

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

**FINANCIAL AUDIT
FUND 270 - WATER REVOLVING FUND
For the Year Ended June 30, 2006
AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006**

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

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

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**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

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STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

AGENCY OFFICIALS

Director (effective July 1, 2005 - Current)	Douglas P. Scott
Director (August 13, 2001 - June 30, 2005)	Renee Cipriano
Deputy Director- Environmental Operations and Administration	Bernard P. Killian
Associate Director	Ron Burke
Chief Legal Counsel	Robert A. Messina
Chief Financial Officer	Lisa Bonnett
Purchasing Officer	John Donato
Audit Liaison	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

Crowe Chizek and Company LLC
3201 West White Oaks Drive Suite 202
Springfield, IL 62704

February 16, 2007

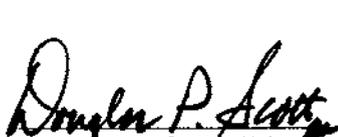
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2006, the Agency has materially complied with the assertions below.

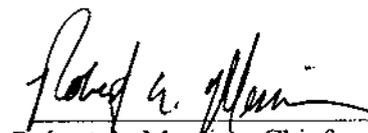
- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, 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. The 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. The 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.

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

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.

AUDITORS' 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 Findings</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	5	7
Repeated Findings	3	2
Prior Recommendations Implemented or Not Repeated	4	3

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

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-1	10	Employee Performance Evaluations not Performed on a Timely Basis
06-2	11	Lack of Industrial Hygiene Examining Board
06-3	12	Non-compliance with Pollution Prevention and Annual Illinois Water Quality Reporting Requirements
06-4	14	Lack of Water Pollution Control and Public Water Supply Committee Meetings
06-5	15	Failure to Update Illinois Administrative Code to Reflect Increase in Fees
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-6	16	Efficiency Initiative Payments
06-7	16	Non-compliance with Annual Toxic Chemical Reporting Requirements
06-8	16	Alternative Compliance Market Account Fund not Interest Bearing
06-9	17	Recommendations Presented in the Management Audit of the Vehicle Emissions Program not Implemented

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

COMPLIANCE REPORT

SUMMARY
(Continued)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on March 22, 2007. Attending were:

Illinois Environmental Protection Agency

Bernard Killian	Deputy Director
Lisa Bonnett	Chief Financial Officer
Willa Barger	Fiscal Services Manager
Gary Styzens	Administration

Office of the Auditor General

Jane Clark	OAG Audit Manager
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Crowe Chizek and Company LLC

Bert Nuehring	Partner
Amy Lyons	Supervisor
Nick Barnard	In-Charge

Responses to the recommendations were provided by the director of the Agency in a letter dated March 26, 2007.



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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 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, 2006. The management of the State of Illinois, Environmental Protection Agency is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Environmental Protection Agency's compliance based on our examination.

- 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. The 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.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Environmental Protection Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Environmental Protection Agency's compliance with specified requirements.

In our opinion, the State of Illinois, Environmental Protection Agency complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. 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 State findings as findings 06-1 through 06-5. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois, Environmental Protection Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Environmental Protection Agency's internal control over compliance with the aforementioned requirements 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 06-1 and 06-5. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

We have not applied procedures to the 2004 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.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Springfield, Illinois
February 16, 2007



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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, as of and for the year ended June 30, 2006, and have issued our report thereon dated February 16, 2007. 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 State of Illinois, Environmental Protection Agency's internal control over financial reporting of the Water Revolving Fund in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the Water Revolving Fund's financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain deficiencies in the design or operation of internal control over financial reporting which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings. We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the State of Illinois, Environmental Protection Agency in a separate letter dated February 16, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Environmental Protection Agency's Water Revolving Fund 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings. We also noted certain other matters which we have reported to management of the State of Illinois, Environmental Protection Agency's Water Revolving Fund in a separate letter dated February 16, 2007.

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.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Springfield, Illinois
February 16, 2007

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

FINDING 06-1: *(Employee Performance Evaluations not Performed on a Timely Basis)*

The Agency did not conduct employee performance evaluations in a timely manner for 12 out of 50 (24%) employees tested during the examination period. The time elapsed from the employees' previous performance reviews ranged from 13 to 52 months. In 4 out of 50 (8%) employee personnel files tested, the Agency conducted employee evaluations within the last 12 months. However, the evaluation period ranged from 15 months to 36 months.

The Agency's Employee Handbook (Chapter 3) states that 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 No. 06-1, 04-2, 02-1, 00-1, 99-04, 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 has increased its efforts 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. As a result, the majority of the evaluations for the period tested have been done or are in the process of completion.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

FINDING 06-2: *(Lack of Industrial Hygiene Examining Board)*

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

The 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 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. Since then, only 76 licensed industrial hygienists 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 non-compliance with statutory mandate and could lead to inadequate administration or regulation of the profession. (Finding Code No. 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 Agency will seek legislation to repeal the Industrial Hygiene Licensure Act. This Act provides for a voluntary licensure program, and only 230 industrial hygienists have requested license since the program was implemented in 1984. In fact, only 76 licensed industrial hygienists have renewed their license. The Agency believes the decline in registration demonstrates that the program does not enhance a licensee's business opportunities.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006

FINDING 06-3: *(Non-compliance with Pollution Prevention and Annual Illinois Water Quality Reporting Requirements)*

The Agency did not publish an annual report on the progress of pollution prevention as required by the Illinois Pollution Prevention Act. Further, the Agency did not submit the 2005 Annual Illinois Water Quality Report as required by the Rivers, Lakes and Streams Act.

The Illinois Pollution Prevention Act (415 ILCS 115/15) states with regard to any voluntary pollution prevention planning program, the Agency shall utilize the source reduction and recycling information required to be reported for toxic or hazardous materials to assess and report the progress of pollution prevention, on an annual basis. This reporting shall further compare the source reduction and recycling activities with respect to toxic or hazardous materials for those facilities, which voluntarily conduct pollution prevention to the reporting by all facilities in Illinois for toxic or hazardous materials. 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 personnel stated they are seeking legislative remedy for the statute regarding the Illinois Pollution Prevention Act. In addition, the Agency stated they believed the biennial water quality report submitted under federal regulation supported compliance with the annual report required by State statute.

Failure to publish an annual report on the progress of pollution prevention is non-compliance with a statutory mandate and may lead to ineffective pollution prevention activities in the State. Further, failure to submit the Illinois Water Quality Report on an annual basis is non-compliance with a statutory mandate and could prevent the proper preservation and utilization of Lake Michigan. (Finding Code No. 06-3, 04-6)

RECOMMENDATION

We recommend the Agency comply with the statutory requirement to publish an annual report on the progress of pollution prevention or seek legislative remedy. Further, the Agency should ensure the Illinois Water Quality Report is submitted to the Governor and General Assembly on an annual basis.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

AGENCY RESPONSE

Accepted. The Agency is currently seeking a legislative change to eliminate the Pollution Prevention annual reporting requirement. House Bill 316, which repeals the Pollution Prevention Act, has passed in the House and is currently waiting action in the Senate.

The Agency will request that the Governor require the Illinois Water Quality Report be submitted biennially, which will parallel submissions under the federal Clean Water Act.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

FINDING 06-4: *(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 regular 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) 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 committees were appointed and believe they have met the statutory requirement to meet periodically.

Failure to conduct periodic committee meetings for the clean and drinking water programs is non-compliance with a statutory mandate 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 No. 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. The Agency will update the membership listing for both committees and convene a meeting to consider policy issues.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
CURRENT FINDINGS, RECOMMENDATIONS, AND AGENCY RESPONSES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

FINDING 06-5: *(Failure to Update Illinois Administrative Code to Reflect Increase in Fees)*

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

- Part 251.201 Amount of Air Pollution Site Fee
- Part 320.201 Amount of the Fee
- Part 690.201 Amount of the Fee
- Part 1450.300 Quarterly Submission of Payment of PIMW Transporter Fee

The Environmental Protection Act (415 ILCS 5/sections 9.6(b), 12.2, 16.1, and 56) 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.

Agency management stated legislative changes to the permit fee structure were extensive. Consequently, the Agency delayed updating the Administrative Code until the full impact of the changes could be assessed and fully discussed.

Failure to update existing administrative rules to reflect statutory changes to the Agency's fees increases the risk 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 No. 06-5)

RECOMMENDATION

We recommend the Agency modify the existing rules to reflect current statutes increasing permit fees.

AGENCY RESPONSE

Accepted. The Agency is currently drafting the revisions to the Bureau of Water, Bureau of Land and Bureau of Air permit fee rules and the rules will be published for First Notice by the end of FY07.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2006

PRIOR FINDINGS NOT REPEATED - (STATE COMPLIANCE)

06-6 *(Efficiency Initiative Payments)*

During the prior examination, the Agency made payments for efficiency initiative billings from improper line item appropriations and funds.

During the current examination, our test results indicated the Agency has complied with the State Finance Act requiring state agencies to pay appropriation amounts from the line items where the cost savings are anticipated to occur. (Finding Code No. 04-1)

06-7 *(Non-compliance with Annual Toxic Chemical Reporting Requirements)*

During the prior examination, the Agency published the Fifteenth Annual Toxic Chemical Report 86 days late and the Sixteenth Annual Toxic Chemical Report was not published as of the date of our report.

During the current examination, we noted the Agency requested and received legislative remedy, moving the reporting requirement from April to September. The Sixteenth Annual Toxic Chemical Report was published in December 2004. The Seventeenth Annual Toxic Chemical Report was reported in a timely manner. The reports are available for viewing on the IEPA website. (Finding Code No. 04-3, 02-3)

06-8 *(Alternative Compliance Market Account Fund not Interest Bearing)*

During the prior examination, the Agency did not ensure the Alternative Compliance Market Account Fund (Fund 738) monies were deposited in an interest bearing account within the State Treasury.

During the current examination, we noted the Agency complied with the Environmental Protection Act and established the Alternative Compliance Market Account Fund as an interest bearing account. (Finding Code No. 04-4)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2006

06-9 *(Recommendations Presented in the Management Audit of the Vehicle Emissions Program not Implemented)*

During the prior examination, the Agency did not fully implement three out of ten recommendations presented in the Management Audit of the Vehicle Emissions Program conducted by the Office of the Auditor General.

During the current examination, we noted the Agency had fully implemented nine of ten recommendations presented in the Management Audit of the Vehicle Emissions Program conducted by the Office of the Auditor General. Issues related to reporting have not been resolved and are presented in the report on immaterial findings as immaterial finding IM06-10. (Finding Code No. 04-7)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FINANCIAL AUDIT
FUND 270 - WATER REVOLVING FUND
FOR THE YEAR ENDED JUNE 30, 2006**

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 was performed by Crowe Chizek and Company LLC.

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



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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, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Environmental Protection 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 State of Illinois, Environmental Protection Agency as of June 30, 2006, 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 State of Illinois, Environmental Protection Agency, as of June 30, 2006, 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 February 16, 2007 on our consideration of the State of Illinois, Environmental Protection Agency's

Illinois, Environmental Protection 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 controls 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.

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.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Springfield, Illinois
February 16, 2007

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

STATEMENT OF NET ASSETS

JUNE 30, 2006
(amounts in \$000's)

	Water Revolving Fund (270 Fund)
ASSETS	
Current assets	
Cash and cash equivalents	\$ 390,006
Other receivable, net	33,362
Loans and notes receivable, net	42,931
Due from federal government	14,337
Restricted assets - cash and cash equivalents	12,824
Restricted assets - investments	66,401
Restricted assets - accrued interest receivable	14,208
Restricted assets - pledged loans receivable	34,677
Total current assets	608,746
Noncurrent assets	
Loans and notes receivable, net long-term	1,011,747
Capital assets being depreciated, net	14
Unamortized bond issuance costs	1,076
Restricted assets - investments	53,167
Restricted assets - pledged loans receivable	400,557
Total noncurrent assets	1,466,561
Total assets	2,075,307
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	4,148
Due to other funds	135
Due to component unit	1
Current portion of long-term obligations	18,686
Compensated absences, current	478
Total current liabilities	23,448
Noncurrent liabilities	
Noncurrent portion of long-term obligations	229,749
Compensated absences, long-term	709
Total noncurrent liabilities	230,458
Total liabilities	253,906
NET ASSETS	
Invested in capital assets	14
Restricted for	
Debt service	581,834
Other purposes	1,496,982
Unrestricted	(257,429)
Total net assets	\$ 1,821,401

The accompanying notes to the financial statements are an integral part of this statement.

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, 2006

(amounts in \$000's)

	Water Revolving Fund (Fund 270)
OPERATING REVENUES	
Interest income on loans	\$ 55,556
Other	<u>1</u>
Total operating revenues	<u>55,557</u>
OPERATING EXPENSES	
General and administrative	11,496
Depreciation	<u>22</u>
Total operating expenses	<u>11,518</u>
Operating income	<u>44,039</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and investment income	6,282
Other - grant revenues	32,121
Interest	<u>(11,102)</u>
Total nonoperating revenues (expenses)	27,301
Income before transfers	71,340
Transfers from other funds	<u>8,300</u>
Change in net assets	79,640
Total net assets, July 1, 2005	<u>1,741,761</u>
Total net assets, June 30, 2006	<u><u>\$ 1,821,401</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

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, 2006

(amounts in \$000's)

	Water Revolving Fund (270 Fund)
Cash Flows From Operating Activities	
Cash receipts from interest income on loans	\$ 52,640
Cash payments to employees for services	(9,406)
Other payments	(1,950)
Net cash provided by operating activities	41,284
Cash Flows From Noncapital Financing Activities	
Operating grants received	21,662
Net transfers from other funds	8,300
Interest and principal paid on borrowing	(29,290)
Net cash provided by noncapital financing activities	672
Cash Flows From Investing Activities	
Proceeds from sales and maturities of investment securities	208,506
Purchase of investment securities	(199,457)
Loan disbursements	(127,985)
Loan repayments	83,015
Interest and investment income	5,633
Net cash used by investing activities	(30,288)
Net increase in cash and cash equivalents	11,668
Cash and cash equivalents, July 1, 2005	391,162
Cash and cash equivalents, June 30, 2006	\$ 402,830
Reconciliation of cash and cash equivalents to the statement of net assets	
Cash and cash equivalents	\$ 390,006
Restricted assets - cash and cash equivalents	12,824
Total cash and cash equivalents, June 30, 2006	\$ 402,830
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 44,039
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	22
Change in assets and liabilities	
Increase in receivables, net	(2,916)
Increase in accounts payable and accrued liabilities	37
Decrease in due to other funds	63
Increase in due to component units	1
Increase in other liabilities	38
Net cash provided by operating activities	\$ 41,284

The accompanying notes to the financial statements are an integral part of this statement.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 1 - DESCRIPTION OF FUNDS

The Environmental Protection Agency (the 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.

NOTE 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 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 exists when the State's governing body appoints a majority of an organization's governing board and either

- (1) the ability of the primary government to impose its will, or
- (2) the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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, 2006, 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 net assets and statement of cash flows have been presented for the individual nonshared proprietary fund administered by the Agency.

Operating revenues consist mainly of interest on loans, which is the principal activity of the fund. Operating expenses consist of administrative activities, depreciation and other expenses. Nonoperating revenues, such as subsidies and non-loan 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.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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 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. Certain investments with original maturities of three months or less (including U.S. Treasury Bills) are treated as cash and cash equivalents.

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.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Equipment	\$ 5,000	3-25

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.

Bond Premiums, Discounts and Issuance Costs

Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as a component of noncurrent assets and are amortized over the term of the related debt.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net Assets is displayed in three components as follows:

Invested in Capital Assets - 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."

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 by 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.

NOTE 3 - DEPOSITS AND INVESTMENTS

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 in money market and checking accounts.

Deposits in the custody of the State Treasurer (or in transit) at June 30, 2006, were \$379,530 (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, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Deposits (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, 2006, none of the bank balances of \$10,154 (expressed in thousands) held outside the State Treasury were exposed to custodial credit risk.

Investments

Investments are reported at fair value. At June 30, 2006, the Agency had the following investments and maturities (expressed in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>				<u>Weighted Average Maturity</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
U.S. Treasury bills	\$ 7,758	\$ 7,758	\$ -	\$ -	\$ -	0.13
State and Local Government series	57,797	4,630	20,254	22,095	10,818	6.00
Money market accounts with brokers	8,409	8,409	-	-	-	.05
Commercial paper	<u>58,750</u>	<u>58,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.17
Total	<u>\$ 132,714</u>	<u>\$ 79,547</u>	<u>\$ 20,254</u>	<u>\$ 22,095</u>	<u>\$ 10,818</u>	2.79

Interest Rate Risk. The Public Funds Investment Act (30 ILCS 235/1 et seq.)(the Act) limits investments in corporate debt to maturities of not later than 180 days from the date of purchase. There are no limits on U.S. Treasury or U.S. Agency investments. The Illinois Environmental Protection Agency does not have any additional policies related to interest rate risk; however, the segmented time distribution method is used to identify and manage interest rate risk.

Credit Risk. The Act limits investments in corporate debt to corporations organized in the United States with assets exceeding \$500,000,000 and to the top three highest classifications established by at least two standards rating services. The Agency's commercial paper investments at June 30, 2006, are rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service.

The Act limits investments in money market mutual funds to funds registered under the Investment Company Act of 1940, provided the portfolio of such fund is limited to U.S. Treasuries, U.S. Agencies or repurchases thereof. The money market accounts held with brokers at June 30, 2006, consist of portfolios of U.S. Treasury obligations. The money

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

market accounts are rated AAAM by Standard & Poor's and Aaa by Moody's Investors Service.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

In addition, since the Series 2002 and Series 2004 bonds are tax-exempt issues, the bond indentures require adherence to Federal tax law, including certain investment restrictions.

Concentration of Credit Risk. The Act limits investment in corporate obligations to no more than one third of the State of Illinois' investments, taken as a whole. The Agency has no further policies related to concentration of credit risk. At June 30, 2006, 44% of the investment balance was held in commercial paper. Of the \$58,750 (expressed in thousands) in commercial paper, 100% was held at HSBC.

Reconciliation of notes to financial statements (expressed in thousands):

Deposits held by State Treasurer	\$	379,530
Carrying amount of Agency deposits		10,154
Carrying amount of investments		<u>132,714</u>
Total	\$	<u><u>522,398</u></u>
Cash and cash equivalents per Statement of Net Assets	\$	390,006
Restricted cash and cash equivalents per Statement of Net Assets		12,824
Restricted investments - current per Statement of Net Assets		66,401
Restricted investments - noncurrent per Statement of Net Assets		<u>53,167</u>
Total	\$	<u><u>522,398</u></u>

NOTE 4 - GENERAL AND ADMINISTRATIVE COSTS

The Agency is authorized to utilize up to 4% of the total capitalization grants received for administration of the loan program. The Agency has utilized approximately 80% of the funds, which leaves approximately \$ 1.9 million to fund future administration costs associated with the loan program. The capitalization grants for the Clean Water Program have been drawn down in their entirety.

