



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE COMPTROLLER  
 FISCAL OFFICER RESPONSIBILITIES**

**Financial Audit  
 For the Year Ended June 30, 2020**

**Release Date: December 22, 2020**

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2009	<b>20-1</b>		
<b>Category 2:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>Category 3:</b>	<u><b>0</b></u>	<u><b>1</b></u>	<u><b>0</b></u>				
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 1</b>							

**INTRODUCTION**

This digest covers the Office of the Comptroller’s Fiscal Officer’s Financial Audit as of and for the year ended June 30, 2020. The Office of the Comptroller Fiscal Officer Compliance Examination as of and for the year ended June 30, 2020 will be issued in a separate report at a later date.

**SYNOPSIS**

- (20-1) The Office of the Comptroller did not make all statutorily mandated transfers between State funds within established timeframes, as required.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**OFFICE OF THE STATE COMPTROLLER - STATE OF ILLINOIS**  
**FISCAL OFFICER RESPONSIBILITIES**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2020**

<b>FUND BALANCE (Amounts in Thousands)</b>	<b>Fiscal Year 2020</b>		<b>Fiscal Year 2019</b>	
	<b>Cash Balance</b>	<b>Budgetary Balances*</b>	<b>Cash Balance</b>	<b>Budgetary Balances*</b>
<b>Appropriated Funds</b>				
General Funds.....	\$ 531,393	\$ (5,751,487)	\$ 465,639	\$ (5,713,124)
Highway Funds.....	1,271,779	1,111,595	1,227,896	1,091,895
Special State Funds.....	3,288,975	1,340,177	4,258,889	1,686,438
Bond Financed Funds.....	1,642,032	1,569,507	1,329,947	1,291,496
Debt Service Funds.....	1,441,692	2,041,427	1,517,541	1,912,164
Federal Trust Funds.....	3,188,386	2,319,467	463,102	(150,513)
Revolving Funds.....	40,362	14,952	62,347	84,826
State Trust Funds.....	880,118	583,410	586,142	572,221
<b>Sub-Total.....</b>	<b>\$ 12,284,737</b>	<b>\$ 3,229,048</b>	<b>\$ 9,911,503</b>	<b>\$ 775,403</b>
<b>Non-Appropriated Funds</b>				
Federal Trust Funds.....	\$ 653	\$ 442	\$ 640	\$ 280
State Trust Funds.....	2,463,949	2,711,242	2,526,434	2,512,645
<b>Sub-Total.....</b>	<b>\$ 2,464,602</b>	<b>\$ 2,711,684</b>	<b>\$ 2,527,074</b>	<b>\$ 2,512,925</b>
<b>GRAND TOTAL - ALL FUNDS.....</b>	<b>\$ 14,749,339</b>	<b>\$ 5,940,732</b>	<b>\$ 12,438,577</b>	<b>\$ 3,288,328</b>

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

<b>FINANCIAL HIGHLIGHTS (Amounts in Thousands)</b>	<b>FY 2020</b>	<b>FY 2019</b>
Total Revenues - All Funds.....	\$ 179,057,506	\$ 163,642,058
Total Expenditures - All Funds.....	176,405,102	163,250,662
Net Change in Budgetary Fund Balance - All Funds.....	<u>\$ 2,652,404</u>	<u>\$ 391,396</u>

**STATE COMPTROLLER**

During Engagement Period: Honorable Susana Mendoza

Currently: Honorable Susana Mendoza

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

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

The Office of the Comptroller (Office) did not make all statutorily mandated transfers between State funds within established timeframes, as required.

**Late payments made for inter-fund transfers totaling \$999.4 million were made after June 30, 2020**

The Office processed transfers from 31 to 443 days after the mandated transfer date. The late transfers outstanding as of and paid after June 30, 2020 totaled \$999.4 million. The Office also made 203 late transfers, totaling \$1.54 billion, between State funds that were made between one and 30 days after the statutorily mandated transfer date. Lastly, we noted 330 late transfers, totaling \$2.209.1 billion, which were still outstanding as of November 13, 2020, relating to fiscal year 2019, fiscal year 2018, and fiscal year 2017. (Finding 1, pages 56-57) **This finding was first reported in 2009.**

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

**Office accepts the recommendation**

Office officials accepted the recommendation and stated on December 10, 2020, the State had a backlog of \$7.8 billion in unpaid bills and \$1.43 billion owed in fiscal year 2021 for short term borrowing. Unfortunately, due to these continued fiscal constraints, the timely transfer of funds will not be able to be made before prioritized payments and debt payments.

### AUDITOR'S OPINION

The auditors stated the fund balances at June 30, 2020, 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.

The budgetary basis deficit of the General Funds decreased by \$38 million during the fiscal year ended June 30, 2020. At June 30, 2020, the budgetary basis fund balance of the General Funds was a deficit of \$5.751 billion.

This financial audit was conducted by Sikich LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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