

**ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

**Performed as Special Assistant Auditors
for the Auditor General, State of Illinois**

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

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**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

AGENCY OFFICIALS

| | |
|--|--------------|
| Executive Director (thru 07/31/17) | Tatiana Gant |
| Acting Executive Director (08/01/17 – Present) | Joshua Davis |
| Chief Fiscal Officer | Yazoo Hall |

BOARD MEMBERS

| | |
|----------------------|----------------------|
| Chair | Shirley Madigan |
| Vice Chair/Secretary | Rhoda Pierce |
| Member | Jill Arena |
| Member | Lisa Dent Bielefeldt |
| Member | Beth Boosalis Davis |
| Member | Richard Daniels |
| Member | Christina Gidwitz |
| Member | Henry Godinez |
| Member | Desiree Grode |
| Member | Jodie Kavensky |
| Member | Valerie King |
| Member | Jennifer Levine |
| Member | Gary Matts |
| Member | Peggy Montes |
| Member | Sheila Marie O'Brien |
| Member | Cecilia Rodhe |
| Member | Gail Shiel |
| Member | Christina Steelman |
| Member | Tim Touhy |
| Member | Howard A. Tullman |
| Member | Donald T. Wiener |

The Foundation's Office is located at:

James R. Thompson Center
100 West Randolph Street
Suite 10-500
Chicago, IL 60601-3298



Bruce Rauner
Governor

Shirley R. Madigan
Chairman

Joshua Davis
Acting Executive Director

MANAGEMENT ASSERTION LETTER

Winkel, Parker & Foster, CPA PC
1301 19th Avenue NW
Clinton, Iowa 52732

March 30, 2018

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Arts Council Foundation (Foundation). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Foundation's compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the years ended June 30, 2017 and June 30, 2016, the Foundation has materially complied with the assertions below.

- A. The Foundation has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Arts Council Foundation

SIGNATURE ON FILE

Shirley R. Madigan, President

SIGNATURE ON FILE

Yazoo Hall, Chief Fiscal Officer

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, but does contain a qualified opinion on compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

| <u>Number of</u> | <u>Current</u> | <u>Prior</u> |
|---|----------------|--------------|
| Findings | Report | Report |
| Repeated findings | 2 | 0 |
| Prior recommendations implemented or not repeated | 0 | 0 |

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------|-------------|--------------------|---------------------|
|-----------------|-------------|--------------------|---------------------|

FINDINGS (GOVERNMENT AUDITING STANDARDS)

The financial audit of the Illinois Arts Council Foundation's basic financial statements did not disclose any findings required to be reported by *Governmental Auditing Standards*.

FINDINGS (STATE COMPLIANCE)

| | | | |
|----------|----|---|-------------------------------------|
| 2017-001 | 11 | Bank Charges for Small Inactive Account Balance | Material Weakness and Noncompliance |
| 2017-002 | 12 | Non-compliance with Foundation By-Laws | Material Weakness and Noncompliance |

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

EXIT CONFERENCE

The findings and recommendations appearing in the report were discussed with Foundation personnel at an exit conference on November 3, 2017.

Attending were:

Illinois Arts Council Foundation

Shirley R. Madigan, Chair

Rhoda A. Pierce, Vice Chair

Joshua Davis, Acting Executive Director

Yazoo Hall, Chief Fiscal Officer

Pamela Thomas, Executive Assistant to the Executive Director

Office of the Auditor General

Kathy Lovejoy, Audit Manager

Winkel, Parker & Foster, CPA PC

Claire E. Buyert, Principal

Kristyl McDaniel, Manager

The responses to recommendations were provided by the Chief Fiscal Officer in correspondence dated November 14, 2017.

**INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE
AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Illinois Arts Council Foundation
Board of Directors
Chicago, Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Illinois Arts Council Foundation's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2017. The management of the State of Illinois, Illinois Arts Council Foundation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Arts Council Foundation's compliance based on our examination.

- A. The State of Illinois, Illinois Arts Council Foundation has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Illinois Arts Council Foundation has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Illinois Arts Council Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Illinois Arts Council Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Illinois Arts Council Foundation on behalf of the State or held in trust by the State of Illinois, Illinois Arts Council Foundation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Illinois Arts Council Foundation complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Illinois Arts Council Foundation complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Illinois Arts Council Foundation's compliance with specified requirements.

