

**STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR**

**COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005**

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

**McGREAL, JOHNSON AND McGRANE  
CERTIFIED PUBLIC ACCOUNTANTS  
OAK LAWN, ILLINOIS 60453**

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OFFICE OF THE LIEUTENANT GOVERNOR**

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STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE EXAMINATION  
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STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

AGENCY OFFICIALS

OFFICE OF THE LIEUTENANT GOVERNOR

Lieutenant Governor

Mr. Patrick Quinn

Director of Operations

Ms. Simone McNeil

Lieutenant Governor's Offices are located at:

James R. Thompson Center  
100 West Randolph Street, Suite 15-200  
Chicago, Illinois 60601

214 State House  
Springfield, Illinois 62706

414 Stratton Building  
Springfield, Illinois 62706



STATE OF ILLINOIS  
 OFFICE OF THE LIEUTENANT GOVERNOR  
 SPRINGFIELD, ILLINOIS 62706

PAT QUINN  
 LIEUTENANT GOVERNOR

October 19, 2005

McGreal, Johnson and McGrane  
 Certified Public Accountants  
 5740 West 95<sup>th</sup> Street  
 Oak Lawn, IL 60453

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Office. 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 Office's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2004 and June 30, 2005, the Office has materially complied with the assertions below.

- A. The office 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 office 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 office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. That State revenues and receipts collected by the office 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 office on behalf of the State or held in trust by the office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

*Pat Quinn*  
 Lieutenant Governor

*James R. Thompson*  
 Director of Operations

Room 214 State House  
 Springfield, Illinois 62706-4700  
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STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

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' REPORT**

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

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	4	2
Repeated findings	0	0
Prior recommendations implemented or not repeated	2	0

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

**SUMMARY OF FINDINGS**

<u>Item</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
05-1	8	Efficiency initiative payments
05-2	11	Inaccurate reporting of fixed assets
05-3	13	Inadequate cash receipts processing
05-4	15	Lack of expenditure reconciliations
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
05-5	16	Lack of adequate documentation
05-6	16	Noncompliance with the School Code

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

COMPLIANCE REPORT

SUMMARY

EXIT CONFERENCE

The Office of the Lieutenant Governor declined a formal exit conference. Responses to the recommendations were provided by Ms. Simone McNeil in a letter dated December 27, 2005.

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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 Illinois Office of the Lieutenant Governor'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, 2005. The management of the Illinois Office of the Lieutenant Governor is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Office of the Lieutenant Governor's compliance based on our examination.

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

In our opinion, the Illinois Office of the Lieutenant Governor complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. 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 05-1, 05-2, 05-3, and 05-4.

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 Illinois Office of the Lieutenant Governor 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 Illinois Office of the Lieutenant Governor'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 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 05-1, 05-2, 05-3, and 05-4.

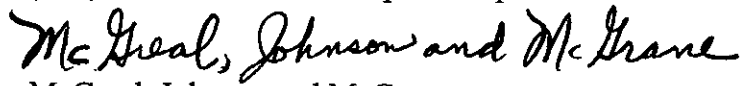
As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

#### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 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.

  
McGreal, Johnson and McGrane

October 19, 2005

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

05-1 EFFICIENCY INITIATIVE PAYMENTS

The Office of the Lieutenant Governor (Office) made payments for efficiency initiative billings from improper line item appropriations.

Public Act 93-0025, in part, outlines a program for efficiency initiatives to reorganize, restructure and reengineer the business processes of the State. The State Finance Act details that the amount designated as savings from efficiency initiatives implemented by the Department of Central Management Services (CMS) shall be paid into the Efficiency Initiatives Revolving Fund. **“State agencies shall pay these amounts...from the line item appropriations where the cost savings are anticipated to occur.”** (30 ILCS 105/6p-5)

A FY04 billing to the Lieutenant Governor’s Office from CMS for savings from efficiency initiatives totaled \$29,370. While many agencies were billed for efficiency initiative savings in FY05, the Lieutenant Governor’s Office was not. The initiative and amount billed to the Office for FY04 were:

INVOICE BILLING DATE	INITIATIVE	BILLED AMOUNT
11/13/03 <sup>(1)</sup>	Procurement Efficiency	\$ 29,370
Total:		\$ 29,370
Note: <sup>(1)</sup> Date stamp from Lieutenant Governor’s Office showed receipt on November 20, 2003		

Officials in the Lieutenant Governor’s Office stated that while they did contact their budget analyst about the billing, there was no written documentation maintained. The only guidance indicated on the billing invoice was the amount of payments that should be taken from General Revenue Funds (GRF) versus Other Funds for the billings.

Lieutenant Governor’s Office staff reported they received a spreadsheet of anticipated savings from CMS. However, the Office did not retain this spreadsheet and no written documentation could be provided to auditors. Office staff reported they had experienced savings for the purchase of computers. However, these purchases were made during the FY04 lapse period (July 2004) and CMS billed the Office in November 2003.

Based on our review, we question whether the appropriate appropriations, as required by the State Finance Act, were used to pay for the anticipated savings. We found that the Lieutenant Governor’s Office made payments for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred but from line items where they had determined there were excess appropriations. Office staff reported that, after a review of expenditures, savings most applicable to the Office would come under the EDP line. However, the Office made 67 percent of the total payment (\$19,580 of a total of \$29,370) from contractual services appropriations.

