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**STATE OF ILLINOIS**

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**OFFICE OF THE AUDITOR GENERAL**

**ILLINOIS COMMERCE COMMISSION**

**COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2005**

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**WILLIAM G. HOLLAND**

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**AUDITOR GENERAL**

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STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

TABLE OF CONTENTS

	<u>Page</u>
Agency Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	4
Auditors' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings - State	9
Prior Findings Not Repeated - State	26
Current Status of Management Audit Recommendations	27
Supplementary Information for State Compliance Purposes	
Summary	30
Fiscal Schedules and Analysis	
Schedule of Expenditures of Federal Awards	31
Notes to the Schedule of Expenditures of Federal Awards	32
Schedule of Appropriations, Expenditures and Lapsed Balances	34
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	47
Schedule of Efficiency Initiative Payments	52
Schedule of Changes in State Property	53
Comparative Schedule of Cash Receipts	54
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	56
Analysis of Significant Variations in Expenditures	58
Analysis of Significant Variations in Receipts	62
Analysis of Significant Lapse Period Spending	66
Analysis of Accounts Receivable	67
Schedule of Indirect Cost Reimbursements	69
Analysis of Operations	
Agency Functions and Planning Program	70
Average Number of Employees	74
Service Efforts and Accomplishments (Not Examined)	75

**AGENCY OFFICIALS**

**ILLINOIS COMMERCE COMMISSION**

Chairman	Edward C. Hurley (ending September 2005)
Commissioner	Lula M. Ford
Commissioner	Erin M. O’Connell-Diaz
Commissioner	Kevin Wright
Commissioner	Robert R. Lieberman (effective February 2005)
Commissioner	Mary Frances Squires (ending June 2004)
Acting Director	Gene Beyer (effective 8/3/05)
Executive Director	Scott Wiseman (ending 8/2/05)
Interim Bureau Chief Planning and Operations	Ken Hundrieser
Director of Administrative Services	Jane Fields
Fiscal Officer	Sue McCormick
Chief Internal Auditor	Jane Hughes-Jackson

Agency offices are located at:

527 E. Capitol Avenue  
Springfield, Illinois 62794

160 N. La Salle  
Suite C-800  
Chicago, Illinois 60601

The Police Station is located at:

477 S. River Road  
Des Plaines, Illinois 60016



## ILLINOIS COMMERCE COMMISSION

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Honorable William G. Holland  
Auditor General  
Hes Park Plaza  
740 E. Ash  
Springfield, IL 62703-3154

November 8, 2005

Dear Mr. Holland:

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 Commission. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the year(s) ended June 30, 2004 and June 30, 2005, the Commission has materially complied with the assertions below.

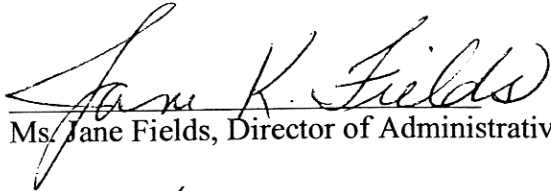
- A. The Commission has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received and used public funds of the State in accordance with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

Yours very truly,

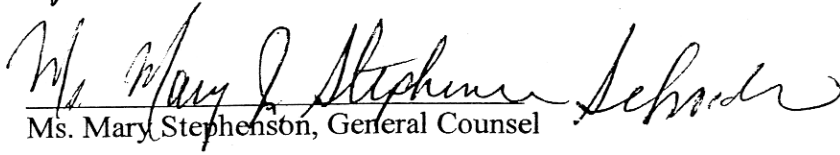
Illinois Commerce Commission



Mr. Gene Beyer, Acting Director



Ms. Jane Fields, Director of Administrative Services



Ms. Mary Stephenson, General Counsel

**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	9	7
Repeated findings	3	1
Prior recommendations implemented or not repeated	4	3

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
05-1	9	Efficiency initiative payments
05-2	12	Expenditures from the Transportation Regulatory Fund
05-3	15	Required annual reports not timely filed
05-4	17	Utility cost recovery
05-5	19	Inadequate policies for tax return and receipt processing
05-6	20	Employee evaluations not completed timely
05-7	21	Inadequate administrative rules and violation of the Public Utilities Act and the Open Meetings Act
05-8	23	Failure to certify the amount of required funding for the Accessible Electronic Information Act

05-9        25     No program in place to monitor telecommunications subscribers

**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)**

05-10       26     Motor Vehicle and Transportation Regulatory Fund balances

05-11       26     Untimely deposit and lack of support

05-12       26     Inaccurate and improperly reconciled accounting records

05-13       26     Lack of Internal Audit review of computer systems

**PRIOR MANAGEMENT AUDIT**

In addition to the State compliance findings listed above, the Commission was subject to the *Management Audit of the Expenditures from the Grade Crossing Protection Fund*, released in November 2003. The current status of each of the management audit recommendations from that audit is included on pages 27 – 29 of this report.

**EXIT CONFERENCE**

The Commission waived a formal exit conference. Responses to the recommendations were provided by Gene Beyer, Acting Director, in correspondence dated March 16, 2006.

SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. • SUITE 5-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the Illinois Commerce Commission's (Commission) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the years ended June 30, 2005. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

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



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 Commission'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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2005. However, the results of our procedures disclosed other instances of noncompliance, 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, 05-4, 05-5, 05-6, 05-7, 05-8, and 05-9.

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

### **Internal Control**

The management of the Commission 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 Commission'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, 05-5, 05-6, 05-7, 05-8, and 05-9.

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

## 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 2004 and 2005 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.



Bruce L. Bullard, CPA

Compliance Audit Director

November 8, 2005

05-1. **FINDING** (Efficiency Initiative Payments)

The Illinois Commerce Commission (Commission) 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)

The Commission received three FY04 billings and two billings in FY05 for savings from efficiency initiatives. The initiatives and amounts billed to the Commission for FY04 and FY05 were:

INVOICE BILLING DATE	INITIATIVE	BILLED AMOUNT
<b>FY04</b>		
9/19/03	Procurement Efficiency	\$ 217,433.00
9/19/03	Information Technology	\$ 166,931.00
9/19/03	Vehicle Fleet Management	\$ 18,051.00
<b>FY05</b>		
1/19/05	Procurement Efficiency	\$ 2,369.47
5/2/05	Information Technology	\$ 198,186.00
Grand Total FY04-FY05:		\$ 602,970.47

The Commission reported that it did not receive any guidance for the FY04 billings from CMS detailing where savings were to occur. Additionally, Commission staff reported that CMS provided no evidence of savings for FY04. Staff also stated that they were unable to determine any savings that occurred as a result of the efficiency initiatives.

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 Commission made payments in FY04 for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred but based on the direction of a budget analyst from the Governor’s Office of Management and Budget (GOMB). However, without specific guidance from CMS regarding the nature and type of savings initiatives, it is unclear whether these were the appropriate lines from which to make procurement savings payments. Additionally, the documentation submitted referencing the GOMB analyst advice was from May 2003 – four months prior to the billings from CMS and for amounts that differed from what was actually billed in September 2003.

For the FY04 payments we found that the Commission paid \$235,484 toward the procurement and vehicle fleet management initiative billings from a lump sum appropriation to the Public Utilities Division. The monies, from the Public Utility Fund, were specifically appropriated “to assist the Illinois Commerce Commission in

implementing the Electric Service Customer Choice and Rate Relief Law of 1997, including costs in the prior year.” The payment to CMS amounted to 12 percent of the total appropriated for this purpose.

The FY05 billings from CMS contained more detail on where CMS determined the Commission saved monies. However, it appeared the Commission did not always follow this detailed guidance in making payment. For instance, the Commission paid part of the procurement billing from an appropriation for electronic data processing when none of the detailed procurement billing detail indicated the use of that appropriation line. Documentation showed Commission officials disputed the FY05 IT billing with GOMB stating the “Illinois Commerce Commission does not believe the IT & telecom savings numbers given in our billing from CMS are accurate.” Examples of these concerns were provided to a GOMB official. However, despite the Commission concerns, they paid the billing in full.

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

FUND <sup>1</sup>	LINE ITEM APPROPRIATION	AMOUNT PAID	TOTAL APPROPRIATION FOR LINE ITEM	EFFICIENCY INITIATIVE		
				PROCUREMENT	INFORMATION TECHNOLOGY	VEHICLE FLEET MANAGENET
<b>FY04</b>						
0018	For Electronic Data Processing	\$ 166,931.00	\$ 613,800.00		✓	
0059	For Lump Sum Purposes	\$ 235,484.00	\$ 1,975,000.00	✓		✓
<b>FY05</b>						
0018	For Contractual Services	\$ 592.37	\$ 506,800.00	✓		
0018, 0059	For Electronic Data Processing	\$ 199,963.10	\$ 1,218,000.00	✓	✓	
<sup>1</sup> Legend: 0018-Transportation Regulatory Fund; 0059-Public Utility Fund						

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 Commission provides. (Finding Code No. 05-1)

### **Recommendation**

We recommend that the Commission only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Commission 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 Commission's budget.

### **Commission Response**

We accept this finding and will work with CMS on future initiative billings to determine appropriate expenditure information and benefits to be derived from the payments.

05-2. **FINDING** (Expenditures from the Transportation Regulatory Fund)

The Illinois Commerce Commission (Commission) did not expend funds from the Transportation Regulatory Fund (TRF) in accordance with statutory requirements.

Expenditure allocations were overcharged to the TRF, insufficient documentation was maintained to support expenditure allocations, inappropriate methodology was used for some calculations, and a time study used to determine allocations was compiled untimely. Expenditures from the TRF totaled \$13,404,306 and \$13,292,334 in FY04 and FY05, respectively.

State statute requires all fees, taxes, and monies appropriated or reimbursed to the Commission for enforcement of the Illinois Commercial Transportation Law (Law) (625 ILCS 5/18c-1101 et seq.) are deposited into the TRF, and its expenditures are to be used solely for the administration and enforcement of the Law. For indirect expenses, the Law sets forth complex methodologies for allocating to the TRF a portion of various expenses, which were not incurred entirely by the Transportation Division.

We noted the following:

- The Commission overcharged the TRF by 6% of FY04 and 7% of FY05 for indirect expenses, which did not include personal services, Administrative Services Division (ASD), and Commissioner's Assistants. The Law allows the Commission to allocate a percentage of the aforementioned indirect expenses to the TRF based on the lesser of a time study percentage or a headcount calculation. The Commission charged 25% of the indirect expenses to the TRF based on a time study. However, the Commission should have limited TRF allocations to 19% in FY04 and 18% in FY05 based on the headcount calculation. Management stated the time study was relied upon to ensure compliance with the statute.
- The Commission could not provide supporting documentation for allocating \$54,474 (28%) of Information Technology Division (IT) expenditures tested to the TRF. As a result, in our sample of fifteen IT vouchers, the TRF was charged \$18,617 more than the amount allowed by the Law for allocating a portion of expenses to the TRF.

Commission management stated the 28% used for IT was based on the number of computers assigned to Transportation Division employees. However, management stated the IT staff was unable to provide supporting documentation of the allocation due to the retirement of key IT staff. Good business practices require agencies to maintain support for the allocation of expenditures.

- In FY04, the TRF was overcharged \$5,327 for building security services and \$417 for express mail charges because the Commission allocated to the TRF 41% and 45% of those costs, respectively, instead of 25% as allowed for ASD expenses according to the Commission's calculations. Commission

management stated that the amounts were not allocated properly due to oversight.

