



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ENVIRONMENTAL PROTECTION AGENCY

**Financial Audit
For the Year Ended June 30, 2018**

Release Date: December 19, 2018

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

INTRODUCTION

This digest covers the financial statement audit of the Water Revolving Fund of the Illinois Environmental Protection Agency (Agency) as of and for the year ended June 30, 2018. The Agency's Compliance Examination covering the two years ended June 30, 2018 will be issued in a separate report at a later date.

AUDITOR'S OPINION

The auditors stated the financial statements of the Agency's Water Revolving Fund as of and for the year ended June 30, 2018 are fairly stated in all material respects.

This financial audit was performed by E.C. Ortiz & Co. LLP.

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:PH

{Financial information is summarized on next page.}

**ENVIRONMENTAL PROTECTION AGENCY
FINANCIAL AUDIT - WATER REVOLVING FUND
For the Year Ended June 30, 2018**

STATEMENT OF NET POSITION (in thousands)	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents.....	\$ 139,331	\$ 73,515
Securities lending collateral equity with State Treasurer.....	52,399	25,530
Loans and notes receivable.....	75,686	66,193
Other receivables.....	15,433	11,104
Due from federal government.....	274	218
Due from other funds.....	278	-
Due from component unit.....	9,225	7,994
Restricted assets - accrued interest receivable.....	11,665	12,041
Restricted assets - loans receivable	164,223	149,347
Prepaid expenses	12	1
Total current assets.....	<u>468,526</u>	<u>345,943</u>
Noncurrent Assets		
Loans and notes receivable, net of current portion.....	1,358,165	997,477
Restricted assets - loans receivable.....	2,518,695	2,450,558
Capital assets, net of accumulated depreciation.....	14	7
Total noncurrent assets.....	<u>3,876,874</u>	<u>3,448,042</u>
Deferred Outflows of Resources		
Deferred amount of pension liability.....	10,901	17,354
Deferred amount on OPEB liability	827	-
Deferred amount on refunding of long-term obligation.....	318	530
Total deferred outflows of resources.....	<u>12,046</u>	<u>17,884</u>
Total Assets and Deferred Outflows of Resources.....	<u>4,357,446</u>	<u>3,811,869</u>
Liabilities		
Total Current liabilities.....	53,145	25,885
Total Noncurrent liabilities.....	1,041,443	612,818
Total Liabilities.....	<u>1,094,588</u>	<u>638,703</u>
Deferred Inflows of Resources		
Deferred amount on pension liability.....	9,949	6,539
Deferred amount on OPEB liability	12,671	-
Deferred amount on refunding of long-term obligation.....	52	121
Total deferred inflows of resources.....	<u>22,672</u>	<u>6,660</u>
Total Liabilities and Deferred Inflows of Resources.....	<u>1,117,260</u>	<u>645,363</u>
Net Position		
Net investment in capital assets.....	14	(2)
Restricted for:		
Debt Service.....	2,694,849	2,612,355
Other Purposes.....	623,062	646,106
Unrestricted.....	(77,739)	(41,494)
Total Net Position.....	<u>\$ 3,240,186</u>	<u>\$ 3,216,965</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (in thousands)	2018	2017
Operating Revenues.....	\$ 70,908	\$ 61,059
Operating Expenses.....	41,044	34,740
Operating Income.....	<u>29,864</u>	<u>26,319</u>
Nonoperating Revenues.....	65,061	131,126
Nonoperating Expenses.....	22,174	12,207
Change in Net Position.....	72,751	145,238
Net Position, Beginning of Year	3,167,435	3,071,727
Prior Period Adjustment.....	-	(49,530)
Net Position, End of Year.....	<u>\$ 3,240,186</u>	<u>\$ 3,167,435</u>

AGENCY DIRECTOR

During Engagement Period: Alec Messina
Currently: Alec Messina