

**STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2009

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Agency Officials | 1 |
| Management Assertion Letter | 2 |
| Compliance Report | |
| Summary | 4 |
| Accountant's Report | |
| Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes | 5 |
| Schedule of Findings | |
| Current Findings – State Compliance | 8 |
| Prior Findings Not Repeated | 10 |
| Supplementary Information for State Compliance Purposes | |
| Summary | 11 |
| Fiscal Schedules and Analysis | |
| Schedule of Appropriations, Expenditures and Lapsed Balances | 12 |
| Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances | 14 |
| Schedule of Changes in State Property | 15 |
| Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller | 16 |
| Analysis of Significant Variations in Expenditures | 17 |
| Analysis of Significant Variations in Receipts | 19 |
| Analysis of Significant Lapse Period Spending | 20 |
| Analysis of Operations | |
| Agency Functions and Planning Program | 21 |
| Average Number of Employees | 23 |
| Service Efforts and Accomplishments (Not Examined) | 24 |

AGENCY OFFICIALS

LEGISLATIVE PRINTING UNIT

Director

Mr. John Rodems

Fiscal Officer

Ms. Jenna Williams

Agency offices are located at:

105 Stratton Building
Springfield, IL 62706



LEGISLATIVE PRINTING UNIT
105 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-7312

STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

December 15, 2009

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Legislative Printing Unit (Agency). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2009. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2009, the Agency has materially complied with the assertions below.

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

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

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

SUMMARY OF FINDINGS

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

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

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|---|--|
| FINDINGS (STATE COMPLIANCE) | | | |
| 09-1 | 8 | Inadequate control over the recording and reporting of State Property | Material Weakness and Material Noncompliance |

PRIOR FINDINGS NOT REPEATED

There were no material findings noted during the compliance examination for the two years ended June 30, 2007.

EXIT CONFERENCE

A formal exit conference was waived by John Rodems, Director, in correspondence dated December 8, 2009. Responses to the recommendations were provided in correspondence dated December 8, 2009 by John Rodems, Director.

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 Legislative Printing Unit's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2009. The management of the Legislative Printing Unit is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Legislative Printing Unit's compliance based on our examination.

- A. The Legislative Printing Unit 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 Legislative Printing Unit 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 Legislative Printing Unit has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Legislative Printing Unit 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.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Legislative Printing Unit's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Legislative Printing Unit's compliance with specified requirements.

As described in finding 09-1 in the accompanying schedule of findings, the Legislative Printing Unit did not comply with requirements regarding the recording and reporting of State Property. Compliance with such requirements is necessary, in our opinion, for the Legislative Printing Unit to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Legislative Printing Unit complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009.

Internal Control

The management of the Legislative Printing Unit is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Legislative Printing Unit's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Legislative Printing Unit's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Legislative Printing Unit's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as finding 09-1 to be a material weakness.

As required by the Audit Guide, an immaterial finding excluded from this report has been reported in a separate letter.

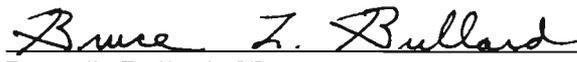
The Legislative Printing Unit's response to the finding identified in our examination is described in the accompanying schedule of findings. We did not examine the Legislative Printing Unit's response and, accordingly, we express no opinion on it.

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 2009 and 2008 Supplementary Information for State Compliance Purposes, except for 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 2007 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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


Bruce L. Bullard, CPA
Director of Financial and Compliance Audits

December 15, 2009

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

09-1. **FINDING** (Inadequate control over the recording and reporting of State property)

The Legislative Printing Unit (LPU) did not exercise adequate control over the recording and reporting of State Property. We noted the following:

- LPU did not properly record the cost of an item acquired under an installment purchase agreement. LPU recorded an addition to their property records for the acquisition of this item totaling \$157,500. However, the Office of the Comptroller (Comptroller) had determined the cost of this item to be \$555,000. As a result, the item's value was understated on the LPU property records by \$397,500, and LPU improperly understated additions on their Quarterly Report of State Property (C-15) for the corresponding quarter by \$397,500.

