



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS CONSERVATION FOUNDATION

Financial Audit
 For the Year Ended June 30, 2019

Release Date: February 11, 2020

FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	2	0	2				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers our financial audit of the Illinois Conservation Foundation (Foundation) as of and for the year ended June 30, 2019. The Foundation’s compliance examination covering the year ended June 30, 2019 will be released under a separate cover.

SYNOPSIS

- (19-1) The Foundation had weaknesses over its receipts and credit card expenditure processes.
- (19-2) The Foundation did not have adequate controls over its capital assets.

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.

ILLINOIS CONSERVATION FOUNDATION
FINANCIAL AUDIT
For The Year Ended June 30, 2019

STATEMENT OF ACTIVITIES (Governmental Activities)	2019	2018
Program Revenue:		
Charges for Goods.....	\$ 23,860	\$ 23,347
Operating Grants and Contributions - General Administrative.....	307,468	476,472
Operating Grants and Contributions - Natural Resources & Recreation.....	662,752	334,597
Total Program Revenue.....	<u>994,080</u>	<u>834,416</u>
Expenses:		
General Administrative.....	389,314	332,283
Natural Resources and Recreation.....	636,186	537,551
Total Expenditures.....	<u>1,025,500</u>	<u>869,834</u>
Net (Expense) Revenue.....	(31,420)	(35,418)
General Revenue:		
Restricted Investment Earnings.....	42,349	52,089
Restricted Investment - Unrealized Gain/(Loss).....	-	-
Unrestricted Investment - Realized Gain/(Loss).....	-	9,374
Unrestricted Investment - Unrealized Gain/(Loss).....	-	113,814
Unrestricted Investment Earnings.....	-	-
Change in Net Position.....	<u>10,929</u>	<u>139,859</u>
Net Position, Beginning of Year.....	6,944,164	6,804,305
Net Position, End of Year.....	<u>\$ 6,955,093</u>	<u>\$ 6,944,164</u>

STATEMENT OF NET POSITION (Governmental Activities)	2019	2018
Assets:		
Cash and Cash Equivalents.....	\$ 727,520	\$ 452,251
Accounts Receivable.....	22,399	4,710
Inventory.....	22,152	17,477
Other Assets.....	9,396	12,750
Investments.....	1,708,618	1,918,690
Capital Assets, Net.....	4,510,701	4,581,145
Total Assets.....	<u>7,000,786</u>	<u>6,987,023</u>
Liabilities:		
Accounts Payable.....	38,008	34,855
Accrued Expenses.....	3,935	6,282
Unearned Revenue.....	3,750	-
Compensated Absences.....	-	1,722
Total Liabilities.....	<u>45,693</u>	<u>42,859</u>
Net Position:		
Natural Resources and Recreation - Restricted.....	503,467	33,998
Endowment/Nonexpendable - Restricted.....	70,219	70,219
Education - Restricted.....	107,372	94,131
Unrestricted.....	1,763,334	2,164,671
Investment in Capital Assets.....	4,510,701	4,581,145
Total Net Position.....	<u>\$ 6,955,093</u>	<u>\$ 6,944,164</u>

FOUNDATION CHIEF EXECUTIVE

During Audit Period: Eric Schenck, Executive Director

Currently: Crystal Curfman, Executive Director (effective 8-1-19)

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**WEAKNESSES OVER RECEIPTS AND
EXPENDITURES**

The Illinois Conservation Foundation (Foundation) had weaknesses over its receipts and credit card expenditure processes.

Untimely deposits

Improper segregation of duties

Lack of management review

During testing, the auditors noted receipts were not timely deposited, the Foundation did not maintain proper segregation of duties over its receipts processing, credit card expenditures did not have supporting receipts or invoices, credit card statements did not indicate a review was conducted and monthly bank reconciliations prepared by a consultant were not reviewed by management. (Finding 1, pages 33-34)

We recommended management increase its oversight of the receipts and credit card processing performed by its contractor to timely prevent or detect misstatements.

Foundation agrees with auditors

The Foundation agreed with the auditor's recommendation.

INADEQUATE CONTROLS OVER CAPITAL ASSETS

Incomplete property listings

Inadequate controls over property

The Foundation did not have adequate controls over its capital assets. During testing, the auditors noted the Foundation did not ensure its listing of capital assets was complete and accurate or adequately updated or maintained. Furthermore, the Foundation did not maintain a listing of property and equipment below the capitalization threshold of \$5,000. Finally, the Foundation did not conduct regular physical inspection of capital assets and did not utilize tag numbers to account for its property and equipment. (Finding 2, pages 35-36)

We recommended management ensure assets are properly accounted through the maintenance of a complete and updated asset listing which should be clearly assigned to a responsible employee. In addition, we recommended the Foundation periodically conduct a physical count and inspection of all its assets to prevent and detect misappropriation or misstatements.

Foundation agrees with auditors

The Foundation agreed with the auditor's recommendation.

AUDITOR'S OPINION

The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2019, are fairly stated in all material respects.

This financial audit was conducted by E.C. Ortiz & Company, 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