

ILES PARK PLAZA
740 EAST ASH
SPRINGFIELD, ILLINOIS 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222
TDD: 217/524-4646



100 WEST RANDOLPH STREET
SUITE 4-100
CHICAGO, ILLINOIS 60601-3219
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

5-94-51400-10

REPORT DIGEST

**ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1994**

SYNOPSIS

- The Authority failed to obtain sufficient collateralization for certain deposits which exceeded the F.D.I.C. limit. This condition has existed since 1991.

{Expenditures and Activity Measures are summarized on the reverse page.}

INTERNET ADDRESS: AUDITOR.GENERAL@ACCESSIL.COM

RECYCLED PAPER • SOYBEAN INKS

**ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
COMPLIANCE AUDIT
For The Two Years Ended June 30, 1994**

EXPENSE AND REVENUE STATISTICS	FY 1994	FY 1993	FY 1992
● Total Expenses (All Funds)	\$66,564,346	\$67,134,742	\$70,672,762
<u>OPERATIONS TOTAL</u> (General Fund)	\$374,932	\$379,652	\$352,186
% of Total Expenses	0.6%	0.6%	0.5%
Administrative and Legal	\$161,382	\$166,010	\$157,015
% of Operations Expenditures	43.0%	43.7%	44.6%
Accounting and Technical	\$173,559	\$175,739	\$161,549
% of Operations Expenses	46.3%	46.3%	45.9%
Legislative Consultant			
Contractual Services	\$30,000	\$33,500	\$25,000
% of Operations Expenditures	8.0%	8.8%	7.1%
All Other Operations Items	\$10,011	\$4,403	\$8,622
% of Operations Expenses	2.7%	1.2%	2.4%
<u>INTEREST EXPENSE</u> (Revenue Bond Fund)	\$66,189,414	\$66,755,090	\$70,320,576
% of Total Expenses	99.4%	99.4%	99.5%
● Total Revenue (All Funds)	\$66,621,362	\$67,005,111	\$70,555,085

SELECTED ACTIVITY MEASURES	FY 1994	FY 1993	FY 1992
● Total Bond Issues Outstanding	66	74	69
● Total Number of New Bond Issues	8	8	7
● Total Bond Issue Value (in millions)	\$1,320	\$1,356	\$1,272

AGENCY DIRECTOR(S)
During Audit Period: Thomas Conley Currently: Thomas Conley

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INSUFFICIENT COLLATERALIZATION

The Authority failed to obtain sufficient collateralization for cash deposits as required by statute. Cash held in the Authority's bank accounts exceeded the F.D.I.C. limit of \$100,000 by amounts ranging from \$2,609 to \$17,271. **This finding has been repeated since 1991.**

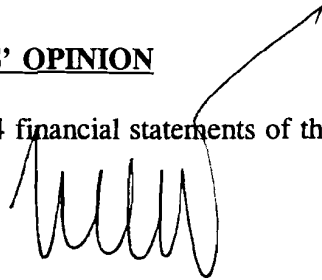
The Authority agreed with our recommendation to institute procedures to ensure that bank balances do not exceed the \$100,000 F.D.I.C. limit. The Authority believes it has reduced the potential for similar occurrences in the future. (For previous Authority responses, see Digest Footnote 1.)

OTHER FINDING

The remaining finding is less significant and has been given appropriate attention by the Authority. We will review the Authority's progress towards the implementation of our recommendation in our next audit.

AUDITORS' OPINION

Our auditors state that the June 30, 1994 financial statements of the Illinois Educational Facilities Authority are fairly presented.



WILLIAM G. HOLLAND, Auditor General

WGH:ROQ
March 7, 1995

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	2	1
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	0	2

SPECIAL ASSISTANT AUDITORS

Pandolfi, Topolski, Weiss & Co., Ltd. were our special assistant auditors for this audit.

DIGEST FOOTNOTES

#1: INSUFFICIENT COLLATERALIZATION - Previous Authority Responses

- 1993: "The Authority has opened a money market checking account and will maintain less than \$100,000 in its various bank accounts at all times."
- 1992: "The Authority will maintain minimum cash balances in those banks it utilizes for its expense paying."
- 1991: "The Authority will maintain minimum cash balances in those banks it utilizes for its expense paying."