Statewide Accounting Management System (SAMS) (Procedure 29.10.30) requires agencies to record items purchased under installment purchase agreements as an addition to their property records at the proper cost as computed by the Comptroller.

- LPU did not timely record 5 of 23 (22%) equipment additions tested, totaling \$34,067, on its property records. These items were recorded from 15 to 48 days late. In addition, one item acquired prior to the current examination period was not added to the property records or tagged, and historical cost or value information for this item could not be located.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items. The Code (44 Ill. Adm. Code 5010.210) also requires agencies to mark each piece of State-owned equipment in their possession with a unique six digit identification number to be assigned by the agency holding the property.

- For 5 of 25 (20%) items tested, the items were located within LPU; however, the physical locations differed from the locations specified in LPU's records.

SAMS (Procedure 29.10.10) requires an agency to maintain current property information at a summary level, which includes a description of each asset and its location.

- In addition, LPU did not properly record the value of an item acquired during the examination period. LPU purchased the equipment item, which had a total cost of \$8,600. However, LPU deducted the trade-in allowance of \$500 when recording the value of the equipment on LPU's property records. As a result, the item's value was understated by \$500, and LPU improperly understated additions on their C-15 for the

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

corresponding quarter by \$500.

The Code (44 Ill. Adm. Coded 5010.240(e)(2)) prohibits trade-ins be used to adjust the fair value amount of the item being purchased.

As a result of these errors, LPU's property records and property balance on the C-15 as of June 30, 2009 were understated by \$398,000.

LPU management stated the issues noted were due to time constraints and oversight.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of statewide capital asset reporting. (Finding Code No. 09-1)

RECOMMENDATION:

We recommend LPU strengthen controls over the recording and reporting of State property by ensuring all equipment is accurately and timely recorded on LPU's property records.

AGENCY RESPONSE:

The Legislative Printing Unit agrees with the recommendation. The LPU has taken corrective action to ensure that all future installment purchases are recorded in the proper manner on property control records in accordance with Comptroller rules. Additionally, we will ensure that all property acquired with trade-in allowances are properly valued on property control records. We will also strengthen controls over equipment additions to ensure they are recorded in a timely manner and adjust physical locations of property items as they are moved from one location to another.

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

Prior Findings Not Repeated

There were no material findings noted during the compliance examination for the two years ended June 30, 2007.

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

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

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2009

Fourteen Months Ended August 31, 2009

| P.A. 95-0731 | Appropriations (Net of Transfers) | Expenditures Through 6/30/09 | Lapse Period Expenditures 7/01- 8/31/09 | Total Expenditures | Balances Lapsed |
|--|---|---------------------------------|--|-----------------------|--------------------|
| General Revenue Fund - 001 | | | | | |
| | | | | | |
| Personal Services | \$ 1,319,957 | \$ 1,313,240 | \$ 0 | \$ 1,313,240 | \$ 6,717 |
| Employee Retirement | | | | | |
| Contributions Paid by Employer | 52,820 | 52,188 | 0 | 52,188 | 632 |
| State Contribution to State | | | | | |
| Employees' Retirement System | 278,220 | 276,614 | 0 | 276,614 | 1,606 |
| State Contributions to Social Security | 100,985 | 97,471 | 0 | 97,471 | 3,514 |
| Contractual Services | 211,014 | 205,875 | 5,032 | 210,907 | 107 |
| Travel | 300 | 240 | 0 | 240 | 60 |
| Commodities | 148,186 | 140,795 | 7,373 | 148,168 | 18 |
| Printing | 80,400 | 66,287 | 13,878 | 80,165 | 235 |
| Equipment | 239,175 | 239,145 | 0 | 239,145 | 30 |
| Telecommunications | 7,125 | 6,312 | 566 | 6,878 | 247 |
| | <u>7,125</u> | <u>6,312</u> | <u>566</u> | <u>6,878</u> | <u>247</u> |
| Total Fiscal Year 2009 | <u>\$ 2,438,182</u> | <u>\$ 2,398,167</u> | <u>\$ 26,849</u> | <u>\$ 2,425,016</u> | <u>\$ 13,166</u> |