The Agency also charges a loan support fee. This loan support fee is used to defray program expenses, and is collected and deposited into 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.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 4 - GENERAL AND ADMINISTRATIVE COSTS (Continued)

The Administrative Revenues and Expenses (expressed in thousands) reported in the Water Revolving Fund for the year ended June 30, 2006, are as follows:

Revenues	
Administrative grants	\$ 979
Loan support	11,682
Set-asides	<u>112</u>
	<u>12,773</u>
Expenses	
Payroll and insurance	9,359
Other general expenses	<u>2,137</u>
	<u>11,496</u>
Excess revenues over expenses	<u><u>\$ 1,277</u></u>

NOTE 5 - LOANS AND NOTES RECEIVABLE

Loans and notes receivable consist of loans made to local governments for drinking water and wastewater infrastructure programs. Based on historical experience, no allowance for bad debts has been recorded.

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 IEPA 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 semiannual 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.

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 5 - LOANS AND NOTES RECEIVABLE (Continued)

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 3.7%.

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.

NOTE 6 - INTERFUND BALANCES AND ACTIVITY

Balances Due to/from Other Funds

The following balances (expressed in thousands) at June 30, 2006, represent amounts due to other Agency and State of Illinois funds.

<u>Amount</u>	<u>Description/Purpose</u>
\$ 74	Due to Office of the Auditor General representing audit charges
<u>74</u>	Total due to Office of the Auditor General
57	Due to Central Management Services for statistical services revolving payments
2	Due to Central Management Services for communications revolving payments
<u>2</u>	Due to Central Management Services for group insurance premium payments
<u>61</u>	Total due to Central Management Services
<u>\$ 135</u>	Total Due to Other Funds

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

NOTE 6 - INTERFUND BALANCES AND ACTIVITY (Continued)

Balances Due to/from Component Units

At June 30, 2006, \$1 (expressed in thousands) was due to Illinois State University.

Transfers to/from Other Funds

During the year ended June 30, 2006, \$ 8,300 (expressed in thousands) was transferred from the Anti Pollution Fund for capital projects.

NOTE 7 - CAPITAL ASSETS

Capital asset activity (expressed in thousands) for the year ended June 30, 2006, was as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Capital assets being depreciated				
Equipment	\$ 445	\$ -	\$ (69)	\$ 376
Less: accumulated depreciation	<u>410</u>	<u>22</u>	<u>(70)</u>	<u>362</u>
Total capital assets being depreciated	<u>\$ 35</u>	<u>\$ (22)</u>	<u>\$ 1</u>	<u>\$ 14</u>

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

Changes in long-term obligations (expressed in thousands) for the year ended June 30, 2006, were as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Revenue bonds payable	\$ 254,490	\$ -	\$ (16,455)	\$ 238,035	\$ 17,155
Unamortized premiums	12,050	-	(1,650)	10,400	1,531
Other long-term obligations					
Compensated absences	<u>1,149</u>	<u>526</u>	<u>(488)</u>	<u>1,187</u>	<u>478</u>
Total	<u>\$ 267,689</u>	<u>\$ 526</u>	<u>\$ (18,593)</u>	<u>\$ 249,622</u>	<u>\$ 19,164</u>

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds

The Agency issued \$ 150,000 (expressed in thousands) of Illinois Development Finance Authority Revolving Fund Revenue Bonds, Series 2002, in June of 2002. The Agency also issued \$ 130,000 (expressed in thousands) of Illinois Development Finance Authority Revolving Fund Revenue Bonds, Series 2004, in May of 2004. The purpose of the bonds is to provide funds for loan projects in the Water Revolving Fund. The Agency pledges the income derived from repayments of certain loans currently outstanding to pay debt service in the Water Revolving Fund. Principal on the Series 2002 bonds is payable in semi-annual installments ranging from \$ 1,945 to \$ 5,860 (expressed in thousands) on September 1 and March 1 of each year through March 1, 2020. Interest is payable each September 1 and March 1 at rates ranging from 3.25% to 5.50%. Principal on the Series 2004 bonds is payable in semi-annual installments, ranging from \$ 150 to \$ 5,305, beginning on March 1, 2005, and continuing each September 1 and March 1 thereafter through September 1, 2023. Interest is payable each September 1 and March 1 at rates ranging from 3.25% to 5.50%.

Annual debt service requirements to maturity for revenue bonds are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2007	\$ 17,155	\$ 12,071
2008	17,950	11,203
2009	18,160	10,303
2010	18,940	9,385
2011	19,520	8,431
2012 - 2016	86,215	27,648
2017 - 2021	55,185	7,766
2022 - 2024	4,910	269
	\$ 238,035	\$ 87,076

NOTE 9 - NET ASSETS

Net assets (expressed in thousands) at June 30, 2006, are restricted for:

USEPA Capitalization Grants	\$ 1,235,252
State match	261,730
Subtotal net assets restricted for other purposes	1,496,982
Debt service	581,834
Total restricted net assets	\$ 2,078,816

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 9 - NET ASSETS (Continued)

USEPA 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

Pursuant to the sale of revenue bonds in 2002 and 2004, the IEPA must maintain an amount equal to 50% of the outstanding principal value of the bonds. The Debt Service Reserve is held by Amalgamated Bank of Chicago, trustee for the IEPA. The Debt Service is set aside to make up any deficiencies that may arise on bond payment dates and may not be used for any other purposes until such bonds have matured.

NOTE 10 - CAPITALIZATION GRANTS

The IEPA has entered into Capitalization Grant Agreements with the USEPA to administer the Waste Water and Drinking Water Programs, jointly the Water Revolving Fund (270). Pursuant to these Capitalization Grant Agreements, \$ 1,084,607 (expressed in thousands) for Waste Water and \$ 296,983 (expressed in thousands) for Drinking Water have been made available to be drawn on the Capital Grant facility at June 30, 2006, with respect to costs in connection with loans made under the Waste Water and Drinking Water Loan Programs.

The remaining Capital Grant Facility (expressed in thousands) as of June 30, 2006, is summarized below:

	<u>Waste Water</u>	<u>Drinking Water</u>	<u>Total</u>
Total Capital grants	\$ 1,084,607	\$ 296,983	\$ 1,381,590
Less: Cumulative drawdowns	(1,034,467)	(220,620)	(1,255,087)
Capital Grant Facility	<u>\$ 50,140</u>	<u>\$ 76,363</u>	<u>\$ 126,503</u>

NOTE 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 2006 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006. The SERS issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 11 - PENSION PLAN (Continued)

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 2006, the employer contribution rate was 7.8%. 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.

NOTE 12 - POST-EMPLOYMENT BENEFITS

The State provides health, dental and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$ 5,000 per annuitant age 60 and older.

Costs incurred for health, dental, and life insurance for annuitants and their dependents were not separated from benefits provided to active employees and their dependents for the year ended June 30, 2006. However, post-employment costs for the State as a whole for all State agencies/departments for dependent health, dental and life insurance for annuitants and their dependents are disclosed in the Illinois Comprehensive Annual Financial Report for the State. Cost information for retirees by individual fund or State agency is not available. Payments are made on a "pay-as-you-go" basis.

NOTE 13 - COMMITMENTS

The Agency administers a revolving loan program under which loans for water projects are executed with local governments as discussed in Note 5 - Loans and Notes Receivable. Under the program, local governments incur expenditures and subsequently request reimbursement for those expenses. The Agency is aware of approximately \$23,360 (expressed in thousands) in eligible expenditures incurred by local governments through June 30, 2006, but for which loan funds were not yet disbursed.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
FUND 270 - WATER REVOLVING FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 14 - 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

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
 - Fiscal Year 2006
 - Fiscal Year 2005
 - Schedule of Appropriations, Expenditures and Lapsed Balances By Fund
 - Fiscal Year 2006
 - Fiscal Year 2005
 - Schedule of Appropriations, Expenditures and Lapsed Balances By Division By Fund
 - Fiscal Year 2006
 - Fiscal Year 2005
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances Appropriated and Non-Appropriated Funds
 - Comparative Schedule of Expenditures by Type
 - Schedule of State Officers' Salaries
 - Schedule of Efficiency Initiative Payments
 - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally-Held Funds
 - 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 2006
 - Fiscal Year 2005
- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (Not Examined)
 - Katrina Relief Schedule (Not Examined)

The auditors' 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 and the Katrina Relief Schedule on which they did not perform any procedures. However, the auditors 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, 2006
(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 Investigations Relating to Clean Air Act	66.034		
National Air Toxics Monitoring		XA96543001	\$ 52
Diesel Retrofit Technology		XA83218101	60
Lake Bloomington		X796574801	4
IL Clean School Bus		XA83147501	4
103 PM 2.5 Monitoring Grant		PM985771020	<u>542</u>
			<u>662</u>
Water Pollution State and Interstate Support	66.419		
01 106(b) Supplemental		I97560010	<u>381</u>
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104 (b) (3) of the Clean Water Act	66.436		
Raccoon Lake		X796568901	<u>2</u>
Water Quality Management Planning	66.454		
04 604 (b)		C6995860042	363
03 604 (b)		C699591103	<u>224</u>
			<u>587</u>
Nonpoint Source Implementation	66.460		
05 319 TMDL		C996577001	145
99 319 (h)		C999501099	63
00 319 (h)		C999501000	31
01 319 (h)		C999501001	822
02 319 (h)		C999501002	2,592
03 319 (h)		C999501003	1,424
04 319 (h)		C9995200041	1,442
05 319 (h)		C9995010051	485
			<u>7,004</u>
National Pollutant Discharge Elimination System Related State Program Grants	66.463		
Chicago NPDES		CP97565401	13
104 b 3 Nutrient Standards		CP96559201	157
Fox River Watershed		X796525801	298
02 104 b 3 NPDES		CP97565402	<u>139</u>
			<u>607</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, 2006
(in thousands)

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
Waste Water Operating Training Program	66.467		
06 104 (g)		T965261060	\$ 75
Environmental Information Exchange		OS83132201	67
04 Environmental Information Exchange		OS83196301	<u>142</u>
			<u>284</u>
State Grants to Reimb. Operators Training Water Operator Certification	66.471	CT97560901	<u>143</u>
Water Protection Coordination Grants Water Counter Terrorism	66.474	WP9752000101	<u>285</u>
Air Pollution Control Research	66.500		
Great Lakes Commission		MOAIL9	(36)
Air Bio Watch		BW96502201	<u>485</u>
			<u>449</u>
Performance Partnership Grants	66.605		
Performance Partnership Agreement FY05		BG98542805	2,553
Performance Partnership Agreement FY06		BG98542806	<u>14,288</u>
			<u>16,841</u>
Surveys, Studies, Investigations and Special Purpose Grants	66.606		
Air Toxic Chicago		X97576701	72
97 CEM		X98546501	26
Metro East Collaboration PM 2.5 Monitoring		PM96579601	192
02 104 B 3 TMDL		X99552002	840
04 Great Lakes (Water)		GL96553301	<u>88</u>
			<u>1,218</u>
Pollution Prevention Grants Program 04 Pollution Prevention	66.708	NP96509201	<u>73</u>
Capacity Building Grants Multi Media Assistance	66.709	EA96509201	<u>93</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, 2006
(in thousands)**

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
Superfund State Site - Specific Cooperative Agreements	66.802		
03 Brownfield Site Assesment		V00581101	\$ 131
LaSalle Long Term Remedial Action		V00578301	107
06 Site Assessment		V96582401	590
Beloit		V96582701	177
South East Rockford Groundwater		V96565101	96
Hegler Zinc Superfund Site		V96595201	46
Jennison Wright Superfund		V96548001	3,409
SE Rockford Area 7		V96558801	33
Superfund Block II		V99569302	558
Superfund Block Grant III		V96544301	<u>125</u>
			<u>5,272</u>
Leaking Underground Storage Tank Trust Fund	66.805		
05 LUST		LS975157-06	972
06 LUST		LS975157-06	<u>113</u>
			<u>1,085</u>
Solid Waste Management Assistance	66.808		
Solid Waste Management Assistance		X196544201	<u>10</u>
Superfund State Cooperative Agreements	66.809		
05/06 Core		VC965869-01	<u>275</u>
Brownfields Loan Program	66.811		
Brownfield Loan		BL975007-01	<u>1,004</u>
Brownfields Program	66.817		
Brownfields 128 (a)		RP965079-02	<u>1,198</u>
Capitalization Grants for State Revolving Fund	66.458		
05 State Water Revolving Fund		CS170001-05	<u>6,078</u>
Capitalization Grants for Drinking Water State Revolving Fund	66.468		
04 Drinking Water Revolving Loan Program		FS985777-04	25,317
03 Drinking Water Revolving Loan Program		FS985777-03	<u>723</u>
			<u>26,040</u>
Total U.S. Environmental Protection Agency			<u>69,591</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, 2006
(in thousands)

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
Department of Interior			
State Memorandum Agreement Crab Orchard	15.xxx	301810J022	\$ <u>42</u>
Total Department of Interior			<u>42</u>
Department of Defense			
State Memorandum of Agreement Program for the Reimbursement of Technical Services 03/04 DSMOA Cooperative Agreement Former Melvin Price Support Center	12.113	IL-18-3	586 <u>7</u>
Total Department of Defense			<u>593</u>
Received from Department of Transportation			
Highway Planning and Construction Federal Transit Formula Grants	20.205 20.507		23,600 <u>644</u>
Total Department of Transportation			<u>24,244</u>
Grand Totals			<u>\$ 94,470</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, 2006**

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 (the 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 2006:

<u>Division</u>	
Land Pollution Control	31.29%
Water Pollution Control	26.91%
Bureau of Air	26.87%
All Other Divisions	13.89%

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.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 4 - NEGATIVE CURRENT YEAR EXPENDITURES

The fiscal year 2006 expenditures for CFDA Number 66.500 had negative expenditures during 2006 on a certain individual grant. This negative amount was the result of the Agency correcting charges that were made to these grants in Fiscal Year 2005. The Agency is not allowed to adjust the prior year receivables on the GAAP forms and was 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 2006. \$6,080 (in thousands) was paid to municipalities from the Capitalization Grants for State Revolving Funds (66.458) program and \$24,951 (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, 2006.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(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, Investigations, Demonstrations, and Special Purpose Activities Relating to Clean Air Act	66.034		
National Air Toxics Monitoring		XA96543001	\$ 31
IL Clean School Bus		XA83147501	3
103 PM 2.5 Monitoring Grant		PM985771020	482
			<u>516</u>
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		
01 106 (b) Supplemental		I97560010	362
Water Quality Management Planning	66.454		
04 604 (b)		C699591102	41
03 604 (b)		C699591103	278
99 604 (b)		C699586003	(11)
			<u>308</u>
Nonpoint Source Implementation Grants	66.460		
98 319 (h)		C999501098	475
99 319 (h)		C999501099	121
00 319 (h)		C999501000	58
01 319 (h)		C999501001	3,057
02 319 (h)		C999501002	644
03 319 (h)		C999501003	1,146
04 319 (h)		C999501003	225
			<u>5,726</u>
Water Quality Cooperative Agreements	66.463		
Chicago NPDES		CP97565401	(150)
02 104 b 3 NPDES		CP97565402	126
			<u>(24)</u>
Wastewater Operating Training Grant Program (Technical Assistance)	66.467		
05 104 (g)		T965261051	59
04 WP 104 (g)		T965261010	8
Environmental Information Exchange		OS83132201	112
04 Environmental Information Exchange		OS83196301	5
			<u>184</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(in thousands)**

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471		
Water Operator Certification		CT97560901	\$ <u>160</u>
Water Protection Grants to the State	66.474		
Water Counter Terrorism		WP9752000101	<u>186</u>
Environmental Protection Consolidated Research	66.500		
Great Lakes Commission		MOAIL9	122
Bio Watch Monitoring Network		BW96502201	<u>281</u>
			<u>403</u>
Performance Partnership Grants	66.605		
Performance Partnership Agreement FY05		BG98542805	16,272
Performance Partnership Agreement FY04		BG98542804	<u>6,238</u>
			<u>22,510</u>
Surveys, Studies, Investigations and Special Purpose Grants	66.606		
Air Toxic Chicago		X97576701	46
97 CEM		X98546501	83
PM 2.5 Chicago		X975835010	22
Metro East Collaboration		X975305010	(5)
02 104 B 3 TMDL		X99552002	403
TMDL 104(b)3		X99552001	336
00 104 b 3 EDMR		CP97529501	(5)
04 Great Lakes (Water)		GL96553301	17
03 104 b 3 Nutrient Criteria		X96500001	<u>22</u>
			<u>919</u>
One Stop Grant Reporting	66.608		
Network Readiness		OS83026502	<u>124</u>
Pollution Prevention Grants Program	66.708		
04 Pollution Prevention		NP96509201	100
01 Pollution Prevention		NP97555001	<u>16</u>
			<u>116</u>
Multi Media Capacity Building Grants for States and Tribes	66.709		
Multi Media Assistance		EA965685010	<u>2</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(in thousands)**

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
Hazardous Waste Management State Program Support	66.801		
04 Hazardous Household Waste		D96510801	\$ 75
Hazardous Household Waste		D96502501	<u>26</u>
			<u>101</u>
Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements	66.802		
03 Site Assessment		V00581101	1,160
LaSalle Long Term Remedial Action		V00578301	571
LaSalle Long Term Remedial Action II		V00578301	3
South East Rockford Groundwater		V96565101	11
Jennison Wright Superfund		V96548001	191
LaSalle Phase I & II Kimmins		V00578301	703
Superfund Block II		V99569302	982
Superfund Block Grant III		V96544301	<u>76</u>
			<u>3,697</u>
Leaking Underground Storage Tank Trust Fund Program	66.805		
05 LUST		LS97515705	818
Lust - Freeport & Waukegan		LP97597301	91
04 LUST		LS97515704	<u>833</u>
			<u>1,742</u>
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809		
Land Core 05/06		VC965869-01	<u>604</u>
Brownfields Pilot Cooperative Agreements	66.811		
Brownfield Loan		BL97500701	<u>657</u>
State and Tribal Response Program Grants	66.817		
Brownfields 128 (a)		RP96507901	<u>857</u>
Capitalization Grants for State Revolving Fund	66.458		
05 State Water Revolving Fund		CS17000105	1,612
04 State Water Revolving Fund		CS17000104	<u>34,942</u>
			<u>36,554</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005
(in thousands)

