

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

For the Two Years Ended June 30, 2019

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

TABLE OF CONTENTS

	<u>Page</u>	
Agency Officials	1	
Management Assertion Letter	2	
Compliance Report:		
Summary	4	
Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	5	
		<u>Schedule</u>
Supplementary Information for State Compliance Purposes:		<u>Page(s)</u>
Fiscal Schedules		
Schedule of Appropriations, Expenditures and Lapsed Balances Fiscal Year 2019	1	8
Schedule of Appropriations, Expenditures and Lapsed Balances Fiscal Year 2018	2	9
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3	10
Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Audit Expense Fund	4	11
Schedule of Changes in State Property	5	12
Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller	6	13
Analysis of Operations (Not Examined):		
Agency Functions and Planning Program (Not Examined)		14
Analysis of Significant Variations in Expenditures (Not Examined)		15
Analysis of Significant Variations in Receipts (Not Examined)		16
Analysis of Significant Lapse Period Spending (Not Examined)		17
Analysis of Accounts Receivable (Not Examined)		18
Average Number of Employees (Not Examined)		19
Annual Cost Statistics (Not Examined)		20

SPRINGFIELD OFFICE:

ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

MANAGEMENT ASSERTION LETTER

December 20, 2019

Estes, Bridgewater & Ogden
901 South 2nd Street
Springfield, Illinois 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Office of the Auditor General (Office). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Office has materially complied with the specified requirements listed below.

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Office of the Auditor General

Frank J. Mautino, Auditor General

Teresa L. Davis, Fiscal Officer

Rebecca Patton, Chief Legal Counsel

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

EXIT CONFERENCE

The Office waived an exit conference in communication dated December 20, 2019.

Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

901 South Second Street
Springfield, Illinois 62704
217/528-8473
Fax 217/528-8506



LORI K. MILOSEVICH, C.P.A., C.F.E.
TERRI L. PHELPS, C.P.A.
JAMES C. LEGG, C.P.A.
RICHARD W. OGDEN, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Legislative Audit Commission
State of Illinois
Springfield, Illinois

Compliance

We have examined compliance by the State of Illinois, Office of the Auditor General (Office) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2019. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

In our opinion, the Office complied with the specified requirements during the two years ended June 30, 2019, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

There were no immaterial findings that have been excluded from this report.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Office's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 6 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Office management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 6. We have not applied procedures to the accompanying supplementary information for the years ended June 30, 2017, in Schedules 3 through 6 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 6 or the Analysis of Operations Section.

Springfield, Illinois
December 20, 2019

SCHEDULE 1

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

Expenditure Authority for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

Public Act 100-0586 FISCAL YEAR 2019	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures October 31	Balances Lapsed October 31
		Expenditures Through June 30	Expenditures July 1 to October 31		
GENERAL REVENUE FUND - 001					
Personal Services	\$ 5,687,000	\$ 5,686,639	\$ -	\$ 5,686,639	\$ 361
State Contributions to Social Security	417,000	413,496	-	413,496	3,504
Contractual Services	607,000	594,029	5,119	599,148	7,852
Commodities	1,000	586	42	628	372
Printing	-	-	-	-	-
Equipment	9,500	2,672	3,028	5,700	3,800
Electronic Data Processing	27,000	26,169	286	26,455	545
Telecommunications	57,000	49,486	4,499	53,985	3,015
Operation of Automotive Equipment	1,500	384	46	430	1,070
Total General Revenue Fund	\$ 6,807,000	\$ 6,773,461	\$ 13,020	\$ 6,786,481	\$ 20,519
AUDIT EXPENSE FUND - 342					
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 28,540,611	\$ 18,094,439	\$ 6,494,852	\$ 24,589,291	\$ 3,951,320
Total Audit Expense Fund	\$ 28,540,611	\$ 18,094,439	\$ 6,494,852	\$ 24,589,291	\$ 3,951,320
GRAND TOTAL - ALL FUNDS	\$ 35,347,611	\$ 24,867,900	\$ 6,507,872	\$ 31,375,772	\$ 3,971,839

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the Auditor General's records and have been reconciled to the State Comptroller's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: Total expenditures include interest payments approved for payment by the Office of the Auditor General and submitted to the State Comptroller for payment.