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

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008

| P.A. 95-0348 | Appropriations (Net of Transfers) | Expenditures Through 6/30/08 | Lapse Period Expenditures 7/01- 8/31/08 | Total Expenditures | Balances Lapsed |
|--|---|---------------------------------|--|-----------------------|--------------------|
| General Revenue Fund - 001 | | | | | |
| Personal Services | \$ 1,389,430 | \$ 1,310,039 | \$ 0 | \$ 1,310,039 | \$ 79,391 |
| Employee Retirement | | | | | |
| Contributions Paid by Employer | 55,600 | 51,280 | 0 | 51,280 | 4,320 |
| State Contribution to State | | | | | |
| Employees' Retirement System | 230,645 | 217,028 | 0 | 217,028 | 13,617 |
| State Contributions to Social Security | 106,300 | 97,384 | 0 | 97,384 | 8,916 |
| Contractual Services | 229,575 | 226,102 | 3,461 | 229,563 | 12 |
| Travel | 300 | 213 | 0 | 213 | 87 |
| Commodities | 132,425 | 123,920 | 6,778 | 130,698 | 1,727 |
| Printing | 77,500 | 21,839 | 55,661 | 77,500 | 0 |
| Equipment | 275,000 | 244,036 | 28,547 | 272,583 | 2,417 |
| Telecommunications | 7,500 | 6,638 | 575 | 7,213 | 287 |
| Total Fiscal Year 2008 | \$ 2,504,275 | \$ 2,298,479 | \$ 95,022 | \$ 2,393,501 | \$ 110,774 |

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

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

| | Fiscal Year | | |
|--|--------------|--------------|--------------|
| | 2009 | 2008 | 2007 |
| General Revenue Fund - 001 | P.A. 95-0731 | P.A. 95-0348 | P.A. 94-0798 |
| <hr/> | | | |
| Appropriations (Net of Transfers) | \$ 2,438,182 | \$ 2,504,275 | \$ 2,411,000 |
| <hr/> | | | |
| <u>Expenditures</u> | | | |
| Personal Services | \$ 1,313,240 | \$ 1,310,039 | \$ 1,263,588 |
| Employee Retirement | | | |
| Contributions Paid by Employer | 52,188 | 51,280 | 49,451 |
| State Contribution to State | | | |
| Employees' Retirement System | 276,614 | 217,028 | 145,712 |
| State Contributions to Social Security | 97,471 | 97,384 | 94,609 |
| Contractual Services | 210,907 | 229,563 | 226,012 |
| Travel | 240 | 213 | 294 |
| Commodities | 148,168 | 130,698 | 149,452 |
| Printing | 80,165 | 77,500 | 87,411 |
| Equipment | 239,145 | 272,583 | 304,957 |
| Telecommunications | 6,878 | 7,213 | 7,158 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | \$ 2,425,016 | \$ 2,393,501 | \$ 2,328,644 |
| | <hr/> | <hr/> | <hr/> |
| Lapsed Balances | \$ 13,166 | \$ 110,774 | \$ 82,356 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2009

| | Equipment |
|--------------------------|--------------|
| Balance at July 1, 2007 | \$ 3,966,367 |
| Additions | 665,008 |
| Deletions | (170,508) |
| Net Transfers | (91,700) |
| Balance at June 30, 2008 | \$ 4,369,167 |
| | |
| Balance at July 1, 2008 | \$ 4,369,167 |
| Additions | 267,825 |
| Deletions | (59,574) |
| Net Transfers | 105,305 |
| Balance at June 30, 2009 | \$ 4,682,723 |

Note: The above schedule has been derived from Agency records which have been reconciled to property records submitted to the Office of the Comptroller. The amounts in this schedule have also been adjusted to correct a material error in the Agency records which was detected in the course of our testing. See Finding Code No. 09-1 and the Independent Accountants' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes.