- One of 4 (25%) time studies was not compiled timely. The time study for October 2004 was not compiled until February 25, 2005, four months later. The Law requires a time study updated at least once each 6 months of the portion of staff time spent exclusively on administration and enforcement of transportation regulation. Commission management stated the documentation was not timely completed due to other staff responsibilities.
- The Commission overcharged the TRF for payroll expenditures of employees who worked for multiple divisions. We reviewed 5 of 48 (10%) pay periods and noted that in four (80%) pay periods, the Commission charged the TRF a total of \$6,061 more than the 19% and 18% allocations allowed by the Law for FY04 and FY05. Management stated the overcharges were due to variances in payroll from period to period, which are expected to average out over the fiscal year.
- Inappropriate methodology was used to calculate the headcount percentage used for some TRF allocations, including payroll. The Law requires the headcount calculation to be “the percentage of total authorized Commission staff for the fiscal year which is employed in Transportation Division (based on the average for the fiscal year).” Commission staff calculated the headcount percentage based on one month or pay period, rather than the fiscal year average required. Management stated they were not aware that the methodology used did not comply with the Law. Further, staff began using fiscal year averages after the auditors brought the matter to their attention in June 2005.
- The Commission did not prepare and maintain sufficient documentation to support the calculation of facility expenses allocated to the TRF. Good business practices require agencies to maintain support for the allocation of expenditures. Management stated they were not aware that reports of Springfield headcount used for the allocation should be maintained.

Failure to properly allocate expenditures or document the support for allocations used could result in funds being expended in a way contrary to their intended purposes as indicated by the General Assembly. Failure to timely compile time studies does not provide staff with a current percentage allocation to use and could result in overcharging expenditures to the TRF. (Finding Code No. 05-2)

### **RECOMMENDATION**

We recommend the Commission complete semi-annual time studies timely, ensure TRF expenditures are limited to the amounts allowed by the Law, and maintain sufficient documentation to support the allocations to the TRF.

## **COMMISSION RESPONSE**

We accept this finding. The Commission has not changed the method of allocation between the Public Utility Fund and the Transportation Fund or the level of supporting documentation maintained from previous audits. FIS will prepare a master list of expenses of and for the Administrative Services Division and the allocation methodology used. Time studies will be conducted and compiled on a timely basis. Allocation percentages will be reviewed and adjusted annually. Payroll expenditures will be closely monitored not to exceed the appropriate allocation percentage.

We have submitted legislative language to simplify the methodology used to compute allocations from TRF.



05-3. **FINDING** (Required annual reports not timely filed)

The Illinois Commerce Commission (Commission) did not timely file annual reports, as required. We noted the following:

- The annual report of expenditures to the General Assembly for the Transportation Regulatory Fund for fiscal years 2004 and 2005 were not filed in a timely manner. The reports were filed October 4, 2004 and September 16, 2005, respectively. The Illinois Commercial Transportation Law (Law) (625 ILCS 5/18c-1604) requires the Commission to file an annual report of expenditures within 60 days after the end of every fiscal year. The State Finance Act states that the fiscal year closes on June 30 (30 ILCS 105/1). Commission management stated they waited until final expenditure data was available at the end of August in order to ensure accuracy. In addition, management stated that they consider the report timely as long as it is filed within 60 days after the end of the lapse period, rather than within 60 days after the end of the fiscal year. Management further stated that this report must be approved by the Commissioners prior to filing.
- The annual reports of Accidents/Incidents Involving Hazardous Materials on Railroads in Illinois for fiscal years 2003 and 2004 were not filed with the General Assembly in a timely manner. The reports were filed May 27, 2004 and May 9, 2005, respectively. The Law (625 ILCS 5/18c-1204 (3)) requires the Commission to file this annual report in April of each year. Commission personnel stated that the reports were not completed until May because the data from the Federal Railroad Association, which is used to complete the reports, was not received until late March of each year. In addition, the reports must be approved by the Commissioners prior to filing.

Failure to timely file the required annual reports does not provide timely information to the legislature. (Finding Code No. 05-3, 03-2)

**RECOMMENDATION**

We recommend that the Commission establish a control system to ensure future reports are filed timely or seek legislative remedy to the statutorily required due dates of the annual reports.

**COMMISSION RESPONSE**

In regards to the annual report of expenditures for the Transportation Regulatory Fund, the Commission is seeking a legislative change. The Commission submitted the legislative changes to the Governor's Office of Management and Budget for inclusion in the 2006 legislative session. The proposed changes allow for the filing of the report 60 days after the end of the lapse period for each fiscal year.

In regards to the annual report of Accidents/Incidents Involving Hazardous Materials on Railroads in Illinois, the report will be timely filed in April this year. We were still

waiting for some final numbers from the Federal Railroad Administration, but this was noted in the report.

05-4. **FINDING** (Utility cost recovery)

The Illinois Commerce Commission (Commission) has not established rules or procedures to be utilized in evaluating how utilities are to recover and allocate costs incurred from the construction of generation or production facilities which have been cancelled.

The Public Utilities Act (Act) (220 ILCS 5/9-216) states that the Commission shall establish policies and procedures which shall be utilized in evaluating and deciding any requests for the recovery and allocation of reasonable and prudent costs incurred in the construction of generation or production facilities which have been cancelled.

Commission officials stated that the establishment of these rules is not necessary at this time because of the fundamental changes in the electric market including a lack of construction activity in regulated generation and production facilities. Commission officials further stated they have attempted several times to have the Act changed, including the filing of House Bill 3286 on March 1, 2001 which repealed this section, but the bill was not passed. Management stated they discussed the issue in subsequent years with legislators, but there was no interest in amending the mandate. Officials further stated that precedents for the recovery of cancellation costs have been addressed in the past with the Commission's orders in docketed proceedings.

Establishment of utility cost recovery rules is necessary to help the Commission effectively and efficiently evaluate how utilities recover and allocate costs if construction of a generation or production facility is cancelled. Failure to establish such rules constitutes noncompliance with the Public Utilities Act. (Finding Code No. 05-4, 03-3)

**RECOMMENDATION**

We recommend that the Commission comply with the statutory mandate by promulgating the required rules or continue to seek legislation that would eliminate the requirement for the rules.

**COMMISSION RESPONSE**

Section 9-216 of the Act was adopted in 1986 when there were several multi-billion dollar electric generating facilities under construction. In 1997 the Electric Service Customer Choice and Rate Relief Law was passed and deregulated electric generation. Since that law became effective, most Illinois electric utilities have either sold or transferred their generating plants to third parties or unregulated affiliates. The 1997 law also amended Section 8-503 of the Public Utilities Act to eliminate the Commission's authority to order the construction of electric generating facilities. While generating facilities are currently being built in Illinois, they are being built either by unregulated affiliates of public utilities or by non-public utility companies. The Commission is not involved in the permitting process of these plants, nor will the costs of new generating capacity be able to be included in customer rates.

As a result of the significant changes in the electric industry and the statutory scheme under which the Commission now regulates electric utilities, the Commission believes that rules governing the allocation of costs of constructing cancelled electric generating facilities are no longer needed.

The ICC has submitted legislation to amend and eliminate section 9-216. That legislation is pending before the legislature.

05-5. **FINDING** (Inadequate policies for tax return and receipt processing)

The Illinois Commerce Commission (Commission) did not have adequate policies and procedures for the processing of gross revenue tax returns and other receipts. During our testing we noted the following weaknesses:

- The Commission did not have formal approved policies and procedures for checking the appropriateness of revenues reported and deductions taken on gross revenue tax returns. The Commission processed 913 and 1,039 quarterly, annual, or revised gross revenue tax returns, which produced approximately \$8,802,000 and \$9,558,000 in revenues, respectively, in FY04 and FY05.
- The Commission did not have formal policies and procedures for receipts processing. The Commission reported approximately \$36,886,000 and \$81,202,000 in receipts for FY04 and FY05, respectively.

The State Records Act requires agencies to maintain adequate and proper documentation, including policies, decisions, and procedures of the agency (5 ILCS 160/8). Good business practices require the use of policy statements and procedure manuals to guide employees' actions.

Commission personnel stated that they are currently drafting formal policies and procedures for gross revenue tax returns and other receipts processing.

The lack of formal procedures for gross revenue tax return and receipt processing presents a potential for underpayments of gross revenue tax, abusive activities and inconsistencies in tax returns processed.

In addition, during the prior period, adequate safeguards did not exist for cash receipts in transit from the Commission to the bank. During the current period, we noted the Commission implemented adequate safeguards for cash receipts in transit from the Commission to the bank. (Finding Code No. 05-5, 03-5)

**RECOMMENDATION**

We recommend the Commission develop formal written policies and procedures to govern their gross revenue tax return processing and receipt processing activities and to guide employees' actions.

**COMMISSION RESPONSE**

We agree with this finding. Receipt processing and reporting procedures are currently being drafted. Desk procedures are available to assist in evaluating revenues reported and deductions taken. Additional staff would be necessary to perform detailed reviews of all revenues and expenses reported.

05-6. **FINDING** (Employee evaluations not completed timely)

The Illinois Commerce Commission (Commission) did not complete annual employee performance evaluations timely.

The Commission did not timely complete annual evaluations for 22 of 50 (44%) employees during the period. Employee evaluations were completed from 33 to 349 days late. In addition, there was no record of an annual evaluation for two employees during the past two years, six employees did not receive an FY04 evaluation, and six employees had not received an FY05 evaluation.

The Commission's Employee Manual Chapter 2, Section 4 states that supervisors should conduct employee evaluations on an annual basis at a minimum.

Commission management stated that reminders of evaluations were sent to supervisors and Bureau Chiefs, but because there were not salary increases during FY04 and FY05, the evaluations were not considered a priority to the supervisors.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 05-6)

**RECOMMENDATION**

We recommend that the Commission take appropriate measures to ensure performance evaluations are conducted annually as required by policy.

**COMMISSION RESPONSE**

The Commission will strive to complete evaluations on a timely basis.

05-7. **FINDING** (Inadequate administrative rules and violation of the Public Utilities Act and the Open Meetings Act)

The Illinois Commerce Commission's (Commission) administrative rules contained a section that was inconsistent with gift provisions of the Public Utilities Act. In addition, a luncheon meeting attended by two commissioners violated the Public Utilities Act and the Open Meetings Act. The following concerns were noted by the Office of the Attorney General in correspondence to the Commission dated February 23, 2005:

- In January 2005, two commissioners attended a luncheon with members of a Commission-regulated entity who initially paid for the meal. One of the commissioners stated he reimbursed the utility representative for the commissioners' portion of the luncheon upon returning to the office after the luncheon. The commissioner cited a provision of the Commission's administrative rules (83 Ill. Adm. Code 100.20(d)) as permitting occasional acceptance of a business meal from regulated entity representatives.

The Public Utilities Act (220 ILCS 5/2-102(b)) states that no commissioner or person appointed or employed by the Commission shall solicit or accept any gift, gratuity, emolument, or employment from any person or corporation subject to the supervision of the Commission.

- One provision of the Commission's administrative rules was inconsistent with the Public Utilities Act's prohibition on acceptance of gifts from regulated entities. Commission rules (83 Ill. Adm. Code 100.20(d)) stated "an occasional business meal which a commissioner or an employee may be provided is not evidence of an unwholesome conflict of interest and is not per se a violation of the rule."

An administrative rule can neither limit nor extend the scope of a statute (*Hartmarx Corp. & Subsidiaries v. Bower*, 309 Ill. App. 3d 959 (1999), *appeal denied*, 188 Ill. 2d 564 (2000)). According to the Attorney General's Office, the commissioner's reliance upon the rule to justify acceptance of meals was misplaced.

- The meeting was held to meet with a potential candidate for employment at the Commission. The two commissioners present represented a majority of a quorum since the Commission had only four commissioners at the time. One commissioner indicated that no public business was deemed to have been discussed at the luncheon.

The Open Meetings Act (Act) (5 ILCS 120/1 *et seq.*) defines a meeting as any gathering of a majority of a quorum of the members of a public body held for the purpose of discussing public business and requires all meetings of public bodies to be open to the public unless closed in accordance with the Act.

In October 2005, the Commission adopted revised administrative rules to remove the section that allowed an occasional meal. In addition, Commission management stated

commissioners and employees have been advised and received training regarding compliance with the above requirements of the Public Utilities and Open Meetings Acts.