As described in items 2017-001 and 2017-002 in the accompanying schedule of findings, the State of Illinois, Illinois Arts Council Foundation did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Arts Council Foundation to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Illinois Arts Council Foundation complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2017.

The State of Illinois, Illinois Arts Council Foundation's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Illinois Arts Council Foundation's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

Management of the State of Illinois, Illinois Arts Council Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Illinois Arts Council Foundation's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Arts Council Foundation's internal control over compliance. Accordingly, we do not express an

opinion on the effectiveness of the State of Illinois, Illinois Arts Council Foundation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2017-001 and 2017-002 to be material weaknesses.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your Office.

The State of Illinois, Illinois Arts Council Foundation's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Illinois Arts Council Foundation's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

SIGNATURE ON FILE

Clinton, Iowa
March 30, 2018



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Illinois Arts Council Foundation
Board of Directors
Chicago, Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities and the major fund of the State of Illinois, Illinois Arts Council Foundation, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise State of Illinois, Illinois Arts Council Foundation's basic financial statements, and have issued our report thereon dated March 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Illinois, Illinois Arts Council Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the State of Illinois, Illinois Arts Council Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Arts Council Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Illinois Arts Council Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Illinois Arts Council Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Illinois Arts Council Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNATURE ON FILE

Clinton, Iowa
March 30, 2018

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

**SCHEDULE OF FINDINGS
CURRENT FINDINGS – STATE COMPLIANCE**

2017-001. Finding (Bank Charges for Small Inactive Account Balance)

The Illinois Arts Council Foundation (Foundation) had a small savings account balance which incurred unnecessary charges.

The Foundation maintained a savings account at a local bank with a balance of \$2,389 at June 30, 2017. The Foundation was charged \$10 per month through October 2016 and \$5 per month from November 2016 through June 2017. The Foundation was charged \$80 and \$120 for fiscal years 2017 and 2016, respectively.

The auditors inquired with the Foundation as to the reason for the charges; however, the Foundation was unable to respond. Upon contacting the local bank, it was determined the Foundation had not met the minimum balance requirement. The local bank stated they could refund the Foundation one year of charges; totaling \$60.

As a result of the refunding of the bank fees, the Foundation had an accounts receivable of \$50 at June 30, 2017, which had not been recorded. In addition, the Foundation had not completed or submitted the Quarterly Accounts Receivable Reports to the Illinois Office of the Comptroller for fiscal years 2017 and 2016.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system of internal fiscal and administrative controls which provides assurance that “funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.”

The Statewide Accounting Management System (SAMS) Manual (Procedure 26.30.10) requires State agencies to file quarterly summaries of the status of the agency’s receivables and related collection activities.

The Foundation’s Directors indicated they were not aware of the minimum balance requirement.

Failure to review the bank charges resulted in the Foundation being charged a monthly fee for failure to maintain the minimum account balance. In addition, failure to submit quarterly accounts receivable reports to the Illinois Office of the Comptroller could lead to inaccurate Statewide accounts receivable information. (Finding Code No. 2017-001)

Recommendation:

We recommend the Foundation review all charges to ensure they understand the purpose of the charge and ensure accounts receivable are properly recorded. Additionally, we recommend the Foundation implement controls to ensure accounts receivable quarterly reports are completed and submitted to the Office of the Comptroller.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

**SCHEDULE OF FINDINGS
CURRENT FINDINGS – STATE COMPLIANCE**

2017-001. Finding (Bank Charges for Small Inactive Account Balance)(Continued)

Foundation Response: Foundation agrees.

The Foundation will review all charges to ensure the purpose of the charge and ensure accounts receivable are properly recorded. Additionally, the Foundation will implement controls to ensure accounts receivable quarterly reports are completed and submitted to the Office of the Comptroller. As a result of donations, the Foundation has met the minimum balance requirement to waive the maintenance fees and to eliminate any accounts receivable.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

**SCHEDULE OF FINDINGS
CURRENT FINDINGS – STATE COMPLIANCE**

2017-002. Finding (Non-compliance with Foundation By-Laws)

The Illinois Arts Council Foundation (Foundation) did not hold their annual meeting or elect a Board of Directors as required by the Foundation's By-Laws.

