

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)**

**STATE COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2021**

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

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

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**IMSA FUND FOR ADVANCEMENT OF EDUCATION
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STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

AGENCY OFFICIALS

Executive Director of Development - Illinois Mathematics and Science Academy	Ms. Tami Armstrong
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BOARD OF DIRECTORS

President/Executive Chair	Mr. Jacob Plummer
Secretary/Governance Chair	Mr. Kevin Brookins (6/30/2020 to current)
Secretary/Governance Chair	Dr. Ross Hemphill (to 6/30/20)
Vice President/Treasurer/Chair of Finance	Mr. Glenn Rippie
Member	Mr. Hector Correa (2/28/2020 to current)
Member	Mr. Michael C. Fountain
Member	Mr. Troy Henikoff (to 5/26/2021)
Member	Ms. Kimberly Simon (10/31/2019 to current)
Member	Mr. Taylor L. Smith (to 5/26/2021)
Member	Mr. Raj Tank (2/28/2020 to current)
Member	Mr. Richard R. Tung
Member	Mr. Sam Yagan
Member	Mr. Matt Maddox (5/26/2021 to current)
Member	Mr. Steve Crutchfield (5/26/2021 to current)
Member	Ms. Sharon Zeng (11/19/21 to current)

The Fund's office is located at: 1500 Sullivan Road, Suite 200, Aurora, Illinois 60506-1000



630.907.5040 . 1500 SULLIVAN ROAD, AURORA, IL 60506-1000 . IMSA.EDU/GIVING

MANAGEMENT ASSERTION LETTER

February 28, 2022

Borschneck, Pelletier & Co.
Certified Public Accountants
200 E. Court St., Suite 608
Kankakee, IL 60901

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 IMSA Fund for Advancement of Education (Fund). 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 Fund's compliance with the following specified requirements during the two years ended June 30, 2021. Based on this evaluation, we assert that during the two years ended June 30, 2021, the Fund has materially complied with the specified requirements listed below.

- A. The Fund 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 Fund 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 Fund 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 Fund 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 Fund on behalf of the State or held in trust by the Fund have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

IMSA Fund for Advancement of Education

SIGNED ORIGINAL ON FILE

Tami Armstrong, Executive Director

SIGNED ORIGINAL ON FILE

Scott Kreiter, Senior Development Manager

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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*.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

EXIT CONFERENCE

The IMSA Fund for Advancement of Education waived an exit conference in a correspondence from Tami Armstrong, Executive Director of Development, dated February 22, 2022.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
IMSA Fund for Advancement of Education
Aurora, Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the IMSA Fund for Advancement of Education (Fund) (a component unit of the State of Illinois) with the specified 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, 2021. Management of the Fund is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Fund's compliance with the specified requirements based on our examination.

The specified requirements are:

- A The Fund 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 Fund 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 Fund 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 Fund 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 Fund on behalf of the State or held in trust by the Fund 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Fund complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Fund complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, 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 Fund's compliance with the specified requirements.

In our opinion, the Fund complied with the specified requirements during the two years ended June 30, 2021, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control over Compliance

Management of the Fund is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Fund's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Fund's compliance with the specified requirements and to test and report on the Fund's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control 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. 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.

There were no immaterial findings that have been excluded from this report.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Kankakee, Illinois
February 28, 2022

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021**

DISCLOSURES REPORT

SUMMARY

A reading of the accompanying report components of the IMSA Fund for Advancement of Education (a component unit of the State of Illinois) was performed by Borschnack, Pelletier & Co.

ACCOUNTANT'S REPORT

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

EXIT CONFERENCE

The IMSA Fund for Advancement of Education waived an exit conference in a correspondence from Tami Armstrong, Executive Director of Development, dated February 22, 2022.

INDEPENDENT ACCOUNTANT'S REPORT ON DISCLOSURES
ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
IMSA Fund for Advancement of Education
Aurora, Illinois

Disclosures Accompanying a State Compliance Examination Report

Management of the IMSA Fund for Advancement of Education (Fund) (a component unit of the State of Illinois) is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant's Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document. Our opinion on the Fund's State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the Fund, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the Fund we obtained as part of the Fund's State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report.

SIGNED ORIGINAL ON FILE

Kankakee, Illinois
February 28, 2022

**IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES
For the Two Years Ended June 30, 2021**

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES

Explanations for variances of \$65,000 and 5% have been provided below.

	Years Ending June 30,		
	2021	2020	2019
Operating Expenses			
Academy Support	\$ 499,950	\$ 773,148	\$ 1,813,245

Academy Support - The decrease from Fiscal Year 2020 to 2021 was due to the COVID-19 pandemic disruption to in person learning. The decrease from Fiscal Year 2019 to 2020 was due to a reduction in funds being spent on upgrades within the school building for the Auditorium renovation and completion of the science wing.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUE
For the Two Years Ended June 30, 2021

ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUE

Explanations for variances of \$65,000 and 5% have been provided below.

