

REPORT DIGEST

**ILLINOIS STATE UNIVERSITY FOUNDATION
FINANCIAL AUDIT
FOR THE ONE YEAR ENDED JUNE 30, 1993**

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

FINDING, CONCLUSION, AND RECOMMENDATION

Our report presents one finding. The Foundation's accounting system failed to provide complete and accurate financial information in a timely manner, consistent with the objectives and needs of the Foundation.

Management upgraded its computerized general ledger accounting system without fully understanding the upgraded system. During the audit period, Foundation staff were unable to produce necessary accounting reports for management and other users. As of Spring 1994, staff were over a year behind in posting account activity, balancing the books, reconciling bank statements, and preparing accounting reports.

At the request of Foundation management, staff from the University business office provided more than 200 hours of technical assistance. By June 1994, the Foundation's Fiscal Year 1993 accounting records had been reconstructed and financial statements drafted. Soon thereafter, the accounting transactions for Fiscal Year 1994 were brought up-to-date.

We recommended that management take steps to make sure its accounting system provides reliable, useful, and complete accounting information. (Finding 1, page 29.)

Foundation management concurred with our recommendation and report they have begun taking corrective action.

We will review the Foundation's progress towards the implementation of our recommendation in our next audit. Dr. Judith A. Riggs, Executive Director, provided the Foundation's response to the finding.

AUDITORS' OPINION

Our auditors state that the financial statements for Illinois State University Foundation fairly present its financial position at June 30, 1993.

WILLIAM G. HOLLAND, Auditor General

WGH:JHL:jr

SUMMARY OF AUDIT FINDINGS

	<u>This Audit*</u>	<u>Prior Audit (1992)</u>
Audit findings	1	0
Repeated Recommendations	N/A*	0
Prior Recommendations Implemented or Not Repeated	N/A*	1

* Financial only audit

SPECIAL ASSISTANT AUDITORS

Clifton, Gunderson & Co. were our special assistant auditors on this engagement.

ILLINOIS STATE UNIVERSITY FOUNDATION
FINANCIAL AUDIT
For The Period Ended June 30, 1993

COMPARATIVE BALANCE SHEET (ALL FUNDS)	FY 1993	FY 1992
Assets		
Current Funds		
Unrestricted Fund	\$ 861,063	\$ 1,076,515
Restricted Fund	4,133,615	3,030,060
Endowment Fund	7,047,682	5,633,059
Plant Fund	<u>443,433</u>	<u>434,615</u>
Total Assets	<u>\$12,485,793</u>	<u>\$10,174,249</u>
Liabilities		
Current Funds		
Unrestricted Fund	\$ 64,666	\$ 56,087
Restricted Fund	279,201	164,460
Endowment Fund	81,016	0
Plant Fund	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 424,883</u>	<u>\$ 220,547</u>
Fund Balances		
Current Funds		
Unrestricted Fund	\$ 796,397	\$ 1,020,428
Restricted Fund	3,854,414	2,865,600
Endowment Fund	6,966,666	5,633,059
Plant Fund	<u>443,433</u>	<u>434,615</u>
Total Fund Balances	<u>\$12,060,910</u>	<u>\$ 9,953,702</u>
Total Liabilities and Fund Balances	<u>\$12,485,793</u>	<u>\$10,174,249</u>
CHANGES IN FUND BALANCES	FY 1993	FY 1992
Revenue and Other Additions	\$ 4,926,420	\$ 3,839,922
Expenditures and Other Deductions	<u>2,819,212</u>	<u>2,185,230</u>
Net Increase for the Year	<u>\$ 2,107,208</u>	<u>\$ 1,654,692</u>

AGENCY EXECUTIVE OFFICER

During Audit Period: Dr. Judith A. Riggs
Currently: Dr. Judith A. Riggs