SCHEDULE 2

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

Expenditure Authority for Fiscal Year 2018

For the Sixteen Months Ended October 31, 2018

Public Act 100-0021 FISCAL YEAR 2018	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed October 31
		Expenditures Through June 30	Expenditures July 1 to October 31		
GENERAL REVENUE FUND - 001					
Personal Services	\$ 5,677,350	\$ 5,677,048	\$ -	\$ 5,677,048	\$ 302
State Contributions to Social Security	416,000	413,357	-	413,357	2,643
Contractual Services	605,000	595,865	5,928	601,793	3,207
Commodities	1,250	1,137	33	1,170	80
Printing	4,400	4,355	-	4,355	45
Equipment	6,250	5,898	51	5,949	301
Electronic Data Processing	41,000	40,419	140	40,559	441
Telecommunications	53,250	48,354	4,501	52,855	395
Operation of Automotive Equipment	2,500	1,698	152	1,850	650
Total General Revenue Fund	\$ 6,807,000	\$ 6,788,131	\$ 10,805	\$ 6,798,936	\$ 8,064
AUDIT EXPENSE FUND - 342					
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 25,398,600	\$ 17,476,592	\$ 5,466,689	\$ 22,943,281	\$ 2,455,319
Total Audit Expense Fund	\$ 25,398,600	\$ 17,476,592	\$ 5,466,689	\$ 22,943,281	\$ 2,455,319
GRAND TOTAL - ALL FUNDS	\$ 32,205,600	\$ 24,264,723	\$ 5,477,494	\$ 29,742,217	\$ 2,463,383

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the Auditor General's records and have been reconciled to the State Comptroller's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: Total expenditures include interest payments approved for payment by the Office of the Auditor General and submitted to the State Comptroller for payment.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES**

SCHEDULE 3

For the Fiscal Years Ended June 30, 2019, 2018, and 2017

	2019	Fiscal Year 2018	2017
	Public Act 100-0586	Public Act 100-0021	Continuing Appropriation
APPROPRIATED FUNDS			
GENERAL REVENUE FUND - 001			
Appropriations (Net of Transfers)	\$ 6,807,000	\$ 6,807,000	\$ 6,807,000
Expenditures			
Personal Services	\$ 5,686,639	\$ 5,677,048	\$ 5,568,138
State Contributions to Social Security	413,496	413,357	403,372
Contractual Services	599,148	601,793	586,749
Commodities	628	1,170	1,869
Printing	-	4,355	1,800
Equipment	5,700	5,949	12,742
Electronic Data Processing	26,455	40,559	65,316
Telecommunications	53,985	52,855	52,904
Operation of Automotive Equipment	430	1,850	1,639
Total Expenditures	<u>\$ 6,786,481</u>	<u>\$ 6,798,936</u>	<u>\$ 6,694,529</u>
Lapsed Balances	<u>\$ 20,519</u>	<u>\$ 8,064</u>	<u>\$ 112,471</u>
AUDIT EXPENSE FUND - 342			
Appropriations	\$ 28,540,611	\$ 25,398,600	\$ 23,947,191
Expenditures			
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 24,589,291	\$ 22,943,281	\$ 21,221,138
Total Expenditures	<u>\$ 24,589,291</u>	<u>\$ 22,943,281</u>	<u>\$ 21,221,138</u>
Lapsed Balances	<u>\$ 3,951,320</u>	<u>\$ 2,455,319</u>	<u>\$ 2,726,053</u>
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net of Transfers)	\$ 35,347,611	\$ 32,205,600	\$ 30,754,191
Total Expenditures	<u>31,375,772</u>	<u>29,742,217</u>	<u>27,915,667</u>
Lapsed Balances	<u>\$ 3,971,839</u>	<u>\$ 2,463,383</u>	<u>\$ 2,838,524</u>
State Officers' Salaries			
General Revenue Fund - 001			
Expenditures			
Auditor General	\$ 166,832	\$ 163,241	\$ 159,883
Two Deputy Auditor Generals	0	0	0
Total Expenditures	<u>\$ 166,832</u>	<u>\$ 163,241</u>	<u>\$ 159,883</u>