	Years Ending June 30,		
	2021	2020	2019
Contributions	\$ 563,550	\$ 1,279,075	\$ 1,148,964
Interest and Dividend Income	273,221	206,015	252,259
Gain (Loss) on Investments	2,089,523	256,245	255,238
Contributions to Permanent Endowments	289,101	323,818	490,805

Contributions – As a result of the COVID-19 pandemic forcing people either out of work or to a reduced level of work and possible income, the Fund did not perform a full-scale appeal for donations in Fiscal Year 2021. The increase from Fiscal Year 2019 to 2020 was the result of a \$500,000 restricted pledge received in Fiscal Year 2020.

Interest and Dividend Income – The increase from Fiscal Year 2020 to 2021 was due to endowment fund growth and higher yielding investments in Fiscal Year 2021.

Gain (Loss) on Investments – The increase from Fiscal Year 2020 to 2021 was due to market conditions and changes in the economy.

Contributions to Permanent Endowments – The decrease from Fiscal Year 2019 to 2020 was the result of \$456,000 contribution received in Fiscal Year 2019.

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
FUNCTIONS AND PLANNING
For the Two Years Ended June 30, 2021

AGENCY FUNCTIONS

The IMSA Fund for Advancement of Education (Fund) was incorporated February 6, 1986 as an Illinois not-for-profit corporation. The Fund services as the primary source of private funding for the Illinois Mathematics and Science Academy (Academy)

The primary functions of the Fund are to raise funds from the private sector, oversee the management and distribution of the Fund's assets and to enrich the Academy's education programs. Private sector contributions also provide resources to enhance the Academy's continuing development as an educational laboratory for schools and teachers throughout the State of Illinois.

AGENCY PLANNING PROGRAM

The organization maintains a formal planning program, which is documented in the Fund's Board records. The Board of Directors of the Fund and the relevant Board Committees actively plan fundraising programs in response to the Academy's request for instructional programs and development or enhancement of the Academy's facilities.

Tami Armstrong is the Executive Director of Development of the IMSA Fund. IMSA Fund Board Director, Jacob Plummer is the President of IMSA Fund and Beverly Lee, Administrative Assistant to the Executive Director is the Assistant Secretary of IMSA Fund.

SIGNIFICANT CHALLENGES

During the Fiscal Years 2020 and 2021, as a result of the COVID 19 pandemic, the Fund experienced reduced donor activity as the world grappled with remote learning, unemployment challenges and health issues. The Fund decided not to hold an annual fund raiser in the fall of 2020 asking for monies that may not be readily available. At the same time, specific donors acted to fund a Student Emergency Relief Fund (SERF) in which funds were set aside to aid families that struggled to provide educational support to help Academy students learning from home. The SERF fund is still operating as expected with fewer and fewer requests for assistance. The fund will remain active until 100% of the designated funds are utilized. The Fund is in the process of mailing out fundraising letters for our Fiscal Year 2022 operating assistance and expect a typical response from our donor base.

Key Financial Information

Please see pages 5-9 of the Financial Audit Report for a discussion of key financial information.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2021

AVERAGE NUMBER OF FULL-TIME EMPLOYEES

	Years Ending June 30,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Full-time equivalent employees	-0-	-0-	-0-

The administration of all Fund activity is performed by employees of the Academy. An agreement between the two organizations indicates that the Fund has agreed to provide financial support to the Academy (both directly and indirectly) and in exchange, the Academy has agreed to provide office space, equipment and personnel to enable the Fund to accomplish its purpose in providing financial support to the Academy.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

IMSA FUND FOR ADVANCEMENT OF EDUCATION
(A Component Unit of the State of Illinois)
SCHEDULE OF SERVICES PROVIDED BY THE ACADEMY TO THE FUND
For the Two Years Ended June 30, 2021

SCHEDULE OF SERVICES PROVIDED BY THE ACADEMY TO THE FUND

The Academy engaged the Fund, under contract, to provide fundraising services. As required by the contract, the Fund must provide direct or indirect program support that exceeds the services provided by the Academy in order to have no reimbursement of costs to occur. The following table summarizes services provided by the Academy to the Fund.

	Years Ending June 30,		
	2021	2020	2019
Services provided:			
Personal Service	\$ 189,401	\$ 225,540	\$ 226,063
Rent	26,802	26,802	26,802
Maintenance Costs	7,656	9,525	8,795
Utilities	3,306	3,976	4,959
Equipment/Furniture Rental	8,050	8,750	8,750
Telephone Services	1,131	1,188	890
Financial System Costs	1,291	1,240	1,240
Total	\$ 237,637	\$ 277,021	\$ 277,499

Note: The Fund conducts an annual review of accounting allocations for non-cash resources provided by the Academy in order to better identify resources.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.