

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Grant Funds Recovery Act is amended  
5 by changing Section 13 as follows:

6 (30 ILCS 705/13) (from Ch. 127, par. 2313)

7 Sec. 13. Notwithstanding the requirements of any other  
8 State law or regulation, an institution of higher education  
9 which conducts annual audits of its own operations may elect to  
10 fulfill any audit requirements with respect to any or all State  
11 grants which it receives by having such audit conducted at the  
12 time of its own annual audit at its own cost.

13 The institution of higher education shall make such  
14 election at the time that it receives each grant. The  
15 institution of higher education shall not be required to elect  
16 that all State grants be included in its annual audit. Such  
17 election may be for either financial or compliance audits, or  
18 both. In the event of such election, such audits shall fulfill  
19 the audit requirements of the applicable State law or  
20 regulation authorizing such grants except for the reporting  
21 dates required for such audits. Such audits shall be conducted  
22 in accordance with generally accepted auditing standards by  
23 licensed Certified Public Accountants permitted to perform  
24 audits under the Illinois Public Accounting Act ~~certified~~  
25 ~~public accountants authorized to do business in the State of~~  
26 ~~Illinois.~~

27 The provisions of this Section do not limit the authority  
28 of any State agency to conduct, or enter into contracts for the  
29 conduct of, audits and evaluations of State grant programs, nor  
30 limit the authority of the Auditor General. Such State agency  
31 shall fund the cost of any such additional audits.

32 (Source: P.A. 86-602.)

1 Section 10. The Local Records Act is amended by changing  
2 Section 3a as follows:

3 (50 ILCS 205/3a) (from Ch. 116, par. 43.103a)

4 Sec. 3a. Reports and records of the obligation, receipt and  
5 use of public funds of the units of local government and school  
6 districts, including certified audits, management letters and  
7 other audit reports made by the Auditor General, County  
8 Auditors, other officers or by licensed Certified Public  
9 Accountants permitted to perform audits under the Illinois  
10 Public Accounting Act ~~certified public accountants licensed~~  
11 ~~under the Illinois Public Accounting Act~~ and presented to the  
12 corporate authorities or boards of the units of local  
13 government, are public records available for inspection by the  
14 public. These records shall be kept at the official place of  
15 business of each unit of local government and school district  
16 or at a designated place of business of the unit or district.  
17 These records shall be available for public inspection during  
18 regular office hours except when in immediate use by persons  
19 exercising official duties which require the use of those  
20 records. The person in charge of such records may require a  
21 notice in writing to be submitted 24 hours prior to inspection  
22 and may require that such notice specify which records are to  
23 be inspected. Nothing in this Section shall require units of  
24 local government and school districts to invade or assist in  
25 the invasion of any person's right to privacy.

26 (Source: P.A. 91-357, eff. 7-29-99.)

27 Section 15. The Illinois Municipal Code is amended by  
28 changing Sections 4-5-16, 11-65-9, 11-67-9, 11-117-13,  
29 11-122-5, and 11-123-14 as follows:

30 (65 ILCS 5/4-5-16) (from Ch. 24, par. 4-5-16)

31 Sec. 4-5-16. Statement of receipts and expenses;  
32 examination of books and accounts; expenditure greater than

1 appropriation.

2 (a) In municipalities with 25,000 or more inhabitants, the  
3 council each month shall print in pamphlet form, a detailed  
4 itemized statement of all receipts and expenses of the  
5 municipality and a summary of its proceedings during the  
6 preceding month. In municipalities with fewer than 25,000  
7 inhabitants, the council shall print a similar statement  
8 annually instead of monthly. The council shall furnish printed  
9 copies of each statement to (i) the State Library, (ii) the  
10 city library, (iii) all the daily and weekly newspapers with a  
11 general circulation in the municipality, and (iv) persons who  
12 apply for a copy at the office of the municipal clerk.

13 (b) At the end of each fiscal year, the council shall have  
14 licensed Certified Public Accountants permitted to perform  
15 audits under the Illinois Public Accounting Act ~~competent~~  
16 ~~accountants~~ make a full and complete examination of all books  
17 and accounts of the municipality and shall distribute the  
18 result of that examination in the manner provided in this  
19 Section.

20 (c) It is unlawful for the council or any commissioner to  
21 expend, directly or indirectly, a greater amount for any  
22 municipal purpose than the amount appropriated for that purpose  
23 in the annual appropriation ordinance passed for that fiscal  
24 year. A violation of this provision by any member of the  
25 council shall constitute a petty offense.

26 (Source: P.A. 93-486, eff. 1-1-04.)

