
REPORT DIGEST

ILLINOIS FARM DEVELOPMENT AUTHORITY

FINANCIAL AND COMPLIANCE AUDIT

For the Year Ended:
June 30, 1997

Summary of Findings:

Total this audit	2
Total last audit	3
Repeated from last audit	0

Release Date:



State of Illinois
Office of the Auditor General

WILLIAM G. HOLLAND
AUDITOR GENERAL

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Springfield, IL 62703
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SYNOPSIS

- ◆ The Authority is functioning with an insufficient number of board members.
- ◆ The Authority did not comply with the Department of Central Management Services' rules concerning accrued vacation and sick pay.

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

ILLINOIS FARM DEVELOPMENT AUTHORITY
FINANCIAL AND COMPLIANCE AUDIT
For The Year Ended June 30, 1997

ALL FUNDS FINANCIAL INFORMATION	FY 1997	FY 1996
! Total Operating Expenses.....	\$604,387	\$737,070
Personal Services.....	\$252,692	\$246,446
% of Total Expenses.....	41.8%	33.4%
Average No. of Employees.....	6	6
Other Payroll Costs (FICA, Retirement).....	\$61,074	\$52,525
% of Total Expenses.....	10.1%	7.1%
Other Professional Fees and Services.....	\$189,038	\$228,098
% of Total Expenses.....	31.3%	31.0%
Rental of Office, Utilities and Equipment.....	\$29,334	\$29,680
% of Total Expenses.....	4.8%	4.0%
Travel.....	\$17,612	\$19,905
% of Total Expenses.....	2.9%	2.7%
Advertising.....	\$16,263	\$10,065
% of Total Expenses.....	2.7%	1.4%
Depreciation.....	\$7,091	\$9,662
% of Total Expenses.....	1.2%	1.3%
Bad Debts Expenses.....	\$0	\$114,606
% of Total Expenses.....	0%	15.6%
Other Expenses.....	\$31,283	\$26,083
% of Total Expenses.....	5.2%	3.5%
! Total Revenues.....	\$824,468	\$942,954
! Cash and Investments at June 30.....	\$11,660,901	\$11,627,699
! Cost of Property and Equipment.....	\$78,470	\$77,875

SELECTED ACTIVITY MEASURES	FY 1997	FY 1996
Revenue Bonds Issued Since Inception		
Number.....	2,448	2,340
Amount.....	\$181,774,058	\$167,511,807
Bond Principal Outstanding at June 30,.....	\$75,021,842	\$67,847,862
Bonds Issued During Year		
Number.....	108	99
Amount.....	\$14,262,251	\$11,899,866

AGENCY DIRECTOR
Currently: David Wirth
During Audit Period: David Wirth

FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS

INSUFFICIENT NUMBER OF BOARD MEMBERS

The Authority's Board of Directors currently has an insufficient number of members

The Authority is functioning with only six members on its Board of Directors since the death of one member in April, 1997. The Illinois Farm Development Act (20 ILCS 3605/4) states that the Board shall consist of seven members. (Finding 1, page 13)

We recommended the Authority notify the Governor's Office of the need for a new Board member so that one may be appointed as soon as possible.

Authority officials stated they will contact the Governor's Office of Boards and Commissions in an effort to fill the vacancy.

NONCOMPLIANCE WITH THE STATE FINANCE ACT CONCERNING VACATION AND SICK PAY

Failure to comply with the State Finance Act regarding vacation and sick pay

The Authority did not comply with the Department of Central Management Services' (DCMS) prescribed rules concerning accrued vacation and sick pay. The State Finance Act (30 ILCS 105/14a) specifies that DCMS shall prescribe the method of computing accrued vacation and sick pay including those not otherwise subject to its jurisdiction. (Finding 2, page 14)

We recommended the Authority establish rules for accrued vacation and sick pay which will bring them in compliance with DCMS prescribed rules.

Authority officials stated they were not aware of any requirements to comply with DCMS rules regarding vacation and sick pay.

AUDITORS' OPINION

Our auditors state the Illinois Farm Development Authority's financial statements for the one year ended June 30, 1997 are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:BAR:pp

SPECIAL ASSISTANT AUDITORS

Ginoli & Company, Ltd. were our special assistant auditors for this audit.