Federal Grantor/ Pass-through Agency Program Title	Federal CFDA Number	Grant I.D. Number	Total Program Expenditures
Capitalization Grants for Drinking Water State Revolving Fund	66.468		
02 Drinking Water Revolving Loan Program		FS98573702	\$ 410
04 Drinking Water Revolving Loan Program		FS98577704	603
03 Drinking Water Revolving Loan Program		FS98577703	<u>23,072</u>
			<u>24,085</u>
Total U.S. Environmental Protection Agency			<u>99,789</u>
<u>Department of Interior</u>			
State Memorandum Agreement	15.xxx		
Crab Orchard		301810J022	<u>42</u>
Total Department of Interior			<u>42</u>
<u>Department of Defense</u>			
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113		
DSMOA Cooperative Agreement		IL-18-3	1,194
Former Melvin Price Support Center		N/A	<u>50</u>
Total Department of Defense			<u>1,244</u>
<u>Received from Department of Transportation</u>			
Highway Planning and Construction	20.205	N/A	29,412
Federal Transit Formula Grants	20.507	N/A	<u>555</u>
Total Department of Transportation			<u>29,967</u>
<u>Received from Department of Homeland Security</u>			
Homeland Security Advanced Research Projects	97.065	N/A	<u>212</u>
Total Department of Homeland Security			<u>212</u>
Grand Totals			<u>\$ 131,254</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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 (the 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 2005:

<u>Division</u>	
Land Pollution Control	37.20%
Water Pollution Control	26.49%
Bureau of Air	28.22%
All Other Divisions	15.26%

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.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 4 - NEGATIVE CURRENT YEAR EXPENDITURES

The fiscal year 2005 expenditures for CFDA Numbers 66.606, 66.463, and 66.454 had negative expenditures during 2005 on certain individual grants. These negative amounts were the result of the Agency correcting charges that were made to these grants in Fiscal Year 2005. The Agency is not allowed to adjust the prior year receivables on the GAAP forms and was 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 from two programs during fiscal year 2005. \$35,922 (in thousands) was paid to municipalities from the Capitalization Grants for State Revolving Funds (66.458) program and \$23,040 (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, 2005.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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
Appropriated Funds						
General Revenue Fund - 0001	\$ 1,196,100	\$ 1,185,182	\$ 7,932	\$ 1,193,114	\$ -	\$ 2,986
Industrial Hygiene Regulatory and Enforcement Fund- 0049	20,000	9,971	-	9,971	-	10,029
U.S. Environmental Protection Fund - 0065	57,909,700	34,871,643	2,782,043	37,653,686	-	20,256,014
Underground Storage Tank Fund - 0072	66,387,000	58,317,475	252,269	58,569,744	-	7,817,256
EPA Special State Projects Trust Fund - 0074	5,986,078	903,615	455,289	1,358,904	-	4,627,174
Solid Waste Management Fund - 0078	16,792,100	10,727,154	1,154,732	11,881,886	-	4,910,214
Subtitle D Management Fund - 0089	2,120,700	1,797,451	49,203	1,846,654	-	274,046
Clean Air Act Permit Fund - 0091	19,339,000	15,457,712	734,140	16,191,852	-	3,147,148
EPA Court Trust Fund - 0154	960,000	650,000	19,134	669,134	-	290,866
Brownfields Redevelopment Fund - 0214	11,873,000	5,272,209	1,966	5,274,175	-	6,598,825
Water Revolving Fund - 0270	752,991,632	139,184,439	216,301	139,400,740	332,214,371	281,376,521
Pollution Control Board Fund - 0277	17,500	1,900	3,417	5,317	-	12,183
Hazardous Waste Occupational Licensing Fund - 0282	100,000	1,264	-	1,264	-	98,736
Community Water Supply Laboratory Fund - 0288	3,532,500	2,226,249	154,835	2,381,084	-	1,151,416
Used Tire Management Fund - 0294	5,050,500	3,673,573	505,833	4,179,406	-	871,094
Environmental Laboratory Certification Fund - 0336	733,000	522,601	820	523,421	-	209,579
Alternative Fuels Fund - 0422	2,200,000	335,105	8,278	343,383	-	1,856,617
Anti-Pollution Fund - 0551	16,618,395	633,576	-	633,576	15,984,819	-
Conservation 2000 Fund - 0608	5,333,506	824,877	83,019	907,896	4,386,589	39,021
Illinois Clean Water Fund - 0731	7,901,500	6,593,418	646,816	7,240,234	-	661,266
Alternate Compliance Market Account Fund - 0738	150,000	-	-	-	-	150,000
Oil Spill Response Fund - 0774	150,000	93,685	28,219	121,904	-	28,096
Hazardous Waste Fund - 0828	26,590,800	15,167,681	392,596	15,560,277	-	11,030,523
Environmental Protection Trust Fund- 0845	6,037,100	4,000,167	-	4,000,167	-	2,036,933
Environmental Protection Permit and Inspection Fund- 0944	12,874,100	9,695,355	186,462	9,881,817	-	2,992,283
Landfill Closure and Post-Closure Fund - 0945	500,000	-	-	-	-	500,000
Vehicle Inspection Fund - 0963	61,462,500	47,840,465	3,639,997	51,480,462	-	9,982,038
Build Illinois Bond Fund - 0971	107,381,610	15,393,310	-	15,393,310	91,988,300	-
Total Appropriated Funds	\$ 1,192,208,321	375,380,077	11,323,301	386,703,378	\$ 444,574,079	\$ 360,930,864
Non-appropriated Funds						
EPA Special State Projects Trust Fund - 0074		970,453	218,373	1,188,826		
Pollution Control Board State Trust Fund - 0207		554,825	86,473	641,298		
Total Non-appropriated Funds		1,525,278	304,846	1,830,124		
Total All Funds		\$ 376,905,355	\$ 11,628,147	\$ 388,533,502		

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 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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
Appropriated Funds						
General Revenue Fund - 0001	\$ 795,671	\$ 786,659	\$ 8,615	\$ 795,274	\$ -	\$ 397
Industrial Hygiene Regulatory and Enforcement Fund- 0049	20,000	18,696	-	18,696	-	1,304
U.S. Environmental Protection Fund - 0065	58,679,984	32,671,504	2,170,608	34,842,112	-	23,837,872
Underground Storage Tank Fund - 0072	74,155,200	50,121,529	85,994	50,207,523	-	23,947,677
EPA Special State Projects Trust Fund - 0074	7,045,000	1,565,391	144,415	1,709,806	-	5,335,194
Solid Waste Management Fund - 0078	10,541,101	8,958,471	545,494	9,503,965	-	1,037,136
Subtitle D Management Fund - 0089	1,746,100	1,533,044	30,290	1,563,334	-	182,766
Clean Air Act Permit Fund - 0091	14,658,240	13,949,039	121,044	14,070,083	-	588,157
Brownfields Redevelopment Fund - 0214	15,257,400	4,550,487	16,840	4,567,327	-	10,690,073
Water Revolving Fund - 0270	908,955,246	164,507,397	133,936	164,641,333	495,675,732	248,638,181
Pollution Control Board Fund - 0277	17,500	-	79	79	-	17,421
Hazardous Waste Occupational Licensing Fund - 0282	100,000	68,903	-	68,903	-	31,097
Community Water Supply Laboratory Fund - 0288	3,313,530	2,030,112	123,237	2,153,349	-	1,160,181
Used Tire Management Fund - 0294	4,691,777	3,243,846	314,792	3,558,638	-	1,133,139
Environmental Laboratory Certification Fund - 0336	742,800	476,961	82,755	559,716	-	183,084
Alternative Fuels Fund - 0422	2,200,000	497,984	39,840	537,824	-	1,662,176
Anti-Pollution Fund - 0551	21,853,718	4,830,000	-	4,830,000	16,618,395	405,323
Conservation 2000 Fund - 0608	5,032,939	1,144,100	156,945	1,301,045	3,730,706	1,188
Illinois Clean Water Fund - 0731	7,461,388	6,813,971	236,509	7,050,480	-	410,908
Alternate Compliance Market Account Fund - 0738	150,000	-	-	-	-	150,000
Hazardous Waste Fund - 0828	27,503,232	11,098,867	88,113	11,186,980	-	16,316,252
Environmental Protection Trust Fund- 0845	5,032,100	4,995,000	-	4,995,000	-	37,100
Environmental Protection Permit and Inspection Fund- 0944	14,224,290	9,892,171	119,892	10,012,063	-	4,212,227
Landfill Closure and Post-Closure Fund - 0945	500,000	-	-	-	-	500,000
Vehicle Inspection Fund - 0963	61,256,801	53,429,838	4,058,600	57,488,438	-	3,768,363
Build Illinois Bond Fund - 0971	84,714,464	2,332,854	-	2,332,854	15,082,363	67,299,247
Total Appropriated Funds	\$ 1,330,648,481	379,516,824	8,477,998	387,994,822	\$ 531,107,196	\$ 411,546,463
Non-appropriated Funds						
EPA Special State Projects Trust Fund - 0074		852,376	396,374	1,248,750		
Pollution Control Board State Trust Fund - 0207		499,811	94,257	594,068		
Total Non-appropriated Funds		1,352,187	490,631	1,842,818		
Total All Funds		\$ 380,869,011	\$ 8,968,629	\$ 389,837,640		

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 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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	\$ 1,196,100	\$ 1,185,182	\$ 7,932	\$ 1,193,114	\$ -	\$ 2,986
Total General Revenue Fund	<u>1,196,100</u>	<u>1,185,182</u>	<u>7,932</u>	<u>1,193,114</u>	<u>-</u>	<u>2,986</u>
Industrial Hygiene Regulatory and Enforcement Fund - 0049						
Administration	<u>20,000</u>	<u>9,971</u>	<u>-</u>	<u>9,971</u>	<u>-</u>	<u>10,029</u>
Total Industrial Hygiene Regulatory and Enforcement Fund	<u>20,000</u>	<u>9,971</u>	<u>-</u>	<u>9,971</u>	<u>-</u>	<u>10,029</u>
U.S. Environmental Protection Fund - 0065						
Administration	3,217,200	2,200,289	334,311	2,534,600	-	682,600
Air Pollution Control	8,177,200	4,980,037	420,854	5,400,891	-	2,776,309
Land Pollution Control	20,940,600	13,732,661	137,310	13,869,971	-	7,070,629
Bureau of Water	<u>25,574,700</u>	<u>13,958,656</u>	<u>1,889,568</u>	<u>15,848,224</u>	<u>-</u>	<u>9,726,476</u>
Total U.S. Environmental Protection Fund	<u>57,909,700</u>	<u>34,871,643</u>	<u>2,782,043</u>	<u>37,653,686</u>	<u>-</u>	<u>20,256,014</u>
Underground Storage Tank Fund - 0072						
Administration	243,400	243,400	-	243,400	-	-
Land Pollution Control	<u>66,143,600</u>	<u>58,074,075</u>	<u>252,269</u>	<u>58,326,344</u>	<u>-</u>	<u>7,817,256</u>
Total Underground Storage Tank Fund	<u>66,387,000</u>	<u>58,317,475</u>	<u>252,269</u>	<u>58,569,744</u>	<u>-</u>	<u>7,817,256</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 566,078	\$ 510,563	\$ 11,507	\$ 522,070	\$ -	\$ 44,008
Air Pollution Control	3,120,000	400,291	343,446	743,737	-	2,376,263
Laboratory Services	150,000	85,664	5,897	91,561	-	58,439
Land Pollution Control	1,250,000	203,951	-	203,951	-	1,046,049
Bureau of Water	<u>900,000</u>	<u>68,085</u>	<u>95,578</u>	<u>163,663</u>	<u>-</u>	<u>736,337</u>
Total EPA Special State Projects Trust Fund	<u>5,986,078</u>	<u>1,268,554</u>	<u>456,428</u>	<u>1,724,982</u>	<u>-</u>	<u>4,261,096</u>
Solid Waste Management Fund - 0078						
Administration	267,500	267,500	-	267,500	-	-
Land Pollution Control	<u>16,524,600</u>	<u>10,459,654</u>	<u>1,154,732</u>	<u>11,614,386</u>	<u>-</u>	<u>4,910,214</u>
Total Solid Waste Management Fund	<u>16,792,100</u>	<u>10,727,154</u>	<u>1,154,732</u>	<u>11,881,886</u>	<u>-</u>	<u>4,910,214</u>
Subtitle D Management Fund - 0089						
Administration	97,300	97,300	-	97,300	-	-
Land Pollution Control	<u>2,023,400</u>	<u>1,700,151</u>	<u>49,203</u>	<u>1,749,354</u>	<u>-</u>	<u>274,046</u>
Total Subtitle D Management Fund	<u>2,120,700</u>	<u>1,797,451</u>	<u>49,203</u>	<u>1,846,654</u>	<u>-</u>	<u>274,046</u>
Clean Air Act Permit Fund - 0091						
Administration	1,328,100	1,327,390	710	1,328,100	-	-
Air Pollution Control	17,000,000	13,186,168	733,430	13,919,598	-	3,080,402
Pollution Control Board	<u>1,010,900</u>	<u>944,154</u>	<u>-</u>	<u>944,154</u>	<u>-</u>	<u>66,746</u>
Total Clean Air Act (CAA) Permit Fund	<u>19,339,000</u>	<u>15,457,712</u>	<u>734,140</u>	<u>16,191,852</u>	<u>-</u>	<u>3,147,148</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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
EPA Court Trust Fund - 0154						
Land Pollution Control	\$ 960,000	\$ 650,000	\$ 19,134	\$ 669,134	\$ -	\$ 290,866
Total EPA Court Ordered Trust Fund	<u>960,000</u>	<u>650,000</u>	<u>19,134</u>	<u>669,134</u>	<u>-</u>	<u>290,866</u>
Brownfields Redevelopment Fund - 0214						
Land Pollution Control	11,873,000	5,272,209	1,966	5,274,175	-	6,598,825
Total Brownfields Redevelopment Fund	<u>11,873,000</u>	<u>5,272,209</u>	<u>1,966</u>	<u>5,274,175</u>	<u>-</u>	<u>6,598,825</u>
Water Revolving Fund - 0270						
Administration	664,700	664,606	94	664,700	-	-
Bureau of Water	752,326,932	138,519,833	216,207	138,736,040	332,214,371	281,376,521
Total Water Revolving Fund	<u>752,991,632</u>	<u>139,184,439</u>	<u>216,301</u>	<u>139,400,740</u>	<u>332,214,371</u>	<u>281,376,521</u>
Pollution Control Board Fund - 0277						
Pollution Control Board	17,500	1,900	3,417	5,317	-	12,183
Total Pollution Control Board Fund	<u>17,500</u>	<u>1,900</u>	<u>3,417</u>	<u>5,317</u>	<u>-</u>	<u>12,183</u>
Hazardous Waste Occupational Licensing Fund - 0282						
Land Pollution Control	100,000	1,264	-	1,264	-	98,736
Total Hazardous Waste Occupational Licensing Fund	<u>100,000</u>	<u>1,264</u>	<u>-</u>	<u>1,264</u>	<u>-</u>	<u>98,736</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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
Community Water Supply Laboratory Fund - 0288						
Administration	\$ 159,100	\$ 159,100	\$ -	\$ 159,100	\$ -	\$ -
Laboratory Services	3,373,400	2,067,149	154,835	2,221,984	-	1,151,416
Total Community Water Supply Laboratory Fund	<u>3,532,500</u>	<u>2,226,249</u>	<u>154,835</u>	<u>2,381,084</u>	<u>-</u>	<u>1,151,416</u>
Used Tire Management Fund - 0294						
Administration	128,400	128,400	-	128,400	-	-
Land Pollution Control	4,904,300	3,529,677	503,529	4,033,206	-	871,094
Pollution Control Board	17,800	15,496	2,304	17,800	-	-
Total Used Tire Management Fund	<u>5,050,500</u>	<u>3,673,573</u>	<u>505,833</u>	<u>4,179,406</u>	<u>-</u>	<u>871,094</u>
Environmental Laboratory Certification Fund - 0336						
Laboratory Services	733,000	522,601	820	523,421	-	209,579
Total Environmental Laboratory Certification Fund	<u>733,000</u>	<u>522,601</u>	<u>820</u>	<u>523,421</u>	<u>-</u>	<u>209,579</u>
Alternative Fuels Fund - 0422						
Air Pollution Control	2,200,000	335,105	8,278	343,383	-	1,856,617
Total Alternative Fuels Fund	<u>2,200,000</u>	<u>335,105</u>	<u>8,278</u>	<u>343,383</u>	<u>-</u>	<u>1,856,617</u>
Anti-Pollution Fund - 0551						
Bureau of Water	16,618,395	633,576	-	633,576	15,984,819	-
Total Anti-Pollution Fund	<u>16,618,395</u>	<u>633,576</u>	<u>-</u>	<u>633,576</u>	<u>15,984,819</u>	<u>-</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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	\$ 32,200	\$ 32,200	\$ -	\$ 32,200	\$ -	\$ -
Bureau of Water	5,301,306	792,677	83,019	875,696	4,386,589	39,021
Total Conservation 2000 Fund	<u>5,333,506</u>	<u>824,877</u>	<u>83,019</u>	<u>907,896</u>	<u>4,386,589</u>	<u>39,021</u>
Illinois Clean Water Fund - 0731						
Administration	631,200	631,200	-	631,200	-	-
Bureau of Water	7,270,300	5,962,218	646,816	6,609,034	-	661,266
Total Illinois Clean Water Fund	<u>7,901,500</u>	<u>6,593,418</u>	<u>646,816</u>	<u>7,240,234</u>	<u>-</u>	<u>661,266</u>
Alternate Compliance Market Account Fund - 0738						
Air Pollution Control	150,000	-	-	-	-	150,000
Total Alternate Compliance Market Fund	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Oil Spill Response Fund - 0774						
Administration	150,000	93,685	28,219	121,904	-	28,096
Total Oil Spill Response Fund	<u>150,000</u>	<u>93,685</u>	<u>28,219</u>	<u>121,904</u>	<u>-</u>	<u>28,096</u>
Hazardous Waste Fund - 0828						
Administration	513,500	495,843	17,657	513,500	-	-
Land Pollution Control	25,605,000	14,287,650	374,921	14,662,571	-	10,942,429
Bureau of Water	472,300	384,188	18	384,206	-	88,094
Total Hazardous Waste Fund	<u>26,590,800</u>	<u>15,167,681</u>	<u>392,596</u>	<u>15,560,277</u>	<u>-</u>	<u>11,030,523</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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 Trust Fund - 0845						
Administration	\$ 6,000,000	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ 2,000,000
Air Pollution Control	<u>37,100</u>	<u>167</u>	<u>-</u>	<u>167</u>	<u>-</u>	<u>36,933</u>
Total Environmental Protection Trust Fund	<u>6,037,100</u>	<u>4,000,167</u>	<u>-</u>	<u>4,000,167</u>	<u>-</u>	<u>2,036,933</u>
Environmental Protection Permit and Inspection Fund - 0944						
Administration	713,100	700,934	7,253	708,187	-	4,913
Air Pollution Control	5,020,500	3,391,075	117,344	3,508,419	-	1,512,081
Land Pollution Control	3,805,400	2,953,081	32,571	2,985,652	-	819,748
Bureau of Water	2,398,000	1,751,463	26,265	1,777,728	-	620,272
Pollution Control Board	<u>937,100</u>	<u>898,802</u>	<u>3,029</u>	<u>901,831</u>	<u>-</u>	<u>35,269</u>
Total Environmental Protection Permit and Inspection Fund	<u>12,874,100</u>	<u>9,695,355</u>	<u>186,462</u>	<u>9,881,817</u>	<u>-</u>	<u>2,992,283</u>
Landfill Closure and Post-Closure Fund - 0945						
Land Pollution Control	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total Landfill Closure and Post-Closure Fund	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Vehicle Inspection Fund - 0963						
Administration	541,600	310,616	230,984	541,600	-	-
Air Pollution Control	<u>60,920,900</u>	<u>47,529,849</u>	<u>3,409,013</u>	<u>50,938,862</u>	<u>-</u>	<u>9,982,038</u>
Total Vehicle Inspection Fund	<u>61,462,500</u>	<u>47,840,465</u>	<u>3,639,997</u>	<u>51,480,462</u>	<u>-</u>	<u>9,982,038</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2006
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	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	\$ 67,299,247	\$ 6,871,084	\$ -	\$ 6,871,084	\$ 60,428,163	\$ -
Land Pollution Control Bureau of Water	14,000,000 26,082,363	- 8,522,226	- -	- 8,522,226	14,000,000 17,560,137	- -
Total Build Illinois Bond Fund	<u>107,381,610</u>	<u>15,393,310</u>	<u>-</u>	<u>15,393,310</u>	<u>91,988,300</u>	<u>-</u>
Total Appropriated Funds	<u>\$ 1,192,208,321</u>	<u>375,745,016</u>	<u>11,324,440</u>	<u>387,069,456</u>	<u>\$ 444,574,079</u>	<u>\$ 360,564,786</u>
Non-appropriated Expenditures						
EPA Special State Projects Trust Fund - 0074						
Administration		<u>605,515</u>	<u>217,233</u>	<u>822,748</u>		
Total EPA Special State Projects Trust Fund		<u>605,515</u>	<u>217,233</u>	<u>822,748</u>		
Pollution Control Board State Trust Fund - 0207						
Pollution Control Board (See Note 1 below)		<u>554,825</u>	<u>86,473</u>	<u>641,298</u>		
Total Pollution Control Board State Trust Fund		<u>554,825</u>	<u>86,473</u>	<u>641,298</u>		
Subtotal - Non-appropriated Funds		<u>1,160,340</u>	<u>303,706</u>	<u>1,464,046</u>		
Total - All Funds		<u>\$ 376,905,356</u>	<u>\$ 11,628,146</u>	<u>\$ 388,533,502</u>		