The Foundation's By-Laws state "the annual meeting of the members shall be held at such hour on such day as the Board of Directors shall designate during the third week of October in each year for the purpose of electing Directors of the corporation and for the transaction of such other business as may come before the meetings."

During fiscal year 2016, the Foundation did not hold the annual meeting and did not hold an election of Directors during the October 2016 annual meeting.

Additionally, the President of the Board is to "submit a report of the operations of the corporation for the preceding year to the voting members at their annual meeting." However, the financial report for the year ended June 30, 2015, was not presented to the Board until October 2016.

The Foundation's Directors indicated the Foundation meetings are held directly following the Illinois Arts Council Agency's meetings; which didn't take place due to a lack of a budget in fiscal years 2016 and 2017.

Failure to hold an annual meeting of the Foundations' Board and elect the Board of Directors is a violation of its By-Laws. In addition, failure to present financial reports to the Board in a timely manner is a violation of its By-Laws. (Finding Code No. 2017-002)

Recommendation:

We recommend the Foundation hold the annual meeting and elect the Board of Directors as required by the By-Laws. In addition, we recommend the President of the Board submit the report of operations at the annual meeting.

Foundation Response: Foundation agrees.

The Foundation will hold its annual meeting and elect the Board of Directors as required by the By-Laws. In addition, the President of the Board will submit the report of operations at the annual meeting.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Illinois Arts Council Foundation was performed by Winkel, Parker & Foster, CPA PC.

Based on their audit, the auditors expressed an unmodified opinion on the Foundation's financial statements.

EXIT CONFERENCE

The findings and recommendations appearing in the report were discussed with Foundation personnel at an exit conference on November 3, 2017.

Attending were:

Illinois Arts Council Foundation

Shirley R. Madigan, Chair

Rhoda A. Pierce, Vice Chair

Joshua Davis, Acting Executive Director

Yazoo Hall, Chief Fiscal Officer

Pamela Thomas, Executive Assistant to the Executive Director

Office of the Auditor General

Kathy Lovejoy, Audit Manager

Winkel, Parker & Foster, CPA PC

Claire E. Buyert, Principal

Kristyl McDaniel, Manager

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Illinois Arts Council Foundation
Board of Directors
Chicago, Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities and the major fund of the State of Illinois, Illinois Arts Council Foundation, a component unit of the State of Illinois, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the State of Illinois, Illinois Arts Council Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion in the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the State of Illinois, Illinois Arts Council Foundation, as of June 30, 2017 and 2016, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the State of Illinois, Illinois Arts Council Foundation are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and the major fund of the State that is attributable to the transactions of the State of Illinois, Illinois Arts Council Foundation. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2017 and 2016, and the changes in its financial for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted a management's discussion and analysis and budgetary comparison for the State of Illinois, Illinois Arts Council Foundation Other Fund that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit for the years ended June 30, 2017 and 2016, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois, Illinois Arts Council Foundation 's basic financial statements. The accompanying supplementary information in the State Compliance Schedule 1 and the Analysis of Operations Section for the years ended June 30, 2017 and 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information for the years ended June 30, 2017 and 2016, in the State Compliance Schedule 1 is the responsibility of management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the years ended June 30, 2017 and 2016, in the State Compliance Schedule 1 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years ended June 30, 2017 and 2016, in the State Compliance Schedule 1 is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the years ended June 30, 2017 and 2016.

The State of Illinois, Illinois Arts Council Foundation's basic financial statements for the year ended June 30, 2015 (not presented herein), were audited by other auditors whose report thereon dated December 9, 2015, expressed an unmodified opinion on the respective financial statements of the governmental activities and the major fund. The report of the other auditors dated December 9, 2015 stated that the accompanying supplementary information, State Compliance Schedule 1, for the year ended June 30, 2015 was subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

The accompanying supplementary information in the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018 on our consideration of the State of Illinois, Illinois Arts Council Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of State of Illinois, Illinois Arts Council Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Illinois Arts Council Foundation's internal control over financial reporting and compliance.