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FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

The table below provides an illustration of the specific funds and line items the Lieutenant Governor's Office used to make payments for the efficiency initiatives. Additionally, the table illustrates which efficiency initiatives were paid from the various line item appropriations.

FUND	LINE ITEM APPROPRIATION	AMOUNT PAID	TOTAL APPROPRIATION FOR LINE ITEM	EFFICIENCY INITIATIVE
				PROCUREMENT
FY04				
GRF	For Contractual Services	\$ 19,580	\$ 500,000	✓
GRF	For Electronic Data Processing	\$ 9,790	\$ 55,000	✓

Use of appropriations unrelated to the cost savings initiatives results in non-compliance with the State Finance Act. Furthermore, use of appropriations for purposes other than those authorized by the General Assembly effectively negates a fundamental control established in State government. Finally, use of funds unrelated to the savings initiative may result in an adverse effect on services the Office provides. (Finding Code No. 05-1)

**Recommendation:** We recommend that the Office only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Additionally, we recommend that the Office maintain documentation related to savings as the support for payment of the efficiency invoices. Further, the Office should seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Office's budget.

**Office Response:** The Lieutenant Governor's Office disagrees with the finding.

The Lieutenant Governor's Office was billed a total of \$29,370.00 for the Office's share of efficiencies. Given the timing of the billing and the number of appropriation lines, contracts and EDP were chosen. Old and outdated computers were scheduled to be replaced. Given the reality, no more funds from the EDP line could be allocated. Funds from the Equipment line were allocated for replacing broken chairs and file cabinets. Commodities could have contributed some of the monies for the efficiencies. However, during FY04 the Lieutenant Governor's Office was billed \$25,000 for statistical service and payroll charges provided by CMS. These services are shared instead of each office providing them individually. Along with

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FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CMS providing computer help desk support, servers and website services, charging efficiencies to the Contractual line was appropriate.

Auditor Comment: The Office's response states, "Given the timing of the billing and the number of appropriation lines, contracts and EDP were chosen. Old and outdated computers were scheduled to be replaced." The billings were sent 11/13/03 and the Office processed payment eleven days later on 11/24/03. Documentation provided by the Office showed that computers were purchased in August 2004 – nine months after the efficiency payment was processed to CMS. Also, the response states, "no more funds from the EDP line could be allocated" yet that appropriation lapsed over \$26,000 in FY04 appropriations.

Lastly, the \$25,000 CMS bill for statistical services and payroll charges referenced by the Office in its response is unrelated to efficiency billings sent by CMS.

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FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

05-2 INACCURATE REPORTING OF FIXED ASSETS

The Office of the Lieutenant Governor (Office) did not maintain accurate property control records and filed inaccurate Quarterly Fixed Asset Reports. In addition, the Office did not follow proper procedures relating to the transfer of existing property to the Department of Central Management Services' (DCMS) Surplus.

We tested 8 (100%) Quarterly Fixed Asset Reports (reports) including related fixed asset transactions and noted the following weaknesses:

- The Office did not report 17 property items totaling \$16,263 on the Quarterly Fixed Asset Report during the quarter in which the items were received. Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires an agency to report all additions to each asset class that occurred during the quarter being reported.
- The Office reported 68 property items totaling \$63,700 on the Office's property control records 245 to 696 days late. The Illinois Administrative Code (44 Ill. Admin. Code 5010.400) requires each agency to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- The Office reported 1 item totaling \$553 twice on the property control records. Good business practice requires that proper internal controls be established to maintain accurate property records.
- The Office filed 2 of 8 (25%) reports 35 to 59 days late. SAMS (Procedure 29.10.10) requires agencies to submit a fixed asset report to the Comptroller no later than the last day of the month following the last day of the quarter.

We also tested 50 property items during an inventory observation and the following exceptions were noted:

- The Office traded-in 1 item totaling \$23,470; however, it was not removed from the Office's property control records.
- One item, an IBM typewriter, was not included on the Office's property control records.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Office be accountable for the supervision, control and inventory of all property under its jurisdiction and control.

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FOR THE TWO YEARS ENDED JUNE 30, 2005

We also noted 33 items totaling \$14,944 were documented as being transferred to DCMS' Surplus, however the Office did not have the proper forms that would have been signed by DCMS Surplus indicating the items were actually transferred.

The Illinois Administrative Code (44 Ill. Admin. Code 5010.610(a)) indicates that each agency may not dispose of transferable equipment without the knowledge and approval of the DCMS Property Control Division.

Office personnel stated that the weaknesses occurred due to staff turnover and insufficient resources being allocated to this area.

Failure to account for property items accurately and in a timely manner increases the potential for fraud and possible loss or theft of State property. In addition, property not recorded in the proper period results in inaccurate capital asset reports submitted to the Comptroller. (Finding Code No. 05-2)

**Recommendation:** We recommend the Office comply with SAMS requirements in the preparation of the Quarterly Fixed Asset Reports which are submitted to the Comptroller. Further, we recommend the Office devote adequate resources to ensure that property records are maintained and updated timely.

**Office Response:** The Office of the Lieutenant Governor accepts the finding.

The Office has taken necessary measures to ensure that property control records and Quarterly Fixed Asset Reports are filed in a timely fashion. An Office calendar has been developed to assist in the filing of timely reports.