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 94-015.
- 3) All data on this schedule has been taken from records of the Agency and reconciled to State Comptroller records.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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	\$ 795,671	\$ 786,659	\$ 8,615	\$ 795,274	\$ -	\$ 397
Total General Revenue Fund	<u>795,671</u>	<u>786,659</u>	<u>8,615</u>	<u>795,274</u>	<u>-</u>	<u>397</u>
Industrial Hygiene Regulatory and Enforcement Fund - 0049						
Administration	<u>20,000</u>	<u>18,696</u>	<u>-</u>	<u>18,696</u>	<u>-</u>	<u>1,304</u>
Total Industrial Hygiene Regulatory and Enforcement Fund	<u>20,000</u>	<u>18,696</u>	<u>-</u>	<u>18,696</u>	<u>-</u>	<u>1,304</u>
U.S. Environmental Protection Fund - 0065						
Administration	2,095,497	709,052	23,772	732,824	-	1,362,673
Air Pollution Control	8,359,957	5,109,389	329,088	5,438,477	-	2,921,480
Land Pollution Control	21,112,862	11,804,877	403,443	12,208,320	-	8,904,542
Bureau of Water	<u>27,111,668</u>	<u>15,048,186</u>	<u>1,414,305</u>	<u>16,462,491</u>	<u>-</u>	<u>10,649,177</u>
Total U.S. Environmental Protection Fund	<u>58,679,984</u>	<u>32,671,504</u>	<u>2,170,608</u>	<u>34,842,112</u>	<u>-</u>	<u>23,837,872</u>
Underground Storage Tank Fund - 0072						
Land Pollution Control	<u>74,155,200</u>	<u>50,121,529</u>	<u>85,994</u>	<u>50,207,523</u>	<u>-</u>	<u>23,947,677</u>
Total Underground Storage Tank Fund	<u>74,155,200</u>	<u>50,121,529</u>	<u>85,994</u>	<u>50,207,523</u>	<u>-</u>	<u>23,947,677</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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
EPA Special State Projects Trust Fund - 0074						
Administration	\$ 275,000	\$ 143,168	\$ 8,627	\$ 151,795	\$ -	\$ 123,205
Air Pollution Control	5,120,000	1,131,929	135,009	1,266,938	-	3,853,062
Laboratory Services	150,000	546	14	560	-	149,440
Land Pollution Control	750,000	123,743	-	123,743	-	626,257
Bureau of Water	750,000	166,005	765	166,770	-	583,230
Total EPA Special State Projects Trust Fund	<u>7,045,000</u>	<u>1,565,391</u>	<u>144,415</u>	<u>1,709,806</u>	<u>-</u>	<u>5,335,194</u>
Solid Waste Management Fund - 0078						
Land Pollution Control	<u>10,541,101</u>	<u>8,958,471</u>	<u>545,494</u>	<u>9,503,965</u>	<u>-</u>	<u>1,037,136</u>
Total Solid Waste Management Fund	<u>10,541,101</u>	<u>8,958,471</u>	<u>545,494</u>	<u>9,503,965</u>	<u>-</u>	<u>1,037,136</u>
Subtitle D Management Fund - 0089						
Land Pollution Control	<u>1,746,100</u>	<u>1,533,044</u>	<u>30,290</u>	<u>1,563,334</u>	<u>-</u>	<u>182,766</u>
Total Subtitle D Management Fund	<u>1,746,100</u>	<u>1,533,044</u>	<u>30,290</u>	<u>1,563,334</u>	<u>-</u>	<u>182,766</u>
Clean Air Act Permit Fund - 0091						
Administration	48	-	-	-	-	48
Air Pollution Control	13,605,892	12,966,124	121,044	13,087,168	-	518,724
Pollution Control Board	<u>1,052,300</u>	<u>982,915</u>	<u>-</u>	<u>982,915</u>	<u>-</u>	<u>69,385</u>
Total Clean Air Act (CAA) Permit Fund	<u>14,658,240</u>	<u>13,949,039</u>	<u>121,044</u>	<u>14,070,083</u>	<u>-</u>	<u>588,157</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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
Brownfields Redevelopment Fund - 0214						
Land Pollution Control	\$ 15,257,400	\$ 4,550,487	\$ 16,840	\$ 4,567,327	\$ -	\$ 10,690,073
Total Brownfields Redevelopment Fund	<u>15,257,400</u>	<u>4,550,487</u>	<u>16,840</u>	<u>4,567,327</u>	<u>-</u>	<u>10,690,073</u>
Water Revolving Fund - 0270						
Bureau of Water	<u>908,955,246</u>	<u>164,507,397</u>	<u>133,936</u>	<u>164,641,333</u>	<u>495,675,732</u>	<u>248,638,181</u>
Total Water Revolving Fund	<u>908,955,246</u>	<u>164,507,397</u>	<u>133,936</u>	<u>164,641,333</u>	<u>495,675,732</u>	<u>248,638,181</u>
Pollution Control Board Fund - 0277						
Pollution Control Board	<u>17,500</u>	<u>-</u>	<u>79</u>	<u>79</u>	<u>-</u>	<u>17,421</u>
Total Pollution Control Board Fund	<u>17,500</u>	<u>-</u>	<u>79</u>	<u>79</u>	<u>-</u>	<u>17,421</u>
Hazardous Waste Occupational Licensing Fund - 0282						
Land Pollution Control	<u>100,000</u>	<u>68,903</u>	<u>-</u>	<u>68,903</u>	<u>-</u>	<u>31,097</u>
Total Hazardous Waste Occupational Licensing Fund	<u>100,000</u>	<u>68,903</u>	<u>-</u>	<u>68,903</u>	<u>-</u>	<u>31,097</u>
Community Water Supply Laboratory Fund - 0288						
Administration	108,100	-	-	-	-	108,100
Laboratory Services	<u>3,205,430</u>	<u>2,030,112</u>	<u>123,237</u>	<u>2,153,349</u>	<u>-</u>	<u>1,052,081</u>
Total Community Water Supply Laboratory Fund	<u>3,313,530</u>	<u>2,030,112</u>	<u>123,237</u>	<u>2,153,349</u>	<u>-</u>	<u>1,160,181</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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
Used Tire Management Fund - 0294						
Land Pollution Control	\$ 4,673,977	\$ 3,229,358	\$ 312,510	\$ 3,541,868	\$ -	\$ 1,132,109
Pollution Control Board	<u>17,800</u>	<u>14,488</u>	<u>2,282</u>	<u>16,770</u>	-	<u>1,030</u>
Total Used Tire Management Fund	<u>4,691,777</u>	<u>3,243,846</u>	<u>314,792</u>	<u>3,558,638</u>	-	<u>1,133,139</u>
Environmental Laboratory Certification Fund - 0336						
Laboratory Services	<u>742,800</u>	<u>476,961</u>	<u>82,755</u>	<u>559,716</u>	-	<u>183,084</u>
Total Environmental Laboratory Certification Fund	<u>742,800</u>	<u>476,961</u>	<u>82,755</u>	<u>559,716</u>	-	<u>183,084</u>
Alternative Fuels Fund - 0422						
Air Pollution Control	<u>2,200,000</u>	<u>497,984</u>	<u>39,840</u>	<u>537,824</u>	-	<u>1,662,176</u>
Total Alternative Fuels Fund	<u>2,200,000</u>	<u>497,984</u>	<u>39,840</u>	<u>537,824</u>	-	<u>1,662,176</u>
Anti-Pollution Fund - 0551						
Administration	-	-	-	-	-	-
Land Pollution Control	405,318	-	-	-	-	405,318
Bureau of Water	<u>21,448,400</u>	<u>4,830,000</u>	-	<u>4,830,000</u>	<u>16,618,395</u>	<u>5</u>
Total Anti-Pollution Fund	<u>21,853,718</u>	<u>4,830,000</u>	-	<u>4,830,000</u>	<u>16,618,395</u>	<u>405,323</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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						
Bureau of Water	\$ 5,032,939	\$ 1,144,100	\$ 156,945	\$ 1,301,045	\$ 3,730,706	\$ 1,188
Total Conservation 2000 Fund	<u>5,032,939</u>	<u>1,144,100</u>	<u>156,945</u>	<u>1,301,045</u>	<u>3,730,706</u>	<u>1,188</u>
Illinois Clean Water Fund - 0731						
Bureau of Water	<u>7,461,388</u>	<u>6,813,971</u>	<u>236,509</u>	<u>7,050,480</u>	-	<u>410,908</u>
Total Illinois Clean Water Fund	<u>7,461,388</u>	<u>6,813,971</u>	<u>236,509</u>	<u>7,050,480</u>	-	<u>410,908</u>
Alternate Compliance Market Fund - 0738						
Air Pollution Control	<u>150,000</u>	-	-	-	-	<u>150,000</u>
Total Alternate Compliance Market Fund	<u>150,000</u>	-	-	-	-	<u>150,000</u>
Hazardous Waste Fund - 0828						
Land Pollution Control	27,026,932	10,708,466	85,702	10,794,168	-	16,232,764
Bureau of Water	<u>476,300</u>	<u>390,401</u>	<u>2,411</u>	<u>392,812</u>	-	<u>83,488</u>
Total Hazardous Waste Fund	<u>27,503,232</u>	<u>11,098,867</u>	<u>88,113</u>	<u>11,186,980</u>	-	<u>16,316,252</u>
Environmental Protection Trust Fund - 0845						
Administration	4,995,000	4,995,000	-	4,995,000	-	-
Air Pollution Control	<u>37,100</u>	-	-	-	-	<u>37,100</u>
Total Environmental Protection Trust Fund	<u>5,032,100</u>	<u>4,995,000</u>	-	<u>4,995,000</u>	-	<u>37,100</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005

	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	\$ 236,210	\$ 211,503	\$ 882	\$ 212,385	\$ -	\$ 23,825
Air Pollution Control	4,913,498	3,778,299	83,611	3,861,910	-	1,051,588
Land Pollution Control	5,524,463	3,094,278	25,290	3,119,568	-	2,404,895
Bureau of Water	2,574,219	1,921,461	7,513	1,928,974	-	645,245
Pollution Control Board	<u>975,900</u>	<u>886,630</u>	<u>2,596</u>	<u>889,226</u>	-	<u>86,674</u>
Total Environmental Protection Permit and Inspection Fund	<u>14,224,290</u>	<u>9,892,171</u>	<u>119,892</u>	<u>10,012,063</u>	-	<u>4,212,227</u>
Landfill Closure and Post-Closure Fund - 0945						
Land Pollution Control	<u>500,000</u>	-	-	-	-	<u>500,000</u>
Total Landfill Closure and Post-Closure Fund	<u>500,000</u>	-	-	-	-	<u>500,000</u>
Vehicle Inspection Fund - 0963						
Administration	1	-	-	-	-	1
Air Pollution Control	<u>61,256,800</u>	<u>53,429,838</u>	<u>4,058,600</u>	<u>57,488,438</u>	-	<u>3,768,362</u>
Total Vehicle Inspection Fund	<u>61,256,801</u>	<u>53,429,838</u>	<u>4,058,600</u>	<u>57,488,438</u>	-	<u>3,768,363</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES BY DIVISION BY FUND
FOR FISCAL YEAR 2005
FOURTEEN MONTHS ENDED AUGUST 31, 2005**

	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	\$ 69,418,228	\$ 2,118,981	\$ -	\$ 2,118,981	\$ -	\$ 67,299,247
Land Pollution Control	14,000,000	-	-	-	14,000,000	-
Bureau of Water	<u>1,296,236</u>	<u>213,873</u>	-	<u>213,873</u>	<u>1,082,363</u>	-
Total Build Illinois Bond Fund	<u>84,714,464</u>	<u>2,332,854</u>	-	<u>2,332,854</u>	<u>15,082,363</u>	<u>67,299,247</u>
Total Appropriated Funds	<u>\$ 1,330,648,481</u>	<u>379,516,824</u>	<u>8,477,998</u>	<u>387,994,822</u>	<u>\$ 531,107,196</u>	<u>\$ 411,546,463</u>
Non-appropriated Expenditures						
EPA Special State Projects Trust Fund - 0074						
Administration		<u>852,376</u>	<u>396,374</u>	<u>1,248,750</u>		
Total EPA Special State Projects Trust Fund		<u>852,376</u>	<u>396,374</u>	<u>1,248,750</u>		
Pollution Control Board State Trust Fund - 0207						
Pollution Control Board (See Note 1 below)		<u>499,811</u>	<u>94,257</u>	<u>594,068</u>		
Total Pollution Control Board State Trust Fund		<u>499,811</u>	<u>94,257</u>	<u>594,068</u>		
Subtotal - Non-appropriated Funds		<u>1,352,187</u>	<u>490,631</u>	<u>1,842,818</u>		
Total - All Funds		<u>\$ 380,869,011</u>	<u>\$ 8,968,629</u>	<u>\$ 389,837,640</u>		

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 93-842.
- 3) All data on this schedule has been taken from records of the Agency and reconciled to 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 2006, 2005, AND 2004**

	FISCAL YEAR		
	2006	2005	2004
General Revenue Fund - 0001			
<u>Appropriations (Net After Transfers)</u>	\$ 1,196,100	\$ 795,671	\$ 2,796,700
<u>Expenditures</u>			
Division - Administration	1,193,114	795,274	1,731,922
Division - Land Pollution Control	-	-	972,000
Total Expenditures	<u>1,193,114</u>	<u>795,274</u>	<u>2,703,922</u>
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>2,986</u>	<u>397</u>	<u>92,778</u>
Industrial Hygiene Regulatory and Enforcement Fund - 0049			
<u>Appropriations (Net After Transfers)</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
<u>Expenditures</u>			
Division - Administration	<u>9,971</u>	<u>18,696</u>	-
Total Expenditures	<u>9,971</u>	<u>18,696</u>	-
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>10,029</u>	<u>1,304</u>	<u>20,000</u>
U.S. Environmental Protection Fund - 0065			
<u>Appropriations (Net After Transfers)</u>	<u>57,909,700</u>	<u>58,679,984</u>	<u>55,535,900</u>
<u>Expenditures</u>			
Division - Administration	2,534,600	732,824	2,354,503
Division - Air Pollution Control	5,400,891	5,438,477	6,356,010
Division - Land Pollution Control	13,869,971	12,208,320	11,866,333
Division - Bureau of Water	<u>15,848,224</u>	<u>16,462,491</u>	<u>17,109,736</u>
Total Expenditures	<u>37,653,686</u>	<u>34,842,112</u>	<u>37,686,582</u>
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>20,256,014</u>	<u>23,837,872</u>	<u>17,849,318</u>

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Underground Storage Tank Fund - 0072			
<u>Appropriations (Net After Transfers)</u>	\$ 66,387,000	\$ 74,155,200	\$ 81,482,400
<u>Expenditures</u>			
Division - Administration	243,400	-	221,800
Division - Land Pollution Control	58,326,344	50,207,523	44,285,709
Total Expenditures	58,569,744	50,207,523	44,507,509
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	7,817,256	23,947,677	36,974,891
EPA Special State Projects Trust Fund - 0074			
<u>Appropriations (Net After Transfers)</u>	5,986,078	7,045,000	7,145,000
<u>Expenditures</u>			
Division - Administration	522,070	151,795	119,059
Division - Air Pollution Control	743,737	1,266,938	120,414
Division - Laboratory Services	91,561	560	6,462
Division - Land Pollution Control	203,951	123,743	649,586
Division - Bureau of Water	163,663	166,770	442,905
Total Expenditures	1,724,982	1,709,806	1,338,426
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	4,261,096	5,335,194	5,806,574
Solid Waste Management Fund - 0078			
<u>Appropriations (Net After Transfers)</u>	16,792,100	10,541,101	7,357,661
<u>Expenditures</u>			
Division - Administration	267,500	-	243,800
Division - Land Pollution Control	11,614,386	9,503,965	6,374,842
Total Expenditures	11,881,886	9,503,965	6,618,642
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	4,910,214	1,037,136	739,019

