



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, 2023

Release Date: February 6, 2024

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		23-01	
Category 2:	0	1	1				
Category 3:	0	0	0				
TOTAL	0	1	1				
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, 2023. The Foundation’s compliance examination covering the two-years ended June 30, 2023 will be released under a separate cover.

SYNOPSIS

- (23-01) 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, 2023

STATEMENT OF ACTIVITIES (Governmental Activities)	2023	2022
Program Revenue:		
Charges for Goods and Services.....	\$ 33,730	\$ 33,743
Operating Grants and Contributions - General Administrative.....	392,179	357,350
Operating Grants and Contributions - Natural Resources & Recreation.....	708,903	766,966
Total Program Revenue.....	<u>1,134,812</u>	<u>1,158,059</u>
Expenses:		
General Administrative.....	371,675	363,141
Natural Resources and Recreation.....	794,257	704,303
Total Expenditures.....	<u>1,165,932</u>	<u>1,067,444</u>
Net (Expense) Revenue.....	(31,120)	90,615
General Revenue:		
Investment Earnings (Losses).....	238,781	(351,890)
Other Income.....	35,273	70,100
Change in Net Position.....	<u>242,934</u>	<u>(191,175)</u>
Net Position, Beginning of Year.....	<u>6,804,155</u>	<u>6,995,330</u>
Net Position, End of Year.....	<u>\$ 7,047,089</u>	<u>\$ 6,804,155</u>
STATEMENT OF NET POSITION (Governmental Activities)		
Assets:		
Cash and Cash Equivalents.....	\$ 496,864	\$ 554,449
Accounts Receivable.....	19,164	11,968
Due from the Related Party.....	11,449	5,937
Inventory, net.....	19,497	15,795
Other Assets.....	17,564	46,709
Investments.....	2,091,446	1,886,637
Subscription assets, Net.....	17,294	-
Capital Assets, Net.....	4,439,936	4,347,574
Total Assets.....	<u>7,113,214</u>	<u>6,869,069</u>
Liabilities:		
Accounts Payable.....	11,647	59,004
Accrued Expenses.....	6,131	5,910
Subscription Liability.....	16,480	-
Loan Payable.....	31,867	-
Total Liabilities.....	<u>66,125</u>	<u>64,914</u>
Net Position:		
Net Investment in Capital Assets.....	4,408,883	4,347,574
Natural Resources and Recreation - Restricted.....	567,224	493,737
Endowment/Nonspendable - Restricted.....	115,219	115,219
Education - Restricted.....	99,378	76,804
Unrestricted.....	1,856,385	1,770,821
Total Net Position.....	<u>\$ 7,047,089</u>	<u>\$ 6,804,155</u>
FOUNDATION CHIEF EXECUTIVE		
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) did not have adequate controls over the review of internal controls over its service providers.

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

Did not obtain and review SOC reports

- Obtained and reviewed the System and Organization Control (SOC) report for one (25%) service provider.
- Timely obtained and reviewed SOC reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment. Two service providers' (50%) SOC reports have identified subservice providers.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to its operations for three (75%) service providers.
- Ensured a requirement for an independent review was included within the contract between the Foundation and four (100%) service providers.
- Conducted an analysis to determine the impact of noted deviations within the SOC reports for two (50%) service providers.
- Obtained bridge letters for three (75%) service providers when SOC reports did not encompass the entire audit period. (Finding 1, pages 31-32)

Did not monitor CUECs

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

We recommended the Foundation:

- Obtain and review SOC reports or perform independent reviews of internal controls associated with outsourced system 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 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.

- Conduct an analysis to determine impact of noted deviations within the SOC reports.
- Obtain bridge letters when SOC reports do not cover the entire audit period.

Foundation agreed with auditors

The Foundation agreed with the recommendation.

AUDITOR'S OPINION

The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2023, 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

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