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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

REPORT DIGEST

**ILLINOIS HEALTH FACILITIES AUTHORITY
FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1993**

SYNOPSIS

- In some instances, the Authority did not obtain written contracts for professional services. Certain bond consulting and legal services agreements totalling \$1,337,112 were not reduced to writing and filed with the State Comptroller as required.

ILLINOIS HEALTH FACILITIES AUTHORITY
COMPLIANCE AUDIT
For The Year Ended June 30, 1993

REVENUE AND EXPENSES STATISTICS	FY 1993	FY 1992	FY 1991
● Total Operating Fund Revenue	\$3,555,517	\$3,233,709	\$3,784,176
<u>OPERATIONS TOTAL</u>	\$3,555,517	\$3,233,709	\$3,784,176
% of Total Revenues	100%	100%	100%
Application Fee	\$1,328,332	\$984,877	\$814,035
% of Total Revenue	37.4%	30.5%	21.5%
Annual Fees	\$1,909,935	\$1,796,510	\$1,631,751
% of Total Revenue	53.7%	55.6%	43.1%
Other Income	\$317,250	\$452,322	\$1,338,390
% of Total Revenue	8.9%	13.9%	35.4%
● Total Expenses (All Funds)	\$2,993,600	\$3,083,481	\$2,176,712
<u>OPERATIONS TOTAL</u>	\$2,993,600	\$3,083,481	\$2,176,712
% of Total Operations	100%	100%	100%
Salaries and Benefits	\$273,807	\$286,577	\$288,000
% of Operations Expenditures	9.1%	9.3%	13.2%
Average No. of Employees	5	6	6
Contractual Services	\$1,686,907	\$1,714,923	\$1,477,719
% of Operations Expenditures	56.4%	55.6%	67.9%
All Other Operations Items	\$1,032,886	\$1,081,981	\$401,993
% of Operations Expenditures	34.5%	35.1%	18.9%
<u>GRANTS TOTAL</u>			
% of Total Expenditures	- 0 -	- 0 -	- 0 -
● Cost of Property and Equipment	\$213,036	\$212,766	\$150,670

SELECTED ACTIVITY MEASURES	FY 1993	FY 1992	FY 1991
● Total Number of Bond Issues	254	223	202
● Total Number of New Bond Issues	31	21	25
● Total Bond Issue Value (in millions)	\$6,100	\$5,521	\$4,511

AGENCY DIRECTOR(S)
During Audit Period: Mary McInerney Currently: Mary McInerney

INTRODUCTION

This report covers our compliance audit of the Illinois Health Facilities Authority for the year ended June 30, 1993 and Authority's annual report that includes our examination of the financial statements for the year ended June 30, 1993.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

CONTRACTS NOT FILED

In some instances, the Authority did not obtain contracts for professional services.

There were no written contracts for certain bond consulting and legal services expenditures that amounted to \$1,337,112. Authority personnel were not aware of the requirement to reduce professional services contracts to writing and to file them with the State Comptroller. (Finding 1, page 6)

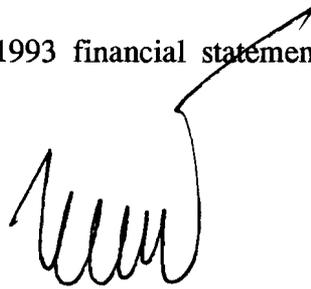
The Authority agreed with our recommendation to prepare written contracts in compliance with the State Purchasing Act. The Authority also agreed to file all required contracts with the State Comptroller.

OTHER FINDINGS

The other findings are less significant and have been given appropriate attention by the Authority. We will review the Authority's progress towards the implementation of our recommendations in our next audit. Responses to our findings and recommendations were provided by Mary McInerney, Executive Director.

AUDITORS' OPINION

Our auditors state that the June 30, 1993 financial statements of the Illinois Health Facilities Authority are fairly presented.



WILLIAM G. HOLLAND, Auditor General

WGH:WLB:dh
April 14, 1994

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	1
Repeated audit findings	0	1
Prior recommendations implemented or not repeated	1	3

SPECIAL ASSISTANT AUDITORS

Berg, DeMarco, Lewis, Sawatski & Co., were our special assistant auditors for this audit.