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Subtitle D Management Fund - 0089			
<u>Appropriations (Net After Transfers)</u>	\$ 2,120,700	\$ 1,746,100	\$ 1,805,900
<u>Expenditures</u>			
Division - Administration	97,300	-	88,700
Division - Land Pollution Control	1,749,354	1,563,334	1,571,783
Total Expenditures	1,846,654	1,563,334	1,660,483
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	274,046	182,766	145,417
Clean Air Act Permit Fund - 0091			
<u>Appropriations (Net After Transfers)</u>	19,339,000	14,658,240	14,278,528
<u>Expenditures</u>			
Division - Administration	1,328,100	-	1,148,028
Division - Air Pollution Control	13,919,598	13,087,168	11,992,699
Division - Pollution Control Board	944,154	982,915	791,019
Total Expenditures	16,191,852	14,070,083	13,931,746
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	3,147,148	588,157	346,782
EPA Court Trust Fund - 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	-	-

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Brownfields Redevelopment Fund - 0214			
<u>Appropriations (Net After Transfers)</u>	\$ 11,873,000	\$ 15,257,400	\$ 23,893,473
<u>Expenditures</u>			
Division - Land Pollution Control	5,274,175	4,567,327	3,967,051
Total Expenditures	5,274,175	4,567,327	3,967,051
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	6,598,825	10,690,073	19,926,422
Water Revolving Fund - 0270			
<u>Appropriations (Net After Transfers)</u>	752,991,632	908,955,246	794,378,767
<u>Expenditures</u>			
Division - Administration	664,700	-	865,564
Division - Bureau of Water	138,736,040	164,641,333	320,278,911
Total Expenditures	139,400,740	164,641,333	321,144,475
<u>Balances Reappropriated</u>	332,214,371	495,675,732	470,403,133
<u>Lapsed Balances</u>	281,376,521	248,638,181	2,831,159
Pollution Control Board Fund - 0277			
<u>Appropriations (Net After Transfers)</u>	17,500	17,500	23,000
<u>Expenditures</u>			
Division - Pollution Control Board	5,317	79	14,918
Total Expenditures	5,317	79	14,918
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	12,183	17,421	8,082

STATE OF ILLINOIS
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FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Hazardous Waste Occupational Licensing Fund - 0282			
<u>Appropriations (Net After Transfers)</u>	\$ 100,000	\$ 100,000	\$ 100,000
<u>Expenditures</u>			
Division - Land Pollution Control	1,264	68,903	54,155
Total Expenditures	1,264	68,903	54,155
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	98,736	31,097	45,845
 Community Water Supply Laboratory Fund - 0288			
<u>Appropriations (Net After Transfers)</u>	3,532,500	3,313,530	5,101,800
<u>Expenditures</u>			
Division - Administration	159,100	-	-
Division - Laboratory Services	2,221,984	2,153,349	3,571,846
Total Expenditures	2,381,084	2,153,349	3,571,846
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	1,151,416	1,160,181	1,529,954
 Used Tire Management Fund - 0294			
<u>Appropriations (Net After Transfers)</u>	5,050,500	4,691,777	4,282,700
<u>Expenditures</u>			
Division - Administration	128,400	-	117,000
Division - Land Pollution Control	4,033,206	3,541,868	3,710,635
Division - Pollution Control Board	17,800	16,770	39,200
Total Expenditures	4,179,406	3,558,638	3,866,835
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	871,094	1,133,139	415,865

STATE OF ILLINOIS
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FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Environmental Laboratory Certification Fund - 0336			
<u>Appropriations (Net After Transfers)</u>	\$ 733,000	\$ 742,800	\$ 550,000
<u>Expenditures</u>			
Division - Laboratory Services	523,421	559,716	483,584
Total Expenditures	523,421	559,716	483,584
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	209,579	183,084	66,416
Alternative Fuels Fund - 0422			
<u>Appropriations (Net After Transfers)</u>	2,200,000	2,200,000	2,100,000
<u>Expenditures</u>			
Division - Air Pollution Control	343,383	537,824	323,046
Total Expenditures	343,383	537,824	323,046
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	1,856,617	1,662,176	1,776,954
Anti-Pollution Fund - 0551			
<u>Appropriations (Net After Transfers)</u>	16,618,395	21,853,718	77,853,670
<u>Expenditures</u>			
Division - Land Pollution Control	-	-	29,999,952
Division - Bureau of Water	633,576	4,830,000	26,000,000
Total Expenditures	633,576	4,830,000	55,999,952
<u>Balances Reappropriated</u>	15,984,819	16,618,395	21,448,400
<u>Lapsed Balances</u>	-	405,323	405,318

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APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Conservation 2000 Fund - 0608			
<u>Appropriations (Net After Transfers)</u>	\$ 5,333,506	\$ 5,032,939	\$ 4,703,991
<u>Expenditures</u>			
Division - Administration	32,200	-	29,400
Division - Bureau of Water	875,696	1,301,045	1,212,048
Total Expenditures	907,896	1,301,045	1,241,448
<u>Balances Reappropriated</u>	4,386,589	3,730,706	3,462,338
<u>Lapsed Balances</u>	39,021	1,188	205
 Fund for Illinois' Future - 0611			
<u>Appropriations (Net After Transfers)</u>	-	-	475,000
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	-	-	475,000
 Illinois Clean Water Fund - 0731			
<u>Appropriations (Net After Transfers)</u>	7,901,500	7,461,388	6,281,589
<u>Expenditures</u>			
Division - Administration	631,200	-	-
Division - Bureau of Water	6,609,034	7,050,480	6,265,628
Total Expenditures	7,240,234	7,050,480	6,265,628
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	661,266	410,908	15,961

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	FISCAL YEAR		
	2006	2005	2004
Alternate Compliance Market Account Fund - 0738			
<u>Appropriations (Net After Transfers)</u>	\$ 150,000	\$ 150,000	\$ 150,000
<u>Expenditures</u>			
Division - Air Pollution Control	-	-	-
Total Expenditures	-	-	-
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	150,000	150,000	150,000
 Oil Spill Response Fund - 0774			
<u>Appropriations (Net After Transfers)</u>	150,000	-	-
<u>Expenditures</u>			
Division - Administration	121,904	-	-
Total Expenditures	121,904	-	-
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	28,096	-	-
 Hazardous Waste Fund - 0828			
<u>Appropriations (Net After Transfers)</u>	26,590,800	27,503,232	30,338,700
<u>Expenditures</u>			
Division - Administration	513,500	-	326,700
Division - Land Pollution Control	14,662,571	10,794,168	16,270,656
Division - Bureau of Water	384,206	392,812	386,234
Total Expenditures	15,560,277	11,186,980	16,983,590
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	11,030,523	16,316,252	13,355,110

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
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APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004**

	FISCAL YEAR		
	2006	2005	2004
Environmental Protection			
Trust Fund - 0845			
<u>Appropriations (Net After Transfers)</u>	\$ 6,037,100	\$ 5,032,100	\$ 3,132,300
Division - Administration	4,000,000	4,995,000	2,995,000
Division - Air Pollution Control	167	-	-
Total Expenditures	<u>4,000,167</u>	<u>4,995,000</u>	<u>2,995,000</u>
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>2,036,933</u>	<u>37,100</u>	<u>137,300</u>
Environmental Protection Permit and Inspection Fund - 0944			
<u>Appropriations (Net After Transfers)</u>	<u>12,874,100</u>	<u>14,224,290</u>	<u>17,260,859</u>
<u>Expenditures</u>			
Division - Administration	708,187	212,385	631,915
Division - Air Pollution Control	3,508,419	3,861,910	2,760,890
Division - Land Pollution Control	2,985,652	3,119,568	5,118,683
Division -Bureau of Water	1,777,728	1,928,974	2,071,303
Division - Pollution Control Board	901,831	889,226	867,507
Total Expenditures	<u>9,881,817</u>	<u>10,012,063</u>	<u>11,450,298</u>
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>2,992,283</u>	<u>4,212,227</u>	<u>5,810,561</u>
Landfill Closure and Post-Closure Fund - 0945			
<u>Appropriations (Net After Transfers)</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<u>Expenditures</u>			
Division - Land Pollution Control	-	-	12,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>12,000</u>
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	<u>500,000</u>	<u>500,000</u>	<u>488,000</u>

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APPROPRIATED AND NON-APPROPRIATED FUNDS
FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Vehicle Inspection Fund - 0963			
<u>Appropriations (Net After Transfers)</u>	\$ 61,462,500	\$ 61,256,801	\$ 61,525,400
<u>Expenditures</u>			
Division - Administration	541,600	-	493,289
Division - Air Pollution Control	50,938,862	57,488,438	51,753,354
Total Expenditures	51,480,462	57,488,438	52,246,643
<u>Balances Reappropriated</u>	-	-	-
<u>Lapsed Balances</u>	9,982,038	3,768,363	9,278,757
Build Illinois Bond Fund - 0971			
<u>Appropriations (Net After Transfers)</u>	107,381,610	84,714,464	85,956,725
<u>Expenditures</u>			
Division - Administration	6,871,084	2,118,981	556,603
Division - Land Pollution Control	-	-	-
Division - Bureau of Water	8,522,226	213,873	685,658
Total Expenditures	15,393,310	2,332,854	1,242,261
<u>Balances Reappropriated</u>	91,988,300	15,082,363	84,714,464
<u>Lapsed Balances</u>	-	67,299,247	-
Totals, All Appropriated Funds			
Appropriations (Net After Transfers)	1,192,208,321	1,330,648,481	1,289,030,063
Total Expenditures	387,069,456	387,994,822	590,310,040
Balances Reappropriated	444,574,079	531,107,196	580,028,335
Lapsed Balances	360,564,786	411,546,463	118,691,688

STATE OF ILLINOIS
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 APPROPRIATED AND NON-APPROPRIATED FUNDS
 FOR FISCAL YEARS 2006, 2005, AND 2004

	FISCAL YEAR		
	2006	2005	2004
Non-Appropriated Funds			
EPA Special State Projects Trust Fund - 0074			
<u>Expenditures</u>			
Division - Administration	\$ 822,748	\$ 1,248,750	\$ 913,186
Total Expenditures	<u>822,748</u>	<u>1,248,750</u>	<u>913,186</u>
Pollution Control Board State Trust Fund - 0207			
<u>Expenditures</u>			
Division - Pollution Control Board (See Note below)	641,298	594,068	793,174
Total Expenditures	<u>641,298</u>	<u>594,068</u>	<u>793,174</u>
Total Expenditures, All Non-Appropriated Funds	<u>1,464,046</u>	<u>1,842,818</u>	<u>1,706,360</u>
Total Expenditures, All Funds	<u>\$ 388,533,502</u>	<u>\$ 389,837,640</u>	<u>\$ 592,016,400</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 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>Total Expenditures By Fund</u>			
General Revenue Fund - 0001	\$ 1,193,114	\$ 795,274	\$ 2,703,922
Industrial Hygiene Regulatory and Enforcement Fund - 0049	9,971	18,696	-
U.S. Environmental Protection Fund - 0065	37,653,686	34,842,112	37,686,582
Underground Storage Tank Fund - 0072	58,569,744	50,207,523	44,507,509
EPA Special State Projects Trust Fund - 0074	2,547,730	2,958,556	2,251,612
Solid Waste Management Fund - 0078	11,881,886	9,503,965	6,618,642
Subtitle D Management Fund - 0089	1,846,654	1,563,334	1,660,483
Clean Air Act Permit Fund - 0091	16,191,852	14,070,083	13,931,746
EPA Court Trust Fund - 0154	669,134	-	-
Pollution Control Board State Trust Fund - 0207	641,298	594,068	793,174
Brownfields Redevelopment Fund - 0214	5,274,175	4,567,327	3,967,051
Water Revolving Fund - 0270	139,400,740	164,641,333	321,144,475
Pollution Control Board Fund - 0277	5,317	79	14,918
Hazardous Waste Occupational Licensing Fund - 0282	1,264	68,903	54,155
Community Water Supply Laboratory Fund - 0288	2,381,084	2,153,349	3,571,846
Used Tire Management Fund - 0294	4,179,406	3,558,638	3,866,835
Environmental Laboratory Certification Fund - 0336	523,421	559,716	483,584
Alternative Fuels Fund - 0422	343,383	537,824	323,046
Anti-Pollution Fund - 0551	633,576	4,830,000	55,999,952
Conservation 2000 Fund - 0608	907,896	1,301,045	1,241,448
Illinois Clean Water Fund - 0731	7,240,234	7,050,480	6,265,628
Oil Spill Response Fund - 0774	121,904	-	-
Hazardous Waste Fund - 0828	15,560,277	11,186,980	16,983,590
Environmental Protection Trust Fund - 0845	4,000,167	4,995,000	2,995,000
Environmental Protection Permit and Inspection Fund - 0944	9,881,817	10,012,063	11,450,298
Landfill Closure and Post-Closure Fund - 0945	-	-	12,000
Vehicle Inspection Fund - 0963	51,480,462	57,488,438	52,246,643
Build Illinois Bond Fund - 0971	15,393,310	2,332,854	1,242,261
	<u>\$ 388,533,502</u>	<u>\$ 389,837,640</u>	<u>\$ 592,016,400</u>
Total Expenditures	<u>\$ 388,533,502</u>	<u>\$ 389,837,640</u>	<u>\$ 592,016,400</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>Personal Services By Fund</u>			
General Revenue Fund - 0001	\$ 631,498	\$ 594,852	\$ 660,470
Industrial Hygiene Regulatory and Enforcement Fund - 0049	7,127	12,656	-
U.S. Environmental Protection Fund - 0065	15,323,517	15,577,687	15,467,564
Underground Storage Tank Fund - 0072	2,523,618	2,513,644	2,267,473
EPA Special State Projects Trust Fund - 0074	1,842	36,381	119,904
Solid Waste Management Fund - 0078	4,765,625	4,709,292	2,829,889
Subtitle D Management Fund - 0089	1,046,618	920,462	948,556
Clean Air Act Permit Fund - 0091	9,201,950	8,935,309	8,192,078
Pollution Control Board State Trust Fund - 0207	248,622	239,661	318,256
Brownfields Redevelopment Fund - 0214	576,949	755,771	818,534
Water Revolving Fund - 0270	6,698,512	7,277,451	6,736,600
Hazardous Waste Occupational Licensing Fund - 0282	-	43,981	36,780
Community Water Supply Laboratory Fund - 0288	490,167	498,774	1,296,650
Used Tire Management Fund - 0294	1,400,781	1,228,865	1,233,833
Environmental Laboratory Certification Fund - 0336	326,734	274,859	224,390
Alternative Fuels Fund - 0422	138,144	132,495	63,439
Conservation 2000 Fund - 0608	174,387	169,996	181,610
Illinois Clean Water Fund - 0731	3,642,339	3,662,020	3,440,217
Oil Spill Response Fund - 0774	66,618	-	-
Hazardous Waste Fund - 0828	3,435,021	3,033,494	3,590,832
Environmental Protection Permit and Inspection Fund - 0944	6,105,051	6,270,223	6,928,451
Vehicle Inspection Fund - 0963	3,179,220	3,458,102	3,968,495
	<u>59,984,340</u>	<u>60,345,975</u>	<u>59,324,021</u>
Total Personal Services			

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FOR FISCAL YEARS 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>Other Payroll Costs By Fund</u>			
General Revenue Fund - 0001	\$ 99,081	\$ 136,667	\$ 123,927
Industrial Hygiene Regulatory and Enforcement Fund - 0049	2,844	6,040	-
U.S. Environmental Protection Fund - 0065	6,218,382	7,667,421	6,612,933
Underground Storage Tank Fund - 0072	957,946	1,153,070	903,380
EPA Special State Projects Trust Fund - 0074	10,132	24,954	46,544
Solid Waste Management Fund - 0078	1,885,384	2,226,583	1,185,698
Subtitle D Management Fund - 0089	424,289	428,530	387,680
Clean Air Act Permit Fund - 0091	3,541,230	4,207,435	3,369,267
Pollution Control Board State Trust Fund - 0207	109,076	107,920	127,736
Brownfields Redevelopment Fund - 0214	215,755	336,554	316,719
Water Revolving Fund - 0270	2,720,294	3,459,050	2,802,259
Hazardous Waste Occupational Licensing Fund - 0282	-	24,922	17,375
Community Water Supply Laboratory Fund - 0288	252,592	310,830	623,546
Used Tire Management Fund - 0294	581,600	610,691	531,224
Environmental Laboratory Certification Fund - 0336	137,598	128,851	91,947
Alternative Fuels Fund - 0422	50,072	58,209	21,748
Conservation 2000 Fund - 0608	68,737	90,703	83,291
Illinois Clean Water Fund - 0731	1,432,793	1,730,566	1,433,404
Oil Spill Response Fund - 0774	22,468	-	-
Hazardous Waste Fund - 0828	1,295,135	1,409,879	1,458,308
Environmental Protection Permit and Inspection Fund - 0944	2,402,101	3,031,350	2,742,860
Vehicle Inspection Fund - 0963	1,515,372	1,898,585	1,864,695
	<u>23,942,881</u>	<u>29,048,810</u>	<u>24,744,541</u>
Total Other Payroll Costs			

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>Contractual Services By Fund</u>			
General Revenue Fund - 0001	\$ 8,872	\$ 8,725	\$ 1,048,149
U.S. Environmental Protection Fund - 0065	9,848,981	4,644,560	7,730,140
Underground Storage Tank Fund - 0072	493,471	272,872	582,672
EPA Special State Projects Trust Fund - 0074	611,303	645,830	1,267,992
Solid Waste Management Fund - 0078	3,194,274	1,725,788	1,625,460
Subtitle D Management Fund - 0089	291,906	177,382	259,513
Clean Air Act Permit Fund - 0091	3,103,002	670,143	1,630,691
EPA Court Trust Fund - 0154	658,158	-	-
Pollution Control Board State Trust Fund - 0207	163,559	158,491	146,165
Brownfields Redevelopment Fund - 0214	220,257	138,037	102,342
Water Revolving Fund - 0270	1,666,785	577,419	1,862,533
Pollution Control Board Fund - 0277	5,317	-	7,918
Community Water Supply Laboratory Fund - 0288	1,280,808	1,014,324	1,435,460
Used Tire Management Fund - 0294	2,065,358	1,657,548	1,930,063
Environmental Laboratory Certification Fund - 0336	46,265	137,066	156,279
Alternative Fuels Fund - 0422	47	476	618
Conservation 2000 Fund - 0608	232,079	147,550	175,811
Illinois Clean Water Fund - 0731	1,762,800	355,065	478,710
Oil Spill Response Fund - 0774	5,511	-	-
Hazardous Waste Fund - 0828	10,593,193	6,588,207	11,547,439
Environmental Protection Permit and Inspection Fund - 0944	1,158,086	347,416	1,008,583
Landfill Closure and Post-Closure Fund - 0945	-	-	12,000
Vehicle Inspection Fund - 0963	46,338,255	51,716,793	45,832,609
	<u>83,748,287</u>	<u>70,983,692</u>	<u>78,841,147</u>
Total Contractual Services			