SIGNATURE ON FILE

Clinton, Iowa
March 30, 2018

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION
June 30, 2017**

| | Other Fund | Adjustments | Statement of Net Position |
|---|-----------------------|--------------------|--------------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 86,310 | \$ - | \$ 86,310 |
| LIABILITIES | | | |
| None | \$ - | - | - |
| FUND BALANCE / NET POSITION | | | |
| Fund balance: | | | |
| Unassigned | 86,310 | (86,310) | - |
| Unrestricted net position | - | 86,310 | 86,310 |
| Total fund balance / net position | 86,310 | \$ - | \$ 86,310 |
| Total liabilities and fund balance | \$ 86,310 | | |

The accompanying notes are an integral part of these financial statements.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION
June 30, 2016**

| | Other Fund | Adjustments | Statement of Net Position |
|---|-----------------------|--------------------|--------------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 86,325 | \$ - | \$ 86,325 |
| LIABILITIES | | | |
| None | \$ - | - | - |
| FUND BALANCE / NET POSITION | | | |
| Fund balance: | | | |
| Unassigned | 86,325 | (86,325) | - |
| Unrestricted net position | - | 86,325 | 86,325 |
| Total fund balance / net position | 86,325 | \$ - | \$ 86,325 |
| Total liabilities and fund balance | \$ 86,325 | | |

The accompanying notes are an integral part of these financial statements.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
Year Ended June 30, 2017**

| | <u>Other Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|---|-----------------------|--------------------|------------------------------------|
| Expenditures / Expenses: | | | |
| Current: | | | |
| Materials and services | \$ 90 | \$ - | \$ 90 |
| Program revenue: | | | |
| Operating grants and contributions: | | | |
| Investment earnings | 60 | - | 60 |
| Miscellaneous contributions | <u>15</u> | <u>-</u> | <u>15</u> |
| Total program revenue | <u>75</u> | <u>-</u> | <u>75</u> |
| Deficiency of revenue under expenditures | (15) | <u>15</u> | <u>-</u> |
| Change in net position | | <u>(15)</u> | <u>(15)</u> |
| Fund balance / net position: | | | |
| Beginning of the year | <u>86,325</u> | <u>-</u> | <u>86,325</u> |
| End of the year | <u>\$ 86,310</u> | <u>\$ -</u> | <u>\$ 86,310</u> |

The accompanying notes are an integral part of these financial statements.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
Year Ended June 30, 2016**

| | <u>Other Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|-----------------------|--------------------|------------------------------------|
| Expenditures / Expenses: | | | |
| Current: | | | |
| Materials and services | \$ 569 | \$ - | \$ 569 |
| Program revenue: | | | |
| Operating grants and contributions: | | | |
| Investment earnings | 60 | - | 60 |
| Miscellaneous contributions | <u>2,295</u> | <u>-</u> | <u>2,295</u> |
| Total program revenue | <u>2,355</u> | <u>-</u> | <u>2,355</u> |
| Excess of revenue over expenditures | 1,786 | <u>(1,786)</u> | <u>-</u> |
| Change in net position | | <u>1,786</u> | <u>1,786</u> |
| Fund balance / net position: | | | |
| Beginning of the year | <u>84,539</u> | <u>-</u> | <u>84,539</u> |
| End of the year | <u>\$ 86,325</u> | <u>\$ -</u> | <u>\$ 86,325</u> |

The accompanying notes are an integral part of these financial statements.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 1 – ORGANIZATION

The Illinois Arts Council Foundation (Foundation) was incorporated on May 8, 1967 as a not-for-profit corporation. The Foundation was organized to receive contributions from individuals and organizations to further charitable, literary and educational purposes in the way of grants. The Foundation is a locally held nonshared governmental fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board and with (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or,
2. Fiscal dependency on the primary government.

Based upon the required criteria, the Foundation has no component units. However, the Foundation is a component unit of the State of Illinois.

Basis of Presentation

For its reporting purposes, the Foundation has combined its presentation of the fund financial statements and the government-wide financial statements. A brief description of the Foundation's government-wide and fund financial statements is as follows:

Government-Wide Statements: The Statement of Net Position and Statement of Activities report the overall financial activity of the Foundation. The financial activities of the Foundation consist only of governmental activities, which are primarily supported by donations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The fund financial statements provide information about the Foundation's Other Fund, utilizing the basis of accounting described below.

