

ILES PARK PLAZA
740 EAST ASH
SPRINGFIELD, ILLINOIS 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222
TDD: 217/524-4646



100 WEST RANDOLPH STREET
SUITE 4-100
CHICAGO, ILLINOIS 60601-3219
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

5-94-50500-10

REPORT DIGEST

**CAPITAL DEVELOPMENT BOARD
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 1994
AND
COMPLIANCE AUDIT
(IN ACCORDANCE WITH THE SINGLE AUDIT ACT OF 1984 AND
OMB CIRCULAR A-128)
FOR THE TWO YEARS ENDED JUNE 30, 1994**

SYNOPSIS

- CDB paid building operating costs with funds which had been appropriated for building renovations.
- Public Building Fund monies were used to pay unrelated expenses.

{Expenditures and Activity Measures are summarized on the reverse page.}

INTERNET ADDRESS: AUDITOR.GENERAL@ACCESSIL.COM

RECYCLED PAPER • SOYBEAN INKS

CAPITAL DEVELOPMENT BOARD
COMPLIANCE AUDIT
For The Two Years Ended June 30, 1994

EXPENDITURE STATISTICS	FY 1994	FY 1993	FY 1992
● Total Expenditures (All Funds)	\$272,733,697	\$212,765,869	\$202,886,395
<u>OPERATIONS TOTAL</u>	\$272,733,697	\$212,765,869	\$202,886,395
% of Total Expenditures	100%	100%	100%
Personal Services	\$5,631,253	\$5,672,176	\$6,197,816
% of Operations Expenditures	2.06%	2.67%	3.06%
Average No. of Employees	156	163	178
Other Payroll Costs (FICA, Retirement)	\$1,071,860	\$1,108,338	\$978,660
% of Operations Expenditures40%	.52%	.48%
Contractual Services	\$597,217	\$557,159	\$483,800
% of Operations Expenditures22%	.26%	.24%
All Other Operations Items	\$664,773	\$633,424	\$715,368
% of Operations Expenditures24%	.30%	.35%
Construction Activities	\$264,768,594	\$204,794,772	\$194,510,751
% of Operations Expenditures	97.08%	96.25%	95.87%
● Cost of Property and Equipment	\$41,501	\$40,128	\$86,075

SELECTED ACTIVITY MEASURES	FY 1994	FY 1993	FY 1992
● Total Projects	2,109	2,252	1,963
● Numbers of Vouchers Processed	11,529	10,960	9,900
● Number of Receipts Processed	3,014	2,199	2,517
● Number of Project Bids Received	3,408	4,675	4,312
● Number of Projects Awarded	431	431	463

AGENCY DIRECTOR(S)
During Audit Period: Roger D. Sweet, Executive Director Currently: Roger D. Sweet, Executive Director

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

APPROPRIATED EXPENDITURES

During the audit period, CDB paid \$231,500 from the Capital Development Fund to a vendor to operate the climate control system of a State-owned building. This payment was charged to an appropriation which was intended to be used for building renovations.

Spending these funds in this manner is inappropriate because it violates the State appropriation process, is not within the purpose of CDB, and may be illegal under the terms of certain bond covenants related to State bond issues which fund many of the State's construction and renovation projects.

We recommend CDB spend appropriated funds only for those purposes for which they are appropriated. (Finding 1, page 6)

CDB officials stated that the instance noted in this finding is not illustrative of CDB's normal process for spending appropriated funds. CDB spends funds only for those purposes for which they are appropriated. However, this situation involved a unique set of circumstances, and it was determined to be in the State's best interest for CDB to provide for the work and avoid the hardship which would have resulted in waiting on a supplemental appropriation.

USE OF PUBLIC BUILDING FUND

Public Building Fund monies were used to pay unrelated expenses. We noted 100 travel vouchers totalling \$28,046 and 7 administrative vouchers totalling \$39,491 for statistical services that were paid out of the Public Building Fund. These expenditures do not appear related to the description of the allowable usage of the Public Building Fund moneys. The majority of these expenses were paid either during the fourth fiscal quarter or during the lapse period.

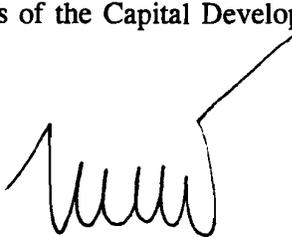
We recommend CDB spend Public Building Fund monies only for the purpose for which they are intended. (Finding 2, page 8)

CDB officials stated the proceeds from the excess interest in the Public Building Fund are to be used for administrative costs, and CDB does transfer excess interest into the General Revenue Fund. Since the end of the fiscal year was approaching, CDB officials determined that using the Public Building Fund monies would provide a more timely means of paying the expenditures and simplify administrative matters.

Ms. Sharon Stapleton, Chief Auditor, provided the Board's responses.

AUDITORS' OPINION

Our auditors stated that the financial statements of the Capital Development Board for the year ended June 30, 1994 are fairly presented.



WILLIAM G. HOLLAND, Auditor General

WGH:JC:pp
April 5, 1995

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	2	3
Repeated audit findings	0	3
Prior recommendations implemented or not repeated	3	5

SPECIAL ASSISTANT AUDITORS

Deloitte & Touche LLP were our special assistant auditors for this audit.