



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

IMSA FUND FOR ADVANCEMENT OF EDUCATION

**FINANCIAL AUDIT
For the Year(s) Ended June 30, 2012**

Release Date: January 30, 2013

Summary of Findings:

Total this audit:	1
Total last audit:	1
Repeated from last audit:	1

SYNOPSIS

- The IMSA Fund for Advancement of Education did not initially properly report certain financial statement amounts in its June 30, 2012 financial statements.

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

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
FINANCIAL AUDIT
For the Year(s) Ended June 30, 2012**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	FY 2012	FY 2011
REVENUES		
Operating Revenues:		
Contributions.....	\$ 988,111	\$ 2,077,145
Operating Agreement with Academy.....	254,844	269,600
Other Operating Revenues.....	88,543	85,495
Total Operating Revenues.....	<u>\$ 1,331,498</u>	<u>\$ 2,432,240</u>
EXPENSES		
Operating Expenses:		
Academy Support.....	\$ 1,057,255	\$ 836,585
Management and General.....	80,343	99,910
Fundraising.....	42,174	54,412
Operating Agreement with Academy.....	254,844	269,600
Total Operating Expenses.....	<u>\$ 1,434,616</u>	<u>\$ 1,260,507</u>
Non-Operating Revenues, Expenses, and Contributions to Permanent Endowments.....	94,726	759,385
Changes in Net Assets.....	<u>\$ (8,392)</u>	<u>\$ 1,931,118</u>
STATEMENT OF NET ASSETS	FY 2012	FY 2011
Assets:		
Cash and Cash Equivalents.....	\$ 966,066	\$ 919,169
Investments.....	3,413,259	3,293,581
Accounts Receivable.....	105,562	81,065
Contribution Advances.....	246,795	311,810
Prepaid Expenses.....	16,324	4,863
Pledges Receivable.....	960,690	1,101,095
Total Assets.....	<u>\$ 5,708,696</u>	<u>\$ 5,711,583</u>
Liabilities:		
Accounts Payable.....	\$ 652	\$ 16,438
Deferred Revenue.....	24,935	3,644
Total Liabilities.....	<u>\$ 25,587</u>	<u>\$ 20,082</u>
Net Assets.....	<u>\$ 5,683,109</u>	<u>\$ 5,691,501</u>
FUND AGENT		
During Audit Period: Cathy Veal		
Currently: Cathy Veal		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

FINANCIAL STATEMENT ERRORS

The IMSA Fund for Advancement of Education (Fund) did not initially properly report certain financial statement amounts in its June 30, 2012 financial statements.

During our audit we noted the following financial statement reporting matters that required reclassification:

Reclassification of certificate of deposit

- The Fund incorrectly reported a certificate of deposit in the amount of \$15,268 with original maturity date of greater than three months as a cash equivalent instead of an investment in the Statement of Net Assets. After the auditors' brought this matter to their attention, the Fund reclassified its certificate of deposit to investments.

Revised Statement of Net Assets to reflect both current and non-current assets

- The Fund initially prepared a non-classified Statement of Net Assets. Governmental Accounting Standards Board Statement No. 34 requires proprietary funds to be presented in a classified format to distinguish between current and long-term assets and liabilities. After bringing this to their attention, the Fund revised the Statement of Net Assets to reflect both current and non-current assets.

Reclassification of permanent endowments

- The Fund initially reported \$50,280 of permanent endowments as "unrestricted net assets" instead of "restricted net assets, nonexpendable" on the Statement of Net Assets. After bringing this to the Fund's attention, the Fund correctly included this amount as "restricted net assets, nonexpendable" on the Statement of Net Assets.

Reclassification of contributions to permanent endowments

- The Fund initially included \$50,280 in "Contributions" in the operating revenues section of the Statement of Revenues, Expenses, and

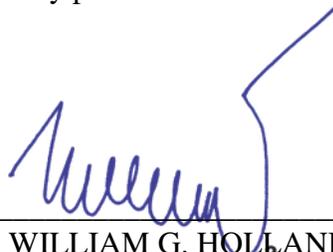
Changes in Net Assets instead of as “Contributions to permanent endowments” in the other revenues section of the Statement of Revenues, Expenses, and Changes in Net Assets. After the auditors’ brought this to their attention, the Fund corrected this reporting error and has reported this amount as “Contributions to permanent endowments.” (Finding 1, page 25)

We recommended management thoroughly review its financial statements and verify amounts in order to ensure the financial statements are properly presented in accordance with accounting principles generally accepted in the United States of America.

Management agrees with auditors Management agreed with the finding and recommendation.

AUDITORS’ OPINION

Our auditors reported the June 30, 2012 financial statements of the IMSA Fund for Advancement of Education are fairly presented in all material respects.



WILLIAM G. HOLLAND
-Auditor General

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AUDITORS ASSIGNED

Our special assistant auditors for this audit were Borschnack, Pelletier & Co.