Accepting meals from a regulated entity may result in, or create the appearance of, a conflict of interest. Failure of an agency to ensure its administrative rules comply with all laws could result in employees and commissioners improperly relying on the rules when engaging in inappropriate activities or actions. Discussion of any public business in a closed meeting when a majority of a quorum of commissioners is present limits public access to information regarding the conduct of State business and is contrary to the public policy of the State. (Finding Code No. 05-7)

### **RECOMMENDATION**

We recommend the Commission take appropriate measures to ensure that all administrative rules are consistent with existing laws. Further, employees and commissioners should be periodically reminded of their responsibilities per laws and rules, and promptly informed of any changes. In addition, we recommend all commissioners ensure all meetings comply with the Open Meetings Act.

### **COMMISSION RESPONSE**

The Commission has addressed the issue of compliance with the Open Meetings Act in the following manner:

1. The Office of the General Counsel conducted an ethics presentation in March 2005 for all the commissioners and their staff. At that presentation, the administrative rules covering the Open Meetings Act was comprehensively covered and explained. Another presentation will be scheduled for the spring of 2006, for all new commissioners and their staff.
2. To ensure that employees and commissioners know their responsibilities, the Illinois Commerce Commission's employee manual, which is available online to all persons in the agency, is promptly updated, as necessary, to incorporate changes in laws that govern Commission procedures.



05-8. **FINDING** (Failure to certify the amount of required funding for the Accessible Electronic Information Act)

The Illinois Commerce Commission (Commission) did not determine and certify to the State Treasurer the amount of funding necessary to support the Accessible Electronic Information Service Program (Program) prior to July 1, 2005.

The Program provides grants for the provision of accessible electronic information service to blind and disabled persons throughout Illinois. The Commission held initial meetings with the Secretary of State (State Librarian) but did not determine and certify the amount needed by the mandated date.

The Accessible Electronic Information Act (Act) (15 ILCS 323/20) states that prior to July 1 of each year, the Commission, in consultation with the State Librarian, shall determine the amount of funding necessary to support the Program during the next fiscal year and shall certify that amount to the State Treasurer. It further states if moneys in the Digital Divide Elimination Infrastructure Fund are insufficient to meet the transfer requirements in the Act, the Commission shall direct the Illinois Telecommunications Access Corporation (ITAC), or its successor, to remit the amount of any insufficiency to the State Librarian for deposit into the Accessible Electronic Information Service Fund. The Act became effective on July 22, 2004.

Commission officials stated they were given an estimate in FY05 from the State Librarian that the program would likely cost between \$150,000 and \$400,000 annually, but no further contact was made by either agency to implement the program or certify the amounts to the State Treasurer.

Failure to determine and certify the amount of funding necessary for the Program could result in a lack of proper funding or delays in grants that benefit blind and disabled Illinois citizens. (Finding Code No. 05-8)

**RECOMMENDATION**

We recommend the Commission annually collaborate with the State Librarian to determine the amount of Program funding necessary and certify that amount to the State Treasurer prior to July 1<sup>st</sup> of each year. We further recommend the Commission ensure the Digital Divide Elimination Infrastructure Fund has sufficient funds or direct the ITAC to remit the appropriate amount for deposit to ensure adequate funding of the program.

**COMMISSION RESPONSE**

On September 9, 2004 several members of the Commission staff met with the State Librarian to discuss appropriate funding levels for this program. The purpose of the meeting was to provide the State Librarian status information regarding the Digital Divide Elimination Infrastructure Fund and to establish points of contact in the event that the State Librarian decided to make a request upon the ICC.

The appropriate amount needed for FY06 was not given to the Commission until November 2005. The \$40,000 requested will be paid in FY06.

The Commission accepts the auditors' recommendation and as recommended, this process will consist of an annual collaboration with the State Librarian to determine the amount of funding necessary, and certify that amount to the State Treasurer prior to July 1 of each year. If the Digital Divide Elimination Infrastructure Fund has insufficient funds, we will direct ITAC to remit the appropriate amount.

05-9. **FINDING** (No program in place to monitor telecommunications subscribers)

The Illinois Commerce Commission (Commission) does not have a program in place to monitor the level of telecommunications subscriber connection within each exchange in Illinois. Therefore, a report with the results of such monitoring was not filed with the General Assembly, as required by State law.

The Public Utilities Act (220 ILCS 5/13-301(b)) requires the Commission to establish a program to monitor the level of telecommunications subscriber connection within each exchange in Illinois. In addition, the Commission is required to report annually to the General Assembly the results of such monitoring and any actions it has taken or recommended be taken to maintain and increase such levels.

Commission officials stated that due to competition in the telecommunications market in recent years, phone companies have resisted releasing information regarding the level of telecommunication subscribers. The Commission is currently analyzing this issue and hopes to resolve it within the next fiscal year.

Failure to monitor the level of telecommunications subscriber connection within each exchange and failure to report such results to the General Assembly is noncompliance with a statutory mandate. (Finding Code No. 05-9)

**RECOMMENDATION**

We recommend that the Commission establish a program to monitor the level of telecommunications subscriber connection within each exchange and report the results in their annual report to the General Assembly.

**COMMISSION RESPONSE**

The ICC will request this information from certified carriers offering service in Illinois. However, it should be noted that in most, if not all exchanges, there is no way to know how many potential subscribers there are. Exchange boundaries do not necessarily follow census blocks or municipal boundaries. Further, subscriber levels would be distorted by wireless and Voice over IP carriers. In addition, the ICC has found in the past that it is difficult to get accurate information from many carriers in light of the competitive landscape.

The information that we will be requesting here is far more detailed than we have successfully received in the past. However, we will impress upon the carriers that this is a statutory mandate. We will include the results in next year's annual report.

**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)**

05-10. **PRIOR FINDING** - (Motor Vehicle and Transportation Regulatory Fund balances)

During the prior period, the Commission carried a fund balance in the Transportation Regulatory Fund that exceeded the fund balance permitted by statute by \$1,339,815 (46%) and \$3,566,815 (123%) at June 30, 2003 and 2002, respectively.

During the current period, the Transportation Regulatory Fund balance at June 30 was below the statutory maximum amount. (Finding Code No. 03-1, 01-1, 99-1, 97-5)

05-11. **PRIOR FINDING** - (Untimely deposit and lack of support)

During the prior period, the Commission did not deposit receipts or submit Treasurer's drafts to the Office of the Comptroller timely. In addition, supporting documentation could not be located for receipt transactions when fees were waived.

During the current period, our sample testing did not disclose any instances in 2004 or 2005 where the Commission failed to timely deposit and submit Treasurer's drafts to the Office of the Comptroller. In addition, supporting documentation was maintained for receipt transactions when fees were waived. (Finding Code No. 03-4)

05-12. **PRIOR FINDING** - (Inaccurate and improperly reconciled accounting records)

During the prior period, the Commission did not maintain accurate and properly reconciled accounting records. Expenditure records were inaccurate, and the Commission's receipt and expenditure records did not agree to the State Comptroller's records.

During the current period, the Commission improved the accuracy of agency records and reconciled expenditure and receipt records to the State Comptroller's records. (Finding Code No.03-6)

05-13. **PRIOR FINDING** - (Lack of Internal Audit review of computer systems)

During the prior period, Internal Audit did not perform mandated Information Systems reviews of the Commission's computer systems. In addition, Internal Audit did not conduct scheduled Information System audits as outlined in their two-year plan.

During the current period, Internal Audit had conducted system reviews of the Commission's computer systems. In addition, Internal Audit planned seven IS reviews, with 6 in progress or completed at the end of FY05. (Finding Code No. 03-07)

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**CURRENT STATUS OF MANAGEMENT AUDIT RECOMMENDATIONS**  
For the Two Years Ended June 30, 2005

**PRIOR FINDINGS** (Management Audit of Expenditures from the Grade Crossing Protection Fund)

The Illinois Commerce Commission (Commission) has fully implemented five recommendations; however, it had not fully implemented the remaining two recommendations contained in the OAG's *Management Audit of the Expenditures from the Grade Crossing Protection Fund*, released in November 2003. The management audit examined the Grade Crossing project process, the amount and purpose of expenditures and transfers from the fund in fiscal years 2001 and 2002, and conformity of those expenditures and transfers with applicable statutes. The management audit was conducted pursuant to Legislative Audit Commission Resolution Number 123.

The following discusses the status of the recommendations from the 2003 management audit. Actions taken by the Commission to implement the recommendations are also described below.

- 1. The Commission and the Illinois Department of Transportation should develop written policies and procedures and adopt an Interagency Agreement that clarifies each agency's management responsibilities relating to Grade Crossing Protection Fund projects. (Management Audit Recommendation Number 1)**

*Implemented:* The Commission has developed written guidelines for its rail safety section. In addition, the Interagency Agreement with the Illinois Department of Transportation does clarify each agency's management responsibilities relating to the Grade Crossing Protection Fund projects.

- 2. The Commission should assure that Grade Crossing Protection Fund projects are adequately managed. To do this, the expertise of Commission Railroad Safety Specialists should be utilized through on-site construction management to assure that the needed safety work is performed, that Order requirements are met, and that project expenditures are proper. (Management Audit Recommendation Number 2)**

*Partially Implemented:* Commission personnel stated that the Commission requested another Railroad Safety Specialist to follow-up on these projects. However, due to budget constraints and headcount restrictions the request was not approved. Commission management also stated that, beginning in January 2005, Commission staff conduct a final inspection when a construction project is complete.

- 3. The Commission should assure that appropriate data is captured within computer systems to allow adequate management and timely completion of Grade Crossing Protection Fund Projects. (Management Audit Recommendation Number 3)**

*Not Implemented:* Commission personnel stated they had been working on development of an enhanced computer system, “Railroad Information and Location System” (RAILS), that would have allowed for more comprehensive data input and project management. However, further work on RAILS had not been conducted during fiscal years 2004 and 2005 due to budget constraints.

4. **The Commission should continue to work to manage the fund balance in the Transportation Regulatory Fund to assure that it is maintained at a level that is in compliance with the Illinois Commercial Transportation Law (625 ILCS 5/18c-1503.) (Management Audit Recommendation Number 4)**

*Implemented:* The Commission maintained the fund balance in the Transportation Regulatory Fund at a level that is in compliance with the Illinois Commercial Transportation Law.

5. **The Commission and the Illinois Department of Transportation should work to appropriately manage fund balances in the Grade Crossing Protection Fund. (Management Audit Recommendation Number 5)**

*Implemented:* The Grade Crossing Protection Fund balance appeared to be maintained at an appropriate level at June 30, 2004 and June 30, 2005. During fiscal year 2004, \$6,500,000 was transferred to the General Revenue Fund to address Statewide revenue shortfalls per 30 ILCS 105/8.42.

6. **The Commission should assure that all expenditures for Grade Crossing Protection Fund projects are reviewed in a timely manner to assure that they are appropriate and adequately supported. The Commission and the Illinois Department of Transportation (IDOT) should work together to develop standards on what documentation is required for Grade Crossing Protection Fund projects. (Management Audit Recommendation Number 6)**

*Implemented:* The Commission developed standards on what documentation is required for Grade Crossing Protection Fund projects, which was included in the interagency agreement with the Illinois Department of Transportation. The interagency agreement also included specific limits on the time frame which a project can remain open.

7. **The Commission staff should assure that they receive reports on failures, accidents, and complaints and then investigate them appropriately. This should help them to fulfill their statutory responsibility of assuring that adequate warning devices are in place at grade crossings. (Management Audit Recommendation Number 7)**

*Implemented:* The Commission is now receiving reports on failures, accidents, and complaints and is investigating them appropriately.

## **RECOMMENDATION**

The Commission should continue its efforts to implement recommendations contained in the 2003 OAG *Management Audit of Expenditures from the Grade Crossing Protection Fund*. Specifically, we recommend:

1. The Commission should continue their efforts to assure that the needed safety work is performed, order requirements are met and that project expenditures are proper.
2. The Commission should either prioritize the development of the RAILS system or implement other controls to ensure appropriate data is captured within the system to allow adequate management and timely completion of the Grade Crossing Fund projects.

