



VIRGINIA LAND CONSERVATION FOUNDATION

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2020

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

Our audit of the revenue and other transfers of the Virginia Land Conservation Foundation (Foundation) for the fiscal year ended June 30, 2020, found material compliance with requirements in the Appropriation Act and the Code of Virginia.

- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT SUMMARY	
AUDIT SCOPE OVERVIEW	1
INDEPENDENT AUDITOR'S REPORT	2-3
FOUNDATION OFFICIALS	4

AUDIT SCOPE OVERVIEW

The Foundation provides state funding in the form of grants for the purchase of permanent conservation easements, open spaces and parklands, lands of historic or cultural significance, farmlands and forests, and natural areas. The Foundation uses the Virginia Land Conservation Fund (Conservation Fund) to fulfill its mission. The Department of Conservation and Recreation (Conservation) administers the Conservation Fund and is the fiscal agent for the Foundation. The Foundation is governed by a 19-member Board of Trustees which includes the following: the Secretary of Agriculture and Forestry; the Secretary of Natural and Historic Resources; and 17 citizen members, four appointed by the Speaker of the House of Delegates, two appointed by the Senate Committee on Rules, and the remaining 11 members appointed by the Governor.

The Conservation Fund has two major sources of funding. The Appropriation Act and the Code of Virginia govern the amount of annual funding available for the Conservation Fund. Following the requirements in the Appropriation Act and Code of Virginia, the Conservation Fund received a \$4,500,000 transfer from the General Fund and \$2,126,000 from the Land Preservation Tax Credit fees collected by the Department of Taxation (Taxation) in fiscal year 2020. As required by the Code of Virginia § 10.1-1020 C.1., the Foundation transferred \$1,125,000 to the Virginia Outdoors Foundation's Open-Space Lands Preservation Trust Fund.

Taxation collects fees associated with the Transfer of Land Preservation Tax Credits program. The State Comptroller transfers a portion from the Land Preservation Fund to the General Fund. Taxation then splits the remaining revenues in half to determine the minimum required transfer of revenues to the Foundation.

Both the minimum transfer to the Foundation and the maximum allowance for covering associated costs are set by § 58.1-513 of the Code of Virginia. The Code of Virginia states that revenues generated by the Land Preservation Tax Credit fees shall first be used by Taxation and Conservation for their administration costs but shall not exceed 50 percent of the total revenues. The remainder of the revenues shall be transferred to the Foundation for distribution to the public or private conservation agencies or organizations. Under a memorandum of understanding between Conservation and Taxation, Taxation transfers \$483,400 to Conservation each year to support their costs of administering the Conservation Fund on behalf of the Foundation.



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 2, 2021

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Kenneth R. Plum
Chairman, Joint Legislative Audit
and Review Commission

We have audited the revenue and other transfers of the **Virginia Land Conservation Foundation** (Foundation) for the year ended June 30, 2020. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objective was to analyze the accounts and records of the Foundation to ensure that its funds were transferred as required by the Code of Virginia and the Appropriation Act.

Audit Scope and Methodology

We considered significance and risk and performed an analysis of the accounts and records associated with the Foundation to determine the extent of our audit procedures. Our procedures included inquiries of appropriate personnel and inspection of records. We reviewed the Code of Virginia and the Appropriation Act and compared the Foundation's practices to the requirements set forth in the laws and regulations as they pertain to our audit objectives.

Conclusions

Our audit of the revenue and other transfers for the two major revenue streams for the Conservation Fund found that the Foundation receives and properly records the General Fund transfers from Conservation as prescribed by the Appropriation Act and properly calculates and distributes the required funding to the Virginia Outdoors Foundation as prescribed by the Code of Virginia. For the other revenue stream, the Land Preservation Tax Credit fees, we substantiated that the transfers materially adhered to the requirements as set forth in the Code of Virginia and the Appropriation.

Exit Conference and Report Distribution

We provided management with a copy of this report on September 17, 2021. This report is intended for the information and use of the Governor and General Assembly, Virginia Land Conservation Foundation Board of Trustees, management, and citizens of the Commonwealth of Virginia and is a public record.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

STT/clj

VIRGINIA LAND CONSERVATION FOUNDATION

as of June 30, 2020

BOARD MEMBERS

Matthew Strickler
Chairman

Robert Lazaro
Vice Chairman

Steven L. Apicella
James W. Beamer
Glenda C. Booth
James F. Casey
Susan E. Donner
Jay C. Ford
Emmett Hanger
Kat Imhoff

Andrew C. Jennison
David Marsden
Julian T. Ottley
Albert C. Pollard, Jr.
Russell Vern Presley, II
Mary-Carson Stiff
Bruce Vlk
John Paul Woodley, Jr.