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University Park
Southern Illinois University Edwardsville, Inc.
One North Research Drive
Edwardsville, Illinois 62025-3604

April 3, 2007

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
704 East Ash Street
Springfield, IL 62703-3154

Dear Mr. Holland:

Pursuant to the Fiscal Control and Internal Auditing Act, I conducted an evaluation of the internal fiscal and administrative controls of University Park, Southern Illinois University at Edwardsville, Inc. (University Park).

The objectives of the internal fiscal and administrative control systems are to provide reasonable assurance that:

- obligations and costs are in compliance with applicable law;
- funds held outside the State Treasury are managed, used and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist;
- revenues, expenditures and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources;
- resources are utilized effectively, efficiently, and in compliance with applicable law; and
- funds, property and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures.

Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, legislative restrictions, and other factors.

Honorable William G. Holland

April 3, 2007

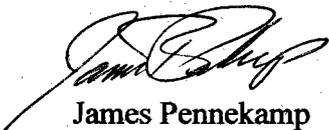
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Finally, projecting any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Nonetheless, I took the following measures to assure that the evaluation identified in the first paragraph has been conducted in a thorough and conscientious manner.

1. Retained a Certified Public Accountant to review University Park financial statements and related materials, and to advise on any changes or improvements called for in Park internal fiscal or administrative control systems;
2. Reviewed findings from prior audits of University Park and the steps taken to address each; and
3. Reconsidered University Park fiscal and administrative controls based on comments provided by Crowe Chizek and Company, LLC, acting in their capacity as Special Assistant Auditors for the Auditor General.

As a result of these evaluation measures, to the best of my knowledge, I believe that the systems of internal fiscal and administrative controls fully comply with the requirements of this Act.

Sincerely,



James Pennekamp
Special Assistant to the Chancellor
For Regional Economic Development and
Executive Director, University Park, SIUE

Cc: Karen A. Stovall