



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

William G. Holland, Auditor General

---

**SUMMARY REPORT DIGEST**

---

**IMSA FUND FOR ADVANCEMENT OF EDUCATION**

**FINANCIAL AUDIT AND COMPLIANCE  
EXAMINATION**

**For the Year(s) Ended June 30, 2011**

**Release Date: January 11, 2012**

**Summary of Findings:**

**Total this audit: 1**

**Total last audit: 1**

**Repeated from last audit: 1**

**SYNOPSIS**

- The IMSA Fund for Advancement of Education did not initially properly report its cash and investments and net asset classifications on its June 30, 2011 financial statements.

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

**IMSA FUND FOR ADVANCEMENT OF EDUCATION  
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION  
For the Year(s) Ended June 30, 2011**

<b>STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS</b>	<b>FY 2011</b>	<b>FY 2010</b>
<b>REVENUES</b>		
Operating Revenues:		
Contributions.....	\$ 2,077,145	\$ 885,010
Operating Agreement with Academy.....	269,600	259,441
Other Operating Revenues.....	85,495	21,361
Total Operating Revenues.....	<u>\$ 2,432,240</u>	<u>\$ 1,165,812</u>
<b>EXPENSES</b>		
Operating Expenses:		
Academy Support.....	\$ 836,585	\$ 1,029,230
Management and General.....	99,910	90,984
Fundraising.....	54,412	72,938
Operating Agreement with Academy.....	269,600	259,441
Total Operating Expenses.....	<u>\$ 1,260,507</u>	<u>\$ 1,452,593</u>
Other Revenues, Expenses, and Contributions to Permanent Endowments.....	759,385	331,146
Changes in Net Assets.....	<u>\$ 1,931,118</u>	<u>\$ 44,365</u>
<b>STATEMENT OF NET ASSETS</b>	<b>FY 2011</b>	<b>FY 2010</b>
<b>Assets:</b>		
Cash and Cash Equivalents.....	\$ 919,169	\$ 840,984
Investments.....	3,293,581	2,683,087
Accounts Receivable.....	392,875	219,511
Prepaid Expenses.....	4,863	3,470
Pledges Receivable.....	1,101,095	52,262
Total Assets.....	<u>\$ 5,711,583</u>	<u>\$ 3,799,314</u>
<b>Liabilities:</b>		
Accounts Payable.....	\$ 16,438	\$ 32,556
Deferred Revenue.....	3,644	6,375
Total Liabilities.....	<u>\$ 20,082</u>	<u>\$ 38,931</u>
<b>Net Assets.....</b>	<u>\$ 5,691,501</u>	<u>\$ 3,760,383</u>
<b>FUND AGENT</b>		
During Audit Period: Suzyn Price		
Currently: Cathy Veal		

**FINDINGS, CONCLUSIONS, AND**  
**RECOMMENDATIONS**

**FINANCIAL STATEMENT RECLASSIFICATIONS**

The IMSA Fund for Advancement of Education (Fund) did not initially properly report its cash and investments and net asset classifications on its June 30, 2011 financial statements.

During our audit we noted the following financial statement reporting matters that required reclassification:

**Reclassification of certificates of deposit**

- The Fund incorrectly reported \$284,263 of certificates of deposit with original maturity dates of greater than three months as cash equivalents instead of investments in the Statement of Net Assets. After the auditors' brought this matter to their attention, the Fund reclassified its certificates of deposit to investments.

**Reclassification of earnings from permanent endowments**

- The Fund initially included \$19,477 of earnings on its permanent endowments in the net asset category "Restricted Net Assets, Nonexpendable." The language of these written endowments clearly allows the earnings on the assets to be expended in accordance with the terms of the agreement. After the auditors' brought this to their attention, the Fund corrected this reporting error and has reported the earnings in the net asset category "Restricted Net Assets, Expendable." (Finding 1, page 10)

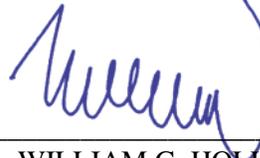
We recommended management thoroughly review its financial statements and verify amounts in order to ensure the financial statements are properly presented in accordance with accounting principles generally accepted in the United States of America.

**Management agrees with auditors**

Management responded that it acknowledges the finding, made all the reclassifications and resubmitted its financial statements to the auditors. In total, the Net Assets of the Fund were reported correctly on the year-end financial statements.

**AUDITORS' OPINION**

Our auditors reported the June 30, 2011 financial statements of the IMSA Fund for Advancement of Education are fairly presented in all material respects.

A handwritten signature in blue ink, appearing to read 'William G. Holland', is written above a horizontal line. A blue arrow points from the signature towards the text above it.

---

WILLIAM G. HOLLAND  
Auditor General

WGH:CMB

**AUDITORS ASSIGNED**

Our special assistant auditors for this audit were Borschnack, Pelletier & Co.