Note: State Officers' salaries are paid from the appropriation for the Office of the Comptroller.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS)
AUDIT EXPENSE FUND**
For the Two Years Ended June 30, 2019

SCHEDULE 4

	2019	2018
Receipts		
Cash Deposits	\$ 3,330,141	\$ 2,291,983
Transfers-in	25,879,590	24,577,870
Total Receipts	29,209,731	26,869,853
Disbursements		
Expenses	23,561,128	22,041,093
Transfers-out	580,689	687,009
Total Disbursements	24,141,817	22,728,102
Net Increase in Cash Balance	5,067,914	4,141,751
Cash Balance - Beginning of Year	29,685,893	25,544,142
Cash Balance - End of Year	\$ 34,753,807	\$ 29,685,893

Note: This schedule was prepared from the Office's records and reconciled to those records of the Office of the State Comptroller.

SCHEDULE 5

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2019

	<u>Equipment</u>
Balance at July 1, 2017	\$ 1,298,570
Additions	16,647
Deletions	(2,257)
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u>\$ 1,312,960</u>
Balance at July 1, 2018	\$ 1,312,960
Additions	78,041
Deletions	-
Net Transfers	<u>(32,875)</u>
Balance at June 30, 2019	<u>\$ 1,358,126</u>

Note: This schedule was prepared from the Office's records and reconciled to property records submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Year Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenue Fund - 001			
Reimbursements for Audits of Federal Programs	\$ 2,942,595	\$ 3,683,288	\$ 4,604,187
Miscellaneous	106	115	554
Total cash receipts per Office	<u>2,942,701</u>	<u>3,683,403</u>	<u>4,604,741</u>
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 2,942,701</u></u>	<u><u>\$ 3,683,403</u></u>	<u><u>\$ 4,604,741</u></u>
 Audit Expense Fund - 342			
Reimbursement for Audits of State			
Trust Funds and other Local Funds	\$ 3,330,141	\$ 2,291,984	\$ 3,161,263
Total cash receipts per Office	<u>3,330,141</u>	<u>2,291,984</u>	<u>3,161,263</u>
Less - In transit at End of Year	20,440	-	199,941
Plus - In transit at Beginning of Year	-	199,941	835,082
Total cash receipts per State Comptroller's Records	<u><u>\$ 3,309,701</u></u>	<u><u>\$ 2,491,925</u></u>	<u><u>\$ 3,796,404</u></u>
 GRAND TOTAL - ALL FUNDS			
Total cash receipts per Office	\$ 6,272,842	\$ 5,975,387	\$ 7,766,004
Less - In transit at End of Year	20,440	-	199,941
Plus - In transit at Beginning of Year	-	199,941	835,082
Total cash receipts per State Comptroller's Records - All Funds	<u><u>\$ 6,252,402</u></u>	<u><u>\$ 6,175,328</u></u>	<u><u>\$ 8,401,145</u></u>

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019
(Not Examined)

The Office of the Auditor General maintains offices at 740 East Ash Street in Springfield and in the Michael A. Bilandic Building at 160 North LaSalle in Chicago. The Auditor General is Frank J. Mautino.

The function of the Office of the Auditor General is to assist the General Assembly in achieving oversight of State government and improvement in audited agency operations by:

- a) Performing objective audits and evaluations of agency programs and operations;
- b) Providing useful information generated by such audits and evaluations to the General Assembly and other concerned parties;
- c) Offering recommendations to bring governmental operations into conformity with applicable laws and regulations; and
- d) Providing information to the General Assembly for its use in evaluating agency and program performance and in making informed policy decisions.