## **COMMISSION RESPONSE**

1. **Assure that Grade Crossing Protection Fund projects are adequately managed**  
Budget and headcount restraints prevent us from hiring a full time monitor of the Grade Crossing Protection Fund projects. We believe, however, that we have resolved this by incorporating a final inspection of the project into the duties of the Railroad Signal Inspectors.
2. **Appropriate data is captured within computer systems**  
The Transportation Division has worked with the Information Technology Department to make RAILS a priority. There will be two major upcoming releases of the RAILS system. Development of release one focuses on conversion of the legacy DOS applications that no longer have vendor support and are not Internet ready or secure. Release one started in January 2006 and is approximately 25% completed. Release II will be to add new functionalities. Two of these new RAILS functionalities were placed into production a couple of years ago: AAR contacts and Operations Lifesaver.

## **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
- Notes to the Schedule of Expenditures of Federal Awards
- 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 Accounts Receivable
- Schedule of Indirect Cost Reimbursements

- 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.



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Two Years Ended June 30, 2005  
(Amounts Expressed in Thousands)

**Fiscal Year 2005**

**Public Utility Fund - 059**

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Transportation	Gas Pipeline Safety	20.700	\$ 439	\$ -
U.S. Department of Transportation	Gas Pipeline Safety (One Call Project)	20.700	60	-
<b>Total Fiscal Year 2005 Federal Expenditures</b>			<u>\$ 499</u>	<u>\$ -</u>

**Fiscal Year 2004**

**Public Utility Fund - 059**

<u>Grantor Agency</u>	<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
U.S. Department of Transportation	Gas Pipeline Safety	20.700	\$ 405	\$ -
U.S. Department of Transportation	Gas Pipeline Safety (One Call Project)	20.700	35	-

**Federal Grants Fund - 379**

U.S. Department of Transportation	Public Education and Enforcement Research Study	20.301	\$ 497	\$ 497
<b>Total Fiscal Year 2004 Federal Expenditures</b>			<u>\$ 937</u>	<u>\$ 497</u>

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Two Years Ended June 30, 2005

**NOTE 1 - Significant Accounting Policies**

**A. Basis of Presentation**

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Illinois Commerce Commission (Commission) for the years ended June 30, 2004 and June 30, 2005.

**B. Basis of Accounting**

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

**C. Programs**

All federal award programs have been included in the Schedule of Expenditures of Federal Awards. The Commission also receives grant awards funded by the State of Illinois. These funds are not included in the Schedule of Expenditures of Federal Awards.

None of the federal awards received by the Commission are for major programs to the State of Illinois.

**NOTE 2 - Description of Grant Programs**

The following is a brief description of the significant grant programs included in the Schedule of Expenditures of Federal Awards:

**A. U.S. Department of Transportation**

Gas Pipeline Safety – CFDA No. 20.700

This grant was awarded to the Commission to enforce safety standards for the transportation of natural and other gas by pipeline. This grant funds a portion of the cost for the Commission to conduct on-site inspections of 111 gas operators every two years in the State of Illinois to determine compliance with all applicable federal and/or State pipeline safety regulations. In addition, this grant will allow the Commission to monitor all noncompliance through follow-up inspections, informal hearings, show cause actions, or civil penalties.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Two Years Ended June 30, 2005

**A. U.S. Department of Transportation (Continued)**

Gas Pipeline Safety Program (One Call Grant) – CFDA No. 20.700

This grant was awarded to the Commission to enforce the Illinois Underground Utility Facilities Damage Prevention Act. This grant funded the development of computer software to track enforcement investigations and resolutions of cases. In addition, the grant was used for hiring a part-time investigator and costs associated with investigations. The Commission also plans to use this grant for enforcement and training costs.

Public Education and Enforcement Research Study – CFDA No. 20.301

This grant was awarded to the Commission to develop, implement and test a core highway-rail grade crossing safety program based on education and enforcement, which could be easily adaptable to numerous communities. All monies received were passed through various Illinois communities based on approved project proposals.

**NOTE 3 - Pass Through and Subrecipient Awards**

The Commission did not receive any pass-through funds. The Commission provided amounts to subrecipients as listed on the accompanying Schedule of Expenditures of Federal Awards.

**NOTE 4 - Noncash Awards**

The Commission did not receive any noncash awards.

**NOTE 5 - Cash Returned to Grantor**

The Commission did not return any cash to grantors during the examination period.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

P.A. 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
	\$ 391,900	\$ -	\$ -	\$ -	\$ 391,900
<b>Total General Revenue Fund</b>	\$ 391,900	\$ -	\$ -	\$ -	\$ 391,900
<b>APPROPRIATED FUNDS</b>					
<b>General Revenue Fund - 001</b>					
Legal Costs					
<b>Total General Revenue Fund</b>	\$ 391,900	\$ -	\$ -	\$ -	\$ 391,900
<b>Transportation Regulatory Fund - 018</b>					
<b>Chairman and Commissioners (Division 20)</b>					
Personal Services	\$ 77,200	\$ 73,899	\$ 3,213	\$ 77,112	\$ 88
Employee Retirement Contributions Paid by Employer	2,300	-	-	-	2,300
State Contribution to State Employees' Retirement System	12,500	11,925	518	12,443	57
State Contributions to Social Security Group Insurance	5,900	5,549	243	5,792	108
Contractual Services	12,000	194	8	202	11,798
Travel	400	300	75	375	25
Equipment	2,100	256	-	256	1,844
Telecommunications	5,800	-	-	-	5,800
Operation of Automotive Equipment	7,000	3,776	1,406	5,182	1,818
	1,100	569	11	580	520
<b>Total Division 20</b>	\$ 126,300	\$ 96,468	\$ 5,474	\$ 101,942	\$ 24,358

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
P.A. 93-0842 FISCAL YEAR 2005					
<b>Transportation Regulatory Fund - 018 (Continued)</b>					
<b>Transportation (Division 40)</b>					
Personal Services	\$ 3,675,900	\$ 3,349,808	\$ 176,824	\$ 3,526,632	\$ 149,268
Personal Services in Relation to Rail					
Safety Operations	142,185	142,185	-	142,185	0
Personal Services to Administer the Police Program	681,950	468,600	-	468,600	213,350
Employee Retirement Contributions Paid by Employer	110,300	66,999	2,183	69,182	41,118
Employee Retirement to Administer the Police Program	20,500	5,128	-	5,128	15,372
State Contribution to State Employees' Retirement System	592,000	536,013	28,692	564,705	27,295
State Contribution to Retirement in Relation to Rail Safety Operations	29,029	22,924	-	22,924	6,105
State Contribution to Retirement to Administer the Police Program	109,900	75,509	-	75,509	34,391
State Contributions to Social Security	281,300	225,802	11,272	237,074	44,226
Social Security in Relation to Rail					
Safety Operations	10,612	10,611	-	10,611	1
Social Security to Administer the Police Program	52,050	19,384	-	19,384	32,666
Group Insurance	684,000	632,337	33,029	665,366	18,634
Group Insurance in Relation to Rail					
Safety Operations	26,273	26,273	-	26,273	-

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
P.A. 93-0842 FISCAL YEAR 2005						
<b>Transportation Regulatory Fund - 018 (Continued)</b>						
<b>Transportation (Division 40) (Continued)</b>						
Group Insurance to Administer the Police Program	132,000	100,198	-	100,198	31,802	
Contractual Services to Administer the Police Program	506,800	334,766	37,152	371,918	134,882	
Travel	27,600	-	-	-	27,600	
Travel to Administer the Police Program	160,600	65,315	8,942	74,257	86,343	
Commodities	16,500	-	-	-	16,500	
Commodities to Administer the Police Program	28,300	8,429	960	9,389	18,911	
Printing	7,200	-	-	-	7,200	
Equipment	27,800	6,185	5,027	11,212	16,588	
Electronic Data Processing	91,400	-	84,894	84,894	6,506	
Telecommunications	405,300	248,408	17,560	265,968	139,332	
Telecommunications to Administer the Police Program	282,900	137,374	15,751	153,125	129,775	
Operation of Automotive Equipment	100,000	11,709	2,829	14,538	85,462	
Operation of Automotive Equipment to Administer the Police Program	52,900	42,486	6,321	48,807	4,093	
Railroad Crossing Safety	44,000	32,853	8,956	41,809	2,191	
Single State Insurance Registration Program	250,000	177,468	-	177,468	72,532	
Refunds	8,000,000	5,933,565	68,393	6,001,958	1,998,042	
	25,000	1,228	50	1,278	23,722	
<b>Total Division 40</b>	\$ 16,574,299	\$ 12,681,557	\$ 508,835	\$ 13,190,392	\$ 3,383,907	
<b>Total Transportation Fund</b>	\$ 16,700,599	\$ 12,778,025	\$ 514,309	\$ 13,292,334	\$ 3,408,265	

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
P.A. 93-0842 FISCAL YEAR 2005					
<b>Public Utility Fund - 059</b>					
<b>Chairman and Commissioner's Office (Division 20)</b>					
Personal Services	\$ 712,100	\$ 522,525	\$ 25,300	\$ 547,825	\$ 164,275
Employee Retirement Contributions Paid by Employer	21,400	-	-	-	21,400
State Contribution to State Employees' Retirement System	114,700	84,176	4,076	88,252	26,448
State Contributions to Social Security Group Insurance	54,500	38,944	1,880	40,824	13,676
Contractual Services	144,000	107,451	13,020	120,471	23,529
Travel	22,700	18,971	(1,150)	17,821	4,879
Commodities	64,900	32,934	3,969	36,903	27,997
Equipment	2,100	150	220	370	1,730
Telecommunications	2,300	-	-	-	2,300
Operation of Automotive Equipment	20,000	15,375	3,118	18,493	1,507
	800	128	-	128	672
<b>Total Division 20</b>	<b>\$ 1,159,500</b>	<b>\$ 820,654</b>	<b>\$ 50,433</b>	<b>\$ 871,087</b>	<b>\$ 288,413</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
P.A. 93-0842 FISCAL YEAR 2005						
<b>Public Utility Fund - 059 (Continued)</b>						
<b>Public Utilities (Division 30)</b>						
Personal Services	\$ 12,057,300	10,842,272	\$ 512,614	\$ 11,354,886	\$ 702,414	
Employee Retirement Contributions Paid by Employer	361,700	48,857	2,479	51,336	310,364	
State Contribution to State Employees' Retirement System	1,941,900	1,841,845	87,404	1,929,249	12,651	
State Contributions to Social Security Group Insurance	915,600	797,532	37,489	835,021	80,579	
Contractual Services	2,412,000	2,168,307	93,473	2,261,780	150,220	
Travel	1,572,400	971,953	62,390	1,034,343	538,057	
Commodities	224,400	86,753	11,219	97,972	126,428	
Printing	46,700	9,684	1,842	11,526	35,174	
Equipment	50,500	15,339	346	15,685	34,815	
Electronic Data Processing	74,800	723	-	723	74,077	
Telecommunications	812,700	311,113	44,027	355,140	457,560	
Operation of Auto Equipment	508,000	303,948	34,960	338,908	169,092	
Electric Service Customer Choice and Rate Relief Law of 1997	36,000	25,695	5,136	30,831	5,169	
Refunds	1,757,600	824,878	49,423	874,301	883,299	
	30,000	258	-	258	29,742	
<b>Total Division 30</b>	\$ 22,801,600	\$ 18,249,157	\$ 942,802	\$ 19,191,959	\$ 3,609,641	
<b>Total Public Utility Fund</b>	\$ 23,961,100	\$ 19,069,811	\$ 993,235	\$ 20,063,046	\$ 3,898,054	



