

STATE OF ILLINOIS  
ILLINOIS SUMMER SCHOOL FOR THE ARTS  
SPECIAL LIMITED COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

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SPECIAL LIMITED COMPLIANCE EXAMINATION  
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UNIVERSITY

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MANAGEMENT ASSERTION LETTER

November 1, 2005

Honorable William G. Holland  
Auditor General  
State of Illinois

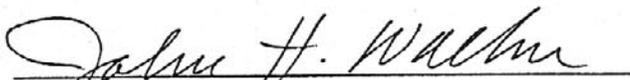
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Summer School for the Arts. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Board's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2004, the Board has materially complied with the assertions below.

- A. The Board has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been authorized by law.
- B. The Board 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 Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Board 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. The money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Summer School for the Arts

ISSA has no Board Members  
Summer School for the Arts, Board Member

  
John Walker, ISU Fiscal Agent

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**COMPLIANCE REPORT**

**SUMMARY**

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

**AUDITORS' REPORT**

The Independent Accountants' Special Report on Limited State 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>This Report</u>	<u>Prior Report</u>
Findings	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

Details of the finding are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
05-1	5	Appointment of Board members

**EXIT CONFERENCE**

An exit conference was not held due to there not being an Illinois Summer School for the Arts Board to discuss the examination.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' SPECIAL REPORT ON LIMITED STATE COMPLIANCE  
AND ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Introduction**

During the two-year period ending June 20, 2005 the Board for the Illinois Summer School for the Arts was not constituted. The entity was inactive during this period. No fiscal activity took place, however, funds were held by the entity. The funds were administered and accounted for the fiscal agent who is an employee of Illinois State University. The fiscal agent signed the management assertion letter.

**Compliance**

We have examined the Illinois Summer School for the Arts' compliance with the 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, 2005. The Board's fiscal agent was responsible for the administration and accountability for these funds. Our responsibility is to express an opinion on the Illinois Summer School for the Arts' compliance based on our examination.

- A. The Illinois Summer School for the Arts fiscal agent has administered and accounted for the public funds of the State in accordance with the purpose for which such funds have been authorized by law.
- B. The Illinois Summer School for the Arts fiscal agent has accounted for the public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law.
- C. The Illinois Summer School for the Arts fiscal agent has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Money or negotiable securities or similar assets handled by the fiscal agent for the Illinois Summer School for the Arts on behalf of the State or held in trust by the Illinois Summer School for the Arts have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

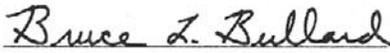
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Summer School for the Arts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois Summer School for the Arts' compliance with specified requirements.

In our opinion, the Illinois Summer School for the Arts complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying schedule of State findings as finding 05-1.

#### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2005 and the 2004 Supplementary Information for State Compliance Purposes. However, we do not express an opinion on the supplementary information.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

  
BRUCE L. BULLARD, CPA  
Compliance Division Director

November 1, 2005

STATE OF ILLINOIS  
ILLINOIS SUMMER SCHOOL FOR THE ARTS  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2005

05-1. **FINDING** (Appointment of Board members)

Appointments of Board of Trustees for the Illinois Summer School for the Arts (Board) were not made by the Governor.

At a September 2000 Board meeting, the remaining four Board members resigned from the Board effective June 30, 2001. As a result of there being no Board members or an Executive Director, the Illinois Summer School for the Arts (ISSA) has not administered any Summer Schools since July 2000 and as of June 30, 2005 there have been no Board members appointed to the ISSA by the Governor.

The ISSA had a total cash balance of \$12,352 as of June 30, 2005 in two Illinois State University (ISU) locally held accounts in which ISU serves as a fiscal agent for the accounts.

The Illinois Summer School for the Arts Act (105 ILCS 310/4) states that the Governor of Illinois shall appoint an Illinois Summer School for the Arts Board of Trustees from nominations submitted by the Illinois Arts Council and the State Superintendent of Education. The Board of Trustees shall be no fewer than 11 nor greater than 17.

The Office of the Governor's Boards and Commissions indicated that there were no Board members appointed, however they could not provide a reason why the Governor had not appointed any members.

Not appointing Board members to the ISSA by the Governor prevents fulfillment of the purpose of the Illinois Summer School for the Arts Act. (Finding Code No. 05-1)

**RECOMMENDATION**

We recommend the Governor appoint the appropriate number of Board members to the Illinois Summer School for the Arts.

**BOARD RESPONSE**

Due to no Board members appointed to the Illinois Summer School for the Arts, no response is available.

