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# REPORT DIGEST

## ILLINOIS EDUCATIONAL FACILITIES AUTHORITY

### FINANCIAL AND COMPLIANCE AUDIT

For the Year Ended:  
June 30, 1996

#### Summary of Findings:

Total this audit	1
Total last audit	2
Repeated from last audit	0

Release Date:

April 15, 1997



State of Illinois  
Office of the Auditor General

**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

Iles Park Plaza  
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#### SYNOPSIS

- ◆ The Authority incurred questionable expenses for a memorial plaque commemorating services provided by the former principal of the Authority's contract accountants.

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

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**ILLINOIS EDUCATIONAL FACILITIES AUTHORITY**  
**FINANCIAL AND COMPLIANCE AUDIT**  
**For the Year Ended June 30, 1996**

REVENUE AND EXPENSES STATISTICS	FY 1996	FY 1995
<b>• REVENUE</b>		
<u>OPERATIONS TOTAL</u> .....	\$457,732	\$445,620
Application Fees.....	\$53,000	\$61,000
% of Total Revenue.....	11.58%	13.69%
Annual Service Fees.....	\$367,690	\$355,785
% of Total Revenue.....	80.33%	79.84%
Other Income.....	\$37,042	\$28,835
% of Total Revenue.....	8.09%	6.47%
<b>• EXPENSES</b>		
<u>OPERATIONS TOTAL</u> .....	\$369,132	\$360,999
Administrative and Legal.....	\$195,155	\$158,315
% of Operations Expenditures.....	52.87%	43.85%
Accounting and Technical.....	\$150,701	\$171,210
% of Operations Expenditures.....	40.83%	47.43%
All Other Operations Items.....	\$23,276	\$31,474
% of Operations Expenditures.....	6.30%	8.72%

SELECTED ACTIVITY MEASURES	FY 1996	FY 1995
• Total Number of Bond Issues.....	65	67
• Total Number of New Bond Issues.....	5	6
• Bonds Outstanding as of June 30 (in millions)	\$1,316	\$1,337

AGENCY DIRECTOR(S)
During Audit Period: Thomas P. Conley Currently: Thomas P. Conley

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**UNNECESSARY EXPENSES**

We questioned expenses paid by the Authority totaling \$403 for a memorial plaque commemorating services provided by the former principal of the Authority's contract accountants. These expenses did not appear to be necessary. Fees paid for the contractual services provided by the accountants totaled \$150,701 during fiscal year 1996.

**Questionable expenses  
incurred by the Authority**

We consider these expenses to be questionable, and we reported a similar finding in Fiscal Year 1995 for expenses of approximately \$200 for a leather briefcase for an Authority board member. (Finding 1, page 8)

Authority management disagreed with our finding and our recommendation to establish guidelines and controls to insure expenses are necessary for operating the Authority. They stated that such memorials are viewed as an ordinary expense of any business, whether it is for profit, nonprofit or governmental, and such expressions are reasonable and necessary to say thank you when a job is done well.

**OTHER FINDINGS**

There were no other findings in our audit report.

**AUDITORS' OPINION**

Our auditors state that the June 30, 1996 financial statements of the Illinois Educational Facilities Authority are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Berg, DeMarco, Lewis, Sawatski & Co. were our Special Assistant Auditors for this audit.