The manner in which the Office is organized to accomplish the above functions is elaborated in the annual report of the Office of the Auditor General.

The Office maintains ongoing formal planning for internal operations and to meet the requirements of the State Auditing Act and the various specific directives given it by the General Assembly.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019
(Not Examined)

The analysis of significant variances in total expenditures by fund exceeding \$1,000 and 20% between fiscal years as presented in the "Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances, Schedule 3" is detailed below:

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2019 AND 2018**

General Revenue Fund – 001

Printing

The decrease in Printing expenditures of \$4,355 was due to the Office purchasing paper in Fiscal Year 2018. Office had a sufficient supply of paper in Fiscal Year 2019.

Electronic Data Processing

The decrease in Electronic Data Processing expenditures of \$14,143 was due to the Office paying more invoices for electronic data equipment and supplies out of the Audit Expense Fund instead of the General Revenue Fund in Fiscal Year 2019 to avoid paying prompt pay interest.

Operation of Automotive Equipment

The decrease in Operation of Automotive Equipment expenditures of \$1,420 was due to the Office's Springfield car and van needing repairs during FY18.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2018 AND 2017**

General Revenue Fund – 001

Printing

The increase in Printing expenditures of \$2,555 was due to the Office purchasing paper in Fiscal Year 2018. Office had a sufficient supply of paper in Fiscal Year 2017.

Equipment

The decrease in Equipment expenditures of \$6,793 was due to the Office paying more invoices for equipment and library materials out of the Audit Expense Fund instead of the General Revenue Fund in Fiscal Year 2018 to avoid paying prompt pay interest.

Electronic Data Processing

The decrease in Electronic Data Processing expenditures of \$24,757 was due to the Office paying more invoices for electronic data equipment and supplies out of the Audit Expense Fund instead of the General Revenue Fund in Fiscal Year 2018 to avoid paying prompt pay interest.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2019
(Not Examined)

The analysis of significant variances in cash receipts by fund exceeding \$1,000 and 20% between fiscal years as presented in the “Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller, Schedule 6” is detailed below:

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN
FISCAL YEARS 2019 AND 2018**

General Revenue Fund – 001

Reimbursements for Audits of Federal Programs

The decrease in cash receipts is due to the Office billing entities requesting reimbursement for Fiscal Year 2018 federal program audit costs late in Fiscal Year 2019 resulting in less time for the entities to submit their payments to the Office prior to the end of Fiscal Year 2019.

Audit Expense Fund – 342

Reimbursements for Audits of State Trust Funds and other Local Funds

The increase in cash receipts is due to the Office billing entities later in Fiscal Year 2018 resulting in the Office receiving payments during Fiscal Year 2019.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN
FISCAL YEARS 2018 AND 2017**

General Revenue Fund – 001

Reimbursements for Audits of Federal Programs

The decrease in cash receipts is due to Office billings requesting reimbursement for Fiscal Year 2016 federal program audit costs was higher than the billings for Fiscal Year 2017 federal program audit costs reimbursements.

Audit Expense Fund – 342

Reimbursements for Audits of State Trust Funds and other Local Funds

The decrease in cash receipts is due to the Office billing entities later in Fiscal Year 2018 resulting in less time for the entities to submit their payments to the Office prior to the end of the Fiscal Year 2018.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2019
(Not Examined)

The analysis of significant lapse period spending exceeding \$1,000 and 20% in Fiscal Years 2018 and 2019 as reported in the “Schedule of Appropriations, Expenditures and Lapsed Balances, Schedules 1 and 2” is detailed below:

FISCAL YEAR 2019

General Revenue Fund – 001

Equipment

The lapse period spending was due to the Office purchasing two projectors to replace older equipment at the end of the fiscal year. The invoices for the equipment were not received by the Office until lapse period.

