |
| • Groundwater with "Good Quality" rating | 77% | 77% | 77% | 74.5% | 74.5% |
| • Illinois streams with "Good Quality" rating | 62% | 62% | 65% | 61% | 61% |
| • Lakes with "Good Quality" rating | 41% | 54% | 54% | 69% | 69% |
| • Major wastewater-discharging facilities in compliance | 97% | 96.8% | 96% | 96.8% | 96% |
| • Population served with good quality drinking water from community water supplies | 94% | 94.5% | 95% | 96% | 95% |
| <u>Efficiency/Cost-Effectiveness</u> | | | | | |
| • Cost per facility permitted (in dollars) | \$ 1,002 | \$ 960 | \$ 1,000 | \$ 1,027 | \$ 1,035 |