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION SCHEDULE OF
 CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Fiscal Years Ended June 30,

| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|---|--------------|-------------|--------------|
| Reimbursements/Jury Duty & Recoveries | \$ 36 | \$ 5 | \$ - |
| Miscellaneous | <u>-</u> | <u>-</u> | <u>55</u> |
| Total Receipts (per agency) | <u>\$ 36</u> | <u>\$ 5</u> | <u>\$ 55</u> |
| Deposits Ordered into State Treasury (per State Comptroller) | <u>\$ 36</u> | <u>\$ 5</u> | <u>\$ 55</u> |

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2008 AND 2009

STATE CONTRIBUTION TO STATE EMPLOYEES' RETIREMENT SYSTEM:

State contribution to State Employees' Retirement System expenditures increased during Fiscal Year 2009 due to the required contribution percentage increasing from 16.561% in Fiscal Year 2008 to 21.049% in Fiscal Year 2009.

COMMODITIES:

Commodities expenditures increased due to a need for and consumption of supplies. In the first General Assembly after an election, there is generally more printing done for the new members for items such as business cards, letterhead, etc., causing an increase in the consumption of supplies.

EQUIPMENT:

Equipment expenditures decreased during Fiscal Year 2009 due to a decrease in the purchase of new and replacement equipment items. Because the Legislative Printing Unit (LPU) needed to have extensive consulting and computer programming work done on its print job processing application, the purchase of new and replacement equipment items was decreased and deferred to future years. A portion of the current year appropriation was then reallocated to contractual services via the appropriation transfer process to finance the needed consulting and programming work. In addition, LPU's original contractual services appropriation decreased nearly \$10,000 from Fiscal Year 2008 to Fiscal Year 2009. Amounts transferred from the equipment appropriation to the contractual services appropriation were also used to pay for some normal, recurring expenditures of the LPU due to the decrease in the contractual services appropriation.

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2007 AND 2008

STATE CONTRIBUTION TO STATE EMPLOYEES' RETIREMENT SYSTEM:

State contribution to State Employees' Retirement System expenditures increased during Fiscal Year 2008 due to the required contribution percentage increasing from 11.525% in Fiscal Year 2007 to 16.561% in Fiscal Year 2008.

COMMODITIES, PRINTING, AND EQUIPMENT:

Commodities, printing, and equipment expenditures decreased during Fiscal Year 2008 due to a decrease in the need for and consumption of supplies and materials, as well as a decrease in the purchase of new and replacement equipment items. Because the Legislative Printing Unit (LPU) needed to have extensive consulting and computer programming work done on its job processing application, LPU worked very hard to only purchase materials and supplies that were absolutely necessary, and decreased equipment purchases and deferred purchases to future years. Portions of the current year appropriations were then reallocated to contractual services via the appropriation transfer process to finance the needed consulting and programming work. In addition, LPU's original contractual services appropriation decreased by \$70,000 from Fiscal Year 2007 to Fiscal Year 2008. Amounts transferred from the commodities, printing, and equipment appropriations to the contractual services appropriation were then also used to pay for some normal, recurring expenditures of the LPU due to the decrease in the contractual services appropriation.

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2009

The Agency receives minimal receipts. During Fiscal Year 2009, the Agency received money for reimbursements for phone charges along with repayment for jury duty. During Fiscal Year 2008, the Agency received money for reimbursements for phone charges. During Fiscal Year 2007, the Agency received money for recycling scrap printing equipment materials.

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2009

FISCAL YEAR 2009

PRINTING:

Due to a longer legislative session than expected and an increased work load which extended into May and June 2009, paper supplies needed to be restocked. Various common paper sizes were ordered prior to June 30 but were not received and paid for until the lapse period.

FISCAL YEAR 2008

PRINTING:

Special paper for printing letterhead and envelopes was ordered to replenish supplies prior to June 30. However, the items and related invoices were not received and paid for until the lapse period.

EQUIPMENT:

Equipment items such as server equipment and a vinyl cutter sign maker were purchased prior to June 30 but were not received and paid for until the lapse period.