27 (65 ILCS 5/11-65-9) (from Ch. 24, par. 11-65-9)

28 Sec. 11-65-9. Every municipality owning and operating such  
29 a municipal convention hall shall keep books of account for the  
30 municipal convention hall separate and distinct from other  
31 municipal accounts and in such manner as to show the true and  
32 complete financial standing and results of the municipal  
33 ownership and operation. These accounts shall be so kept as to  
34 show: (1) the actual cost to the municipality of maintenance,  
35 extension, and improvement, (2) all operating expenses of every

1 description, (3) if water or other service is furnished for the  
2 use of the municipal convention hall without charge, as nearly  
3 as possible, the value of that service, and also the value of  
4 any use or service rendered by the municipal convention hall to  
5 the municipality without charge, (4) reasonable allowances for  
6 interest, depreciation, and insurance, and (5) estimates of the  
7 amount of taxes that would be chargeable against the property  
8 if owned by a private corporation. The corporate authorities  
9 shall publish a report annually showing the financial results,  
10 in the form specified in this section, of the municipal  
11 ownership and operation in one or more newspapers published in  
12 the municipality, or, if no newspaper is published therein,  
13 then in one or more newspapers with a general circulation  
14 within the municipality.

15 The accounts of the convention hall shall be examined at  
16 least once a year by a licensed Certified Public Accountant  
17 permitted to perform audits under the Illinois Public  
18 Accounting Act ~~an expert accountant~~ who shall report to the  
19 corporate authorities the results of his examination. This  
20 ~~expert~~ accountant shall be selected as the corporate  
21 authorities may direct, and he shall receive for his services  
22 such compensation, to be paid out of the revenue from the  
23 municipal convention hall, as the corporate authorities may  
24 prescribe.

25 (Source: P.A. 92-774, eff. 1-1-03.)

26 (65 ILCS 5/11-67-9) (from Ch. 24, par. 11-67-9)

27 Sec. 11-67-9. Every municipality owning and operating such  
28 a municipal coliseum shall keep books of account for the  
29 coliseum separate and distinct from other municipal accounts  
30 and in such manner as to show the true and complete financial  
31 standing and results of the municipal ownership and operation.  
32 These accounts shall be so kept as to show: (1) the actual cost  
33 to the municipality of maintenance, extension, and  
34 improvement, (2) all operating expenses of every description,  
35 (3) if water or other service is furnished for the use of the

1 municipal coliseum without charge, as nearly as possible, the  
2 value of that service, and also the value of any use or service  
3 rendered by the municipal coliseum to the municipality without  
4 charge, (4) reasonable allowances for interest, depreciation,  
5 and insurance, and (5) estimates of the amount of taxes that  
6 would be chargeable against that property if owned by a private  
7 corporation. The corporate authorities shall have printed  
8 annually for public distribution, a report showing the  
9 financial results, in the form specified in this section, of  
10 the municipal ownership and operation.

11 The accounts of the municipal coliseum shall be examined at  
12 least once a year by a licensed Certified Public Accountant  
13 permitted to perform audits under the Illinois Public  
14 Accounting Act ~~an accountant~~, who shall report to the corporate  
15 authorities the results of his examination. This accountant  
16 shall be selected as the corporate authorities may direct, and  
17 he shall receive for his services such compensation, to be paid  
18 out of the revenue from the municipal coliseum, as the  
19 corporate authorities may prescribe.

20 (Source: Laws 1961, p. 576.)

21 (65 ILCS 5/11-117-13) (from Ch. 24, par. 11-117-13)

22 Sec. 11-117-13. Any municipality, owning a public utility,  
23 shall keep the accounts for each public utility distinct from  
24 other municipal accounts and in such manner as to show the true  
25 and complete financial results of municipal ownership or  
26 ownership and operation, as the case may be. These accounts  
27 shall be so kept as to show (1) the actual cost of the  
28 municipality of each public utility owned; (2) all costs of  
29 maintenance, extension, and improvement; (3) all operating  
30 expenses of every description, in case of municipal operation;  
31 (4) the amounts set aside for sinking fund purposes; (5) if  
32 water or other service is furnished for the use of a public  
33 utility without charge, as nearly as possible, the value of  
34 that service and also the value of any similar service rendered  
35 by each public utility to any other municipal department

1 without charge; (6) reasonable allowances for interest,  
2 depreciation, and insurance; and (7) estimates of the amount of  
3 taxes that would be chargeable against each public utility if  
4 owned by a private corporation.

5 The corporate authorities shall print annually for public  
6 distribution, a report, in the form specified in this Section,  
7 showing the financial results of the municipal ownership or  
8 ownership and operation. The accounts of each public utility  
9 shall be examined once each year by a licensed Certified Public  
10 Accountant permitted to perform audits under the Illinois  
11 Public Accounting Act ~~an expert accountant~~ who shall report to  
12 the corporate authorities the results of his examination. This  
13 ~~expert~~ accountant shall be selected in such manner as the  
14 corporate authorities may direct, and he shall receive for his  
15 services such compensation, to be paid out of the revenue from  
16 each public utility, as the municipality may prescribe.