STATE OF ILLINOIS
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COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>All Other Operating Costs By Fund</u>			
General Revenue Fund - 0001	\$ 53,663	\$ 55,030	\$ 157,376
U.S. Environmental Protection Fund - 0065	1,131,874	1,484,572	1,324,106
Underground Storage Tank Fund - 0072	65,278	101,404	81,213
EPA Special State Projects Trust Fund - 0074	222,994	260,709	426,405
Solid Waste Management Fund - 0078	256,806	128,326	258,222
Subtitle D Management Fund - 0089	83,841	36,960	64,734
Clean Air Act Permit Fund - 0091	345,670	257,196	739,710
EPA Court Trust Fund - 0154	10,976	-	-
Pollution Control Board State Trust Fund - 0207	120,041	87,996	201,017
Brownfields Redevelopment Fund - 0214	-	-	10,367
Water Revolving Fund - 0270	330,451	258,959	322,516
Pollution Control Board Fund - 0277	-	79	7,000
Hazardous Waste Occupational Licensing Fund - 0282	1,264	-	-
Community Water Supply Laboratory Fund - 0288	357,517	329,421	216,190
Used Tire Management Fund - 0294	131,667	61,534	171,715
Environmental Laboratory Certification Fund - 0336	12,824	18,940	10,968
Alternative Fuels Fund - 0422	10,946	7,892	14,052
Anti-Pollution Fund - 0551	-	4,830,000	26,000,000
Conservation 2000 Fund - 0608	81,670	136,301	151,487
Illinois Clean Water Fund - 0731	402,302	1,302,829	913,297
Oil Spill Response Fund - 0774	27,307	-	-
Hazardous Waste Fund - 0828	236,928	155,400	387,011
Environmental Protection Trust Fund - 0845	167	-	-
Environmental Protection Permit and Inspection Fund - 0944	207,479	363,074	770,404
Vehicle Inspection Fund - 0963	447,615	414,958	580,844
Build Illinois Bond Fund - 0971	8,300,000	-	-
	<u>12,839,280</u>	<u>10,291,580</u>	<u>32,808,634</u>
TOTAL OPERATING COSTS	<u>180,514,788</u>	<u>170,670,057</u>	<u>195,718,343</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF EXPENDITURES BY TYPE
FOR FISCAL YEARS 2006, 2005 AND 2004

	Fiscal Year		
	2006	2005	2004
<u>Grants By Fund</u>			
General Revenue Fund - 0001	\$ 400,000	\$ -	\$ 714,000
U.S. Environmental Protection Fund - 0065	5,130,932	5,467,872	6,551,839
Underground Storage Tank Fund - 0072	54,529,431	46,166,533	40,672,771
EPA Special State Projects Trust Fund - 0074	1,701,459	1,990,682	390,767
Solid Waste Management Fund - 0078	1,779,797	713,976	719,373
Brownfields Redevelopment Fund - 0214	4,261,214	3,336,965	2,719,089
Water Revolving Fund - 0270	127,984,698	153,068,454	309,420,567
Alternative Fuels Fund - 0422	144,174	338,752	223,189
Anti-Pollution Fund - 0551	633,576	-	29,999,952
Conservation 2000 Fund - 0608	351,023	756,495	649,249
Environmental Protection Trust Fund - 0845	4,000,000	4,995,000	2,995,000
Environmental Protection Permit and Inspection Fund - 0944	9,100	-	-
Build Illinois Bond Fund - 0971	7,093,310	2,332,854	1,242,261
	<u>208,018,714</u>	<u>219,167,583</u>	<u>396,298,057</u>
Total Grants	<u>208,018,714</u>	<u>219,167,583</u>	<u>396,298,057</u>
TOTAL EXPENDITURES	<u>\$ 388,533,502</u>	<u>\$ 389,837,640</u>	<u>\$ 592,016,400</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, 2006**

	<u>2006</u>	<u>2005</u>
Appropriations		
Director	\$ 113,200	\$ 113,200
Expenditures		
Director	<u>113,200</u>	<u>113,200</u>
Lapsed Balances		
Director	<u>\$ -</u>	<u>\$ -</u>

Note:

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

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<u>Procurement Efficiency Initiatives</u>	<u>Amount</u>
General Revenue Fund - 0001	
Commodities	\$ 3
U.S. Environmental Protection Fund - 0065	
Contractual	4,578
Commodities	294
Printing	1,623
Lump Sum	10
Underground Storage Tank Fund - 0072	
Commodities	10
EPA Special State Projects Trust Fund - 0074	
Lump Sum	45
Solid Waste Management Fund - 0078	
Commodities	2
Subtitle D Management Fund - 0089	
Commodities	4
Clean Air Act Permit Fund - 0091	
Lump Sum	1,880
Pollution Control Board Fund - 0277	
Lump Sum	42
Water Revolving Fund - 0270	
Lump Sum	7,427
Community Water Supply Laboratory Fund - 0288	
Lump Sum	1,962
Used Tire Management Fund - 0294	
Commodities	85
Environmental Laboratory Certification Fund - 0336	
Lump Sum	11
Conservation 2000 Fund - 0608	
Lump Sum	473

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<u>Procurement Efficiency Initiatives - Continued</u>	<u>Amount</u>
Illinois Clean Water Fund - 0731	
Lump Sum	\$ 4,533
 Hazardous Waste Fund - 0828	
Lump Sum	348
 Environmental Protection Permit & Inspection Fund - 0944	
Commodities	20
Printing	567
Lump Sum	910
 Vehicle Inspection Fund - 0963	
Contractual	2,579
Commodities	7
Printing	7,298
	34,711
 Procurement Initiatives Total	34,711
 <u>Information Technology Initiatives</u>	
General Revenue Fund - 0001	
Telecommunications	375
 Underground Storage Tank Fund - 0072	
Telecommunications	287
 EPA Special State Projects Trust Fund - 0074	
Lump Sum	3,892
 Solid Waste Management Fund - 0078	
Telecommunications	804
 Subtitle D Management Fund - 0089	
Telecommunications	245
 Clean Air Act Permit Fund - 0091	
Lump Sum	3,183
 Pollution Control Board Fund - 0277	
Lump Sum	7,213

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

<u>Information Technology Initiatives - Continued</u>	<u>Amount</u>
Pollution Control Board Fund - 0277	
Telecommunications	\$ 79
Community Water Supply Laboratory Fund - 0288	
Lump Sum	2,736
Used Tire Management Fund - 0294	
Contractual	32
Telecommunications	62
Lump Sum	61
Environmental Laboratory Certification Fund - 0336	
Lump Sum	73
Conservation 2000 Fund - 0608	
Lump Sum	391
Illinois Clean Water Fund - 0731	
Lump Sum	7,033
Hazardous Waste Fund - 0828	
Telecommunications	236
Lump Sum	968
Environmental Protection Permit & Inspection Fund - 0944	
Telecommunications	1,882
Lump Sum	24,163
Vehicle Inspection Fund - 0963	
Contractual	56,565
Telecommunications	1,503
Information Technology Initiatives Total	<u>111,783</u>
Efficiency Initiative Payments Grand Total	<u>\$ 146,494</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	Cash Balance July 1, 2004	Receipts	Disbursements	Cash Balance June 30, 2005
EPA COP Capital Projects Fund - 1329*	\$ -	\$ 198	\$ (198)	\$ -
EPA COP Debt Service Fund - 1330*	\$ 2,112,923	\$ 2,814	\$ (2,115,737)	\$ -

*Beginning July 1, 2005, "Executive Order to Consolidate Facilities Management, Internal Auditing and Staff Legal Functions" (2003-10) responsibility for administration of these funds was transferred to the Illinois Department of Central Management Services.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2006

Year Ended June 30, 2006

	<u>Equipment</u>	<u>Building</u>	<u>Total</u>
Balance per Agency, Beginning	\$ 27,836,056	\$ -	\$ 27,836,056
Additions	992,429	-	992,429
Deletions	<u>1,999,568</u>	<u>-</u>	<u>1,999,568</u>
Balance per Agency, Ending	<u>\$ 26,828,917</u>	<u>\$ -</u>	<u>\$ 26,828,917</u>

Year Ended June 30, 2005

	<u>Equipment</u>	<u>Building</u>	<u>Total</u>
Balance per Agency, Beginning	\$ 29,307,031	\$ 32,400,028	\$ 61,707,059
Additions	10,982,982	-	10,982,982
Deletions	<u>12,453,957</u>	<u>32,400,028</u>	<u>44,853,985</u>
Balance per Agency, Ending	<u>\$ 27,836,056</u>	<u>\$ -</u>	<u>\$ 27,836,056</u>

Note:

The Schedule of Changes in State Property reflects all Agency property, including amounts 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 2006, 2005 AND 2004**

	FISCAL YEAR		
	2006	2005	2004
General Revenue Fund - 0001			
Jury Duty	\$ -	\$ 34	\$ 17
Copying Charges	15,803	24,477	38,165
Court & Hearing Costs	-	-	857
Personal Phone Calls	548	80	235
Witness Fees	25	70	-
Miscellaneous	3,011	507	1,321
Total General Revenue Fund	<u>19,387</u>	<u>25,168</u>	<u>40,595</u>
Industrial Hygiene Regulatory and Enforcement Fund - 0049			
License	3,390	4,800	4,415
Total Industrial Hygiene Regulatory and Enforcement Fund	<u>3,390</u>	<u>4,800</u>	<u>4,415</u>
U.S. Environmental Protection Fund - 0065			
Federal Grant Proceeds	35,393,518	35,998,035	37,772,042
Jury Duty	797	269	345
Witness Fees	268	142	40
IDOT Agreement	529,241	602,675	483,326
Federal Grants	589,929	1,628,549	650,243
Great Lakes Commission	32,000	151,995	40,615
Personal Phone Calls	449	250	-
Miscellaneous	19	-	1,237
Total U.S. Environmental Protection Fund	<u>36,546,221</u>	<u>38,381,915</u>	<u>38,947,848</u>
Underground Storage Tank Fund - 0072			
Penalties	-	103,845	-
Jury Duty	81	15	20
Witness Fees	100	20	-
Total Underground Storage Tank Fund	<u>181</u>	<u>103,880</u>	<u>20</u>
EPA Special State Projects Trust Fund - 0074			
Transfer from Environmental Protection Fund	1,000,000	1,248,750	895,000
Environmental Council of the States	35,000	-	-
Department of Commerce and Economic Opportunity Grants	366,078	-	-
P2 Intern Program	22,142	-	-
Governor's Environmental Corps	144,000	142,286	163,428
Great Lakes Com	300,748	218,700	305,424
Household Hazardous Waste	243,500	-	288,500
Lab Cost Recovery	114,928	-	765
Penalties	275,000	30,000	2,550,000
Total EPA Special State Projects Trust Fund	<u>2,501,396</u>	<u>1,639,736</u>	<u>4,203,117</u>
Solid Waste Management Fund - 0078			
Solid Waste Collection Fees	25,161,949	25,895,921	25,094,132
Jury Duty	156	265	-
Witness Fees	96	25	-
Total Solid Waste Management Fund	<u>25,162,201</u>	<u>25,896,211</u>	<u>25,094,132</u>
Subtitle D Management Fund - 0089			
Solid Waste Collection Fees	2,772,882	2,850,657	2,825,491
Jury Duty	-	560	-
Total Subtitle D Management Fund	<u>2,772,882</u>	<u>2,851,217</u>	<u>2,825,491</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2006, 2005 AND 2004**

	FISCAL YEAR		
	2006	2005	2004
Clean Air Act Permit Fund - 0091			
Fees	\$ 21,247,112	\$ 15,351,652	\$ 20,064,264
Jury Duty	108	146	268
Personal Phone Calls	205	-	-
Witness Fees	100	25	124
Total Clean Air Act Permit Fund	<u>21,247,525</u>	<u>15,351,823</u>	<u>20,064,656</u>
Pollution Control Board State Trust Fund - 0207			
Trust Fund Grant	1,000,000	1,248,750	700,000
Total Pollution Control Board State Trust Fund	<u>1,000,000</u>	<u>1,248,750</u>	<u>700,000</u>
Brownfields Redevelopment Fund - 0214			
Loan Principal Repayment	-	-	21,966
Loan Interest Repayment	-	-	689
Jury Duty	-	16	-
Federal Grant Receipts	1,929,599	1,766,653	741,863
Total Brownfields Redevelopment Fund	<u>1,929,599</u>	<u>1,766,669</u>	<u>764,518</u>
Water Revolving Fund - 0270			
Federal Grant Proceeds	21,661,603	78,005,939	129,625,632
Jury Duty	419	50	269
Witness Fees	25	-	22
Loan Payments - Principal	52,919,974	44,217,420	43,702,249
Loan Payments - Interest	18,125,356	15,896,176	15,679,129
Loan Payments - Support	11,301,814	10,296,697	9,036,129
Escrow	8,227,500	9,984,513	4,175,000
Miscellaneous	511	256	-
Fund Interest	91,911	47,098	44,086
Leveraged Loan Repayments	13,276,803	9,947,800	16,573,478
Transfer from Anti-Pollution Bond Fund	-	4,830,000	26,000,000
Total Water Revolving Fund	<u>125,605,916</u>	<u>173,225,949</u>	<u>244,835,994</u>
Pollution Control Board Fund - 0277			
Opinion Sales	5,723	7,545	8,441
Filing Fees	5,225	4,050	7,050
Subscription Sales	380	560	620
Total Pollution Control Board Fund	<u>11,328</u>	<u>12,155</u>	<u>16,111</u>
Hazardous Waste Occupational Licensing Fund - 0282			
Hazardous Waste Laborers Licenses	12,450	23,800	14,150
Total Hazardous Waste Occupational Licensing Fund	<u>12,450</u>	<u>23,800</u>	<u>14,150</u>
Community Water Supply Laboratory Fund - 0288			
PWS Laboratory Fees	2,608,688	3,081,657	2,204,216
Jury Duty	-	-	16
Total Community Water Supply Laboratory Fund	<u>2,608,688</u>	<u>3,081,657</u>	<u>2,204,232</u>
Used Tire Management Fund - 0294			
Jury Duty	15	-	-
Miscellaneous	-	-	69
Interest on Penalties	-	740	-
Witness Fees	-	20	-
Cost Recovery	23,750	63,683	11,615
Total Used Tire Management Fund	<u>23,765</u>	<u>64,443</u>	<u>11,684</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2006, 2005 AND 2004**

	FISCAL YEAR		
	2006	2005	2004
Environmental Laboratory Certification Fund - 0336			
Cost Recovery	\$ 3,381	\$ 790	\$ 3,245
Jury Duty	-	-	17
Lab Certification Fees	514,000	562,200	463,400
Total Environmental Laboratory Certification Fund	<u>517,381</u>	<u>562,990</u>	<u>466,662</u>
Illinois Clean Water Fund - 0731			
National Pollutant Discharge Elimination System Fees	15,982,256	14,478,430	31,624,600
Water Quality Certification	286,397	238,724	19,159
Jury Duty	76	49	162
Witness Fees	114	25	-
Miscellaneous	124	-	277
National Pollutant Discharge Elimination System Interest	46,940	25,080	16,018
Total Illinois Clean Water Fund	<u>16,315,907</u>	<u>14,742,308</u>	<u>31,660,216</u>
Alternative Compliance Market Account Fund - 0738			
Fees	92,168	45,793	1,125
Total Alternative Compliance Market Account Fund	<u>92,168</u>	<u>45,793</u>	<u>1,125</u>
Oil Spill Response Fund - 0774			
Penalty	125,116	-	-
Total Oil Spill Response Fund	<u>125,116</u>	<u>-</u>	<u>-</u>
Hazardous Waste Fund - 0828			
Hazardous Waste Financial Assurance	2,462,285	-	535
Hazardous Waste Collection Fees	1,571,088	1,431,652	1,488,943
Hazardous Waste Cost Recoveries	4,918,181	4,470,508	5,196,098
Penalties and Fines	125,000	145,100	528,000
Jury Duty	31	35	104
Witness Fees	20	279	-
Court & Hearing Costs	-	-	10,665
Total Hazardous Waste Fund	<u>9,076,605</u>	<u>6,047,574</u>	<u>7,224,345</u>
Hazardous Waste Research Fund - 0840			
Hazardous Waste Collection Fees	174,565	159,072	165,438
Hazardous Waste Hauler Fees	246,007	232,696	241,498
Total Hazardous Waste Research Fund	<u>420,572</u>	<u>391,768</u>	<u>406,936</u>
Environmental Protection Trust Fund - 0845			
Penalty Payments	4,039,575	3,175,521	4,308,967
Interest on Past Due Penalties	12,411	18,343	273,176
Court and Hearing Costs	685	391	767
Total Environmental Protection Trust Fund	<u>4,052,671</u>	<u>3,194,255</u>	<u>4,582,910</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2006, 2005 AND 2004**

	FISCAL YEAR		
	2006	2005	2004
Environmental Protection Permit and Inspection Fund - 0944			
Permit & Inspection Fees - Air Pollution Control	\$ 2,072,110	\$ 2,237,953	\$ 2,143,611
Asbestos Fee	633,300	625,650	620,700
Air Construction Fee	2,654,000	2,734,300	2,083,350
Permit & Inspection Fees - Land Pollution Control (LPC)	227,000	223,500	213,250
Hazardous Waste Hauler Fees - LPC	43,413	41,064	42,617
Large Generator Fees	394,700	419,000	386,500
Manifest Fees - LPC	1,025,130	1,178,316	1,033,181
Potentially Infectious Medical Waste Manifests - LPC	721,840	720,860	428,040
Potentially Infectious Medical Waste Haulers - LPC	112,250	89,750	88,633
Potentially Infectious Medical Waste Transporters - LPC	1,387,959	1,366,809	1,211,637
Used Tire Storage Fee - LPC	25,200	27,200	24,300
Transport Permit - LPC	69,095	66,365	64,695
Permit & Inspection Fees - Industrial Construction	159,600	215,600	183,050
Permit & Inspection Fees - Public Water Supply (PWS)	26,390	23,920	26,990
Permit & Inspection Fees - PWS	991,740	939,900	916,921
Permit & Inspection Fees - Water Pollution Control	1,614,950	1,495,800	1,409,251
Penalty	13,300	100	-
Repayment Pursuant to Law	31	-	-
Jury Duty	50	31	51
Witness Fees	53	-	13
Total Environmental Protection Permit and Inspection Fund	<u>12,172,111</u>	<u>12,406,118</u>	<u>10,876,790</u>
Vehicle Inspection Fund - 0963			
Jury Duty	82	22	156
Phone Reimbursements	-	-	55
Witness Fees	137	-	-
IDOT Agreement	17,000,000	29,412,241	6,600,000
Vehicle Emissions Inspection Fee	106,680	131,300	213,240
Total Vehicle Inspection Fund	<u>17,106,899</u>	<u>29,543,563</u>	<u>6,813,451</u>
Water Revolving Fund - 0270			
Bond Sale	-	18,875	135,756,511
Brownfields Redevelopment Fund - 0214			
213 Fund Transfer	-	-	3,856,973
Anti-Pollution Fund - 0551			
Bond Sale	-	-	40,471,100
Hazardous Waste Fund - 0828			
Transfer from Fund 0078	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Vehicle Inspection Fund - 0963			
Transfer from IDOT	<u>30,000,000</u>	<u>30,000,000</u>	<u>60,000,000</u>
Total Agency Cash Receipts Before Interest	<u>311,324,359</u>	<u>362,631,417</u>	<u>643,843,982</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR FISCAL YEARS 2006, 2005 AND 2004