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

P.A. 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>Underground Utility Facilities Damage Prevention Fund - 127</b>					
Statewide One-call Notice System Refunds	\$ 74,000 1,000	\$ 38,458 -	-	\$ 38,458 -	\$ 35,542 1,000
<b>Total Underground Utility Facilities Damage Prevention Fund</b>	<b>\$ 75,000</b>	<b>\$ 38,458</b>	<b>-</b>	<b>\$ 38,458</b>	<b>\$ 36,542</b>
<b>Capital Development Fund - 141</b>					
Train Whistle Abatement	\$ 3,000,000	\$ 2,597,640	-	\$ 2,597,640	\$ 402,360
<b>Total Capital Development Fund</b>	<b>\$ 3,000,000</b>	<b>\$ 2,597,640</b>	<b>-</b>	<b>\$ 2,597,640</b>	<b>\$ 402,360</b>
<b>Wireless Service Emergency Fund - 612</b>					
Grants to Emergency Telephone System Boards	\$ 44,800,000	\$ 30,955,064	\$ 2,805,028	\$ 33,760,092	\$ 11,039,908
<b>Total Wireless Service Emergency Fund</b>	<b>\$ 44,800,000</b>	<b>\$ 30,955,064</b>	<b>\$ 2,805,028</b>	<b>\$ 33,760,092</b>	<b>\$ 11,039,908</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2005

P.A. 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>Wireless Carrier Reimbursement Fund - 613</b>					
Reimbursement of Wireless Carrier	\$ 35,400,000	\$ 6,002,499	\$ 156,406	\$ 6,158,905	\$ 29,241,095
<b>Total Wireless Carrier Reimbursement Fund</b>	<b>\$ 35,400,000</b>	<b>\$ 6,002,499</b>	<b>\$ 156,406</b>	<b>\$ 6,158,905</b>	<b>\$ 29,241,095</b>
<b>Restricted Call Registry Fund - 645</b>					
Restricted Call Registry Act	\$ 950,000	-	\$ -	-	\$ 950,000
<b>Total Restricted Call Registry Fund</b>	<b>\$ 950,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 950,000</b>
<b>Digital Divide Elimination Infrastructure Fund - 771</b>					
Construction of High-Speed Data Transmission Facilities	\$ 5,000,000	-	\$ -	-	\$ 5,000,000
<b>Total Digital Divide Elimination Infrastructure Fund</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>
<b>GRAND TOTAL, ALL APPROPRIATED FUNDS</b>	<b>\$ 130,278,599</b>	<b>\$ 71,441,497</b>	<b>\$ 4,468,978</b>	<b>\$ 75,910,475</b>	<b>\$ 54,368,124</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2004

P.A. 93-0065 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>APPROPRIATED FUNDS</b>					
<b>General Revenue Fund - 001</b>					
Legal Costs	\$ 408,200	\$ -	\$ -	\$ -	\$ 408,200
<b>Total General Revenue Fund</b>	<b>\$ 408,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 408,200</b>
<b>Transportation Regulatory Fund - 018</b>					
<b>Chairman and Commissioners (Division 20)</b>					
Personal Services	\$ 78,900	\$ 73,899	\$ 3,213	\$ 77,112	\$ 1,788
Employee Retirement	3,200	-	-	-	3,200
Contributions Paid by Employer	10,600	9,950	432	10,382	218
State Contribution to State	6,000	5,593	241	5,834	166
Employees' Retirement System	10,800	223	10	233	10,567
State Contributions to Social Security	400	-	-	-	400
Group Insurance	2,100	1,507	59	1,566	534
Contractual Services	5,800	5,258	-	5,258	542
Travel	7,200	3,985	2,327	6,312	888
Equipment	1,000	49	-	49	951
Telecommunications					
Operation of Automotive Equipment					
<b>Total Division 20</b>	<b>\$ 126,000</b>	<b>\$ 100,464</b>	<b>\$ 6,282</b>	<b>\$ 106,746</b>	<b>\$ 19,254</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2004

P.A. 93-0065 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>Transportation Regulatory Fund - 018 (Continued)</b>					
<b>Transportation (Division 40)</b>					
Personal Services	\$ 4,773,800	\$ 4,197,998	\$ 184,402	\$ 4,382,400	\$ 391,400
Employee Retirement					
Contributions Paid by Employer	191,000	98,352	6,468	104,820	86,180
State Contribution to State					
Employees' Retirement System	641,600	561,719	24,682	586,401	55,199
State Contributions to Social Security	296,900	261,702	11,697	273,399	23,501
Group Insurance	804,000	665,255	28,003	693,258	110,742
Contractual Services	504,500	351,237	15,151	366,388	138,112
Travel	177,100	76,097	7,499	83,596	93,504
Commodities	35,500	9,272	601	9,873	25,627
Printing	27,800	15,511	994	16,505	11,295
Equipment	106,900	16,234	67,125	83,359	23,541
Electronic Data Processing	613,800	472,146	97,113	569,259	44,541
Telecommunications	265,300	173,197	15,059	188,256	77,044
Operation of Automotive Equipment	106,200	90,337	14,128	104,465	1,735
Railroad Crossing Safety	250,000	201,916	40,004	241,920	8,080
Single State Insurance Registration Program	8,000,000	5,522,015	58,231	5,580,246	2,419,754
Refunds	25,000	13,326	89	13,415	11,585
<b>Total Division 40</b>	<b>16,819,400</b>	<b>12,726,314</b>	<b>571,246</b>	<b>13,297,560</b>	<b>3,521,840</b>
<b>Total Transportation Regulatory Fund</b>	<b>\$ 16,945,400</b>	<b>\$ 12,826,778</b>	<b>\$ 577,528</b>	<b>\$ 13,404,306</b>	<b>\$ 3,541,094</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2004

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			July 1 to August 31	August 31		
P.A. 93-0065						
FISCAL YEAR 2004						
<b>Public Utility Fund - 059</b>						
<b>Chairman and Commissioner's Office (Division 20)</b>						
Personal Services	\$ 821,100	\$ 573,082	\$ 22,077	\$ 595,159	\$ 225,941	
Employee Retirement						
Contributions Paid by Employer	32,800	-	-	-	32,800	
State Contribution to State						
Employees' Retirement System	110,300	77,033	2,968	80,001	30,299	
State Contributions to Social Security	62,800	42,823	1,650	44,473	18,327	
Group Insurance	147,000	93,640	3,662	97,302	49,698	
Contractual Services	22,700	12,290	6,422	18,712	3,988	
Travel	64,900	34,227	5,081	39,308	25,592	
Commodities	2,100	145	-	145	1,955	
Equipment	2,300	-	-	-	2,300	
Telecommunications	20,000	13,180	1,716	14,896	5,104	
Operation of Automotive Equipment	700	44	-	44	656	
<b>Total Division 20</b>	<b>\$ 1,286,700</b>	<b>\$ 846,464</b>	<b>\$ 43,576</b>	<b>\$ 890,040</b>	<b>\$ 396,660</b>	

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Fiscal Year Ended June 30, 2004

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
P.A. 93-0065 FISCAL YEAR 2004					
<b>Public Utility Fund - 059 (Continued)</b>					
<b>Public Utilities (Division 30)</b>					
Personal Services	\$ 12,764,800	\$ 11,240,224	\$ 478,086	\$ 11,718,310	\$ 1,046,490
Employee Retirement					
Contributions Paid by Employer	516,100	3,571	15,161	18,732	497,368
State Contribution to State					
Employees' Retirement System	1,715,500	1,602,193	68,003	1,670,196	45,304
State Contributions to Social Security	956,600	821,890	35,473	857,363	99,237
Group Insurance	2,189,700	1,788,929	77,318	1,866,247	323,453
Contractual Services	1,494,100	1,159,721	51,890	1,211,611	282,489
Travel	210,300	106,676	9,640	116,316	93,984
Commodities	46,700	15,627	3,279	18,906	27,794
Printing	50,500	12,975	2,436	15,411	35,089
Equipment	84,800	70,251	7,047	77,298	7,502
Electronic Data Processing	661,000	373,459	124,698	498,157	162,843
Telecommunications	534,200	353,045	60,943	413,988	120,212
Operation of Auto Equipment	30,400	23,687	4,520	28,207	2,193
Electric Service Customer Choice and					
Rate Relief Law of 1997	1,975,000	1,075,855	35,181	1,111,036	863,964
Refunds	21,000	20,502	-	20,502	498
<b>Total Division 30</b>	<b>\$ 23,250,700</b>	<b>\$ 18,668,605</b>	<b>\$ 973,675</b>	<b>\$ 19,642,280</b>	<b>\$ 3,608,420</b>
<b>Total Public Utility Fund</b>	<b>\$ 24,537,400</b>	<b>\$ 19,515,069</b>	<b>\$ 1,017,251</b>	<b>\$ 20,532,320</b>	<b>\$ 4,005,080</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 For The Fiscal Year Ended June 30, 2004

P.A. 93-0065 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>Underground Utility Facilities Damage Prevention Fund - 127</b>					
Statewide One-call Notice System	\$ 75,000	\$ 29,823	\$ -	\$ 29,823	\$ 45,177
<b>Total Underground Utility Facilities Damage Prevention Fund</b>	<b>\$ 75,000</b>	<b>\$ 29,823</b>	<b>\$ -</b>	<b>\$ 29,823</b>	<b>\$ 45,177</b>
<b>Capital Development Fund - 141</b>					
Train Whistle Abatement	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
<b>Total Capital Development Fund</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000</b>
<b>Restricted Call Registry Fund - 645</b>					
Restricted Call Registry Act	\$ 3,800,000	\$ -	\$ -	\$ -	\$ 3,800,000
<b>Total Restricted Call Registry Fund</b>	<b>\$ 3,800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,800,000</b>

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 For The Fiscal Year Ended June 30, 2004

P.A. 93-0065 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
<b>Digital Divide Elimination Infrastructure Fund - 771</b>					
Construction of High-Speed Data Transmission Facilities	\$ 4,350,000	-	-	-	\$ 4,350,000
<b>Total Digital Divide Elimination Infrastructure Fund</b>	<b>\$ 4,350,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 4,350,000</b>
<b>GRAND TOTAL, ALL APPROPRIATED FUNDS</b>	<b>\$ 53,116,000</b>	<b>\$ 32,371,670</b>	<b>\$ 1,594,779</b>	<b>\$ 33,966,449</b>	<b>\$ 19,149,551</b>
<b>NON-APPROPRIATED FUND</b>					
<b>Federal Grants Trust Fund - 379</b>					
Federal Railroad Association Grant		\$ 496,750	-	\$ 496,750	
<b>Total Federal Grants Trust Fund</b>		<b>\$ 496,750</b>	<b>-</b>	<b>\$ 496,750</b>	
<b>GRAND TOTAL, ALL FUNDS</b>		<b>\$ 32,868,420</b>	<b>\$ 1,594,779</b>	<b>\$ 34,463,199</b>	

Note: Appropriations, expenditures, and lapsed balances were obtained from the Commission and have been reconciled to the records of the Comptroller.



