

AN ACT concerning government.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

appropriation.

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

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

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

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

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

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

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

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

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

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

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

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

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

(Source: Laws 1961, p. 576.)

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

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

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

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

(Source: Laws 1961, p. 576.)

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

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

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

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

(Source: Laws 1961, p. 576.)

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

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

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

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

(Source: Laws 1961, p. 576.)

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

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

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

(Source: Laws 1945, p. 1187.)

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