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**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules:

Comparative Schedule of Receipts, Disbursements and Fund Balance  
(Cash Basis) – Non-Appropriated Funds

- Report Comments

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
 ILLINOIS SUMMER SCHOOL FOR THE ARTS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
 AND FUND BALANCE (CASH BASIS) - NON-APPROPRIATED FUNDS**  
 For the Fiscal Year Ending June 30,

<u>Fiscal Year 2005</u>	<u>51-560-0227 ISSA</u>	<u>51-861-0228 2000 Income</u>	<u>Total</u>
Cash Balance July 1, 2004	\$ 5,616	\$ 6,736	\$ 12,352
Cash Receipts	0	0	0
Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance June 30, 2005	<u>\$ 5,616</u>	<u>\$ 6,736</u>	<u>\$ 12,352</u>
<u>Fiscal Year 2004</u>	<u>51-560-0227 ISSA</u>	<u>51-861-0228 2000 Income</u>	<u>Total</u>
Cash Balance July 1, 2003	\$ 5,616	\$ 6,736	\$ 12,352
Cash Receipts	0	0	0
Cash Disbursements	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance June 30, 2004	<u>\$ 5,616</u>	<u>\$ 6,736</u>	<u>\$ 12,352</u>

Note: Information was obtained from the Illinois State University's records.

STATE OF ILLINOIS  
ILLINOIS SUMMER SCHOOL FOR THE ARTS  
**REPORT COMMENTS**  
For the Two Fiscal Years Ended June 30, 2005

The Illinois Summer School for the Arts was established under the Illinois Summer School for the Arts Act effective September 10, 1986 (105 ILCS 310/1 et seq.), and it was created to seek out and nurture the artistic talent of high school students from throughout the State who exhibit unique artistic ability.

The mission of the Illinois Summer School for the Arts consists of:

- (1) Conducting regionally based talent searches to identify the most artistically talented high school students from throughout the State in the six art components. These six art components are Dance, Language Arts, Media, Music, Theatre and Visual Arts.
- (2) Selecting teachers from throughout the State based upon criteria, which insure the highest quality faculty.
- (3) Developing an instructional program enhanced by visiting lecturers, performers, and special exhibits open to the public by way of open houses and audience participation.
- (4) Networking with existing professional organizations, universities, and arts programs to foster the exchange of personnel, equipment, and conceptual enrichment.
- (5) Presenting, by the Illinois Summer School for the Arts' Faculty, professional papers and lectures around the State and nationally about the program and the potential for improved arts programming at the local level.
- (6) Providing participants with access to facilities and equipment seldom available in most high school settings.

The Illinois Summer School for the Arts (ISSA) is a two week residential arts program, conducted in July, at a State operated institution which successfully bids to host the program. The ISSA in the past has been hosted by Illinois State University (ISU) in Normal, Illinois, and was located on the ISU campus in the Center for Visual Arts Building. The last Summer School ISSA administered was held in July 2000.

STATE OF ILLINOIS  
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**REPORT COMMENTS**  
For the Two Fiscal Years Ended June 30, 2005

The ISSA is to be governed by a Board of Trustees. Board members are appointed by the Governor of Illinois from nominations submitted by the Illinois Arts Council and the State Superintendent of Education. The Board is to be comprised of no fewer than eleven members and no more than seventeen members. The Board is to be composed of individuals knowledgeable about each of the six art components, quality educational standards, and the business community. Members' terms of office are six years in length. The Board is responsible for making key decisions including the adoption of rules, regulations and policies for the operation of the ISSA.

Due to the inactivity of the ISSA, at a September 2000 Board meeting, the remaining four Board members resigned from the Board effective June 30, 2001. In addition, both the Executive Director and a student assistant left the ISSA in August 2000, upon conclusion of the July 2000 Summer School. As a result of there being no Board members or an Executive Director, the ISSA has not administered any Summer Schools since July 2000 and as of June 30, 2005 there have been no Board members appointed to the ISSA by the Governor.

The ISSA was abolished by Executive Order Number 3 (2002) "Executive Order to Reorganize Agencies by the Abolishment of Certain Entities of the Executive Branch" which was effective May 31, 2002. However, Executive Order Number 8 (2002) "Executive Order to Continue the Establishment of the Board of Trustees of the Illinois Summer School for the Arts" reestablished the ISSA which was effective immediately upon the same date and at the same time as Executive Order Number 3 (2002).

The ISSA currently has two ISU locally held accounts (#560 and #861) in which ISU serves as a fiscal agent for the accounts. Both of the locally held accounts are classified by ISU as agency accounts. The carrying value of the ISSA's deposits and the bank balances was \$12,352 at June 30, 2004 and June 30, 2005.