



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, 2024

Release Date: February 20, 2025

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		24-01	
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, 2024.

SYNOPSIS

- (24-01) The Foundation did not have 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, 2024

STATEMENT OF ACTIVITIES (Governmental Activities)	2024	2023
Program Revenue:		
Charges for Goods and Services.....	\$ 34,439	\$ 33,730
Operating Grants and Contributions - General Administrative.....	358,593	392,179
Operating Grants and Contributions - Natural Resources & Recreation.....	723,101	708,903
Total Program Revenue.....	<u>1,116,133</u>	<u>1,134,812</u>
Expenses:		
General Administrative.....	492,544	371,675
Natural Resources and Recreation.....	789,615	794,257
Total Expenditures.....	<u>1,282,159</u>	<u>1,165,932</u>
Net (Expense) Revenue.....	(166,026)	(31,120)
General Revenue:		
Investment Earnings (Losses).....	355,140	238,781
Other Income.....	1,831	35,273
Change in Net Position.....	<u>190,945</u>	<u>242,934</u>
Net Position, Beginning of Year.....	<u>7,047,089</u>	<u>6,804,155</u>
Net Position, End of Year.....	<u>\$ 7,238,034</u>	<u>\$ 7,047,089</u>
STATEMENT OF NET POSITION (Governmental Activities)	2024	2023
Assets:		
Cash and Cash Equivalents.....	\$ 352,399	\$ 496,864
Accounts Receivable.....	7,663	19,164
Due from the Related Party.....	19,201	11,449
Inventory, net.....	23,283	19,497
Other Assets.....	1,238	17,564
Investments.....	2,393,638	2,091,446
Subscription assets, Net.....	7,412	17,294
Capital Assets, Net.....	4,492,676	4,439,936
Total Assets.....	<u>7,297,510</u>	<u>7,113,214</u>
Liabilities:		
Accounts Payable.....	24,433	11,647
Accrued Expenses.....	6,244	6,131
Subscription Liability.....	7,224	16,480
Loan Payable.....	21,575	31,867
Total Liabilities.....	<u>59,476</u>	<u>66,125</u>
Net Position:		
Net Investment in Capital Assets.....	4,471,261	4,408,883
Natural Resources and Recreation - Restricted.....	667,800	567,224
Endowment/Nonspendable - Restricted.....	115,219	115,219
Education - Restricted.....	133,751	99,378
Unrestricted.....	1,850,003	1,856,385
Total Net Position.....	<u>\$ 7,238,034</u>	<u>\$ 7,047,089</u>
FOUNDATION CHIEF EXECUTIVE		
During Audit Period: Steve Ettinger, Executive Director (through 11/15/24), Jenny Vaughn, Acting Executive Director (effective 11/16/24)		
Currently: Jenny Vaughn, Acting 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 six service providers, we noted the Foundation had not:

Did not obtain and review SOC reports

- Obtained the System and Organization Controls (SOC) reports or performed independent reviews of internal controls associated with outsourced systems for two (33%) service providers.
- Adequately documented the review of SOC reports for four (67%) service providers.

Did not obtain and review SOC reports of subservice providers

- Obtained and reviewed SOC reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment. Two service providers' (33%) SOC reports identified subservice providers.

Did not monitor CUECs

- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to its operations for three (50%) service providers.
- Ensured a requirement for an independent review of internal controls was included within the contract between the Foundation and the one (17%) service provider.

Did not analyze the impact of deviations noted in SOC reports

- Conducted an analysis to determine the impact of noted deviations within the SOC reports for two (33%) service providers.
- Obtained a bridge letter for one (17%) service provider when the SOC report did not encompass the entire audit period. (Finding 1, pages 30-31)
This finding was first reported in fiscal year 2021

We recommended the Foundation:

- Obtain and review SOC reports or perform independent reviews of internal controls

associated with outsourced system at least annually.

- Adequately document the review of SOC reports.
- 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 the 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, 2024, are fairly stated in all material respects.

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

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
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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