

REPORT DIGEST

NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION

**FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 1995**

**COMPLIANCE AUDIT
FOR THE TWO YEARS ENDED JUNE 30, 1995**

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

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE INTERNAL CONTROLS OVER CASH RECEIPTS

The Foundation did not maintain adequate internal controls over processing of cash receipts.

The receiving, recording, custodianship, depositing, bank reconciliation and journal reconciliation functions were all performed by the same person. This lack of segregation of duties hinders the ability of the Foundation to detect the misapplication of cash and the improper recording of transactions. (Finding 2, page 11)

We recommended the Foundation allocate sufficient staff and resources to segregate the duties within the cash receipts system. In instances where segregation of duties is impractical, management level review procedures should be implemented.

Foundation officials agreed with the finding and stated that when the new CARS computer system is fully operational, staffing needs determined, and additional personnel hired, the policies concerning segregation of duties will be determined.

OTHER FINDINGS

The remaining findings are less significant and have been given appropriate attention by the Foundation. We will review progress toward the implementation of our recommendations in our next audit.

The Foundation responses were provided by Mr. Donn Bichsel, Vice President for Development and Public Affairs.

AUDITORS' OPINION

Our auditors state that the June 30, 1995 financial statements of Northeastern Illinois University Foundation are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:ROQ

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	3	1
Repeated audit findings	0	0
Recommendations implemented or not repeated	1	3

SPECIAL ASSISTANT AUDITORS

Deloitte & Touche LLP were our special assistant auditors for this audit.

NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION
FINANCIAL AND COMPLIANCE AUDIT
For The Two Years Ended June 30, 1995

FINANCIAL OPERATIONS (ALL FUNDS)	FY 1995	FY 1994
REVENUES		
Contributions	\$215,448	\$232,046
Dividends and Interest	40,809	23,473
Special Events - President's Recognition Dinner	<u>88,910</u>	<u>96,728</u>
Total Revenues	<u>\$345,167</u>	<u>\$352,247</u>
EXPENDITURES		
Academic departments	\$ 19,539	\$ 30,318
Cardiology 2000	0	1,652
Students with Disabilities	17,692	0
Golden Eagle Scholarship Team	1,788	0
President's Recognition Dinner	44,816	36,514
Englewood School District	474	12,179
Faculty Research Grants	0	19,103
Center for Inner City Studies	1,885	2,181
Fund-raising expenses	19,590	24,242
President's discretionary account	9,250	10,062
Scholarships and fellowships	78,196	70,843
TEAM	32,232	22,955
Athletic Golf Outing	3,998	4,214
Coalition of Businesses and Universities	25,325	5,661
Library	3,462	19,461
Intercollegiate Athletics	13,706	21,971
Other	<u>51,439</u>	<u>41,713</u>
Total Expenditures	<u>\$323,392</u>	<u>\$323,069</u>
SELECTED ACCOUNT BALANCES (ALL FUNDS)	AT JUNE 30, 1995	AT JUNE 30, 1994
Total Assets	\$904,059	\$859,743
Total Liabilities	69,280	46,739
Fund Balances:		
Unrestricted		
- Board Designated	50,209	27,368
- Undesignated	98,642	146,060
Restricted	685,928	639,576

FOUNDATION REPRESENTATIVE

Vice President for Development and Public Affairs: Mr. Donn Bichsel