	FISCAL YEAR		
	2006	2005	2004
Interest Deposited Directly into State Treasury			
Clean Air Act Permit Fund (0091)	\$ 467,612	\$ 161,297	\$ 62,683
EPA Court Trust Fund (0154)	29,517	20,068	11,438
Brownfields Redevelopment Fund (0214)	256,571	209,369	145,034
Water Revolving Fund (0270)	14,490,437	7,456,256	3,669,116
Community Water Supply Laboratory Fund (0288)	68,653	37,583	28,966
Environmental Laboratory Certification Fund (0336)	10,295	7,327	4,399
Alternative Compliance Market Account Fund (0738)	3,985	2,934	-
Illinois Clean Water Fund (0731)	998,515	304,114	-
Total Interest Deposited Directly into State Treasury	<u>16,325,585</u>	<u>8,198,948</u>	<u>3,921,636</u>
Total Agency Receipts After Interest	<u>\$ 327,649,944</u>	<u>\$ 370,830,365</u>	<u>\$ 647,765,618</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, 2006

	FISCAL YEAR	
	2006	2005
<u>GENERAL REVENUE FUND - 0001</u>		
Receipts per Agency Records	\$ 19,387	\$ 25,168
Prior Year Adjustment	-	3,350
Plus deposits in transit, beginning of year	431	377
Less deposits in transit, end of year	147	431
Deposits Recorded by the Comptroller	<u>19,671</u>	<u>28,464</u>
<u>INDUSTRIAL HYGIENE REGULATORY AND ENFORCEMENT FUND - 0049</u>		
Receipts per Agency Records	3,390	4,800
Prior Year Adjustment	-	(200)
Plus deposits in transit, beginning of year	215	265
Less deposits in transit, end of year	-	215
Deposits Recorded by the Comptroller	<u>3,605</u>	<u>4,650</u>
<u>U.S. ENVIRONMENTAL PROTECTION FUND - 0065</u>		
Receipts per Agency Records	36,546,221	38,381,915
Prior Year Adjustment	(63,670)	2,506
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>36,482,551</u>	<u>38,384,421</u>
<u>UNDERGROUND STORAGE TANK FUND - 0072</u>		
Receipts per Agency Records	181	103,880
Prior Year Adjustment	-	5,329
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>181</u>	<u>109,209</u>
<u>EPA SPECIAL STATE PROJECTS TRUST FUND - 0074</u>		
Receipts per Agency Records	2,501,396	1,639,736
Prior Year Adjustment	248,275	-
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	48,720	-
Deposits Recorded by the Comptroller	<u>2,700,951</u>	<u>1,639,736</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, 2006

	FISCAL YEAR	
	2006	2005
<u>SOLID WASTE MANAGEMENT FUND - 0078</u>		
Receipts per Agency Records	\$ 25,162,201	\$ 25,896,211
Prior Year Adjustment	12	-
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>25,162,213</u>	<u>25,896,211</u>
<u>SUBTITLE D MANAGEMENT FUND - 0089</u>		
Receipts per Agency Records	2,772,882	2,851,217
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>2,772,882</u>	<u>2,851,217</u>
<u>CLEAN AIR ACT PERMIT FUND - 0091</u>		
Receipts per Agency Records	21,247,525	15,351,823
Prior Year Adjustment	65,031	23,631
Protest Fund Deposits	-	-
Plus deposits in transit, beginning of year	589,218	986,542
Less deposits in transit, end of year	<u>2,498,544</u>	<u>589,218</u>
Deposits Recorded by the Comptroller	<u>19,403,230</u>	<u>15,772,778</u>
<u>POLLUTION CONTROL BOARD STATE TRUST FUND - 0207</u>		
Receipts per Agency Records	1,000,000	1,248,750
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>1,000,000</u>	<u>1,248,750</u>
<u>BROWNFIELDS REDEVELOPMENT FUND - 0214</u>		
Receipts per Agency Records	1,929,599	1,766,669
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>1,929,599</u>	<u>1,766,669</u>
<u>WATER REVOLVING FUND - 0270</u>		
Receipts per Agency Records	125,605,916	173,225,949
Prior Year Adjustment	1,047	-
Plus deposits in transit, beginning of year	10	-
Less deposits in transit, end of year	-	10
Deposits Recorded by the Comptroller	<u>125,606,973</u>	<u>173,225,939</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, 2006

	FISCAL YEAR	
	2006	2005
<u>POLLUTION CONTROL BOARD FUND - 0277</u>		
Receipts per Agency Records	\$ 11,328	\$ 12,155
Plus deposits in transit, beginning of year	155	20
Less deposits in transit, end of year	60	155
Deposits Recorded by the Comptroller	<u>11,423</u>	<u>12,020</u>
<u>HAZARDOUS WASTE OCCUPATIONAL LICENSING FUND - 0282</u>		
Receipts per Agency Records	12,450	23,800
Plus deposits in transit, beginning of year	1,050	1,200
Less deposits in transit, end of year	-	1,050
Deposits Recorded by the Comptroller	<u>13,500</u>	<u>23,950</u>
<u>COMMUNITY WATER SUPPLY LABORATORY FUND - 0288</u>		
Receipts per Agency Records	2,608,688	3,081,657
Plus deposits in transit, beginning of year	22,257	8,193
Less deposits in transit, end of year	1,896	22,257
Deposits Recorded by the Comptroller	<u>2,629,049</u>	<u>3,067,593</u>
<u>USED TIRE MANAGEMENT FUND - 0294</u>		
Receipts per Agency Records	23,765	64,443
Prior Year Adjustment	3,087	-
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>26,852</u>	<u>64,443</u>
<u>ENVIRONMENTAL LABORATORY CERTIFICATION FUND - 0336</u>		
Receipts per Agency Records	517,381	562,990
Plus deposits in transit, beginning of year	12,800	-
Less deposits in transit, end of year	-	12,800
Deposits Recorded by the Comptroller	<u>530,181</u>	<u>550,190</u>
<u>ANTI-POLLUTION FUND - 0551</u>		
Receipts per Agency Records	-	-
Prior Year Adjustment	-	95
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>-</u>	<u>95</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, 2006

	FISCAL YEAR	
	2006	2005
<u>ILLINOIS CLEAN WATER FUND - 0731</u>		
Receipts per Agency Records	\$ 16,315,907	\$ 14,742,308
Adjusment for deposits to Protest Fund	(1,126,013)	(1,842,957)
Prior Year Adjustment	4	(1,000)
Plus deposits in transit, beginning of year	3,120,208	4,835,551
Less deposits in transit, end of year	1,860,689	3,120,208
Deposits Recorded by the Comptroller	<u>16,449,417</u>	<u>14,613,694</u>
<u>ALTERNATIVE COMPLIANCE MARKET ACCOUNT FUND - 0738</u>		
Receipts per Agency Records	92,168	45,793
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>92,168</u>	<u>45,793</u>
<u>OIL SPILL RESPONSE FUND - 0774</u>		
Receipts per Agency Records	125,116	-
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>125,116</u>	<u>-</u>
<u>HAZARDOUS WASTE FUND - 0828</u>		
Receipts per Agency Records	9,076,605	6,047,574
Prior Year Adjustment	-	77
Plus deposits in transit, beginning of year	36,871	58,462
Less deposits in transit, end of year	271,932	36,871
Deposits Recorded by the Comptroller	<u>8,841,544</u>	<u>6,069,242</u>
<u>HAZARDOUS WASTE RESEARCH FUND - 0840</u>		
Receipts per Agency Records	420,572	391,768
Plus deposits in transit, beginning of year	2,771	5,364
Less deposits in transit, end of year	4,445	2,771
Deposits Recorded by the Comptroller	<u>418,898</u>	<u>394,361</u>
<u>ENVIRONMENTAL PROTECTION TRUST FUND - 0845</u>		
Receipts per Agency Records	4,052,671	3,194,255
Plus deposits in transit, beginning of year	44,842	15,830
Less deposits in transit, end of year	52,622	44,842
Deposits Recorded by the Comptroller	<u>4,044,891</u>	<u>3,165,243</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, 2006

	FISCAL YEAR	
	2006	2005
<u>ENVIRONMENTAL PROTECTION PERMIT AND INSPECTION FUND - 0944</u>		
Receipts per Agency Records	\$ 12,172,111	\$ 12,406,118
Prior Year Adjustment	(57,245)	(18,170)
Adjustments for Protest Fund	-	-
Plus deposits in transit, beginning of year	215,972	269,139
Less deposits in transit, end of year	195,171	215,972
Deposits Recorded by the Comptroller	<u>12,135,667</u>	<u>12,441,115</u>
<u>VEHICLE INSPECTION FUND - 0963</u>		
Receipts per Agency Records	17,106,899	29,543,563
Prior Year Adjustment	3,656	1,334
Plus deposits in transit, beginning of year	-	620
Less deposits in transit, end of year	-	-
Deposits Recorded by the Comptroller	<u>17,110,555</u>	<u>29,545,517</u>
<u>AGENCY TOTALS</u>		
Receipts per Agency Records	279,324,359	330,612,542
Protest Adjustments to Agency Funds	(1,126,013)	(1,842,957)
Protest Receipts on the Comptroller Reports	1,126,013	1,842,957
Prior Year Adjustments	200,196	16,952
Plus deposits in transit, beginning of year	4,046,800	6,181,563
Less deposits in transit, end of year	4,934,226	4,046,800
Deposits Recorded by the Comptroller	<u>\$ 278,637,129</u>	<u>\$ 332,764,257</u>
Following is a reconciliation of receipts per Agency records reported on the Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller to Total Agency Cash Receipts before interest reported on the Comparative Schedule of Cash Receipts.		
Receipts per Agency Records - Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller	\$ 279,324,359	\$ 330,612,542
Plus deposits made to the Comptroller through an auto-transfer not in the form of a warrant:		
Water Revolving Fund - 0270: Fund Transfer	-	18,875
Vehicle Inspection Fund - 0963: Transfer from IDOT	30,000,000	30,000,000
Hazardous Waste Fund - 0828: Transfer from Fund 0078	2,000,000	2,000,000
Total Agency cash receipts before interest - Comparative Schedule of Cash Receipts	<u>\$ 311,324,359</u>	<u>\$ 362,631,417</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2006

A comparative schedule of net appropriations, expenditures and lapsed balances is presented on pages 67 through 77. 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:

FY 06

Fund 0001 - General Revenue Fund

The expenditures increased by \$397,840 or 50%. This variance is due to expenditures for the Addison Creek restoration project grant.

Fund 0078 - Solid Waste Management Fund

The expenditures increased by \$2,377,921 or 25%. This variance is due to implementation of the Illinois Removes Illegal Dumps program.

Fund 0154 - EPA Court Trust Fund

The expenditures increased by \$669,134 or 100% as no amounts were appropriated in prior years. The FY06 expenditure is due to court-ordered settlement funds for the Jennison-Wright superfund remediation project.

Fund 0551 - Anti-Pollution Fund

The expenditures decreased by \$4,196,424 or 87%. This variance is due to the fund not providing match to federal Water Revolving Fund program. The state match is currently being provided from the Build Illinois Bond Fund.

Fund 0608 - Conservation 2000 Fund

The expenditures decreased by \$393,149 or 30%. This variance is due to a decrease in grant expenditures to local governments for the lake restoration projects.

Fund 0828 - Hazardous Waste Fund

The expenditures increased by \$4,373,297 or 39%. This variance was due to remediation activities at abandoned landfills and the Lake Calumet site.

Fund 0971 - Build Illinois Bond Fund

The expenditures increased by \$13,060,456 or 560%. This variance was due to providing state match to the federal Water Revolving Loan program. In previous years, this match was provided from the Anti-Pollution Fund. The increase is also due to increased grant payments to local governments for constructing sewer treatment facilities under the Unsewered Communities grant program.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2006

A comparative schedule of net appropriations, expenditures and lapsed balances is presented on pages 67 through 77. 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:

FY05

Fund 0001 - General Revenue Fund

The expenditures decreased by \$1,908,648 or 71%. In FY05, the appropriations for disposal costs of household hazardous waste collections were transferred from the General Revenue Fund to the Solid Waste Management Fund. This transfer resulted in decreased expenditures in the General Revenue Fund for FY05.

Fund 0074 - EPA Special State Projects Trust Fund

The expenditures increased by \$706,944 or 31%. The variance is due to increased expenditures for grants to school districts to retrofit diesel school busses with clean emissions technology. There was also an increase in expenditures for environmental projects pursuant to the Environmental Trust Fund Commission grant.

Fund 0078 - Solid Waste Management Fund

The expenditures increased by \$2,885,323 or 44%. In FY05, personal services and fringe benefit costs were transferred to the Solid Waste Management Fund. These transfers were necessary to reflect the costs associated with the Solid Waste Permit and Inspection Programs. Also, there was an increase in expenditures for the Household Hazardous Waste Collection Program that was transferred in FY05 from the General Revenue Fund.

Fund 0270 - Water Revolving Fund

The expenditures decreased by \$156,503,142 or 49%. The variance is due to increased expenditures in FY04 to fund the reserve accounts for the revenue bond issuance and decreased expenditures in FY05 for the wastewater and drinking water loan programs.

Fund 0288 - Community Water Supply Laboratory Fund

The expenditures decreased by \$1,418,497 or 40%. The variance is due to decreased expenditures for providing laboratory analysis of drinking water samples under the Community Water Supply Testing Program.

Fund 0551 - Anti-Pollution Fund

The expenditures decreased by \$51,169,952 or 91%. The variance is due to the Illinois Environmental Protection Agency using the remainder of the bond authorization for paying reimbursements to tank owner/operators under the Leaking Underground Storage Tank program in FY04.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2006**

FY05 - Continued

Fund 0828 - Hazardous Waste Fund

The expenditures decreased by \$5,796,610 or 34%. This variance is due to decreased expenditures for landfill remediation activities.

Fund 0845 - Environment Protection Trust Fund

The expenditures increased by \$2,000,000 or 67%. This variance is due to increased expenditures for grants to the four member agencies for environmental projects. The annual grant amounts vary from year to year based on actual penalty collections.

Fund 0971 - Build Illinois Bond Fund

The expenditures increased by \$1,090,593 or 88%. This variance is due to increased expenditures in grants to local governments for constructing sewer treatment facilities in the Unsewered Communities grant program.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2006

A comparative schedule of cash receipts is presented on pages 90 through 94. The following is an explanation of significant fluctuations in receipts, by fund total, among the years. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant receipt fluctuations are as follows:

FY06

Fund 0074 - EPA Special State Projects Trust Fund

The receipts increased by \$861,660 or 53%. Approximately \$366,000 of the variance is due to a one time agreement between IEPA and the Department of Commerce and Economic Opportunity (DCEO) for DCEO to provide money for grants to communities with IEPA issuing the awards. The Hazardous Household Waste Program which allows communities to contribute to the costs of conducting collection programs received \$243,000 in FY06. No receipts were collected in FY05. In addition, \$240,000 more in court ordered penalties were received during FY06.

Fund 0091 - Clean Air Act Permit Fund

The receipts increased by \$5,895,702 or 38%. This increase is due to a timing difference in the receipt of fees for billings mailed June 1st with a due date of July 15th.

Fund 0270 - Water Revolving Fund

The receipts decreased by \$47,620,033 or 27%. The Waste Water grant was signed at the end of May or early June; therefore, IEPA did not receive federal funds until late in FY06. In addition, the State did not provide match money in FY06, leading to a decrease in federal funds.

Fund 0828 - Hazardous Waste Fund

The receipts increased by \$3,029,031 or 50%. This variance is due largely to the Financial Assurance receipt type. This revenue is received when the Agency forces a closure of a Hazardous Waste site. Each site is required to maintain financial instruments that can be used by the Agency to properly close a site in the case of the site owner not properly doing so. These are infrequent in occurrence; and receipts can vary from year to year depending on the number and size of sites that the agency closes.

Fund 0845 - Environmental Protection Trust Fund

The receipts increased by \$858,416 or 27%. This fund's receipts are based on when a court orders that a penalty is to be paid into the Environmental Protection Trust. This receipt will vary each year depending on the number and amount of penalties ordered by the courts.

Fund 0963 - Vehicle Inspection Fund

The receipts decreased by \$12,436,664 or 42%. This fund's decrease was the result of a decrease in Congested Mitigation Air Quality monies transferred from the Illinois Department of Transportation to support the Vehicle Emissions Testing Program.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2006

A comparative schedule of cash receipts is presented on pages 90 through 94. The following is an explanation of significant fluctuations in receipts, by fund total, among the years. We considered fluctuations in excess of \$250,000 and 20% to be significant. Explanations of significant receipt fluctuations are as follows:

FY05

Fund 0074 - EPA Special State Projects Trust Fund

The receipts decreased by \$2,563,381 or 61%. The decrease is due to a large one time penalty from Amoco Oil in the amount of \$2,550,000 received in fiscal year 2004.

Fund 0091 - Clean Air Act Permit Fund

The receipts decreased by \$4,712,833 or 23%. This decrease is due to a timing difference in the receipt of fees for billings mailed June 1st with a due date of July 15th.

Fund 0207 - Pollution Control Board State Trust Fund

The receipts increased by \$548,750 or 78%. The source of receipts in this fund are from an annual grant provided by the EPA Trust Fund Commission (TFC). In FY05, the TFC granted increased funds to all agencies receiving grants by \$500,000 to each agency. The agencies were also given a two year spending window, replacing the past practice of refunding unexpended money at the end of one year.

Fund 0214 - Brownfields Redevelopment Fund

The receipts increased by \$1,002,151 or 131%. This increase is due to the receipts coming directly from federal programs. The Agency could have large variances from year to year depending on current year grants.