Audit Expense Fund - 342

Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses
Related to Actuarial Services

The lapse period spending was due to contracts executed towards the end of the fiscal year to allow for special assistant auditors to start early work on audit services. These audit services are performed through June 30th and invoices are not received by the Office until lapse period.

FISCAL YEAR 2018

Audit Expense Fund - 342

Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses
Related to Actuarial Services

The lapse period spending was due to contracts executed towards the end of the fiscal year to allow for special assistant auditors to start early work on audit services. These audit services are performed through June 30th and invoices are not received by the Office until lapse period.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Years Ended June 30, 2019, 2018 and 2017
(Not Examined)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenue Fund - 001			
Gross Receivables:			
Not Past Due	\$ 2,359,466	\$ -	\$ -
1 - 30 Days Outstanding	236,629	1,187,508	-
31 - 90 Days Outstanding	-	226,978	968,372
91 - 180 Days Outstanding	-	-	-
181 Days - 1 Year Outstanding	-	-	-
Over 1 Year Outstanding	56,273	-	-
Total Gross Receivables	<u>2,652,368</u>	<u>1,414,486</u>	<u>968,372</u>
Less: Allowance for Uncollectibles	-	-	-
Net Receivables	<u>\$ 2,652,368</u>	<u>\$ 1,414,486</u>	<u>\$ 968,372</u>

Audit Expense Fund - 342

Gross Receivables:			
Not Past Due	\$ 579,421	\$ -	\$ 86,183
1 - 30 Days Outstanding	755,826	1,331,879	330,329
31 - 90 Days Outstanding	-	-	-
91 - 180 Days Outstanding	-	-	-
181 Days - 1 Year Outstanding	-	13,626	68,721
Over 1 Year Outstanding	90,124	68,721	-
Total Gross Receivables	<u>1,425,371</u>	<u>1,414,226</u>	<u>485,233</u>
Less: Allowance for Uncollectibles	-	-	-
Net Receivables	<u>\$ 1,425,371</u>	<u>\$ 1,414,226</u>	<u>\$ 485,233</u>

The accounts receivables generated by the Office of the Auditor General primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, the Office requests assistance from the Office of the Attorney General. To date the Office has never used the services of a private collection agency.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2019
(Not Examined)

The following table, prepared from Office records, presents the average number of employees, by location, for the Fiscal Year Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Springfield	82	81	71
Chicago	<u>5</u>	<u>5</u>	<u>5</u>
Total Employees	<u>87</u>	<u>86</u>	<u>76</u>

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2019
(Not Examined)

Contractual Compliance Audits

Presented as follows is a schedule of compliance audit division contractual audit statistics, by fiscal year, compiled from information provided by the Office of the Auditor General. The statistics do not include data concerning audits performed by the staff of the office:

<u>Fiscal Year</u>	<u>Number of Contract Audits</u>	<u>Audit Hours Required</u>	<u>Average Rate Per Hour</u>
2019	56	211,551	\$102.47
2018	63	195,923	\$103.17
2017	57	200,437	\$98.18

Contractual Financial Audits of Regional Office of Education Audits

Presented as follows is a schedule of contractual financial audit statistics for audits of regional offices of education and intermediate services centers, by fiscal year, compiled by the Office of the Auditor General. There are 35 regional offices of education and 3 intermediate service centers.

<u>Fiscal Year</u>	<u>Number of Contract Audits</u>	<u>Audit Hours Required</u>	<u>Average Rate Per Hour</u>
2019	30	11,475	\$85.83
2018	36	13,800	\$83.84
2017	38	14,460	\$82.10

Audit Expense Fund Disbursements

An analysis of the disbursement of funds from the appropriation for audits, studies and investigations for the two fiscal years of the attestation engagement are presented below:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Audit Fees and Expenses	\$23,322,849	\$22,236,414	\$21,149,297
Other Administrative Expenses	1,266,442	706,867	71,841
Total Audit Studies and Investigation Expenses	<u>\$24,589,291</u>	<u>\$22,943,281</u>	<u>\$21,221,138</u>