



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS CONSERVATION FOUNDATION

Financial Audit and Compliance Examination
 For the Year Ended June 30, 2016

Release Date: December 15, 2016

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2011	16-1		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- **(16-1)** The Foundation's financial reporting process lacked sufficient internal controls.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Financial information is summarized on next page.}

ILLINOIS CONSERVATION FOUNDATION
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For The Year Ended June 30, 2016

STATEMENT OF ACTIVITIES (Governmental Activities)	FY 2016	FY 2015
Program Revenue:		
Charges for Goods.....	\$ 41,324	\$ 60,029
Operating Grants and Contributions - General Administrative.....	500,690	459,894
Operating Grants and Contributions - Natural Resources & Recreation.....	261,018	547,691
Total Program Revenue.....	<u>803,032</u>	<u>1,067,614</u>
Expenses:		
General Administrative.....	482,810	453,921
Natural Resources and Recreation.....	1,054,244	774,150
Total Expenditures.....	<u>1,537,054</u>	<u>1,228,071</u>
Net (Expense) Revenue.....	(734,022)	(160,457)
General Revenue:		
Restricted Investment Earnings.....	77,817	80,060
Restricted Investment - Unrealized Gain/(Loss).....	-	-
Unrestricted Realized Gain/(Loss).....	(4,391)	(7,062)
Unrestricted Investment - Unrealized Gain/(Loss).....	(177,603)	(13,901)
Unrestricted Investment Earnings.....	92,255	-
Change in Net Position.....	<u>(745,944)</u>	<u>(101,360)</u>
Net Position, Beginning of Year.....	7,657,919	7,759,279
Net Position, End of Year.....	<u>\$ 6,911,975</u>	<u>\$ 7,657,919</u>
STATEMENT OF NET POSITION (Governmental Activities)		
	FY 2016	FY 2015
Assets:		
Cash and Cash Equivalents.....	\$ 545,125	\$ 394,743
Accounts Receivable.....	56,100	65,820
Other Current Assets.....	3,839	-
Prepaid Expenses.....	-	26,931
Investments.....	1,718,410	2,630,023
Capital Assets, Net.....	4,695,486	4,594,472
Total Assets.....	<u>7,018,960</u>	<u>7,711,989</u>
Liabilities:		
Accounts Payable.....	78,338	44,277
Accrued Expenses.....	4,736	9,793
Note Payable.....	16,747	-
Compensated Absences.....	7,164	-
Total Liabilities.....	<u>106,985</u>	<u>54,070</u>
Net Position:		
Natural Resources and Recreation - Restricted.....	326,280	1,132,285
Endowment/Nonexpendable - Restricted.....	70,219	70,219
Education - Restricted.....	63,758	75,638
Unrestricted.....	1,756,232	1,785,305
Investment in Capital Assets.....	4,695,486	4,594,472
Total Net Position.....	<u>\$ 6,911,975</u>	<u>\$ 7,657,919</u>
FOUNDATION CHIEF EXECUTIVES		
During Audit Period: Eric Schmidt, Executive Director & Wayne Rosenthal, Chairman		
Currently: Wayne Rosenthal, (Acting) Executive Director & Wayne Rosenthal, Chairman		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**NEED TO IMPROVE FINANCIAL REPORTING
PROCESS**

The Illinois Conservation Foundation (Foundation) does not have sufficient internal controls over the financial reporting process.

Reporting errors

Several errors were identified during the audit of the Foundation's financial statements. The Foundation's financial statements were adjusted for the following reporting errors:

Adjusting entries not made

- The Foundation failed to make numerous adjusting entries to present the financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

\$49,844 adjustment to correct the realized loss and unrealized loss balances

- The Foundation recorded realized losses as unrealized losses in error. A net audit adjustment of \$49,844 was recorded to correct the balances in the realized loss and unrealized loss accounts. (Finding 1, pages 11-12) **This finding was first reported in 2011.**

We recommended the Foundation implement additional internal control procedures to ensure financial statements are prepared in accordance with GAAP.

Management agrees with auditors

Foundation management accepted our recommendation. (*For the previous Foundation response, see Digest Footnote #1.*)

AUDITOR'S OPINION

The auditors stated the financial statements of the Foundation as of June 30, 2016, and for the year ended, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Foundation for the year ended June 30, 2016 as required by the Illinois State Auditing Act. The accountants stated the Foundation complied, in all material respects, with the requirements described in the report.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:CSW

SPECIAL ASSISTANT AUDITORS

Kemper CPA Group, LLP was our special assistant auditor for this engagement.

DIGEST FOOTNOTES

#1 – NEED TO IMPROVE FINANCIAL REPORTING PROCESS

2015: The Foundation agrees.