



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, 2021

Release Date: December 29, 2021

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	1	0	1				
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, 2021. The Foundation's compliance examination covering the year ended June 30, 2021 will be released under a separate cover.

**SYNOPSIS**

- (21-01) The Foundation did not timely obtain or conduct timely independent internal control reviews over its service providers.

**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, 2021**

<b>STATEMENT OF ACTIVITIES (Governmental Activities)</b>	<b>2021</b>	<b>2020</b>
<b>Program Revenue:</b>		
Charges for Goods and Services.....	\$ 27,115	\$ 25,690
Operating Grants and Contributions - General Administrative.....	341,087	210,721
Operating Grants and Contributions - Natural Resources & Recreation.....	458,139	579,425
Total Program Revenue.....	<u>826,341</u>	<u>815,836</u>
<b>Expenses:</b>		
General Administrative.....	366,988	477,415
Natural Resources and Recreation.....	493,720	903,043
Total Expenditures.....	<u>860,708</u>	<u>1,380,458</u>
Net (Expense) Revenue.....	(34,367)	(564,622)
<b>General Revenue:</b>		
Investment Earnings.....	541,703	11,160
Other Income.....	86,363	-
<b>Change in Net Position.....</b>	<u>593,699</u>	<u>(553,462)</u>
<b>Net Position, Beginning of Year.....</b>	<u>6,401,631</u>	<u>6,955,093</u>
<b>Net Position, End of Year.....</b>	<u>\$ 6,995,330</u>	<u>\$ 6,401,631</u>
<b>STATEMENT OF NET POSITION (Governmental Activities)</b>		
<b>Assets:</b>		
Cash and Cash Equivalents.....	\$ 620,141	\$ 472,135
Accounts Receivable.....	34,381	19,230
Due from the Related Party.....	76,191	-
Inventory.....	15,649	24,760
Other Assets.....	8,121	22,443
Investments.....	1,972,415	1,536,107
Capital Assets, Net.....	4,395,265	4,466,530
Total Assets.....	<u>7,122,163</u>	<u>6,541,205</u>
<b>Liabilities:</b>		
Accounts Payable.....	23,324	40,561
Accrued Expenses.....	4,942	5,717
Unearned Revenue.....	29,330	27,025
Loan Payable.....	69,237	66,271
Total Liabilities.....	<u>126,833</u>	<u>139,574</u>
<b>Net Position:</b>		
Net Investment in Capital Assets.....	4,395,265	4,466,530
Natural Resources and Recreation - Restricted.....	491,744	354,436
Endowment/Nonexpendable - Restricted.....	115,219	70,219
Education - Restricted.....	111,764	99,108
Unrestricted.....	1,881,338	1,411,338
Total Net Position.....	<u>\$ 6,995,330</u>	<u>\$ 6,401,631</u>
<b>FOUNDATION CHIEF EXECUTIVE</b>		
During Audit Period: Crystal Curfman (through 10-31-20), Vacant (11-1-20 to 11-15-20), Steve Ettinger (effective 11-16-20)		
Currently: Steve Ettinger, Executive Director		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**LACK OF ADEQUATE CONTROLS OVER THE  
REVIEW OF INTERNAL CONTROLS OVER SERVICE  
PROVIDERS**

**Did not timely obtain or conduct  
timely internal control reviews**

The Illinois Conservation Foundation (Foundation) did not timely obtain or conduct timely independent internal controls reviews over its service providers.

During testing of the Foundation's five service providers, we noted the Foundation had not:

**Did not timely obtain and review  
SOC reports**

- Timely obtained and reviewed the five (100%) service providers' System and Organization Controls (SOC) reports and tracked compliance with service levels agreed to with the service providers.

**Did not monitor CUECs**

- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to its operations for the five (100%) service providers.

**Did not timely review SOC reports  
for subservice providers**

- Timely obtained and reviewed SOC reports for subservice providers for two of two (100%) service providers or performed alternative procedures to determine the impact on its internal control environment. (Finding 1, pages 31-32)

We recommended the Foundation:

- Timely obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually;
- Monitor and document the operation of the Complementary User Entity Controls (CUECs) relevant to the Foundation's operations; and,
- Review service level agreements with service providers to ensure applicable requirements are met.

In addition, we recommended for SOC reports with one or more subservice providers, the Foundation should:

- Either obtain and review a SOC report for each subservice provider or perform alternative procedures to satisfy the usage of each subservice provider would not impact the Foundation's internal control environment; and,
- Document its review of the SOC reports and review all significant issues with each subservice provider to ascertain if a corrective action plan exists and when it

will be implemented, any impacts to the Foundation, and any compensating controls.

**Foundation agreed with auditors**

The Foundation agreed with the recommendation and stated the Foundation will attempt to obtain and review SOC reports as they become available in the future.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2021, are fairly stated in all material respects.

This financial audit was conducted by Roth & Company, LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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