



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS FINANCE AUTHORITY

**Financial Audit
 For the Year Ended June 30, 2023**

Release Date: February 6, 2024

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	0	0	0				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

INTRODUCTION

This digest covers the Illinois State Finance Authority’s (Authority) Financial Audit as of and for the year ended June 30, 2023. The Authority’s Compliance Examination covering the two years ended June 30, 2023 will be issued in a separate report at a later date.

SYNOPSIS

- **(23-1)** The Authority experienced a network security incident that involved an unauthorized party gaining access to the Authority’s network environment.

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.

ILLINOIS FINANCE AUTHORITY
FINANCIAL AUDIT
For the Year Ended June 30, 2023

STATEMENT OF NET POSITION	2023	2022
Assets		
Cash and cash equivalents.....	\$ 1,789,112	\$ 3,555,724
Investments.....	50,205,000	43,244,649
Receivables.....	15,723,711	15,705,370
Restricted cash and cash equivalents.....	436,459,068	531,612,356
Restricted investments.....	222,047,924	155,720,324
Restricted receivables.....	1,284,466,031	1,398,644,895
Other.....	3,676,665	4,613,938
Total Assets.....	2,014,367,511	2,153,097,256
Liabilities		
Accounts payable and accrued liabilities.....	39,561,683	41,634,855
Bonds payable and Unamortized Bond Premium.....	1,841,567,222	1,983,641,154
Other.....	6,895,531	3,988,733
Total Liabilities.....	1,888,024,436	2,029,264,742
Net Position		
Net investment in capital assets.....	32,157	50,715
Restricted.....	62,418,347	60,786,953
Unrestricted.....	63,892,571	62,994,846
Total.....	\$ 126,343,075	\$ 123,832,514
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2023	2022
Revenues		
Interest on loans.....	\$ 21,252,413	\$ 44,198,919
Interest and investment income.....	24,799,428	674,690
Administrative service fees.....	191,000	205,650
Other.....	2,282,824	2,415,325
Total Revenues.....	48,525,665	47,494,584
Expenses		
Interest expense.....	42,213,051	44,362,616
Employee-related expenses.....	1,722,345	1,881,522
Professional services.....	1,361,115	1,035,814
Other.....	718,593	589,958
Total Expenses.....	46,015,104	47,869,910
Change in net position.....	\$ 2,510,561	\$ (375,326)
EXECUTIVE DIRECTOR		
During Audit Period and Current: Mr. Christopher B. Meister		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**CYBERSECURITY INCIDENT INVOLVING
UNAUTHORIZED ACCESS**

Unauthorized Access

The Illinois Finance Authority (Authority) experienced a network security incident that involved an unauthorized party gaining access to the Authority’s network environment.

On or about November 6, 2023, the Authority experienced a network security incident that involved an unauthorized party gaining access to the Authority’s network environment. Upon detecting the incident, the Authority disabled all access to the network and engaged a specialized third-party forensic incident response firm to assist with securely restoring the network environment and investigating the extent of unauthorized activity. As of the date of the report, the investigation is ongoing.

The incident, which involved unauthorized access to the Authority’s environment, resulted in the loss of data. (Finding 1, page 72)

We recommended the Authority to continue to investigate the incident to determine the root cause.

Authority accepted the finding

The Authority accepted the finding.

AUDITOR’S OPINIONS

The auditors stated the financial statements of the Authority as of and for the year ended June 30, 2023 are fairly stated in all material respects.

This financial audit was conducted by RSM US LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:TLK