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2005	Fiscal Year 2004	2003
<b>General Revenue Fund - 001</b>	P.A. 93-0842	P.A. 93-0065	P.A. 92-0538
Appropriations (Net of Transfers)	<u>\$ 391,900</u>	<u>\$ 408,200</u>	<u>\$ 1,374,700</u>
<u>Expenditures</u>			
Consumer Education Program	\$ -	\$ -	\$ 61,791
Legal Costs	-	-	355,299
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,090</u>
Lapsed Balances	<u>\$ 391,900</u>	<u>\$ 408,200</u>	<u>\$ 957,610</u>
<b>Transportation Regulatory Fund - 018</b>			
Appropriations (Net of Transfers)	<u>\$ 16,700,599</u>	<u>\$ 16,945,400</u>	<u>\$ 19,435,800</u>
<u>Expenditures</u>			
Personal Services	\$ 4,214,529	\$ 4,459,512	\$ 5,356,474
Employee Retirement			
Contributions Paid by Employer	74,310	104,820	201,770
State Contribution to State			
Employees' Retirement System	675,581	596,783	550,851
State Contributions to Social Security	272,861	279,233	338,020
Group Insurance	792,039	693,491	696,063
Contractual Services	372,293	366,388	459,232
Travel	74,513	85,162	105,082
Commodities	9,389	9,873	19,176
Printing	11,212	16,505	14,723
Equipment	84,894	88,617	19,550
Electronic Data Processing	265,968	569,259	226,180
Telecommunications	172,845	194,568	221,396
Operation of Automotive Equipment	91,196	104,514	95,369
Railroad Crossing Safety	177,468	241,920	542,167
Electronic One-Stop	-	-	304
Grade Crossing Education	-	-	102,500
Single State Insurance Registration Program	6,001,958	5,580,246	5,719,648
Refunds	<u>1,278</u>	<u>13,415</u>	<u>23,449</u>
Total Expenditures	<u>\$ 13,292,334</u>	<u>\$ 13,404,306</u>	<u>\$ 14,691,954</u>
Lapsed Balances	<u>\$ 3,408,265</u>	<u>\$ 3,541,094</u>	<u>\$ 4,743,846</u>

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2005	Fiscal Year 2004	2003
<b>Public Utility Fund - 059</b>	P.A. 93-0842	P.A. 93-0065	P.A. 92-0538
Appropriations (Net of Transfers)	<u>\$ 23,961,100</u>	<u>\$ 24,537,400</u>	<u>\$ 25,351,700</u>
<u>Expenditures</u>			
Personal Services	\$ 11,902,711	\$ 12,313,469	\$ 13,398,500
Employee Retirement			
Contributions Paid by Employer	51,336	18,732	492,052
State Contribution to State			
Employees' Retirement System	2,017,501	1,750,197	1,483,709
State Contributions to Social Security	875,845	901,836	983,550
Group Insurance	2,382,251	1,963,549	1,786,851
Contractual Services	1,052,164	1,230,323	1,306,611
Travel	134,875	155,624	173,811
Commodities	11,896	19,051	31,557
Printing	15,685	15,411	22,230
Equipment	723	77,298	66,389
Electronic Data Processing	355,140	498,157	263,455
Telecommunications	357,401	428,884	442,382
Operation of Auto Equipment	30,959	28,251	22,158
Electric Service Customer Choice and Rate Relief Law of 1997	874,301	1,111,036	1,263,971
Refunds	<u>258</u>	<u>20,502</u>	<u>102,958</u>
Total Expenditures	<u>\$ 20,063,046</u>	<u>\$ 20,532,320</u>	<u>\$ 21,840,184</u>
Lapsed Balances	<u>\$ 3,898,054</u>	<u>\$ 4,005,080</u>	<u>\$ 3,511,516</u>
<b>Underground Utility Facilities Damage Prevention Fund - 127</b>			
Appropriations (Net of Transfers)	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<u>Expenditures</u>			
Statewide One-call Notice System	<u>\$ 38,458</u>	<u>\$ 29,823</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 38,458</u>	<u>\$ 29,823</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 36,542</u>	<u>\$ 45,177</u>	<u>\$ -</u>

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCE**  
For the Fiscal Years Ended June 30,

	2005	Fiscal Year 2004	2003
	P.A. 93-0842	P.A. 93-0065	P.A. 92-0538
<b>Capital Development Fund - 141</b>			
Appropriations (Net of Transfers)	\$ 3,000,000	\$ 3,000,000	\$ -
<u>Expenditures</u>			
Train Whistle Abatement	\$ 2,597,640	\$ -	\$ -
Total Expenditures	\$ 2,597,640	\$ -	\$ -
Lapsed Balances	<u>\$ 402,360</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>
<b>Wireless Service Emergency Fund - 612</b>			
Appropriations (Net of Transfers)	\$ 44,800,000	\$ -	\$ -
<u>Expenditures</u>			
Grants to Emergency Telephone System Boards	\$ 33,760,092	\$ -	\$ -
Total Expenditures	\$ 33,760,092	\$ -	\$ -
Lapsed Balances	<u>\$ 11,039,908</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Wireless Carrier Reimbursement Fund - 613</b>			
Appropriations (Net of Transfers)	\$ 35,400,000	\$ -	\$ -
<u>Expenditures</u>			
Reimbursement of Wireless Carrier	\$ 6,158,905	\$ -	\$ -
Total Expenditures	\$ 6,158,905	\$ -	\$ -
Lapsed Balances	<u>\$ 29,241,095</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2005	Fiscal Year 2004	2003
<b>Restricted Call Registry Fund - 645</b>	P.A. 93-0842	P.A. 93-0065	P.A. 92-0538
Appropriations (Net of Transfers)	\$ 950,000	\$ 3,800,000	\$ -
<u>Expenditures</u>			
Restricted Call Registry Act	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 950,000</u>	<u>\$ 3,800,000</u>	<u>\$ -</u>
<b>Digital Divide Elimination Infrastructure Fund - 771</b>			
Appropriations (Net of Transfers)	\$ 5,000,000	\$ 4,350,000	\$ 5,000,000
<u>Expenditures</u>			
Construction of High-Speed Data Transmission Facilities	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 5,000,000</u>	<u>\$ 4,350,000</u>	<u>\$ 5,000,000</u>
<b>Grand Total - All Appropriated Funds</b>			
Total Appropriations (Net of Transfers)	<u>\$ 130,278,599</u>	<u>\$ 53,116,000</u>	<u>\$ 51,162,200</u>
Total Expenditures	<u>\$ 75,910,475</u>	<u>\$ 33,966,449</u>	<u>\$ 36,949,228</u>
Lapsed Balances	<u>\$ 54,368,124</u>	<u>\$ 19,149,551</u>	<u>\$ 14,212,972</u>
<b>Nonappropriated Fund</b>			
<b>Federal Grants Trust Fund - 379</b>			
<u>Expenditures</u>			
Federal Railroad Association Grant	\$ -	\$ 496,750	\$ -
Total Expenditures	\$ -	\$ 496,750	\$ -
<b>Grand Total, All Funds</b>	<u>\$ 75,910,475</u>	<u>\$ 34,463,199</u>	<u>\$ 36,949,228</u>

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCE**  
 For the Fiscal Years Ended June 30,

	2005	Fiscal Year 2004	2003
Salaries paid from the Comptroller's Executive Salary Appropriation			
Board Chairman	\$ 113,836	\$ 113,836	\$ 118,746
Four Board Members	339,665	397,656	360,569
Total Expenditures from the Comptroller's Executive Salaries Appropriation	\$ 453,501	\$ 511,492	\$ 479,315

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS**  
For the Two Years Ended June 30, 2005

<b><u>Procurement Efficiency Initiative</u></b>	<b><u>FY05</u></b>	<b><u>FY04</u></b>
Transportation Regulatory Fund - 018		
Contractual Services	\$ 592	\$ -
Public Utility Fund - 059		
Electronic Data Processing	1,777	-
Lump Sums	-	217,433
Sub-Total	<u>\$ 2,369</u>	<u>\$ 217,433</u>
<b><u>Information Technology Initiatives</u></b>		
Transportation Regulatory Fund - 018		
Electronic Data Processing	\$ 110,800	\$ 166,931
Public Utility Fund - 059		
Electronic Data Processing	87,386	-
Sub-Total	<u>\$ 198,186</u>	<u>\$ 166,931</u>
<b><u>Vehicle Fleet Initiatives</u></b>		
Public Utility Fund - 059		
Lump Sums	\$ -	\$ 18,051
Sub-Total	<u>\$ -</u>	<u>\$ 18,051</u>
Grand Total	<u><u>\$ 200,555</u></u>	<u><u>\$ 402,415</u></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  
ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2005

	Equipment
Balance at July 1, 2003	\$ 5,727,241
Additions	344,027
Deletions	(114,559)
Net Transfers	(557,563)
Balance at June 30, 2004	\$ 5,399,146
Balance at July 1, 2004	\$ 5,399,146
Additions	371,823
Deletions	(93,858)
Net Transfers	(515,905)
Balance at June 30, 2005	\$ 5,161,206

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

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Years Ended June 30,  
(Expressed in Thousands)

<b><u>General Revenue Fund - 001</u></b>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Fines, Penalties or Violations	\$ 206	\$ -	\$ -
QSWEF Tax Credit Repayment	7,957	7,875	4,551
Public Utility Fines	33	767	7,106
	<hr/>	<hr/>	<hr/>
Total General Revenue Fund	\$ 8,196	\$ 8,642	\$ 11,657
	<hr/>	<hr/>	<hr/>
<b><u>Transportation Regulatory Fund - 018</u></b>			
Franchise Fees	\$ 2,583	\$ 2,253	\$ 2,214
Transportation Carrier Tax	269	364	335
Base State Registration - Illinois	3,150	2,917	3,061
Base State Registration - Other	6,003	5,580	5,723
Civil Penalties	603	321	273
Railroad Crossing Reimbursement (IDOT)	192	-	509
Miscellaneous	-	-	-
Prior Year Refunds	-	-	1
	<hr/>	<hr/>	<hr/>
Total Transportation Regulatory Fund	\$ 12,800	\$ 11,435	\$ 12,116
	<hr/>	<hr/>	<hr/>
<b><u>Public Utilities Fund - 059</u></b>			
Gross Revenue Tax	\$ 9,289	\$ 8,439	\$ 7,938
US Department of Transportation	470	449	494
Securities Issuance Fees	1,353	1,609	2,207
Copy Fees	8	16	15
QSWEF Tax Credit Repayment	602	700	850
Telephone Utilities	8	-	26
Miscellaneous	2	56	9
Prior Year Refunds	1	5	2
	<hr/>	<hr/>	<hr/>
Total Public Utilities Fund	\$ 11,733	\$ 11,274	\$ 11,541
	<hr/>	<hr/>	<hr/>



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Years Ended June 30,  
(Expressed in Thousands)

**Illinois Underground Utility Facilities**  
**Damage Prevention Fund - 127**

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Fines, Penalties, or Violations	\$ 35	\$ 39	\$ 7

**ICC Federal Grants Fund - 379**

Federal Railroad Association	\$ -	\$ 497	\$ -
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**Wireless Service Emergency**  
**Fund - 612**

Wireless 911 Surcharge	\$ 31,936	\$ -	\$ -
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**Wireless Carrier Reimbursement**  
**Fund - 613**

Wireless 911 Surcharge	\$ 16,502	\$ -	\$ -
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**Digital Divide Elimination**  
**Infrastructure Fund - 771**

Telecom Carriers	\$ -	\$ 5,000	\$ 10,000
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**TOTAL ALL FUNDS**

	<u>\$ 81,202</u>	<u>\$ 36,887</u>	<u>\$ 45,321</u>
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STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS**  
**REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30, 2005  
(Expressed in Thousands)

	All Funds Combined	Illinois						
		General Revenue Fund 001	Transportation Regulatory Fund 018	Public Utilities Fund 059	Underground Facility Damage Prevention Fund 127	Wireless Service Emergency Fund 612	Wireless Carrier Reimbursement Fund 613	Digital Divide Infrastructure Fund 771
Intra-State Gross Revenue Tax	9,558	-	269	9,289	-	-	-	-
Public Utility Tax	56,997	7,957	-	602	-	-	-	-
Fines, Penalties or Violations	877	239	603	-	35	-	-	-
Federal Government	470	-	-	470	-	-	-	-
Licenses, Fees and Registration	13,097	-	11,736	1,361	-	-	-	-
Other	203	-	192	11	-	-	-	-
Total - Per Agency Records	\$ 81,202	\$ 8,196	\$ 12,800	\$ 11,733	\$ 35	\$ 31,936	\$ 16,502	\$ -

Deposits in Transit to

Comptroller

Beginning of Period 5,324

End of Period (124)

222

(7)

-

(42)

-

(21)

5,000

-

Non-Sufficient Fund Checks Returned (8)

Commission Corrections -

(8)

-

-

-

-

-

-

-

Total - Per Comptroller Records

\$ 86,394

\$ 8,218

\$ 12,818

\$ 11,948

\$ 35

\$ 31,894

\$ 16,481

\$ 5,000

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS**  
**REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30, 2004  
(Expressed in Thousands)