17 (Source: Laws 1961, p. 576.)

18 (65 ILCS 5/11-122-5) (from Ch. 24, par. 11-122-5)

19 Sec. 11-122-5. Every city owning, or owning and operating,  
20 street railways, shall keep the books of account for these  
21 street railways distinct from other city accounts and in such  
22 manner as to show the true and complete financial results of  
23 the city ownership, or ownership and operation, as the case may  
24 be. These accounts shall be so kept as to show: (1) the actual  
25 cost to the city of street railways owned, (2) all costs of  
26 maintenance, extension, and improvement, (3) all operating  
27 expenses of every description, in case of city operation, (4)  
28 the amount set aside for sinking fund purposes, (5) if water or  
29 other service is furnished for the use of the street railways  
30 without charge, as nearly as possible, the value of this  
31 service, and also the value of any similar service rendered by  
32 the street railways to any other city department without  
33 charge, (6) reasonable allowances for interest, depreciation,  
34 and insurance, and (7) estimates of the amount of taxes that  
35 would be chargeable against the property if owned by a private

1 corporation. The city council shall print annually for public  
2 distribution, a report showing the financial results, in the  
3 form specified in this section, of the city ownership, or  
4 ownership and operation.

5 The accounts of those street railways, shall be examined at  
6 least once a year by a licensed Certified Public Accountant  
7 permitted to perform audits under the Illinois Public  
8 Accounting Act ~~an expert accountant~~, who shall report to the  
9 city council the results of his examination. This ~~expert~~  
10 accountant shall be selected in such manner as the city council  
11 may direct, and he shall receive for his services such  
12 compensation, to be paid out of the income from those street  
13 railways, as the city council may prescribe.

14 (Source: Laws 1961, p. 576.)

15 (65 ILCS 5/11-123-14) (from Ch. 24, par. 11-123-14)

16 Sec. 11-123-14. Every city and village owning and  
17 operating, or owning and leasing any portion of a utility,  
18 shall keep the accounts for the utilities separate and distinct  
19 from other municipal accounts and in such manner as to show the  
20 true and complete financial standing and results of the  
21 municipal ownership and operation or of the municipal ownership  
22 and leasing, as the case may be. These accounts shall be so  
23 kept as to show: (1) the actual cost of the municipality of the  
24 utilities owned; (2) all costs of maintenance, extension, and  
25 improvement; (3) all operating expenses of every description,  
26 in case of municipal operation, whether of the whole or of a  
27 part of the utilities; (4) if water or other service is  
28 furnished for the use of the utilities without charge, as  
29 nearly as possible, the value of that service, and also the  
30 value of any service rendered by the utilities to any  
31 reasonable allowances for interest, depreciation, and other  
32 municipal department without charge; (5) insurance; and (6)  
33 estimates of the amount of taxes that would be chargeable  
34 against the utilities if owned by a private corporation. The  
35 corporate authorities of the municipality shall have printed

1 annually for public distribution, a report showing the  
2 financial standing and results, in the form specified in this  
3 section, of the municipal ownership and operation, or of  
4 municipal ownership and leasing. This report shall be published  
5 in one or more newspapers published in the municipality, or, if  
6 no newspaper is published therein, then in one or more  
7 newspapers with a general circulation within the municipality.  
8 In municipalities with less than 500 population in which no  
9 newspaper is published, publication may instead be made by  
10 posting a notice in 3 prominent places within the municipality.

11 The accounts of the utilities shall be examined at least  
12 once a year by a licensed Certified Public Accountant permitted  
13 to perform audits under the Illinois Public Accounting Act ~~an~~  
14 ~~expert~~ ~~accountant~~, who shall report to the corporate  
15 authorities the results of his examination. This ~~expert~~  
16 accountant shall be selected in such manner as the corporate  
17 authorities may direct, and he shall receive for his services  
18 such compensation, to be paid out of the revenue from the  
19 utilities, as the corporate authorities may prescribe.

20 (Source: Laws 1961, p. 576.)

21 Section 20. The Public Water District Act is amended by  
22 changing Section 14 as follows:

23 (70 ILCS 3705/14) (from Ch. 111 2/3, par. 201)

24 Sec. 14. It shall be the duty of the board of trustees to  
25 install and maintain a proper system of accounts showing  
26 receipts from operation and the application of the same, and  
27 the board shall at least once a year cause such accounts to be  
28 properly audited by a licensed Certified Public Accountant  
29 permitted to perform audits under the Illinois Public  
30 Accounting Act ~~an independent public accountant~~.

31 (Source: Laws 1945, p. 1187.)

32 Section 99. Effective date. This Act takes effect upon  
33 becoming law.