The Foundation administers the following major governmental fund:

Other Fund: This is the Foundation's primary operating fund. It accounts for all financial resources of the Foundation. The services administered by the Foundation and accounted for in this fund include the promotion of arts among the residents of the State of Illinois.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Foundation gives (or receives) value without directly receiving (or giving) equal value in exchange, includes grants and donations. On an accrual basis, revenue from grants, entitlements and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Foundation considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as required under accrual accounting.

Cash and Investments

Cash and certificates of deposits are valued at cost and are held in the name of the Foundation.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The Foundation had no deferred outflows of resources during fiscal years ending June 30, 2017 and 2016.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Revenues are not available if they are received more than 60 days after the end of the fiscal year. The Foundation had no deferred inflows of resources during fiscal years ending June 30, 2017 and 2016.

Net Position

In the government-wide financial statements, equity is displayed as follows:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition of those assets.

Restricted net position – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance

The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a Governmental Fund's net position that is not available to be spent, either short term or long term, in either form or through legal restrictions. The Foundation has no nonspendable fund balances.

Restricted fund balance – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation. The Foundation has no restricted fund balances.

Committed Fund Balance – The portion of a Governmental Fund's net position with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Foundation has no committed fund balances.

Assigned Fund Balance – The portion of a Governmental Fund's net position to denote an intended use of resources. The Foundation has no assigned fund balances.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The Foundation’s fund balance was unassigned as of June 30, 2017 and 2016.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and a similar section of the state statutes. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Institute’s income tax returns. Management is not aware of any tax positions that would have a material effect on the financial statements that are more likely than not to change in the next twelve months, or that would not sustain an examination by applicable taxing authorities with full knowledge of the position and all relevant facts. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Institute’s income tax returns will not be challenged by the taxing authorities and that the Institute will not be subject to additional tax, penalties, and interest as a result of such challenge. The Foundation recognizes penalties and interest arising from uncertain tax positions as incurred in expenditures/expenses. No such penalties or interest were recognized during the years ended June 30, 2017 and 2016.

Budgets and Budgetary Accounting

The Foundation did not formally adopt a budget for the fiscal years ended June 30, 2017 and 2016 and is not legally required to do so; subsequently, the accompanying financial statements are not presented on a budgetary basis whereby budget and actual revenues and expenditures are compared.

Subsequent Events

Management has evaluated subsequent events through March 30, 2018, the date the financial statements were available to be issued, noting no issues.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 3 – CASH AND INVESTMENTS

The Foundation independently manages cash and investments maintained outside the State Treasury.

The Foundation's by-laws provide that funds may be deposited into banks, trust companies or other depositories as the Board of Directors may designate. Additionally, investments may be made in any real property, personal property, or in such a manner as the Board of Directors may deem advantageous.

Cash on deposits and investments for locally held funds at June 30, 2017 and 2016 were as follows:

| <u>Other Fund</u> | <u>Carrying Amount</u> | <u>Bank Balance</u> | <u>Description</u> |
|---|------------------------|---------------------|--------------------|
| June 30, 2017 | | | |
| Chase Bank – Checking | \$ 9,540 | \$ 9,540 | Insured (FDIC) |
| Bank of America – Savings | 2,389 | 2,389 | Insured (FDIC) |
| Bank of America – Certificates of Deposit | <u>74,381</u> | <u>74,381</u> | Insured (FDIC) |
| Totals | <u>\$ 86,310</u> | <u>\$ 86,310</u> | |
| June 30, 2016 | | | |
| Chase Bank – Checking | \$ 9,535 | \$ 9,535 | Insured (FDIC) |
| Bank of America – Savings | 2,468 | 2,468 | Insured (FDIC) |
| Bank of America – Certificates of Deposit | <u>74,322</u> | <u>74,322</u> | Insured (FDIC) |
| Totals | <u>\$ 86,325</u> | <u>\$ 86,325</u> | |

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation is a separate entity from the Illinois Arts Council (Council). However, the Council has agreed to provide office space, employees, and equipment that enable the Foundation to conduct its normal business activities.

The Foundation and Council are accounted for separately, and no funds are transferred between the two organizations.