STATE OF ILLINOIS  
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FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

05-3 INADEQUATE CASH RECEIPTS PROCESSING

The Office of the Lieutenant Governor (Office) did not have adequate controls over cash receipts.

The Office deposited cash receipts totaling \$55,969, which were directly received by the Office during the examination period. We noted the following weaknesses:

- The Office deposited a total of \$27,582 of cash receipts into the incorrect fund. Receipts totaling \$10,287 were deposited into the Lieutenant Governor's Grant Fund which should have been deposited into the Illinois Military Family Relief Fund. In addition, \$17,295 was deposited into the Lieutenant Governor's Grant Fund while the related expenditure was paid from the General Revenue Fund. The Statewide Accounting Management System (SAMS) (Procedure 25.10.30) requires each State agency to remit funds to the Comptroller for deposit into the appropriate fund. Additionally, the State Officers and Employees Money Disposition Act (30 ILCS 230/2a.3) requires that any indirect cost reimbursement received by any agency shall be deposited within 30 days of receipt of the deposit to the fund from which the original expenditure was made unless deposit into another fund is required by law.
- The Office did not maintain a cash receipts journal. The State Officers and Employees Money Disposition Act (30 ILCS 230/2) requires each State agency to maintain a detailed itemized account of all moneys received for or on behalf of the State of Illinois, showing the date of receipt, the payer, purpose and amount when receipts are received.
- The Office did not perform monthly reconciliations for cash receipts collected by the Office to the Office of the Comptroller's revenue reports. SAMS (Procedure 25.40.20) requires each State agency to reconcile receipt account balances maintained by the agency with the statewide receipt account records maintained by the Comptroller's Office monthly. In addition, the agency should notify the Comptroller's Office of any unreconcilable differences so that the necessary corrective action can be taken.
- The Office did not deposit cash receipts timely into the State Treasury. One of 5 (20%) receipts totaling \$1,500 was deposited 102 days after being received by the Office. The State Officers and Employees Money Disposition Act (30 ILCS 230/2) requires deposits of \$500 to \$10,000 to be deposited into the Treasury within 48 hours of actual receipt.



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FOR THE TWO YEARS ENDED JUNE 30, 2005

- The Office submitted 2 of 5 (40%) Receipts Deposit Transmittals (RDTs) to the Office of the Comptroller 286 to 408 days after the Office received the treasurer's draft. Good business practice would require deposits be processed timely to increase the balance of funds available for expenditure.

Office management stated staff turnover was the reason for the above weaknesses.

Failure to implement adequate internal controls over money received increases the risk that errors and irregularities could occur and not be detected. (Finding Code No. 05-3)

Recommendation: We recommend the Office strengthen its controls over cash receipts by making timely deposits into the State Treasury and maintaining a cash receipts ledger as required by the State Officers and Employees Money Disposition Act. Further, we recommend the Office submit RDTs to the Office of the Comptroller in a timely manner, perform monthly reconciliations of cash receipts and deposit receipts in the correct fund as required by the State Officers and Employees Money Disposition Act and SAMS procedures.

Office Response: The Office of the Lieutenant Governor accepts the finding.

The Office has taken necessary measures to strengthen controls over cash receipts by making timely and correct fund deposits. A ledger has been established and is currently in use. Monthly reconciliations of cash receipts are being done.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

05-4 LACK OF EXPENDITURE RECONCILIATIONS

The Office of the Lieutenant Governor (Office) did not perform monthly reconciliations of the Office's expenditures with the Office of the Comptroller's Monthly Appropriation Status Report (SB01).

During testing of monthly reconciliations, we noted 8 of 24 (33%) reconciliations were not performed and 10 of 24 (42%) were not performed in a timely manner.

Statewide Accounting Management Systems (SAMS) (Procedure 11.40.20) requires agencies to reconcile their expenditures monthly and in a timely manner. In addition, the agency should notify the Comptroller's Office of any unreconcilable differences so that corrective action can be taken.

Office management stated that the lack of and untimely reconciliations were due to staff turnover and insufficient resources.

Failure to perform timely reconciliations could result in accounting errors not being detected. (Finding Code No. 05-4)

Recommendation: We recommend the Office comply with SAMS and perform expenditure reconciliations monthly and in a timely manner.

Office Response: The Office of the Lieutenant Governor accepts the finding.

The Office is currently performing expenditure reconciliations in a timely manner. The establishment of the Office calendar assists in providing reconciliations in a timely manner.

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FINDINGS, RECOMMENDATIONS AND OFFICE RESPONSES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

PRIOR FINDINGS NOT REPEATED

05-5 Finding: LACK OF ADEQUATE DOCUMENTATION

During the prior period, the Office was unable to provide adequate documentation for grant agreements, vendor invoices, cash receipts, and employee time records.

During the current period, the Office improved their procedures to ensure all supporting documentation was maintained. We noted no instances where the proper supporting documentation was not provided. (Finding Code No. 03-1)

05-6 Finding: NONCOMPLIANCE WITH THE SCHOOL CODE

During the prior period, the Office distributed the 2001 calendar year service evaluation forms to school districts 95 days late and the 2002 calendar year service evaluation forms were distributed 61 days late.

