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# REPORT DIGEST

## NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION

### FINANCIAL AUDIT

For the One Year Ended:

June 30, 1997

and

### COMPLIANCE AUDIT

For the Two Years Ended:

June 30, 1997

#### Summary of Findings:

Total this audit	2
Total last audit	3
Repeated from last audit	0

State of Illinois  
Office of the Auditor General

**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

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Springfield, IL 62703  
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## SYNOPSIS

- ◆ Approximately \$41,000 of interest and dividend income on investments of the Foundation were not recorded properly on a monthly basis. Also, there were no monthly reconciliations of investment statements to the general ledger.

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

**NORTHEASTERN ILLINOIS UNIVERSITY FOUNDATION**

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**FINANCIAL AND COMPLIANCE AUDIT**  
**For The Two Years Ended June 30, 1997**

<b>FINANCIAL OPERATIONS (ALL FUNDS)</b>	<b>FY 1997</b>	<b>FY 1996</b>
<b>REVENUES</b>		
Contributions .....	\$199,156	\$170,542
Dividends and Interest.....	40,455	41,217
Support from University.....	23,871	14,400
Special Events - Foundation Recognition Dinner & Art Institute.....	<u>66,719</u>	<u>9,819</u>
<b>Total Revenues</b> .....	<b><u>\$330,201</u></b>	<b><u>\$235,978</u></b>
<b>EXPENDITURES</b>		
Academic departments.....	\$12,630	\$19,919
Alumni Services & Programs.....	2,895	4,255
Development Office.....	20,255	8,409
Foundation Recognition Dinner.....	31,592	0
Kane Golf Outing.....	9,002	6,246
Faculty Research Grants.....	45,310	20,877
Art Institute Event.....	5,287	0
Fund-raising expenses.....	15,660	5,637
President's discretionary account.....	6,755	7,449
Scholarships and fellowships.....	69,636	81,010
TEAM.....	0	49,511
Athletic Golf Outing.....	0	5,766
Library.....	1,893	2,560
Intercollegiate Athletics.....	39,378	18,912
Other .....	<u>63,414</u>	<u>57,513</u>
<b>Total Expenditures</b> .....	<b><u>\$ 323,707</u></b>	<b><u>\$ 288,064</u></b>
<b>SELECTED ASSET BALANCES</b>		
	<b>AT JUNE 30, 1997</b>	<b>AT JUNE 30, 1996</b>
Cash.....	\$ 0	\$ 7,684
Investments.....	818,933	827,683
Other.....	<u>8,719</u>	<u>2,585</u>
<b>Total Assets</b> .....	<b><u>\$827,652</u></b>	<b><u>\$837,952</u></b>
<b>Total Liabilities</b> .....	<b><u>\$ 38,465</u></b>	<b><u>\$ 55,259</u></b>
Fund Balances:		
Unrestricted		
- Board Designated.....	\$ 49,910	\$ 48,486
- Undesignated.....	\$ 37,152	\$ 58,458
Restricted.....	\$333,254	\$334,283
Endowment.....	\$368,871	\$341,466
<b>FOUNDATION DIRECTOR</b>		
During Audit Period: Leonard Iaquina		
Currently: Leonard Iaquina		

**FINDINGS, CONCLUSIONS AND  
RECOMMENDATIONS**

**INADEQUATE PROCEDURES FOR MONTHLY  
RECONCILIATIONS AND RECORDING OF  
REVENUE**

**Interest and dividend  
income not recorded  
properly**

The Foundation did not properly record approximately \$41,000 of interest and dividend income on a monthly basis for fiscal years 1997 and 1996.

Also, during fiscal year 1997, errors of \$278 were noted in the calculation of interest, and there were no monthly reconciliations of investment statements to the general ledger. (Finding 1, pages 10-11)

We recommended the Foundation reconcile the investment and bank statements to its general ledger on a monthly basis, and record interest and dividend income on a monthly basis.

Foundation officials agreed with our recommendation and stated that it will be implemented and incorporated into procedures as the new general ledger software upgrade is implemented in Spring 1998.

**OTHER FINDINGS**

The remaining finding and recommendation was less significant and is being given appropriate attention by Foundation management. We will review progress toward implementation of our recommendations during our next audit. Foundation responses were provided by Mr. Leonard Iaquina, Director of Development and Alumni Affairs.

**AUDITORS' OPINION**

Our auditors state that the June 30, 1997 financial statements of the Northeastern Illinois Foundation are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

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**SPECIAL ASSISTANT AUDITORS**

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





