



STATE OF ILLINOIS  
**OFFICE OF THE  
AUDITOR GENERAL**

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**OFFICE OF THE COMPTROLLER**  
**FISCAL OFFICER RESPONSIBILITIES**

**Financial Audit and Compliance Examination  
For the Year Ended: June 30, 2013**

**Release Date: December 19, 2013**

**Summary of Findings:**

<b>Total this report</b>	<b>1</b>
<b>Total last report</b>	<b>1</b>
<b>Repeated from last report:</b>	<b>1</b>

**INTRODUCTION**

This digest covers our financial audit and compliance examination of the State of Illinois Office of the Comptroller – Fiscal Officer Responsibilities for the year ended June 30, 2013.

**SYNOPSIS**

- The State of Illinois Office of the Comptroller did not make all statutorily mandated transfers from the General Revenue Fund within established timeframes, as required.

{Financial data is summarized on the reverse page.}

**OFFICE OF THE STATE COMPTROLLER - STATE OF ILLINOIS**  
**FISCAL OFFICER RESPONSIBILITIES**  
**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION**  
**For The Year Ended June 30, 2013**

FUND BALANCE (Amounts in Thousands)	Fiscal Year 2013		Fiscal Year 2012	
	Cash Balance	Budgetary Balances*	Cash Balance	Budgetary Balances*
<b>Appropriated Funds</b>				
General Funds.....	\$ 154,038	\$ (3,988,362)	\$ 40,012	\$ (4,983,738)
Highway Funds.....	1,171,801	1,032,704	1,110,922	943,838
Special State Funds.....	3,671,234	2,464,433	2,918,254	2,416,599
Bond Financed Funds.....	855,804	842,556	1,460,384	1,459,609
Debt Service Funds.....	1,507,743	1,472,564	1,321,522	1,321,522
Federal Trust Funds.....	281,008	(358,896)	289,615	(342,777)
Revolving Funds.....	98,952	34,001	69,747	74,467
State Trust Funds.....	505,364	402,437	499,419	409,043
<b>Sub-Total.....</b>	<b>\$ 8,245,944</b>	<b>\$ 1,901,437</b>	<b>\$ 7,709,875</b>	<b>\$ 1,298,563</b>
<b>Non-Appropriated Funds</b>				
Federal Trust Funds.....	\$ 8,625	\$ 822	\$ 6,517	\$ (10,011)
State Trust Funds.....	1,844,785	1,813,078	1,807,750	1,769,079
<b>Sub-Total.....</b>	<b>\$ 1,853,410</b>	<b>\$ 1,813,900</b>	<b>\$ 1,814,267</b>	<b>\$ 1,759,068</b>
<b>GRAND TOTAL - ALL FUNDS.....</b>	<b>\$ 10,099,354</b>	<b>\$ 3,715,337</b>	<b>\$ 9,524,142</b>	<b>\$ 3,057,631</b>

\* Budgetary Balances represent balances remaining after reduction of Cash Balances at June 30 by lapse period transactions.

FINANCIAL HIGHLIGHTS (Amounts in Thousands)	FY 2013	FY 2012
Total Revenues - All Funds.....	\$ 126,796,450	\$ 119,313,746
Total Expenditures - All Funds.....	126,138,747	118,577,786
Net Change in Budgetary Fund Balance - All Funds.....	<u>\$ 657,703</u>	<u>\$ 735,960</u>

FINANCIAL HIGHLIGHTS (Not Examined)	FY 2012	FY 2011
<b>Interest Paid on Late Vendor Payments</b>		
Department of Healthcare and Family Services.....	\$ 184,958,711	\$ 80,711,836
Department of Central Management Services.....	47,614,349	177,134
Department of Aging.....	2,823,964	2,025
Department of Human Services.....	2,096,932	292,642
All Other.....	2,360,839	5,135,191
<b>Total Interest Paid.....</b>	<b>\$ 239,854,795</b>	<b>\$ 86,318,828</b>

**STATE COMPTROLLER**

During Engagement Period: Honorable Judy Baar Topinka

Currently: Honorable Judy Baar Topinka

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**LATE PAYMENT OF STATUTORILY MANDATED  
TRANSFERS**

The Office of the Comptroller did not make all transfers from the General Revenue Fund within the established timeframes, as required.

**Late payments made for inter-fund transfers totaling \$616 million in FY13**

The Office of the Comptroller processed transfers from 33 to 416 days after the mandated transfer date for a total of \$616 million in FY13. Failure to make inter-fund transfers within applicable timeframes is in noncompliance with State law and might result in delayed use of appropriated funds.

**Late payments due to cash management decisions**

Comptroller officials stated the late payment of transfers occurred because of cash management decisions and prioritization due to the lack of available cash in the State Treasury. Further, some statutory provisions relating to transfers contain language such as “as soon as possible.” (Finding 1, pages 9-10) **This finding was first reported in 2009.**

We recommended the Comptroller make transfers within timeframes established by applicable statute. While we realize that lack of available funds in the State Treasury requires prioritization and cash management decisions, we also recommended the Comptroller continue in its efforts to make transfers in as timely manner as possible.

**Office accepts the recommendation**

Comptroller officials accepted the recommendation and stated taking into account the financial condition of State funds, they will continue to make transfers in the timeliest manner possible. (For previous response, see Digest Footnote #1)

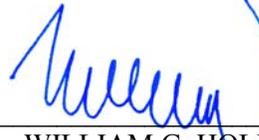
**AUDITORS’ OPINION**

We conducted a compliance examination of the Comptroller's Fiscal Officer Responsibilities for the year ended June 30, 2013 as required by the Illinois State Auditing Act.

Our auditors stated the fund balances at June 30, 2013, and the revenues and expenditures for the year then ended relating to the State of Illinois, Office of the Comptroller - Fiscal Officer Responsibilities’ Traditional Budgetary Financial Report, are fairly presented in all material respects. The auditors noted the financial statements have been prepared on a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**General Fund Budgetary Balance  
deficit of \$3.99 billion at June 30,  
2013**

The budgetary basis deficit of the General Funds decreased by \$995 million during the fiscal year ended June 30, 2013. At June 30, 2013, the budgetary basis fund balance of the General Funds was a deficit of \$3,988,362,228.



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WILLIAM G. HOLLAND  
Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Sikich LLP were our Special Assistant Auditors for this engagement.

**DIGEST FOOTNOTES**

**#1 - LATE PAYMENT OF STATUTORILY MANDATED  
TRANSFERS**

2012: Comptroller officials accepted the recommendation and stated taking into account the financial condition of State funds the Office would continue its efforts to make transfers in the timeliest manner possible.