During the current period, the Office distributed the 2003 and 2004 calendar year service evaluation forms to school districts in a timely manner. (Finding Code No. 03-2)

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OFFICE OF THE LIEUTENANT GOVERNOR

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

**Fiscal Schedules and Analysis:**

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Efficiency Initiative Payments
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending

**Analysis of Operations:**

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

The 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 on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

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OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2005

FOURTEEN MONTHS ENDED AUGUST 31, 2005

Public Act 93-0842 Fiscal Year 2005	Appropriations (Net after Transfers)	Expenditures Through 6/30/05	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
Personal services	\$960,000	\$905,961	\$0	\$905,961	\$54,039
State contributions to State Employees Retirement System	154,600	149,129	0	149,129	5,471
State contributions to Social Security	85,400	82,536	1,262	83,798	1,602
Contractual services	432,000	342,820	54,133	396,953	35,047
Travel	74,000	60,722	7,276	67,998	6,002
Commodities	32,000	25,387	2,896	28,283	3,717
Printing	18,000	6,585	0	6,585	11,415
Equipment	7,700	5,711	20	5,731	1,969
Electronic data processing	28,800	1,735	300	2,035	26,765
Telecommunications services	72,000	38,301	22,439	60,740	11,260
Operational and grant expenses of the Rural Affairs Council	364,800	351,750	4,841	356,591	8,209
Ordinary and contingent expenses of the Illinois River Coordination Council	190,000	186,044	1,138	187,182	2,818
Total Fiscal Year 2005	\$2,419,300	\$2,156,681	\$94,305	\$2,250,986	\$168,314

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

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OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2005

FOURTEEN MONTHS ENDED AUGUST 31, 2005

	Appropriations (Net after Transfers)	Expenditures Through 6/30/05	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
Public Act 93-0842 Fiscal Year 2005	\$100,000	\$59,000	\$41,000	\$100,000	\$0
<u>Agricultural Premium Fund - 045</u>	\$100,000	\$59,000	\$41,000	\$100,000	\$0
Ordinary and contingent expenses of the Rural Affairs Council					
Total Fiscal Year 2005	\$50,000	\$0	\$7,923	\$7,923	\$42,077
<u>Lieutenant Governor's Grant Fund - 924</u>	\$50,000	\$0	\$7,923	\$7,923	\$42,077
Exercise of the powers or performance of the duties of the Office of the Lieutenant Governor	\$2,569,300	\$2,215,681	\$143,228	\$2,358,909	\$210,391
Total Fiscal Year 2005					
<b>GRAND TOTAL - ALL FUNDS</b>					

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2004

FOURTEEN MONTHS ENDED AUGUST 31, 2004

Public Act 93-66 Fiscal Year 2004	Appropriations (Net after Transfers)	Expenditures Through 6/30/04	Lapse Period Expenditures 7/01 - 8/31/04	Total Expenditures	Balances Lapsed
<u>General Revenue Fund - 001</u>					
Personal services	\$1,000,000	\$812,395	\$0	\$812,395	\$187,605
Employee retirement contributions paid by employer	40,000	1,152	0	1,152	38,848
State contributions to State Employees Retirement System	134,390	73,836	0	73,836	60,554
State contributions to Social Security	76,500	69,530	802	70,332	6,168
Contractual services	500,000	235,743	137,959	373,702	126,298
Travel	85,000	38,409	13,460	51,869	33,131
Commodities	26,500	14,479	3,056	17,535	8,965
Printing	26,000	7,205	6,483	13,688	12,312
Equipment	8,000	2,739	4,832	7,571	429
Electronic data processing	55,000	14,286	14,559	28,845	26,155
Telecommunications services	75,000	32,840	36,052	68,892	6,108
Operational and grant expenses of the Rural Affairs Council	300,000	268,259	25,473	293,732	6,268
Ordinary and contingent expenses of the Illinois River Coordination Council	190,000	152,527	32,685	185,212	4,788
Total Fiscal Year 2004	<u>\$2,516,390</u>	<u>\$1,723,400</u>	<u>\$275,361</u>	<u>\$1,998,761</u>	<u>\$517,629</u>

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2004

FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (Net after Transfers)	Expenditures Through 6/30/04	Lapse Period Expenditures 7/01 - 8/31/04	Total Expenditures	Balances Lapsed
Public Act 93-66 Fiscal Year 2004					
<u>Agricultural Premium Fund - 045</u>					
Ordinary and contingent expenses of the Rural Affairs Council	\$100,000	\$92,372	\$5,628	\$98,000	\$2,000
Total Fiscal Year 2004	<u>\$100,000</u>	<u>\$92,372</u>	<u>\$5,628</u>	<u>\$98,000</u>	<u>\$2,000</u>
<u>Lieutenant Governor's Grant Fund - 924</u>					
Exercise of the powers or performance of the duties of the Office of the Lieutenant Governor	\$50,000	\$15,422	\$2,998	\$18,420	\$31,580
Total Fiscal Year 2004	<u>\$50,000</u>	<u>\$15,422</u>	<u>\$2,998</u>	<u>\$18,420</u>	<u>\$31,580</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$2,666,390</u>	<u>\$1,831,194</u>	<u>\$283,987</u>	<u>\$2,115,181</u>	<u>\$551,209</u>

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.



STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2005 P.A. 93-0842	2004 P.A. 93-66	2003 P.A. 92-0538
<u>General Revenue Fund - 001</u>			
Appropriations (Net After Transfers)	\$2,419,300	\$2,516,390	\$2,980,700
Expenditures			
Personal services	\$905,961	\$812,395	\$1,079,595
Employee retirement contributions paid by employer	0	1,152	31,911
State contributions to State Employees Retirement System	149,129	73,836	111,307
State contributions to Social Security	83,798	70,332	87,436
Contractual services	396,953	373,702	299,054
Travel	67,998	51,869	49,955
Commodities	28,283	17,535	26,539
Printing	6,585	13,688	8,077
Equipment	5,731	7,571	3,175
Electronic data processing	2,035	28,845	13,286
Telecommunications services	60,740	68,892	47,939
Operational and grant expenses of the Rural Affairs Council	356,591	293,732	260,125
Ordinary and contingent expenses of the Illinois River Coordination Council	187,182	185,212	190,914
Total Expenditures	<u>\$2,250,986</u>	<u>\$1,998,761</u>	<u>\$2,209,313</u>
Lapsed Balances	<u>\$168,314</u>	<u>\$517,629</u>	<u>\$771,387</u>
<u>Agricultural Premium Fund - 045</u>			
Appropriations (Net After Transfers)	\$100,000	\$100,000	\$110,000
Expenditures	100,000	98,000	110,000
Lapsed Balances	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>
<u>Lieutenant Governor's Grant Fund - 924</u>			
Appropriations (Net After Transfers)	\$50,000	\$50,000	\$50,000
Expenditures	7,923	18,420	0
Lapsed Balances	<u>\$42,077</u>	<u>\$31,580</u>	<u>\$50,000</u>
<u>Grand Total - All Funds</u>			
Appropriations (Net of Transfers)	\$2,569,300	\$2,666,390	\$3,140,700
Total Expenditures	<u>2,358,909</u>	<u>2,115,181</u>	<u>2,319,313</u>
Lapsed Balances	<u>\$210,391</u>	<u>\$551,209</u>	<u>\$821,387</u>

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2005	2004	2003
<u>General Revenue Fund - 001 State Comptroller</u>			
Appropriations (Net of Transfers)	<u>\$115,300</u>	<u>\$115,300</u>	<u>\$115,300</u>
Lieutenant Governor's Salary	<u>115,235</u>	<u>115,235</u>	<u>115,235</u>
Total Expenditures	<u>115,235</u>	<u>115,235</u>	<u>115,235</u>
Lapsed Balances	<u>\$65</u>	<u>\$65</u>	<u>\$65</u>

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

<b><u>Procurement Efficiency Initiative</u></b>	<u>FY05</u>	<u>FY04</u>
General Revenue Fund-001		
Contractual Services	\$ -	\$ 19,580
Electronic Data Processing	-	9,790
Total	<u>-</u>	<u>\$ 29,370</u>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

SCHEDULE OF CHANGES IN STATE PROPERTY  
FOR THE TWO YEARS ENDED JUNE 30, 2005

	<u>Equipment</u>
Balance at July 1, 2003	\$438,228
Additions	27,689
Deletions	(13,653)
Net Transfers	32,562
Balance at June 30, 2004	\$484,826
Balance at July 1, 2004	\$484,826
Additions	2,841
Deletions	0
Net Transfers	0
Balance at June 30, 2005	\$487,667

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

COMPARATIVE SCHEDULE OF CASH RECEIPTS  
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Main Street Contributions	\$16,745	\$17,295	\$0
Military Family Relief Contributions	3,474	8,787	0
Miscellaneous	6,988	918	32
Telephone Reimbursement	451	724	296
Jury Duty	359	17	0
Prior Year Refunds	<u>0</u>	<u>211</u>	<u>698</u>
Total Receipts	<u><u>\$28,017</u></u>	<u><u>\$27,952</u></u>	<u><u>\$1,026</u></u>

RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER  
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash Receipts per Office records	\$28,017	\$27,952	\$1,026
Deposits in transit:			
Beginning of year	0	0	0
End of year	<u>0</u>	<u>0</u>	<u>0</u>
Deposits Remitted to Comptroller	<u><u>\$28,017</u></u>	<u><u>\$27,952</u></u>	<u><u>\$1,026</u></u>

Note: Receipts are deposited into the General Revenue Fund, except for contributions made to the Lieutenant Governor's Grant Fund. Prior year refunds are deposited into the fund from which the expenditures were made.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

FISCAL YEAR 2004

- A. Personal services and state employer contribution decreased \$267,200 (25%) and \$37,471 (34%), respectively, from fiscal year 2003 due to the new administration having a smaller number of staff being paid at a lower rate.
- B. The \$30,759 (96%) decrease in the fiscal year 2004 employer retirement contribution was a result of the state phasing out the payment of the 4% retirement contribution during fiscal year 2004.
- C. The \$74,648 (25%) increase in fiscal year 2004 contractual services was due to an increase in professional and artistic contracts in 2004. The Office paid \$58,000 to the National Trust for Historic Preservation for the year end evaluation for 24 Main Street Communities and \$15,000 for web page design.
- D. Commodities decreased \$9,004 (34%) from fiscal year 2003 due to the Office utilizing surplus supplies from the prior fiscal year.
- E. The \$5,611 (69%) increase in printing compared to fiscal year 2003 resulted from the printing of the Blackout Solutions Report during fiscal year 2004.
- F. Equipment expenditures increased \$4,396 (138%) due to the Office purchasing 19 new office chairs during fiscal year 2004.
- G. Fiscal year 2004 EDP expenditures increased \$15,559 (117%) as a result of the purchase of new computers and a \$9,790 payment to the Efficiency Initiatives Revolving Fund.
- H. The \$20,953 (44%) increase in fiscal year 2004 Telecommunications services expenditures was due to increased internet use by the Office.
- I. Fiscal year 2004 Lieutenant Governor Grant Fund expenditures increased \$18,420 (100%) due to miscellaneous expenditures relating to the National Main Street Conference.

