



STATE OF ILLINOIS
 OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS POWER AGENCY
NONSHARED GOVERNMENTAL FUNDS

Financial Audit
For the Year Ended June 30, 2017

Release Date: February 14, 2018

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	
Category 1:	1	0	1	No Repeat Findings
Category 2:	0	0	0	
Category 3:	0	0	0	
TOTAL	1	0	1	
FINDINGS LAST AUDIT: 0				

INTRODUCTION

The Agency’s mission is (1) to oversee the electricity planning and procurement processes to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest cost over time for the residential and small commercial customers of Commonwealth Edison, the Ameren Illinois Company, and the MidAmerican Energy Company and (2) to procure renewable energy using the resources of the Illinois Power Agency Renewable Energy Resources Fund.

This digest covers the financial audit of the Agency’s nonshared governmental funds as of and for the year ended June 30, 2017. Our next engagement will include a financial audit of the Agency’s nonshared governmental funds as of and for the year ended June 30, 2018 and a State Compliance Examination of the entire Agency for the two years ending June 30, 2018.

SYNOPSIS

- (17-01) The Agency did not report contractual commitments to the Office of the State Comptroller.

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.

{Financial information is summarized on next page.}

**ILLINOIS POWER AGENCY
FINANCIAL AUDIT
For the Year Ended June 30, 2017**

NONSHARED GOVERNMENTAL FUNDS (in thousands)	2017	2016
Illinois Power Agency Operations Fund		
Revenues.....	\$ 2,107	\$ 1,337
Expenditures.....	2,906	2,612
Other sources(uses) of financial resources.....	-	-
Net change in fund balance.....	<u>\$ (799)</u>	<u>\$ (1,275)</u>
Assets.....	\$ 5,324	\$ 7,705
Liabilities and deferred inflows of resources.....	718	2,300
Committed fund balance.....	<u>\$ 4,606</u>	<u>\$ 5,405</u>
Illinois Power Agency Renewable Energy Resources Fund		
Revenues.....	\$ 40,928	\$ 48,585
Expenditures.....	1,915	814
Other sources(uses) of financial resources.....	(12,000)	-
Net change in fund balance.....	<u>\$ 27,013</u>	<u>\$ 47,771</u>
Assets.....	\$ 174,472	\$ 189,290
Liabilities and deferred inflows of resources.....	1,206	43,037
Committed fund balance.....	<u>\$ 173,266</u>	<u>\$ 146,253</u>
Illinois Power Agency Trust Fund		
Revenues.....	\$ 4,060	\$ (281)
Expenditures.....	-	-
Other sources(uses) of financial resources.....	-	-
Net change in fund balance.....	<u>\$ 4,060</u>	<u>\$ (281)</u>
Assets.....	\$ 36,893	\$ 32,833
Liabilities and deferred inflows of resources.....	-	-
Nonspendable fund balance.....	<u>\$ 36,893</u>	<u>\$ 32,833</u>

AGENCY DIRECTOR
During Examination Period: Anthony Star
Currently: Anthony Star

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FAILURE TO REPORT CONTRACTUAL
COMMITMENTS**

The Illinois Power Agency (Agency) did not report contractual commitments to the Office of the State Comptroller (Comptroller).

\$25.464 million in commitments to purchase Renewable Energy Credits not reported to the Comptroller

During testing, we noted the Agency did not report contractual commitments, totaling \$25.464 million, for the purchase of Renewable Energy Credits in future years to the Comptroller. While this commitment was not included on the Agency's annual Form SCO-599 used by the Comptroller to prepare the State's Comprehensive Annual Financial Report, this commitment was properly included as a note disclosure within the Agency's financial statements. (Finding 1, pages 23-24)

We recommended the Agency ensure its contractual commitments are reported to the Comptroller on the Form SCO-599 during the State's financial reporting process.

Agency officials agree

Agency officials agreed with our recommendation.

AUDITOR'S OPINIONS

The auditors stated the financial statements of the Illinois Power Agency Operations Fund, the Illinois Power Agency Renewable Energy Resources Fund, and the Illinois Power Agency Trust Fund as of and for the year ended June 30, 2017, are fairly stated in all material respects.

This financial audit was conducted by the Office of the Auditor General's staff.

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

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