



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS CONSERVATION FOUNDATION

Financial Audit and Compliance Examination
 For the Year Ended June 30, 2018

Release Date: February 6, 2019

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2011		2018-001	
Category 2:	1	1	2				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 1							

SYNOPSIS

- (2018-001) The Foundation did not have adequate controls over the financial statement process regarding merchandise available for sale.
- (2018-002) The Foundation did not have adequate planning and monitoring procedures.

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 data is summarized on next page.}

ILLINOIS CONSERVATION FOUNDATION
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For The Year Ended June 30, 2018

STATEMENT OF ACTIVITIES (Governmental Activities)	FY 2018	FY 2017
Program Revenue:		
Charges for Goods.....	\$ 23,347	\$ 45,509
Operating Grants and Contributions - General Administrative.....	476,472	324,739
Operating Grants and Contributions - Natural Resources & Recreation.....	334,597	447,040
Total Program Revenue.....	<u>834,416</u>	<u>817,288</u>
Expenses:		
General Administrative.....	332,283	336,867
Natural Resources and Recreation.....	537,551	752,625
Total Expenditures.....	<u>869,834</u>	<u>1,089,492</u>
Net (Expense) Revenue.....	(35,418)	(272,204)
General Revenue:		
Restricted Investment Earnings.....	52,089	47,376
Restricted Investment - Unrealized Gain/(Loss).....	-	-
Unrestricted Investment - Realized Gain/(Loss).....	9,374	36,872
Unrestricted Investment - Unrealized Gain/(Loss).....	113,814	80,286
Unrestricted Investment Earnings.....	-	-
Change in Net Position.....	<u>139,859</u>	<u>(107,670)</u>
Net Position, Beginning of Year.....	<u>6,804,305</u>	<u>6,911,975</u>
Net Position, End of Year.....	<u>\$ 6,944,164</u>	<u>\$ 6,804,305</u>

STATEMENT OF NET POSITION (Governmental Activities)	FY 2018	FY 2017
Assets:		
Cash and Cash Equivalents.....	\$ 452,251	\$ 404,557
Accounts Receivable.....	4,710	610
Inventory.....	17,477	-
Other Current Assets.....	12,750	11,519
Investments.....	1,918,690	1,808,878
Capital Assets, Net.....	4,581,145	4,635,360
Total Assets.....	<u>6,987,023</u>	<u>6,860,924</u>
Liabilities:		
Accounts Payable.....	34,855	32,791
Accrued Expenses.....	6,282	3,675
Note Payable.....	-	12,989
Compensated Absences.....	1,722	7,164
Total Liabilities.....	<u>42,859</u>	<u>56,619</u>
Net Position:		
Natural Resources and Recreation - Restricted.....	33,998	139,244
Endowment/Nonexpendable - Restricted.....	70,219	70,219
Education - Restricted.....	94,131	80,684
Unrestricted.....	2,164,671	1,878,798
Investment in Capital Assets.....	4,581,145	4,635,360
Total Net Position.....	<u>\$ 6,944,164</u>	<u>\$ 6,804,305</u>

FOUNDATION CHIEF EXECUTIVES

During Audit Period: Eric Schenck, Executive Director; Wayne Rosenthal, Chairman
Currently: Eric Schenck, Executive Director; Vacant, Chairman

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FINANCIAL REPORTING PREPARATION –
MERCHANDISE HELD FOR SALE**

The Illinois Conservation Foundation (Foundation) did not have adequate controls over the financial statement process regarding merchandise available for sale.

Inventory counts not performed

During the audit, the auditors noted that the Foundation did not perform an inventory count on its lapel pins used for fund-raising. The Foundation subsequently performed a count and recorded inventory of \$17,477. (Finding 1, pages 11-12) **This finding has been repeated since 2011.**

We recommended management perform an annual count of its merchandise held for sale to determine the amount of assets to be recorded at the end of the fiscal year.

Management agrees with auditors

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

**INADEQUATE PLANNING AND MONITORING
PROGRAM**

The Foundation did not have adequate planning and monitoring procedures.

**Unestablished monitoring
procedures**

During the audit, the auditors noted the Foundation had not established procedures and processes for program monitoring, key measurement criteria or performance measures to assess progress toward objectives. Further, the Foundation did not have a budgeting process to assist in the evaluation of its progress towards its objectives and assign priorities and resources.

Unestablished budgeting process

Outdated policies and procedures

We also noted the Foundation's current policies and procedures were last updated in 1995 and have not been updated after this date to reflect changes of current procedures and practices.

Board vacancy

Finally, we noted the Foundation's Board is currently composed of 12 instead of 13 members as required by the Illinois Conservation Foundation Act. (Finding 2, pages 13-14)

We recommended management establish and implement a planning and monitoring program of its activities and measurement criteria and processes to determine progress towards its objectives. In addition, we recommended management update its policies and procedures to reflect

current practices and continue its efforts to fill the vacancy in the Board.

Management agrees with auditors

Foundation management agreed with our recommendation.

AUDITOR'S OPINION

The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2018, 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, 2018, 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.

The financial audit and the compliance examination were conducted by E.C. Ortiz & Co., LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JMR

DIGEST FOOTNOTES

#1 - FINANCIAL STATEMENT PREPARATION

2017-001: The Foundation agrees.