FISCAL YEAR 2005

- A. The \$1,152 (100%) decrease in the fiscal year 2005 employer retirement contribution was due to the State ceasing to pay the Employee's portion of the State Employee Retirement Contribution.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

- B. The state retirement contribution increased \$75,293 (102%) from fiscal year 2004 due to the State discontinuing payments into the State Employee's Retirement Fund in FY04 as a result of Public Act 93-0665 (Act), which became effective in March 2004. The Act suspended contribution payments from March through June of FY04. However, contributions resumed in FY05. In addition, the overall State employee retirement rate increased from 13.4% to 16.1%.
- C. Travel expenditures increased \$16,130 (31%) from fiscal year 2004 as a result of the budget sessions continuing through July 2004 instead of ending in May as was the case in fiscal year 2003. The lengthened budget session resulted in increased travel for Office staff.
- D. Fiscal year 2005 commodities expenditures increased \$10,748 (61%) due to the Office doing more in-house printing which resulted in the use of more paper.
- E. Printing expenditures decreased \$7,103 (52%) compared to fiscal year 2004. The Office began printing more brochures in-house as compared with using outside printers during fiscal year 2004.
- F. The \$1,840 (24%) decrease in fiscal year 2005 equipment expenditures was due to the Office purchasing office chairs in fiscal year 2004 and these same expenditures were not necessary in fiscal year 2005.
- G. Fiscal year 2005 EDP expenditures decreased \$26,810 (93%) due to the Office purchasing new computers in fiscal year 2004 for the replacement of old computers.
- H. Operational and grant expenditures – Rural Affairs increased \$62,859 (21%) during fiscal year 2005 due to increased staffing for the Illinois Rural Affairs programs.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

FISCAL YEAR 2004

- A. The \$17,295 (100%) increase in contributions was a result of the Office receiving Main Street conference fees totaling \$17,295 in fiscal year 2004.
- B. The \$8,787 (100%) increase in Military Family Relief contributions was a result of the Office receiving contributions for the Illinois Military Family Relief Fund.
- C. Miscellaneous receipts increased \$886 due to the Office receiving miscellaneous small receipts not classifiable into other categories.

FISCAL YEAR 2005

- A. The \$5,313 (60%) decrease in Military Family Relief contributions was due to the transfer of these contributions for processing by the Department of Military Affairs during fiscal year 2005.
- B. The \$6,070 (661%) increase in miscellaneous receipts was due to the Office receiving a \$4,300 State Unemployment tax refund and other miscellaneous receipts.



STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

FISCAL YEAR 2004

- A. Contractual services expenditures incurred prior to June 30, totaling \$137,959, were paid during the lapse period due to contractors who worked in May and June and submitted invoices during the lapse period.
- B. Travel expenditures incurred prior to June 30 totaling \$13,460 were paid during the lapse period due to employees traveling to attend legislative sessions in late June.
- C. Printing expenditures incurred prior to June 30 totaling \$6,483 were paid during the lapse period due to the Office not receiving the invoice for the annual report until the lapse period.
- D. Equipment expenditures incurred prior to June 30 totaling \$4,832 were paid during the lapse period due to the Office replacing 19 chairs and not receiving the invoice until late in the fiscal year.
- E. Electronic data processing expenditures totaling \$14,559 were incurred in the lapse period. The Office purchased computers, prior to June 30, which the Office did not receive the invoice until the lapse period.
- F. Telecommunications services expenditures incurred prior to June 30 totaling \$36,052 were paid during the lapse period due to the Office receiving vendor invoices late in the fiscal year.

FISCAL YEAR 2005

- A. Telecommunications services expenditures incurred prior to June 30 totaling \$22,439 were paid during the lapse period due to the Office receiving vendor invoices late in the fiscal year.
- B. Operational and grant expenditures - Rural Affairs expenditures incurred prior to June 30 totaling \$41,000 were paid during the lapse period due to the Office paying three grants during the lapse period.
- C. Lieutenant Governor Grant Fund expenditures incurred prior to June 30 totaling \$7,923 were paid during the lapse period due to the Office receiving invoices relating to the National Main Street Conference late in the fiscal year.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Office of the Lieutenant Governor is an elected position for a 4-year term (10 ILCS 5/2A-5). Patrick Quinn has served as Lieutenant Governor since taking office January 13, 2003. Lieutenant Governor's offices are located at 100 W. Randolph, Chicago, Illinois and 214 State House and 414 Stratton, Springfield, Illinois. The Illinois Constitution provides the Lieutenant Governor certain powers in the Executive Branch, which are either delegated by the Governor or prescribed by law.