STATE OF ILLINOIS
LEGISLATIVE PRINTING UNIT
ANALYSIS OF OPERATIONS

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Legislative Printing Unit (LPU) was established as a legislative support service agency by the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/9-1). The Act empowers the LPU to “provide printing services to members of the General Assembly, legislative committees and commissions and other legislative agencies in accordance with the policies established by the Joint Committee on Legislative Support Services and with reasonable rules promulgated by the LPU.

The LPU may also provide emergency printing services to other State agencies subject to the prior approval of the Department of Central Management Services. The LPU may make and collect reasonable charges for these services and shall pay any amounts so collected into the General Revenue Fund in the State Treasury (25 ILCS 130/9-2).

The LPU is mandated to be governed by a bipartisan Board of twelve members of the General Assembly. The appointed Board members as of June 30, 2009 were as follows:

SENATE

Linda Holmes
Mike Jacobs
Michael Noland

HOUSE

Mike McAuliffe
Sandra Pihos
Raymond Poe

AUTHORITY

The LPU is responsible for the designing and printing of a wide range of materials. During legislative sessions, the LPU is responsible for the printing of the Senate and House Daily Calendars, Senate and House Final Journals, Publish House Journals to CD, Budget Amendment and the Legislative Digest. For the Legislative Commissions, the LPU is responsible for the printing of a wide range of materials which include newsletters, annual reports, informational books, audits, reports, stationery, envelopes, forms, business cards, etc. The LPU has adopted rules for printing by the Legislative Printing Unit Board and follows strict adherence to the policy requiring no print job be performed by the Agency that is political in content (such as campaign material), or private business items. Other materials designed and printed by the LPU must also follow the printing rules. For example, the LPU uses soybean inks manufactured in

Illinois. The Agency also uses 50% recycled paper with 50% post consumer waste content, of various colors and weights for the requests for the Members and Legislative Commissions.

PLANNING PROGRAM

The LPU's short-term planning consists of completing an "Annual Narrative Statement on Specific Programs" report each fiscal year. Any new legislative initiatives by the LPU for consideration by the General Assembly, along with applicable cost factors, are identified. Recently enacted state and federal laws, executive orders, court orders, state or federal regulations, or newly mandated changes in organizational structure or operational responsibilities, etc. that will have an impact on the LPU's budget are reported. A notation is also made of implementation plans including dates and cost factors for expansions in areas such as equipment and electronic data processing. Short-term planning also consists of annual budget requests which are submitted to the General Assembly (JCLSS – Joint Committee on Legislative Support Services) for approval.

The LPU's long-term goal is to accomplish the ongoing requests of the General Assembly, committees, commission, and legislative agencies in a cost-effective manner without diminishing the quality of printing products.

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
AVERAGE NUMBER OF EMPLOYEES
 For the Two Years Ended June 30, 2009

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>2009</u> | <u>2008</u> | <u>2007</u> |
|-----------------------------------|-------------|-------------|-------------|
| Administration | 5 | 5 | 4 |
| Layout Dept. | 4 | 4 | 5 |
| Printing Dept. | 21 | 20 | 20 |
| Total average full-time employees | <u>30</u> | <u>29</u> | <u>29</u> |

STATE OF ILLINOIS
 LEGISLATIVE PRINTING UNIT
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

The Legislative Printing Unit was created as a support services agency for the General Assembly pursuant to the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/9-1 et seq.). The primary function of the Legislative Printing Unit is to provide printing services to the General Assembly, its members, legislative committees, commissions and other legislative agencies.

The following operating statistics were prepared from Agency records by fiscal year:

| | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|------------------------------|-------------------|-------------------|-------------------|
| Jobs Completed | <u>5,003</u> | <u>3,129</u> | <u>3,562</u> |
| Member | 13,075,210 | 17,315,346 | 18,702,037 |
| Support Staffs | 858,406 | 657,723 | 770,570 |
| Legislative Printing Unit | 3,990,704 | 3,602,113 | 4,620,992 |
| Legislative Agencies | <u>3,284,042</u> | <u>1,760,583</u> | <u>3,388,133</u> |
| Total all sheets | <u>21,208,362</u> | <u>23,335,765</u> | <u>27,481,732</u> |

Note: Sheets refers to the number of sheets of paper going through the printing process.