The Foundation's Board of Directors and the Illinois Arts Council share a common membership.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE 5 – INCOME TAXES

The Foundation files income tax returns in the U.S. federal jurisdiction.

The Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2013.

NOTE 6 – NEW PRONOUNCEMENTS

In 2016, the Foundation implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. These statements did not have a significant impact on the Foundation's financial statements.

In 2017, the Foundation implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 77, *Tax Abatements*; GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*; and GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. These statements did not have a significant impact on the Foundation's financial statements.

NOTE 7 – RECLASSIFICATION OF FUND BALANCE/NET POSITION

The Foundation has reclassified fund balance/net position to present the balances as unassigned/unrestricted to more appropriately reflect the available expendable financial resources of the Foundation. In previously presented financial statements the fund balance/net position was presented as restricted. The reclassification had no net effect on the fund balance/net position or the change in fund balance/net position.

This information is an integral part of the accompanying financial statements.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017**

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

Comparative Schedule of Cash Receipts, Disbursements and Fund Balances (Cash Basis) – Locally Held Funds

- Analysis of Operations (Unaudited):

Foundation Functions and Planning Program (Unaudited)
Average Number of Employees (Unaudited)
Service Efforts and Accomplishments (Unaudited)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Other Matters Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, it is fairly stated, in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The auditor's report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
 ILLINOIS ARTS COUNCIL FOUNDATION
 (A Component Unit of the State of Illinois)

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND FUND BALANCE
 (CASH BASIS) – LOCALLY HELD FUNDS
 For the Years Ended June 30,

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|
| Beginning balance of cash and investments | \$ 86,325 | \$ 84,514 | \$ 83,772 |
| Total funds received during the fiscal year | 75 | 2,380 | 887 |
| Total funds disbursed during the fiscal year | 90 | 569 | 145 |
| Ending balance of cash and investments | <u>\$ 86,310</u> | <u>\$ 86,325</u> | <u>\$ 84,514</u> |

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017
(Unaudited Disclosures by Foundation Management)**

Agency Functions

The Illinois Arts Council Foundation (Foundation) was incorporated on May 8, 1967 as a not-for-profit corporation. The Foundation serves the Illinois Arts Council (Council) by augmenting limited State funds for the purpose of arts awareness.

The primary function of the Foundation is to distribute contributions received in the form of grants and contributions to increase the awareness of Council's programs and services through publications, public forums, promotional activities and events.

Agency Planning Program

The Foundation utilizes the same formal planning program as the Council documented in their *Strategic Plan 2013-2018*. The Council and Foundation share board members. These board members meet periodically, to actively plan all aspects of the Foundation. The current members are:

| | |
|---|----------------------|
| Shirley Madigan – Chair | Jennifer Levine |
| Rhonda Pierce – Vice Chairman/Secretary | Gary Matts |
| Jill Arena | Peggy Montes |
| Lisa Dent Bielefeldt | Sheila Marie O'Brien |
| Beth Boosalis Davis | Cecilia Rodhe |
| Richard Daniels | Gail Shiel |
| Christina Gidwitz | Christina Steelman |
| Henry Godinez | Tim Touhy |
| Desiree Grode | Howard A. Tullman |
| Jodie Kavensky | Donald T. Wiener |
| Valerie King | |

**AVERAGE NUMBER OF EMPLOYEES
(Unaudited Disclosures by Foundation Management)**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-----------------------------|-------------|-------------|-------------|
| Average Number of Employees | 0 | 0 | 0 |

Note: All Foundation activity is performed by employees of the Council.

**STATE OF ILLINOIS
ILLINOIS ARTS COUNCIL FOUNDATION
(A Component Unit of the State of Illinois)**

**SERVICE EFFORTS AND ACCOMPLISHMENTS
(Unaudited Disclosures by Foundation Management)**

The Foundation's mission is to augment limited State funds for the purpose of outreach and communication initiatives within the arts community and the general public.

The Foundation's mission is accomplished through its capacity to receive and disperse private donations not authorized for use by a State agency.

Contributions to the Foundation are used to increase awareness of the Illinois Arts Council's programs and services through publications, public forums, promotional activities and events.

During the years ended June 30, 2017 and 2016 the Foundation collected miscellaneous contributions of \$15 and \$2,295, respectively.