



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, 2022

Release Date: January 26, 2023

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	2021		22-01	
Category 2:	0	1	1				
Category 3:	0	0	0				
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>				
FINDINGS LAST AUDIT: 1							

**INTRODUCTION**

This digest covers the financial audit of the Illinois Conservation Foundation (Foundation) as of and for the year ended June 30, 2022.

**SYNOPSIS**

- (22-01) The Foundation lacked adequate controls over review of internal controls 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, 2022**

<b>STATEMENT OF ACTIVITIES (Governmental Activities)</b>	<b>2022</b>	<b>2021</b>
<b>Program Revenue:</b>		
Charges for Goods and Services.....	\$ 33,743	\$ 27,115
Operating Grants and Contributions - General Administrative.....	357,350	341,087
Operating Grants and Contributions - Natural Resources & Recreation.....	766,966	458,139
Total Program Revenue.....	<u>1,158,059</u>	<u>826,341</u>
<b>Expenses:</b>		
General Administrative.....	363,141	366,988
Natural Resources and Recreation.....	704,303	493,720
Total Expenditures.....	<u>1,067,444</u>	<u>860,708</u>
Net (Expense) Revenue.....	90,615	(34,367)
<b>General Revenue:</b>		
Investment Earnings (Losses).....	(351,890)	541,703
Other Income.....	70,100	86,363
<b>Change in Net Position.....</b>	<u>(191,175)</u>	<u>593,699</u>
<b>Net Position, Beginning of Year.....</b>	<u>6,995,330</u>	<u>6,401,631</u>
<b>Net Position, End of Year.....</b>	<u>\$ 6,804,155</u>	<u>\$ 6,995,330</u>
<b>STATEMENT OF NET POSITION (Governmental Activities)</b>		
<b>Assets:</b>		
Cash and Cash Equivalents.....	\$ 554,449	\$ 620,141
Accounts Receivable.....	11,968	34,381
Due from the Related Party.....	5,937	76,191
Inventory.....	15,795	15,649
Other Assets.....	46,709	8,121
Investments.....	1,886,637	1,972,415
Capital Assets, Net.....	4,347,574	4,395,265
Total Assets.....	<u>6,869,069</u>	<u>7,122,163</u>
<b>Liabilities:</b>		
Accounts Payable.....	59,004	23,324
Accrued Expenses.....	5,910	4,942
Unearned Revenue.....	-	29,330
Loan Payable.....	-	69,237
Total Liabilities.....	<u>64,914</u>	<u>126,833</u>
<b>Net Position:</b>		
Net Investment in Capital Assets.....	4,347,574	4,395,265
Natural Resources and Recreation - Restricted.....	493,737	491,744
Endowment/Nonspendable - Restricted.....	115,219	115,219
Education - Restricted.....	76,804	111,764
Unrestricted.....	1,770,821	1,881,338
Total Net Position.....	<u>\$ 6,804,155</u>	<u>\$ 6,995,330</u>
<b>FOUNDATION CHIEF EXECUTIVE</b>		
During Audit Period: Steve Ettinger, Executive Director		
Currently: Steve Ettinger, Executive Director		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

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

The Illinois Conservation Foundation (Foundation) lacked adequate controls over review of internal controls over its service providers.

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

**Did not obtain and review SOC reports**

**Did not monitor CUECs**

**Did not analyze the impact of deviations noted in the SOC report**

- Obtained and reviewed the service providers' System and Organization Controls (SOC) reports.
- Timely obtained and reviewed SOC reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to its operations.
- Ensured a requirement for an independent review was included within the contract between the Foundation and service providers.
- Developed or implemented procedures for monitoring the service providers.
- Conducted an analysis to determine the impact of noted deviations within the SOC report. (Finding 1, pages 30-31)

We recommended the Foundation:

- Obtain and review SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Either obtain and review SOC reports for subservice providers or perform alternative procedures to satisfy the use of the subservice providers would not impact the Foundation's internal control environment.
- Monitor and document the operation of the CUECs relevant to the Foundation's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.
- Develop and implement procedures for monitoring of service providers.
- Conduct an analysis to determine the impact of noted deviations within the SOC reports.

**Foundation agreed with auditors**

The Foundation agreed with the recommendation and stated it will do its best to follow the recommendation.

**AUDITOR’S OPINION**

The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2022, are fairly stated in all material respects.

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

**SIGNED ORIGINAL ON FILE**

---

JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

---

FRANK J. MAUTINO  
Auditor General

FJM:vrp