Program functions undertaken at the direction of the Governor or initiated by the Lieutenant Governor are:

- developing and implementing a policy for rural development,
- coordinating the efforts of governmental and private agencies in improving the Illinois River watershed,
- working with Illinois communities to help develop downtown areas with an emphasis on historic preservation,
- requiring health clubs and schools to have defibrillators,
- encouraging use of renewable energy,
- encouraging donations to the Military Family Relief Fund, and
- encouraging no development on Plum Island.

Responsibilities designated by statute are to serve as chairperson for the Illinois River Coordinating Council, Rural Affairs Council, Illinois delegation of bi-national Great Lakes Commission, Special Task Force on the Condition and Future of the Illinois Energy Infrastructure, and the Main Street Advisory Council.

PLANNING PROGRAM

The Office of the Lieutenant Governor's goals are its functions as defined by State statutes and those delegated by the Governor. Functional programs within the Office, as described by Office officials, are as follows:

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Illinois River Coordinating Council

The Illinois River Coordinating Council (IRCC) was established by Public Act 90-120 and operates pursuant to the Illinois River Watershed Restoration Act (20 ILCS 3967/15). The Lieutenant Governor serves as chairperson and a voting member of the IRCC. The duties of the IRCC are to periodically review activities and programs administered by State and federal agencies that directly impact the Illinois River Watershed; work with local communities and organizations to encourage partnerships that enhance awareness and capabilities to address watershed and water resource concerns; work with State and federal agencies to optimize and advise on the expenditure of funds for the Illinois River Watershed; encourage local communities to develop watershed management plans; and help identify additional funding for watershed management projects.

Rural Affairs Council

The Governor's Rural Affairs Council (RAC), chaired by the Lieutenant Governor, facilitates delivery of programs and services to enhance the quality of life in rural Illinois. The RAC's mission is to develop and implement a comprehensive State policy for rural development and to serve as the liaison between State agencies, departments, boards, commissions and universities to improve the planning and delivery of services to rural Illinois. In addition, the RAC is required to organize an annual report on the state of the Rural Illinois Economy.

Illinois Main Street Council

Established by executive order in 2000, the Illinois Main Street Council, chaired by Lt. Governor Quinn, is responsible for reviewing and recommending new Main Street communities, approving and awarding the Lt. Governor's Awards of Excellence in Downtown Revitalization, and acting as a liaison and advocate for Main Street communities within State Government.

Originally created in 1993, the Illinois Main Street Program is a comprehensive program designed to promote the historic preservation and economic development of the State's traditional business districts. Based on a model developed by the National Main Street Center of the National Trust for Historic Preservation, Illinois Main Street provides training and technical assistance to participating communities through educational workshops and on-site consultation. Towns pay no participation fee, but are selected through an application process on a competitive basis, and are responsible for financially supporting their local program.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Asian American Advisory Council

Created in 2003, the Asian American Advisory Council was formed to share information on upcoming events in Illinois' Asian American community and to assist the Office of the Lieutenant Governor in compiling profiles of the diverse member groups of the Asian American community in Illinois, including history, demographics, employment patterns, area businesses, community organizations and specific needs.

Blackout Solutions

After the worst blackout in U.S. history paralyzed much of the Northeast on August 14, 2003, the Lt. Governor was assigned chairman of the Special Task Force on the Condition and Future of the Illinois Energy Infrastructure. The Task Force was charged with examining ways to improve system reliability, ensure safety at Illinois power plants, and increase the diversity of the State's energy portfolio.

Cesar Chavez Service Learning

Cesar Chavez was a labor leader who dedicated his life to improving the standard of living, wages and working conditions of farm workers. Although he died in 1993, his spirit is celebrated through the Cesar Chavez Day of Service and Learning. This program is geared toward K-12 students who, through academic instruction and community service projects, will learn the importance of service to others and the difference they truly can make.

Healthy Smiles Center

As a state-wide community-based campaign to promote oral health as an integral part of overall health, Lt. Governor Quinn advocated for a bill that calls for mandatory dental screenings for every public and private school student in kindergarten, second and sixth grades.

Heartsaver Initiative

The Colleen O'Sullivan Law is landmark legislation requiring health clubs, school gymnasiums, and indoor park district facilities to have at least one automated external defibrillator (AED) on the premises and staff trained in its use. During 2005, Lieutenant Governor Pat Quinn launched a fundraising effort to help raise funds for the purchase of AED's.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Operation Home Front

Lieutenant Governor Pat Quinn was instrumental in getting the Illinois Military Family Relief Act passed during February 2003. This act helps the families of National Guard members and reservists called to active duty in the fight against terrorism. The fund established a check-off box on the Illinois income tax return to enable taxpayers to voluntarily donate to a special trust fund to provide financial assistance to thousands of Illinois military men and women called to active duty.

Project ChildSafe

Lieutenant Governor Pat Quinn has partnered with Project ChildSafe, a nationwide program whose purpose is to promote safe firearms handling and storage practices among all firearms owners through the distribution of key safety education messages and free gun locking.

AUDITOR'S ASSESSMENT OF AGENCY'S PLANNING PROGRAM

The Office of the Lieutenant Governor appears to be meeting its statutory functions and those assigned by the Governor.

