



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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY**

**SPECIAL LIMITED SCOPE COMPLIANCE  
EXAMINATION**

**For the Two Years Ended: June 30, 2012**

**Release Date: August 6, 2013**

**Summary of Findings:**

<b>Total this audit:</b>	<b>1</b>
<b>Total last audit:</b>	<b>2</b>
<b>Repeated from last audit:</b>	<b>0</b>

**INTRODUCTION**

The Illinois General Assembly made appropriations to the Southwestern Illinois Development Authority (Authority) to replenish draws on the debt service reserve fund backing bonds issued on behalf of Waste Recovery – Illinois, Alton Center Business Park, and Laclede Steel – Illinois. In accordance with the Illinois State Auditing Act (30 ILCS 5/3-1(a)), our special limited scope compliance examination was limited to these State appropriations and related payments and to \$250,000 of State funds granted by the Department of Commerce and Economic Opportunity (DCEO) subject to a State appropriation to the Authority for the Mid-America Medical District Commission.

**SYNOPSIS**

- The Authority had inadequate controls over the calculation of accrued interest on the DCEO grant.

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

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER THE  
CALCULATION OF ACCRUED INTEREST**

**Accrued interest understated by  
\$1,612**

The Authority did not accurately calculate interest on funds held in trust on behalf of the Mid-America Medical District Commission. The amount of interest was understated by approximately \$1,612. The calculation was necessary due to the commingling of funds in the account. As a result, the Authority failed to return the unspent interest to DCEO at the end of the grant period. (Finding 1, Pages 7-8)

The Authority stated the unspent accrued interest was not returned to DCEO due to employee oversight.

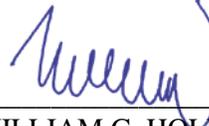
We recommended the Authority work to remit the proper amount of unspent grant funds, including interest earned, to DCEO. We also recommended the Authority discontinue the commingling of grant funds.

**Authority agrees with auditors**

Authority management agreed with the finding and recommendation.

**AUDITORS' OPINION**

We conducted a special limited scope compliance examination of appropriations made by the General Assembly to the Authority and related expenditures and the grant received from the Illinois Department of Commerce and Economic Opportunity subject to a State appropriation to the Authority for the Mid-America Medical District Commission as authorized by the Illinois State Auditing Act.



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WILLIAM G. HOLLAND  
Auditor General

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**AUDITORS ASSIGNED**

This examination was performed by staff of the Office of the Auditor General.