



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS GRAIN INSURANCE CORPORATION

**Financial Audit
 For the Two Years Ended June 30, 2021**

Release Date: June 16, 2022

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2005	21-01		
Category 2:				
Category 3:				
TOTAL				

	New	Repeat	Total
Category 1:	0	1	1
Category 2:	0	0	0
Category 3:	0	0	0
TOTAL	0	1	1

FINDINGS LAST AUDIT: 2

This digest covers the Illinois Grain Insurance Corporation’s (Corporation) Financial Audit as of and for the two years ended June 30, 2021. A separate digest covers the Corporation’s State Compliance Examination for the two years ended June 30, 2021.

SYNOPSIS

- **(21-01)** The Corporation did not fund the \$2,000,000 Grain Insurance Reserve Fund as required by the Grain Code.

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 GRAIN INSURANCE CORPORATION

FINANCIAL AUDIT

For the Two Years Ended June 30, 2021

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2021	2020	2019
Operating Revenues:			
Charges for Services.....	\$ 148,000	\$ 101,000	\$ 191,000
Operating Expenses:			
Environmental and Business Regulation.....	17,000	90,000	15,000
Operating Income (Loss).....	<u>131,000</u>	<u>11,000</u>	<u>176,000</u>
Nonoperating Revenues:			
On Behalf Contributions.....	17,000	16,000	15,000
Recovery on Claims Paid.....	21,000	11,000	9,000
Refund from Grain Indemnity Trust Fund.....	24,000	-	-
Interest and Investment Income.....	8,000	134,000	187,000
Total Nonoperating Revenues.....	<u>70,000</u>	<u>161,000</u>	<u>211,000</u>
Change in Fund Net Position.....	201,000	172,000	387,000
New Position, Beginning of the Year.....	<u>8,593,000</u>	<u>8,421,000</u>	<u>8,034,000</u>
Net Position, End of the Year.....	<u>\$ 8,794,000</u>	<u>\$ 8,593,000</u>	<u>\$ 8,421,000</u>

STATEMENT OF NET POSITION	2021	2020	2019
Cash and Cash Equivalents.....	\$ 8,793,000	\$ 8,951,000	\$ 8,417,000
Other Receivables.....	1,000	2,000	4,000
Total Assets.....	<u>8,794,000</u>	<u>8,953,000</u>	<u>8,421,000</u>
Net Position.....	<u>\$ 8,794,000</u>	<u>\$ 8,953,000</u>	<u>\$ 8,421,000</u>

CHAIR OF THE CORPORATION'S BOARD OF DIRECTORS

During Audit Period: John Sullivan (7-1-19 to 1-13-20), Jeremy Flynn, Acting (1-14-20 to 3-1-20),
Jerry Costello II, Acting (3-2-20 to 4-19-20), Jerry Costello II (effective 4-20-20)

Currently: Jerry Costello II

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

GRAIN INSURANCE RESERVE FUND NOT FUNDED

The Illinois Grain Insurance Corporation (Corporation) did not fund the \$2,000,000 Grain Insurance Reserve Fund as required by the Grain Code.

Corporation failed to establish Grain Insurance Reserve Fund

On April 5, 2005, the Corporation remitted the \$4,000,000 balance due the General Revenue Fund that was borrowed prior to June 30, 2003. The Corporation has not yet established the \$2,000,000 Grain Insurance Reserve Fund as required by the Grain Code after repayment of funds owed the General Revenue Fund. (Finding 1, page 19). **This finding has been repeated since 2005.**

We recommended the Corporation comply with the law by working with the Office of Management and Budget to obtain the necessary appropriation to fund the Grain Insurance Reserve Fund or continue to seek legislative relief from the statutory requirement.

Corporation officials accepted the finding and stated it has requested \$2 million appropriations from the Office of Management and Budget to fund the Grain Insurance Reserve Fund for Fiscal Year 2022 and Fiscal Year 2023 and will continue to request appropriations for future Fiscal Years.

Corporation accepted the finding

AUDITOR'S OPINION(S)

The auditors stated the financial statements of the Corporation as of and for the years ended June 30, 2020, and June 30, 2021, are fairly stated in all material respects.

This financial audit was conducted by Adelfia LLC.

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:jv