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Lieutenant Governor's records, presents the average number of employees by program, for the fiscal years ended June 30,

	Fiscal Year		
	2005	2004	2003
General Office	21	20	21
Rural Affairs Council	4	3	3
IL River Coordinating Council	3	1	1
Total	<u>28</u>	<u>24</u>	<u>25</u>

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

ILLINOIS RIVER COORDINATION COUNCIL (IRCC)

Since 1997, efforts have been underway to restore the Illinois River following the issuance of the "The Integrated Management Plan for the Illinois River Watershed," by the Lieutenant Governor's Office. A primary goal of the IRCC was to obtain federal funding to implement many of the Council's goals. In 2000, the IRCC assisted in the development of Illinois Rivers 2020 with the full support of the Illinois Departments of Agriculture, Natural Resources, and Environmental Protection Agency. Illinois Rivers 2020 is a voluntary incentive-based initiative to restore, enhance and protect the Illinois River and its nine tributaries. This \$2.5 billion 20 year federal/state initiative, builds on existing agencies, programs and delivery mechanisms in Farm Bill programs, the Clean Water Act and the Water Resources Development Act. The initiative includes the popular Conservation Reserve Enhancement Program (CREP), which has so far restored 110,000 acres of private lands in the Illinois River and tributary floodplains into streamside forests and wetlands.

During 2004, the IRCC tackled the most crucial problem confronting the Illinois River: sediment accumulation. The innovative "Mud-to-Parks" initiative involved dredging 105,000 tons of sediment from the Peoria Lakes segment of the Illinois River, barging it upriver to a Chicago slag field and spreading it out. Within weeks, this "dead zone" was sprouting grasses and will soon be a Lake Michigan shoreline park.

Also during 2004, Illinois began the process to join the federal Coastal Zone Management program. Under this innovative partnership, up to \$2 million in federal money will come to Illinois annually to enhance and protect Lake Michigan's shoreline.

During fiscal years 2004 and 2005, the IRCC provided grants totaling \$59,250 and \$21,000, respectively, to numerous organizations throughout the State.

RURAL AFFAIRS COUNCIL (RAC)

The RAC provides a link between rural community leaders and State government programs and services. There are 74 rural counties in the State of Illinois. By 1998, the RAC began to lack focus. Therefore, in 2000, the RAC did the following:

1. Reappointed the Lieutenant Governor as chair of the RAC, and
2. Expanded its membership from 18 to 20, which allowed those members to bring more issues to the table for the RAC to address.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Later in 2000, the RAC began to examine and explore ways to improve its relationship within the rural communities. The RAC hosted a series of statewide Rural Leadership Forums to understand today's issues that are facing rural residents. This information was used to build partnerships, economic development, childcare support, affordable housing and improve technology.

During fiscal years 2004 and 2005, the RAC provided grants totaling \$68,928 to numerous organizations throughout the State.

#### ILLINOIS MAIN STREET

Illinois Main Street is a preservation-based local economic development program administered by the Office of the Lieutenant Governor. Beginning in 1993 with 9 rural towns, it has since grown to 58 communities of every size across the State and an additional 20 towns in an "introductory Main Street" program. Additionally, over 1,500 new downtown businesses have been created and over 6,000 new jobs. Finally, Illinois Main Street projects have spurred more than \$411 million in private reinvestments in their downtown communities along with \$123 million in public improvements.

#### ASIAN AMERICAN ADVISORY COUNCIL

During 2003, the Asian American Advisory Council was formed in order for the community to share information and compile profiles of the diverse member groups of the Asian American community in Illinois.

Currently, the Office of the Lieutenant Governor is helping to resolve issues affecting the Asian American Community, such as the Asian language certification program, passing the Universal Health Care Justice Act and immigrant rights. In addition, the Lieutenant Governor sponsored an annual Asian American Business Conference to help business owners gain access to capital and negotiate government red tape, and facilitated loans to Asian American-owned businesses.

#### BLACKOUT SOLUTIONS

On July 14, 2004, the Special Task Force presented to the Governor its final report. The 32 recommendations were far reaching and included development of more homegrown "All-American energy", enhanced investment in recruiting and training electric utility employees, stronger cyber security at Illinois nuclear power plants, and bringing Illinois' investment in energy efficiency spending per capita up to the national average. To begin implementation of the 32 recommendations, Lt. Governor Quinn participated in dozens of energy-related events and testified before a special joint Illinois General Assembly legislative hearing.

STATE OF ILLINOIS  
OFFICE OF THE LIEUTENANT GOVERNOR

ANALYSIS OF OPERATIONS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

OPERATION HOME FRONT

The Illinois Military Family Relief Fund is now in its second year of operation and more than \$2.63 million has been distributed to 4,600 Illinois National Guard and reservist families to help with such things as rent, groceries or utility bills.

Illinois taxpayers used the new check-off box on their 2003 State income tax form to voluntarily donate more than \$203,000 to the Fund.

PROJECT CHILDSAFE

Lieutenant Governor Quinn has partnered with Project ChildSafe, to better inform Illinoisans about gun safety and support the distribution of free gunlocks to firearm owners across the State. To date, the Lt. Governor's Office has helped in the distribution of over 50,000 gunlocks.

SAVE PLUM ISLAND

During 2003, the Lieutenant Governor launched an online petition drive to protect the habitat of Illinois' 3,100 bald eagles, especially those eagles facing a developer's bulldozer on Plum Island near Starved Rock. In March 2004, a deal was reached for the island's purchase with funds provided by the Illinois Clean Energy Community Foundation to the Trust for Public Land. The Illinois Audubon Society will be the new owner and return Plum Island to its once-pristine state.