Fund 0270 - Water Revolving Fund

The receipts decreased by \$71,610,045 or 29%. This decrease is due to the awards being fully earned and no additional match money provided by the State, leading to a further decrease in federal funding. In FY04 receipts included a bond sale to leverage the program, resulting in the Agency earning federal dollars at an increased rate.

Fund 0288 - Community Water Supply Laboratory Fund

The receipts increased by \$877,425 or 40%. This increase is due to an increase in the cost to run this program, which is passed through to program users. This program's fee schedule changes every three years. FY05 was the first year of a new three year agreement. The fee is for testing of waters and is based on population.

Fund 0551 - Anti-Pollution Fund

No bond sales occurred in fiscal year 2005, decreasing receipts by \$40,471,100. This fund's receipts are generated when Bond Sales are made in order to provide the state match requirements for the Water Revolving Loan Program. No bond sales occurred in fiscal year 2005.

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2006

FY05 - Continued

Fund 0731 - Illinois Clean Water Fund

The receipts decreased by \$16,917,908 or 53%. This decrease is due to a timing difference in the receipt of fees for billings mailed in June with a due date in July.

Fund 0845 - Environmental Protection Trust Fund

The receipts decreased by \$1,388,655 or 30%. This fund's receipts are based on when a court orders a penalty to be paid into the Environmental Protection Trust Fund. These receipts will vary greatly each year depending upon the number and amount of penalties ordered by the courts.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2006

The schedule of appropriations, expenditures and lapsed balances by fund is presented on page 51. 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 lapse period spending are as follows:

FY06

Fund 0074 - EPA Special State Projects Trust Fund

Lapse period expenditures were \$673,662 or 26% of total expenditures. Lapse period expenditures reflect amounts paid to school districts to retrofit diesel school buses with clean emissions technology. The reimbursement requests were obligated at June 30, 2006, but were not presented for payment until lapse period.

Fund 0277 - Pollution Control Board Fund

Lapse period expenditures were \$3,417 or 64% of total expenditures. Lapse period expenditures reflect contractual obligations for advertising of Pollution Control Board hearings held prior to June 30, 2006, but invoiced and paid during lapse period.

Fund 0774 - Oil Spill Response Fund

Lapse period expenditures were \$28,219 or 23% of total expenditures. Lapse period expenditures reflect payments for Office of Emergency Response equipment obligated, but not delivered by June 30, 2006.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2006

The schedule of appropriations, expenditures and lapsed balances by fund is presented on page 52. 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 lapse period spending are as follows:

FY05

Fund 0074 - EPA Special State Projects Trust Fund

Lapse period expenditures were \$540,789 or 18% of total expenditures. Lapse period expenditures reflect amounts paid to school districts to retrofit diesel school buses with clean emissions technology. The reimbursement requests were obligated at June 30, 2005, but were not presented for payment until lapse period.

Fund 0207 - Pollution Control Board State Trust Fund

Lapse period expenditures were \$94,257 or 16% of total expenditures. Lapse period expenditures reflect contractual obligations for economic benefit analyses performed, but not billed by June 30, 2005.

Fund 0277 - Pollution Control Board Fund

Lapse period expenditures were \$79 or 100% of total expenditures. The expenditure was for a one time, efficiency initiative payment.

Fund 0336 - Environmental Laboratory Certification Fund

Lapse period expenditures were \$82,755 or 15% of total expenditures. Lapse period expenditures reflect payments to contractors for performing laboratory accreditation audits of private laboratories seeking Illinois certification. These certifications were performed prior to June 30, 2005, and submitted for reimbursement during lapse period.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2006**

The Agency's accounts receivable balance was estimated at \$1,602,194 (in thousands) at June 30, 2006. 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, 2006 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3
U.S. Environmental Protection	4,320	-	-	-	-	-	4,320
EPA Special State Projects Trust	-	-	-	-	-	92	92
Solid Waste Management	6,751	-	-	-	-	-	6,751
Subtitle D Management	743	-	-	-	-	-	743
Clean Air Act Permit	3,887	32	23	15	25	98	4,080
Brownfields Redevelopment	184	-	-	-	-	-	184
Water Revolving	1,548,483	-	-	-	-	-	1,548,483
Community Water Supply Laboratory	-	-	131	-	-	6	137
Used Tire Management	30	-	132	31	61	581	835
Environmental Laboratory Certification	6	-	-	-	-	-	6
Illinois Clean Water	16,203	25	-	124	1,283	1,241	18,876
Alternative Compliance Market Account	-	-	-	-	152	226	378
Hazardous Waste	1,049	420	12,035	187	363	515	14,569
Hazardous Waste Research	62	-	-	-	-	-	62
Environmental Protection Trust	986	9	1,425	52	381	2,544	5,397
Environmental Protection Permit and Inspection	<u>319</u>	<u>11</u>	<u>23</u>	<u>21</u>	<u>31</u>	<u>58</u>	<u>463</u>
Total	<u>\$ 1,583,023</u>	<u>\$ 497</u>	<u>\$ 13,769</u>	<u>\$ 430</u>	<u>\$ 2,296</u>	<u>\$ 5,364</u>	1,605,379
Accrued interest receivable - all funds							1,570
Allowance for uncollectible accounts							<u>(4,755)</u>
Net Receivable							<u>\$ 1,602,194</u>

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2006**

The Agency's accounts receivable balance was estimated at \$1,531,786 (in thousands) at June 30, 2005. 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, 2005 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 10
U.S. Environmental Protection	7,007	-	-	-	-	-	7,007
EPA Special State Projects Trust	-	-	-	-	-	89	89
Solid Waste Management	6,443	-	-	-	-	-	6,443
Subtitle D Management	680	-	-	-	-	-	680
Clean Air Act Permit	4,304	53	41	20	13	89	4,520
Brownfields Redevelopment	-	-	-	-	-	-	-
Water Revolving	1,487,197	-	-	-	-	-	1,487,197
Community Water Supply Laboratory	-	-	-	192	-	5	197
Used Tire Management	123	10	20	31	270	252	706
Environmental Laboratory Certification	-	-	-	-	-	-	-
Illinois Clean Water	14,379	15	27	58	1,557	1,315	17,351
Alternative Compliance Market Account	-	-	-	-	-	255	255
Hazardous Waste	1,179	413	72	86	88	414	2,252
Hazardous Waste Research	59	-	-	-	-	-	59
Environmental Protection Trust	1,314	10	230	13	299	2,872	4,738
Environmental Protection Permit and Inspection	<u>306</u>	<u>23</u>	<u>16</u>	<u>14</u>	<u>14</u>	<u>35</u>	<u>408</u>
Total	<u>\$ 1,522,991</u>	<u>\$ 524</u>	<u>\$ 406</u>	<u>\$ 414</u>	<u>\$ 2,241</u>	<u>\$ 5,336</u>	1,531,912
Accrued interest receivable - all funds							1,004
Allowance for uncollectible accounts							<u>(1,130)</u>
Net Receivable							<u>\$ 1,531,786</u>

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2006

Functions

The Illinois Environmental Protection Agency (IEPA) operates under the mandate of Article XI of the Illinois Constitution and the specific charge of the Environmental Protection Act to "...establish a unified Statewide program supplemented by private remedies, to restore, protect and enhance the quality of the environment, and to assure that adverse effects upon the environment are fully considered and borne by those who cause them.

The mission of the Environmental Protection Agency is "...to safeguard environmental quality so as to protect health, welfare, property and the quality of life." To carry out this mission, the Agency takes on several roles. The IEPA operates within a complex network of intergovernmental and public/private relationships. The principal roles that the IEPA plays within this web of relationships are as follows:

- a. Primary regulator - The IEPA has direct regulatory responsibility for the full spectrum of environmental protection matters. The predominant role drives much of the Agency's focus and performance.
- b. Secondary regulator - The IEPA has authority to delegate certain regulatory activities to local government and has done so under several programs. Certain efficiencies are gained when some regulatory actions take place at the local level.
- c. Environmental information generator - The IEPA creates a large amount of information about environmental quality in Illinois and about things that affect Illinois' environment.
- d. Financial provider - The IEPA provides financial assistance to eligible parties in a number of ways via grants, loans and cost-sharing funds for projects.
- e. Project sponsor - The IEPA assumes sponsorship for a wide variety of environmental improvement projects such as hazardous site remediation, tire dump cleanups, vehicle scrapping, collection of household hazardous wastes and safe disposal of abandoned hazardous materials.
- f. Change agent and promoter - The IEPA has opportunities to display environmental leadership and pursue system changes where it makes sense to do so.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2006

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.

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.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AGENCY FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2006

Agency Planning

The Illinois EPA's Strategic Plan for the period FY2004 through FY2007, adopted September 1, 2004 and updated May 1, 2006, outlines strategic priorities for the air, land and water pollution control programs, as well as a priority to provide good information about environmental conditions and a priority to develop innovative programs that promote economic development and benefits the environment. Program initiatives and goals are outlined for each priority. Performance measures have been established for the program priorities. Annual targets are established for each performance measure. The Illinois EPA submits quarterly performance reports to the Governor.

Since FY96, the IEPA has participated in the performance partnership agreement process with the U.S. Environmental Protection Agency Region 5. These annual agreements set forth the respective roles, joint priorities and expected program performance for the participating programs across the Agency. The performance partnership agreement emphasizes achieving environmental results. This annual performance process is made up of (1) performance self-assessments, (2) performance partnership agreements, and (3) system evaluations. Feedback from the annual performance process may be used to validate or refine the multi-year context. An Annual Environmental Conditions Report is published to chart out progress and explain performance results.

For the past several fiscal years, the IEPA has arranged for focus group dialogue sessions involving local governments, business groups and public interest groups. This form of public participation has enabled the IEPA to obtain productive input about plans and operations from persons with the most interest in environmental protection in Illinois.

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
AVERAGE NUMBER OF EMPLOYEES
FOR THE TWO YEARS ENDED 2006**

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

	Average Headcount		
	<u>FY06</u>	<u>FY05</u>	<u>FY04</u>
Administrative Services*	21	18	74
Bureau of Air	309	325	328
Laboratories*	17	18	76
Bureau of Land	394	403	400
Bureau of Water	329	348	318
	<u>1,070</u>	<u>1,112</u>	<u>1,196</u>

* 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, 2006
 (NOT EXAMINED)

Environmental Protection Agency
 (Dollars in Thousands)

<u>Program</u>	<u>FY 2005</u>		<u>FY 2006</u>	
	<u>Expenditures</u>	<u>Headcount</u>	<u>Expenditures</u>	<u>Headcount</u>
Clean Air	\$ 84,569	313	\$ 79,528	310
Clean Land	99,913	396	120,169	398
Clean Water	<u>203,513</u>	<u>340</u>	<u>187,006</u>	<u>332</u>
Agency Totals	<u>\$ 387,995</u>	<u>1,049</u>	<u>\$ 386,703</u>	<u>1,040</u>

The Illinois Environmental Protection Agency (IEPA) was created as part of the Environmental Protection Act of 1970. The IEPA'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 2006 and 2005, respectively, the IEPA expended \$386.7 million and \$387.9 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 IEPA employed 1,040 people in fiscal year 2006 and 1049 people in fiscal year 2005, 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 the release of 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 powered vehicles in the Chicago and Metro-East ozone nonattainment areas. The IEPA also administers grants and loans to local governments for wastewater and drinking water treatment facilities and for Brownfield redevelopment projects.

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(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 IDOT projects, and other diesel vehicles,
 - e. Promote clean burning alternate fuels.
4. Implement an improved vehicle emission test program in nonattainment areas:
 - a. Solicit bids and hire a contractor for the new vehicle emissions testing program,
 - b. Coordinate with the Secretary of State to change the motorist testing notification and enforcement mechanisms,
 - c. Design, develop, implement, and maintain an effective and efficient vehicle emissions testing program,
 - d. Develop an effective public information program to educate motorists about changes in the 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.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(NOT EXAMINED)**

Funds: U.S. Environmental Protection Fund, Clean Air Act (CAA) Permit Fund, Alternate Fuels Fund, Alternative Compliance Market Account Fund, Environmental Protection Permits and Inspection Fund, Vehicle Inspection Fund

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
<u>Input Indicators</u>					
Total expenditures- all sources (in thousands)	\$ 78,116	\$ 85,119	\$ 103,158	\$ 80,074	\$ 100,639
Total expenditures- state appropriated funds (in thousands)	\$ 77,605	\$ 84,569	\$ 102,533	\$ 79,528	\$ 99,413
Average monthly full-time equivalents	351	328	360	325	335
<u>Output Indicators</u>					
Number of permits issued to non-Title V sources	1,020	1,660	1,710	1,782	1,800
Number of initial vehicle emission tests performed	2,083,930	1,830,000	1,850,000	1,894,000	1,700,000
Number of pollutant emitting facilities inspected	2,149	2,255	2,310	2,084	2,100
Number of permits issued to large pollutant emitting facilities (Title V) for the operation of such facilities	237	150	280	190	210
<u>Outcome Indicators</u>					
Customer service survey for vehicle emissions test program	4.7%	4.7%	4.5%	4.7%	4.5%
Reduce pollution from diesel school buses (in pounds)	12,171	13,973	15,279	9,374	15,279
Air quality conditions in Chicago (percent healthy days)	98%	96%	97%	96%	97%
Air quality condition in St. Louis area (percent healthy days)	98%	96%	95%	98%	95%
Percent industrial source emission reductions	N/A	38%	34%	38%	34%
Percent mobile source emission reductions	N/A	25%	23%	25%	23%
<u>Efficiency/Cost-Effectiveness</u>					
Cost of inspecting and permitting each small (non-Title V) pollutant-emitting facility (in dollars)	\$ 3,494	\$ 2,319	\$ 2,280	\$ 1,964	\$ 2,062
Cost of inspecting and permitting each large (Title V) pollutant-emitting facility (in dollars)	\$ 50,493	\$ 87,248	\$ 46,500	\$ 73,194	\$ 76,122
Cost per vehicle tested in the Chicagoland and Metro-East areas to ensure compliance with state and federal air quality standards (in dollars)	\$ 25	\$ 27	\$ 26	\$ 27	\$ 26

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(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. Oversee a cleanup program for used tires,
 - b. Administer household hazardous waste collection programs with local governments and waste collections with K-12 schools,
 - c. Seek authority to allow reuse of waste in innovative non-regulated ways,
 - d. 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.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(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, 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 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
<u>Input Indicators</u>					
Total expenditures- all sources (in thousands)	\$131,810	\$100,608	\$177,575	\$120,870	\$192,607
Total expenditures- state appropriated funds (in thousands)	\$131,163	\$99,912	\$176,831	\$120,169	\$191,044
Average monthly full-time equivalents	452	420	431	422	432
<u>Output Indicators</u>					
Facility permits issued	649	645	725	740	765
Facilities inspected	4,727	3,154	3,200	4,721	4,900
Solid waste administrative citations	65	55	60	29	25
Superfund constructions completed	2	1	0	1	0
State cleanup projects completed	6	3	8	6	8
Household hazardous waste collections	39	35	34	30	20
LUST (Leaking Underground Storage Tanks) incidents reported	633	549	550	503	400
<u>Outcome Indicators</u>					
Waste permits issued as a percent of applications reviewed	97%	99%	95%	98%	95%
Waste facilities in corrective action	45%	45%	45%	45%	45%
Waste diverted from landfills by household hazardous waste collections (measured in drums)	8,879	8,608	7,500	7,011	7,500
Waste diverted from landfills by tire collections (measured in tons)	9,129	10,246	10,000	9,876	10,000
Land remediated (measured in acres)	7,798	6,299	3,000	2,857	3,000
<u>Efficiency/Cost-Effectiveness</u>					
Cost per household hazardous waste collection (in dollars)	\$49,900	\$50,652	\$52,000	\$57,111	\$57,500
Cost per facility permitted (in dollars)	\$5,700	\$5,600	\$6,000	\$5,194	\$5,500

(Continued)

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(NOT EXAMINED)

Clean Water

Missions

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 reoccurring pollutant discharges related to wet weather conditions,
 - g. Develop a permit program for surface-discharge septic systems,
 - h. Continue financial assistance to communities seeking to achieve or maintain 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,

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(NOT EXAMINED)**

- c. Seek adoption of and implement mercury reduction requirements from Illinois power plants.
- 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 IEPA 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.

(Continued)

**STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2006
(NOT EXAMINED)**

Funds: U.S. Environmental Protection Fund, Water Revolving Fund, Anti-Pollution Fund, Conservation 2000 Fund, Illinois Clean Water Fund, Hazardous Waste Fund, Environmental Protection Permit and Inspection Fund, Build Illinois Bond Fund

	<u>Fiscal Year 2004 Actual</u>	<u>Fiscal Year 2005 Actual</u>	<u>Fiscal Year 2006 Target /Projected</u>	<u>Fiscal Year 2006 Actual</u>	<u>Fiscal Year 2007 Target /Projected</u>
<u>Input Indicators</u>					
Total expenditures- all sources (in thousands)	\$382,090	\$204,110	\$912,932	\$187,590	\$1,010,707
Total expenditures- state appropriated funds (in thousands)	\$381,542	\$203,513	\$912,302	\$187,006	\$1,009,396
Average monthly full-time equivalents	398	371	376	357	368
<u>Output Indicators</u>					
Drinking water permits issued	5,337	5,414	5,100	5,171	5,100
Wastewater permits issued	5,060	4,798	4500	4,651	4,500
Drinking water facilities inspected	579	611	550	607	550
Wastewater facilities inspected	859	860	850	832	850
Infrastructure grants	2	4	8	11	10
Wastewater loans	12	23	24	26	26
Drinking water loans	37	34	35	22	24
Non-point source control projects	26	18	25	24	25
Lake restoration/projection grants	13	1	1	1	4
<u>Outcome Indicators</u>					
Groundwater with "Good Quality" rating	77%	77%	77%	77%	77%
Illinois streams with "Good Quality" rating	62%	62%	65%	62%	65%
Lakes with "Good Quality" rating	41%	41%	40%	41%	40%
Major wastewater-discharging facilities in compliance	98%	97%	96%	97%	96%
Population served with good quality drinking water from community water supplies	93%	94%	95%	94%	95%
<u>Efficiency/Cost-Effectiveness</u>					
Cost per facility permitted (in dollars)	\$978	\$1,006	\$1,000	\$1,002	\$1,000

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
KATRINA RELIEF SCHEDULE
FOR THE TWO YEARS ENDED JUNE 30, 2006
(NOT EXAMINED)

Nine volunteers from the Illinois Environmental Protection Agency assisted with Hurricane Katrina relief in New Orleans during the payroll period of September 1, 2005 to September 15, 2005. The costs incurred by the Agency are as follows:

	<u>Amount</u>
Personal Services/Fringe Benefits	\$ 6,355
Commodities/Gasoline	<u>585</u>
Total	<u>\$ 6,940</u>