	All Funds Combined	Illinois						
		General Revenue Fund 001	Transportation Regulatory Fund 018	Public Utilities Fund 059	Underground Facility Damage Prevention Fund 127	ICC Federal Grants Fund 379	Digital Divide Infrastructure Fund 771	
Intra-State Gross Revenue Tax	8,803	-	364	8,439	-	-	-	
Public Utility Tax	8,575	7,875	-	700	-	-	-	
Fines, Penalties or Violations	1,127	767	321	-	39	-	-	
Federal Government	946	-	-	449	-	497	-	
Licenses, Fees and Registration	12,375	-	10,750	1,625	-	-	-	
Other	5,061	-	-	61	-	-	5,000	
<b>Total - Per Agency Records</b>	<b>\$ 36,887</b>	<b>\$ 8,642</b>	<b>\$ 11,435</b>	<b>\$ 11,274</b>	<b>\$ 39</b>	<b>\$ 497</b>	<b>\$ 5,000</b>	

Deposits in Transit to Comptroller:

Beginning of Period	5,719	501	145	72	1	-	5,000
End of Period	(5,324)	(22)	(80)	(222)	-	-	(5,000)
Non-Sufficient Fund Checks Returned	(1)	-	(1)	-	-	-	-
Commission Corrections	-	-	2	(2)	-	-	-
<b>Total - Per Comptroller Records</b>	<b>\$ 37,281</b>	<b>\$ 9,121</b>	<b>\$ 11,501</b>	<b>\$ 11,122</b>	<b>\$ 40</b>	<b>\$ 497</b>	<b>\$ 5,000</b>

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2005

Significant variances were determined to be changes of \$25,000 and at least 25% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2004 AND 2005**

**Transportation Regulatory Fund – 018**

Employee Retirement Contributions Paid by Employer

The decrease in employee retirement contributions was due to the State decreasing its contribution rate for union employees from 4% to 2%, effective January 1, 2005.

Electronic Data Processing

The decrease in electronic data processing expenditures was due to a return to normal spending levels. The Commission had one-time expenditures in FY04 to convert its old Clipper programs, and efficiency initiative payments decreased from \$166,931 in FY04 to \$110,800 in FY05.

Railroad Crossing Safety

The decrease of railroad crossing safety expenditures was due to the contract for professional consulting services being reduced and then cancelled during FY05.

**Public Utility Fund – 059**

Employee Retirement Contributions Paid by Employer

The increase in employee retirement contributions expenditures was due to an increased number of Commission employees joining unions in FY05.

Group Insurance

The increase in group insurance expenditures was due in large part to the budgeted rates increasing from \$11,000 to \$12,000 per employee during FY05.

Equipment

The decrease in equipment expenditures was due to the Commission paying off installment loans for eight vehicles during FY04.

Electronic Data Processing

The decrease in electronic data processing expenditures was due to the FY04 purchases of printers, monitors, and software licenses that were not required in FY05.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2005

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2004 AND 2005 (CONTINUED)**

**Public Utility Fund – 059 (continued)**

Electric Service Customer Choice and Rate Relief Law of 1997

The decrease in expenditures was due to two efficiency initiative payments totaling \$235,484 during FY04 that were not paid in FY05.

**Capital Development Fund – 141**

Train Whistle Abatement

The FY05 increase in train whistle abatement expenditures was due to a one-time project for improvements for ten grade crossings in the city of Chicago.

**Wireless Service Emergency Fund – 612**

Grants to Emergency Telephone System Boards

The increase in expenditures was due to this program being transferred from the Department of Central Management Services (DCMS) to the Commission in FY05.

**Wireless Carrier Reimbursement – 613**

Reimbursement of Wireless Carriers

The increase in expenditures was due to this program being transferred from DCMS to the Commission in FY05.

**Federal Grants Trust Fund – 379**

Federal Railroad Association Grant

The decrease in grant expenditures was due to this grant being a one-time grant in FY04.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2005

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2003 AND 2004**

**General Revenue Fund – 001**

Consumer Education Program

The decrease in Consumer Education Program expenditures was due to the program ending and no appropriations awarded in FY04.

Legal Fees

The decrease in legal fees expenditures was due to the Retail Rate Law Contract being administered by the Department of Revenue during FY04.

**Transportation Regulatory Fund – 018**

Employee Retirement Contributions Paid by Employer

The decrease in employee retirement contributions was due to the State discontinuing payment of the 4% contribution for merit comp employees during FY04.

Contractual Services

The decrease in contractual services expenditures was due to the Commission vacating the 9<sup>th</sup> floor of the Leland Building in FY04.

Equipment

The increase in equipment expenditures was due to the purchase of three Ford Explorers totaling \$64,275.

Electronic Data Processing

The increase in electronic data processing expenditures was due to \$152,891 paid to IBM to help in the conversion of the Commission's outdated Clipper programs. In addition, a payment of \$166,931 was paid pursuant to an efficiency initiative invoice from DCMS.

Railroad Crossing Safety Program

The Railroad Crossing Safety Program expenditures decreased due to budget constraints and a reduced appropriation amount in FY04.

Grade Crossing Education

The decrease in Grade Crossing Education expenditures was due to the grants to selected cities grant program ending in FY03.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2005

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2003 AND 2004 (CONTINUED)**

**Public Utility Fund – 059**

Employee Retirement Contributions Paid by Employer

The decrease in employee retirement contributions was due to the State discontinuing to pay its portion of employee contribution for merit comp employees during FY04.

Electronic Data Processing

The increase in electronic data processing expenditures was due to the purchases of printers, computers, and additional software licenses during FY04.

Refunds

The decrease in refund expenditures was due to two large payments for overpayment of taxes in FY03 that did not occur in FY04.

**Underground Utility Facilities Damage Prevention Fund – 127**

Statewide One-Call Notice System

The increase was due to FY04 being the first year the Commission remitted the fines assessed from one-call violations to JULIE Inc. (Joint Utility Locating Information for Excavators). The Underground Facility Damage Prevention Act first gave the Commission the authority to assess penalties during FY03, but did not require submission of the fines to JULIE Inc. until the following January.

**Federal Grants Trust Fund – 379**

Federal Railroad Association Grant

The increase in expenditures was due to a one-time FY04 grant from the U.S. Department of Transportation for repair and maintenance of grade crossings.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2005

Significant variances in receipts were determined to be changes of \$25,000 and at least 20% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2004 AND 2005**

**General Revenue Fund - 001**

Fines, Penalties or Violations

The increase of \$206,000 was due to two punitive penalties being assessed by Commission order to utilities during FY05. There were none during FY04.

Public Utility Fines

The decrease of \$734,000 was due to increased telephone company compliance with the Commission's guidelines for levels of service, resulting in lower fines assessed.

**Transportation Regulatory Fund - 018**

Transportation Carrier Tax

The decrease of \$95,000 was due to a decrease in gross revenue for two large railroad companies, which then caused the corresponding tax due to be lower.

Civil Penalties

The increase of \$282,000 was due to the rate per violation increasing, from \$100 per month per violation to \$50 per day for a violation, during FY05.

Railroad Crossing Reimbursement (IDOT)

The increase of \$192,000 was due to receipt of the FY04 payment of approximately \$121,000 during FY05. In addition, the FY05 contract was cancelled early by the Commission.

**Public Utility Fund - 059**

Miscellaneous

The decrease of \$54,000 was primarily due to the Commission receiving a \$50,000 one-time grant from Southern Illinois University for a transmission study during FY04.

**ICC Federal Grants Fund - 379**

Federal Railroad Association

The decrease of \$497,000 was due to a one-time pass through grant for railroad safety during FY04.



STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2005

Significant variances in receipts were determined to be changes of \$25,000 and at least 20% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2004 AND 2005 (Continued)**

**Wireless Service Emergency Fund – 612**

Wireless 9-1-1 Surcharge

The increase of \$31,936,000 was due to the Emergency Telephone Safety Act (WETSA) responsibilities being transferred from the Department of Central Management Services (DCMS) to the Commission during FY05.

**Wireless Carrier Reimbursement Fund – 613**

Wireless 9-1-1 Surcharge

The increase of \$16,502,000 was due to WETSA responsibilities being transferred from the DCMS to the Commission during FY05.

**Digital Divide Elimination Infrastructure Fund - 771**

Telecommunication Carriers

The decrease of \$5,000,000 was due to receipt of the final payment from SBC in FY04.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2005

Significant variances in receipts were determined to be changes of \$25,000 and at least 20% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2003 AND 2004**

**General Revenue Fund - 001**

QSWEF (Qualified Solid Waste to Energy Facilities) Tax Credit Repayment

The increase of \$3,324,000 was due to an additional QSWEF, Lake Land Local #2, beginning to repay their tax credit in FY04. In addition, the rate of repayment of tax credits by other companies increased.

Public Utility Fines

The decrease of \$6,339,000 was due to increased telephone company compliance with the Commission's guidelines for levels of service, resulting in lower fees assessed.

**Transportation Regulatory Fund - 018**

Railroad Crossing Reimbursement (IDOT)

The decrease of \$509,000 was due to not receiving approximately \$121,000 of FY04's RAILS project reimbursements from the Illinois Department of Transportation (IDOT) until FY05 and the contract amount decreased between FY03 and FY04. In addition, during FY03 the Commission received two payments, one that was for FY02.

**Public Utility Fund - 059**

Securities Issuance Fees

The decrease of \$598,000 was due to FY03 having significantly more security issuances than a typical year.

Telephone Utilities

The decrease was due to no costs being assessed by the Commission during FY04. Approximately \$26,000 was assessed to telecommunications carriers for investigations of prohibited actions under the Public Utilities Act (220 ILCS 5/514) during FY03.

Miscellaneous

The increase of \$47,000 was due to a one-time grant of \$50,000 from Southern Illinois University for a transmission study.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2005

Significant variances in receipts were determined to be changes of \$25,000 and at least 20% between fiscal years, and are explained below.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2003 AND 2004 (Continued)**

**Illinois Underground Facility Damage Prevention Fund – 127**

Fines/Penalties or Violations

The increase of \$32,000 was due to a change in the Underground Facility Damage Prevention Act, which gave the Commission the authority to assess penalties during FY03. Penalties collected in FY03 were low due to the amount of time it takes for a complaint to reach the penalty phase.

**ICC Federal Grants Fund – 379**

Federal Railroad Association

The increase of \$497,000 was due to a one-time pass through grant for railroad safety during FY04.

**Digital Divide Fund – 771**

Telecommunication Carriers

The decrease of \$5,000,000 was due to the Commission receiving two payments from a telecom carrier during FY03; one of the payments was received early for FY04. The carrier was required to make a total of three \$5,000,000 payments to the Commission. The payment for FY05, which was the last of the three payments, was received at the end of FY04.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2005

The following explanations were obtained for lapse period spending, which exceeded \$25,000 and 20% of the line item expenditures.

**FISCAL YEAR 2005**

**Transportation Regulatory Fund – 018**

Equipment

The Commission placed orders for two police and two railroad vehicles totaling \$84,600 during the fiscal year that were received and paid during the lapse period.

**FISCAL YEAR 2004**

**Transportation Regulatory Fund – 018**

Equipment

The Commission placed orders for three railroad vehicles totaling \$64,275 during the fiscal year that were received and paid during the lapse period.

**Public Utility Fund – 059**

Electronic Data Processing

The Commission paid invoices during the lapse period for 25 printers, 29 desktop computers, 16 laptop computers and updates of their Bindview software purchased during the fiscal year.

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
 For the Two Years Ended June 30, 2005  
 (Amounts Expressed in Thousands)

Aging of Accounts Receivable, per Commission records, were as follows:

	<b>General Revenue Fund 001</b>	
	<b>2005</b>	<b>2004</b>
Current	\$ 41,171	\$ 46,539
1-30 days	137	613
31-90 days	-	-
91-180 days	-	-
181 - 1 year	-	-
Over 1 year	-	-
Accounts Receivable Gross Balance	41,308	47,152
Less: Estimated Uncollectibles	-	-
Accounts Receivable Net Balance	\$ 41,308	\$ 47,152

These amounts represent receivables related to public utility taxes and miscellaneous receipts.

