



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, 2011**

**Release Date: April 26, 2012**

**Summary of Findings:**

<b>Total this report</b>	<b>1</b>
<b>Total last report</b>	<b>4</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, 2011.

**SYNOPSIS**

- The State of Illinois Office of the Comptroller (Office) 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, 2011**

FUND BALANCE (Amounts in Thousands)	Fiscal Year 2011		Fiscal Year 2010	
	Cash Balance	Budgetary Balances*	Cash Balance	Budgetary Balances*
<b>Appropriated Funds</b>				
General Funds.....	\$ 469,169	\$ (4,507,412)	\$ 129,866	\$ (6,094,102)
Highway Funds.....	999,175	910,825	805,153	685,738
Special State Funds.....	2,253,787	1,949,261	2,028,878	1,442,062
Bond Financed Funds.....	1,449,293	1,448,293	2,226,200	2,225,894
Debt Service Funds.....	1,307,792	1,132,599	919,732	919,732
Federal Trust Funds.....	204,120	(494,467)	232,733	(369,918)
Revolving Funds.....	40,965	(29,576)	41,499	(70,500)
State Trust Funds.....	<u>341,919</u>	<u>265,939</u>	<u>353,807</u>	<u>284,865</u>
<b>Sub-Total.....</b>	<b>\$ 7,066,220</b>	<b>\$ 675,462</b>	<b>\$ 6,737,868</b>	<b>\$ (976,229)</b>
<b>Non-Appropriated Funds</b>				
Federal Trust Funds.....	\$ 983	\$ 362	\$ 235	\$ (29)
State Trust Funds.....	<u>1,646,891</u>	<u>1,645,850</u>	<u>1,527,237</u>	<u>1,440,016</u>
<b>Sub-Total.....</b>	<b>\$ 1,647,874</b>	<b>\$ 1,646,212</b>	<b>\$ 1,527,472</b>	<b>\$ 1,439,987</b>
<b>GRAND TOTAL - ALL FUNDS.....</b>	<b>\$ 8,714,094</b>	<b>\$ 2,321,674</b>	<b>\$ 8,265,340</b>	<b>\$ 463,758</b>

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

FINANCIAL HIGHLIGHTS (Amounts in Thousands)	FY 2011	FY 2010
Total Revenues - All Funds.....	\$ 118,084,329	\$ 111,097,775
Total Expenditures - All Funds.....	<u>116,226,413</u>	<u>112,371,059</u>
Net Change in Budgetary Fund Balance - All Funds	\$ 1,857,916	\$ (1,273,284)

FINANCIAL HIGHLIGHTS (Not Examined)	FY 2011	FY 2010
<b>Interest Paid on Late Vendor Payments</b>		
Department of Human Services.....	\$ 16,949,356	\$ 12,089,244
Department of Healthcare and Family Services.....	14,340,334	\$ 32,937,309
Department of Aging.....	10,569,546	944,837
Department of Corrections.....	5,044,351	6,569,137
Department of Central Management Services.....	1,811,491	3,238,666
Court of Claims.....	829,581	278,170
State Board of Education.....	582,443	1,922,931
All Other.....	<u>2,388,994</u>	<u>4,352,413</u>
<b>Total Interest Paid.....</b>	<b>\$ 52,516,096</b>	<b>\$ 62,332,707</b>

**STATE COMPTROLLER**

During Engagement Period: Honorable Judy Baar Topinka beginning 1/10/11, Honorable Daniel W. Hynes until 1/9/11

Currently: Honorable Judy Baar Topinka

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**LATE PAYMENT OF STATUTORILY MANDATED  
TRANSFERS**

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

**Late payments made for inter-  
fund transfers totaling \$2.48  
billion in FY11**

The IOC processed transfers from 31 to 454 days after the mandated transfer date for a total of \$2.48 billion in FY11. 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**

Office 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 practicable.” (Finding No. 11-1, page 10-11) **This finding was first reported in 2009.**

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

**AUDITORS’ OPINION**

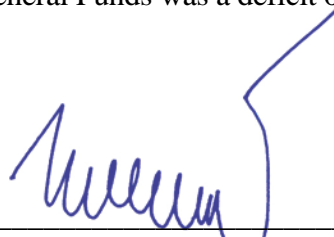
We conducted a compliance examination of the Comptroller's Fiscal Officer Responsibilities for the year ended June 30, 2011 as required by the Illinois State Auditing Act.

Our auditors stated the fund balances at June 30, 2011, 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 Revenue Budgetary  
Fund balance increased \$1.6  
billion**

**General Revenue Fund  
Budgetary Balance deficit of \$4.5  
billion at June 30, 2011**

The budgetary basis fund balance of the General Funds increased by \$1,586,691,037 during the fiscal year ended June 30, 2011. At June 30, 2011, the budgetary basis fund balance of the General Funds was a deficit of \$4,507,411,953.



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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**

2010: Office officials concurred with the recommendation and stated they would continue efforts to make transfers in as timely manner as possible.