	<b>Transportation Regulatory Fund 018</b>	
	<b>2005</b>	<b>2004</b>
Current	\$ 95	\$ 32
1-30 days	42	-
31-90 days	59	7
91-180 days	43	9
181 - 1 year	61	35
Over 1 year	584	551
Accounts Receivable Gross Balance	884	634
Less: Estimated Uncollectibles	(648)	(586)
Accounts Receivable Net Balance	\$ 236	\$ 48

These amounts represent receivables related to transportation taxes, including gross revenue taxes and fees on each mile of railroad track crossings authorized by the Illinois Commercial Transportation Law (ICTL).

The Commission uses the Comptroller's offset system, the Attorney General, and internal collection services to collect old receivable balances.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
For the Two Years Ended June 30, 2005  
(Amounts Expressed in Thousands)

Aging of Accounts Receivable, per Commission records, were as follows:

	<b>Public Utility Fund 059</b>	
	<b>2005</b>	<b>2004</b>
Current	\$ 80	\$ 13
1-30 days	-	-
31-90 days	-	-
91-180 days	-	1
181 - 1 year	2	2
Over 1 year	6	9
Accounts Receivable Gross Balance	88	25
Less: Estimated Uncollectibles	(5)	(6)
Accounts Receivable Net Balance	\$ 83	\$ 19

These amounts represent receivables related to gross revenue taxes on public utilities, federal grants, civil penalties, authorization fees for the issuance of stock or indebtedness, and copy fees.

	<b>Underground Utility Facility Damage Fund 127</b>	
	<b>2005</b>	<b>2004</b>
Current	\$ 21	\$ 7
1-30 days	2	11
31-90 days	4	4
91-180 days	65	4
181 - 1 year	7	7
Over 1 year	31	8
Accounts Receivable Gross Balance	130	41
Less: Estimated Uncollectibles	(38)	(11)
Accounts Receivable Net Balance	\$ 92	\$ 30

These amounts represent receivables related to penalties authorized by the Illinois Underground Facility Damage Prevention Act.

The Commission uses the Comptroller's offset system, the Attorney General, and internal collection services to collect old receivable balances.

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**SCHEDULE OF INDIRECT COST REIMBURSEMENTS**  
 For the Fiscal Years Ended June 30,  
 (Amounts Expressed in Thousands)

The Commission had a pre-approved indirect cost reimbursement level for the Gas Pipeline Safety program from the U.S. Department of Transportation. The amount of cash receipts received and deposited into the Public Utility Fund and the rates for reimbursement under the provisions of the negotiated rates were as follows:

<u>Fiscal Year</u>	Reimbursements <u>Received</u>	Reimbursement <u>Rate</u>
2005	\$ 22,625	4.83%
2004	20,698	4.85%
2003	18,054	4.88%

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
ANALYSIS OF OPERATIONS

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

**Functions**

The Illinois Commerce Commission (Commission) regulates investor-owned telecommunications, electricity, natural gas, and water and sewer utilities, and competitive providers. In addition, the Commission also regulates and oversees household movers, towing companies which relocate trespassing vehicles, the enforcement of certain trucking insurance coverage laws, railroad grade crossing standards, rail movement of hazardous materials and gas pipeline safety. The structure and major functions of the Commission are derived from the Public Utilities Act, which states that the policy of the State shall be to continue the effective and comprehensive regulation of public utilities and telecommunications carriers; the Illinois Commercial Transportation Law, which regulates the commercial transportation of persons and property within the State; and other public acts of the Illinois General Assembly delegating specific responsibilities to the Commission, including the Electric Supplier Act, the Gas Pipeline Safety Act, the Emergency Telephone System Act, the Commercial Relocation of Trespassing Vehicles Law and the Railroad Hazardous Materials Act.

The Public Utilities Act (220 ILCS 5/1-101 *et seq.*) divides the regulatory authority of the Commission into two primary categories: 1) the regulation of rates and services, and 2) the supervision of corporate transactions. The Commission is required to establish the rules and regulations which govern proceedings before the Commission, either instituted by the Commission on its own motion or brought before the Commission by utilities and consumers. In fulfilling its statutory mandate, the Commission holds hearings and conducts technical investigations for the purpose of adjudicating legal and factual issues. The Public Utilities Act gives the Commission the legal power to enforce its decisions. The functions executed by the Commission include granting certificates of convenience and necessity to new utilities; the approval of additions and extensions to the certificates of existing utilities; setting just and reasonable rates; ensuring that regulated entities provide adequate and reliable service requiring safe utility operations; the review and approval of accounting and other financial matters; and providing procedures for the resolution of complaints. In addition, the Commission provides a forum for the development of regulatory policy generally applicable to similarly situated public utilities and telecommunications carriers.

The funds necessary to administer the Public Utilities Act are derived from three primary sources: 1) a gross revenue tax imposed upon all regulated telecommunications carriers and public utilities, except electric utilities as per Public Act 90-561 (220 ILCS 5/16-101), 2) fees levied for the authorization to issue securities of all regulated public utilities and those telecommunications carriers subject to the Public Utilities Act, and 3) the electricity excise tax collected by the Department of Revenue in which 3% of the tax received is deposited into the Public Utility Fund.



Under the authority of the Illinois Commercial Transportation Law (625 ILCS 5/18c-1101 et seq.), the Commission administers and enforces financial responsibility/insurance and safety fitness requirements for all public trucking companies in Illinois, regulates intrastate household goods carriers to assure compliance with filed rates and service territory and registers all intrastate and interstate trucking companies in Illinois. The Commission also protects consumers through the administration and enforcement of a program to assure the legal and ethical operation of household goods movers statewide and, in accordance with the provisions of the Illinois Commercial Relocation of Trespassing Vehicles Law (625 ILCS 5/18a-100 et seq.) oversees the relocation towing activities in the following counties: Cook, DuPage, Will, Kane and Winnebago. With regard to railroads, the Commission directs safety improvements at railroad grade crossings, inspects registered rail carriers' track, inspects railroad cars and facilities involved in the movement of hazardous materials, and assures railroad company compliance with operating practice standards. The Commission is authorized by the Illinois Commercial Transportation Law to establish and assess various fees that are to be used solely for the administration of the transportation programs.

The Electric Supplier Act (220 ILCS 30/1 et seq.) directs the Commission to act as an administrative decision-maker in territorial service area disputes and to consider negotiated agreements, as to service areas, between electric cooperatives and investor-owned public utilities.

The Gas Pipeline Safety Act (220 ILCS 20/1 et seq.) grants the Commission safety jurisdiction of all pipeline facilities within Illinois who transport natural gas, except for most facilities of interstate natural gas pipelines. This Act authorizes the Commission to adopt minimum safety standards based on federal law. The Commission participates in a federal certification program that provides approximately 50 percent of the funding for the administration of the Act.

Under the provisions of the Emergency Telephone System Act (50 ILCS 750.01 et seq.), the Commission has been charged with the responsibility for coordinating the implementation of the 911 emergency telephone systems on a Statewide basis. The Commission has a general responsibility to formulate concepts, methods, and procedures which will improve the operation systems required by this Act and which will increase cooperation between public safety agencies. In FY05, the Commission was given additional responsibilities under the Emergency Telephone Safety Act. They include: to adopt rules governing grants and reimbursements, to develop and maintain a database of providers eligible to receive grants and carriers eligible to receive reimbursements to the extent authorized by the State Treasurer, to collect and allocate surcharges remitted by carriers into the funds, to make monthly grants to eligible providers, to review and process presented carriers requests for reimbursement in accordance with the Act, to account for all surcharges collected and moneys disbursed, to maintain auditable records of receipts, grants, and reimbursements and to provide an annual accounting of the funds.

The Commission maintains offices at 527 East Capitol Avenue- Springfield, Illinois; 160 N. LaSalle Suite C-800- Chicago, Illinois; and 477 South River Road- Des Plaines, Illinois. The members of the Commission at June 30, 2005 were:

Edward C. Hurley, Chairman  
Lula M. Ford  
Robert F. Lieberman  
Erin M. O'Connell-Diaz  
Kevin K. Wright.

### **Planning Program**

The Commission is a regulatory agency, which is obligated to fulfill its responsibilities under various enabling legislation. Much of the Commission's agenda, and therefore, the allocation of its resources, is driven by the timing, frequency, and nature of many of the most substantive filings before the Commission by regulated entities.

Planning and subsequent program development is carried out by promulgating rules and regulations that affect the companies under the Commission's jurisdiction. Ongoing efforts and activities are directed to implement and administer rules and regulations applicable to the regulated industries that are in the public interest. These efforts also include active participation in proceedings before the Federal Energy Regulatory Commission, the Federal Communications Commission, and the Interstate Commerce Commission. The proceedings directly or indirectly affect Illinois public utilities, telecommunications carriers and motor carriers, respectively, and their customers, consistent with the position developed by the State's various executive and legislative policy-makers. In addition, the Commission frequently offers comments to members of the Illinois Congressional delegation and submits testimony, either oral or written, to Congressional committees to further the interest of the people in Illinois.

The Commission has annual goals that are based upon legislative mandate and are established primarily through the Commission's Strategic Plan. The Executive Director, under the Commission's guidance, established the objectives and criteria to measure progress toward reaching the Commission's goals in areas under its jurisdiction.

The long-term objectives of the Commission are as follows:

1. Minimize entry barriers that limit competition.
2. Create a level playing field.
3. Establish an effective market-monitoring program.
4. Raise the profile of the Consumer Services Division and of the Commission as the educator and protector of the consumer.
5. Ensure that information on utility and Commission services in general are available to consumers.

6. Expand consumer protection options and authority.
7. Establish broad-based stakeholder review groups consisting of industry, professional organizations, and other state and federal agencies.
8. Strengthen the compliance function of the Commission to ensure that companies comply with applicable laws, rules, and orders.

### **Auditors' Assessment**

The Commission has established long-term objectives and has also developed short-term goals and objectives by division. The Commission's planning program appears adequate to meet its statutorily defined functions.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Years Ended June 30,

**AVERAGE NUMBER OF EMPLOYEES**

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

<u>Division</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Chairman & Commissioners	13	12	14
Executive Director's Office	7	7	9
Bureau of External Affairs:	0	0	13
Consumer Services	17	19	11
Governmental Affairs	3	3	2
Public Affairs	3	3	3
Bureau of Transportation	52	55	65
Office of General Counsel	25	26	29
Bureau of Public Utilities:	1	1	43
Energy	19	21	16
Telecommunications	18	19	13
Financial Analysis	31	33	18
Public Safety & Enforcement**	11	11	0
Administrative Law Judges	18	17	26
Bureau of Planning & Operations:	2	1	28
Records Management**	9	10	0
Administrative Services	17	18	24
Information Technology**	18	19	0
Project Management**	<u>2</u>	<u>5</u>	<u>0</u>
 Total average full-time employees	 <u>266</u>	 <u>280</u>	 <u>314</u>

\*\*In FY04, the Commission changed its organizational structure and created four new divisions: Public Safety & Enforcement, Records Management, Information Technology, and Project Management. The Commission also reclassified some employees within their Bureaus.

STATE OF ILLINOIS  
 ILLINOIS COMMERCE COMMISSION  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
 For The Fiscal Years Ended June 30,  
 (Not Examined)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>PUBLIC UTILITIES PROGRAM</b>			
Cases filed	778	819	842
Hearings	2,232	2,320	2,266
Cases resolved	906	802	774
Number of outage inquiries and complaints	402	285	346
Total 911 systems	199	199	230
<b>TRANSPORTATION REGULATORY PROGRAM</b>			
Administrative citations	2,540	2,632	2,821
Investigations	1,980	1,710	1,486
Track inspections (miles)	6,297	6,399	8,288
Number of Collisions at public crossings	135	143	142
Crossing projects ordered	404	1,022	497