

**Illinois
Conservation
Foundation**

**A COMPONENT UNIT OF THE STATE OF
ILLINOIS**

**STATE COMPLIANCE
EXAMINATION**

**FOR THE TWO YEARS ENDED
JUNE 30, 2025**

**Performed as Special
Assistant Auditors
for the Auditor General,
State of Illinois**

 **Roth&Co**

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

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ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

FOUNDATION OFFICIALS

Executive Director (02/04/25 - Present)	Ms. Jenny Vaughn
Acting Executive Director (11/16/24 - 02/03/25)	Ms. Jenny Vaughn
Executive Director (07/01/23 - 11/15/24)	Mr. Steve Ettinger
Operations Director (11/16/24 - Present)	Vacant
Operations Director (07/01/23 - 11/15/24)	Ms. Jenny Vaughn
Marketing Director (02/01/25 - Present)	Vacant
Marketing Director (07/01/23 - 01/31/25)	Mr. Justin Greaves

GOVERNING BOARD OFFICER

Chair of the Board	Ms. Natalie Finnie
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GOVERNING BOARD MEMBERS

Member - Secretary	Mr. Ryan Anderson
Member - Treasurer	Mr. William Cullerton Jr.
Member	Mr. Mike Ruffolo
Member	Mr. Trip Banks
Member	Mr. Mike Hillstrom
Member	Mr. Mick Wanless
Member	Mr. Robert Russell
Member (02/23/24 - Present)	Mr. Scott Yilk
Member (07/01/23 - 02/22/24)	Vacant
Member (12/11/24 - Present)	Mr. Peter Skosey
Member (07/01/23 - 12/10/24)	Vacant
Member	Vacant
Member	Vacant
Member	Vacant

FOUNDATION OFFICE

The Foundation's primary administrative office is located at:

Illinois Department of Natural Resources
1 Natural Resources Way
Springfield, IL 62702-1271



MANAGEMENT ASSERTION LETTER

January 8, 2026

Roth & Company LLP
540 West Madison St., Suite 2450
Chicago, Illinois, 60661

Roth & Company LLP:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Conservation Foundation (Foundation). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Foundation's compliance with the following specified requirements during the two-year period ended June 30, 2025. Based on this evaluation, we assert that during the years ended June 30, 2024 and June 30, 2025, the Foundation has materially complied with the specified requirements listed below.

- A. The Foundation has obligated, expended, received, and used funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Conservation Foundation



ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	2	2
Repeated Findings	2	2
Prior Recommendations Implemented or Not Repeated	-	-

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2025-001	9	2024/2021	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
2025-002	11	2023/2021	Noncompliance with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance

Prior Year Findings Not Repeated

None.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2025

EXIT CONFERENCE

The Illinois Conservation Foundation waived an exit conference in a correspondence from Ms. Jenny Vaughn, Executive Director, on January 8, 2026. The responses to the recommendations were provided by Ms. Jenny Vaughn, Executive Director, in a correspondence dated January 8, 2026.



INDEPENDENT ACCOUNTANTS' REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Conservation Foundation

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Illinois Conservation Foundation (Foundation) (A Component Unit of the State of Illinois) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2025. Management of the Foundation is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Foundation's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Foundation has obligated, expended, received, and used funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

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- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Foundation complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Foundation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Foundation's compliance with the specified requirements.

In our opinion, the Foundation complied with the specified requirements during the two years ended June 30, 2025, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2025-001 and 2025-002.

The Foundation's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Foundation's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Foundation's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Foundation's compliance with the specified requirements and to test and report



on the Foundation's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Foundation's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Foundation's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
January 8, 2026



ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. **FINDING** (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.

The Foundation entered into agreements with various service providers to assist with significant processes such as: (1) constituent relationship management, (2) credit card and online payments processing, (3) investment advisory, (4) website maintenance, and (5) virtual fundraising.

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

- Obtained and reviewed System and Organization Controls (SOC) reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment. Three service providers' (60%) SOC reports identified subservice providers.
- Conducted an analysis to determine the impact of noted deviations within the SOC reports for three (60%) service providers.

The Foundation is responsible for the design, implementation, and maintenance of internal controls related to its operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

This finding was first reported in Fiscal Year 2021. In subsequent years, the Foundation has been unsuccessful in implementing procedures to remediate the issues identified.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Services Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained through SOC reports or independent reviews.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Foundation to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, investments, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Foundation management stated the issues were due to limited staffing, lack of formal Information Technology personnel, and limited capacity to perform detailed technical reviews of service providers and their subservice organizations.

ILLINOIS CONSERVATION FOUNDATION
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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-001. FINDING (Lack of Adequate Controls over the Review of Internal Controls over Service Providers) - Continued

Without adequate controls over the review of internal controls over its service providers, the Foundation does not have assurance the service providers' internal controls are adequate to ensure its critical and confidential data are secure and available. (Finding Code No. 2025-001, 2024-001, 2023-001, 2022-001, 2021-001)

RECOMMENDATION

We recommend the Foundation:

- Either obtain and review SOC reports of subservice providers or perform alternative procedures to ensure the use of the subservice providers would not impact the Foundation's internal control environment, and
- Conduct an analysis to determine impact of noted deviations within the SOC reports.

FOUNDATION RESPONSE

The Foundation agrees with the finding.

The Foundation maintains a small administrative staff without formal Information Technology personnel and has limited capacity to perform detailed technical reviews of service providers and their subservice organizations. While the Foundation requests and reviews System and Organization Controls (SOC) reports from its primary service providers when available, not all vendors or their subservice providers issue SOC reports or make them available to clients. The technical nature of SOC report deviations further limits the Foundation's ability to independently assess such items beyond identifying material issues.

To mitigate risk, the Foundation relies on secure, reputable third-party service providers for its financial, donor management, investment, and fundraising systems. Management has implemented a risk-based process to annually request and review SOC reports or alternative compliance documentation and to focus review efforts on overall auditor opinions and material findings that could impact the Foundation's internal control environment.

As a nonprofit organization, the Foundation must balance compliance expectations with responsible stewardship of private funds. Allocating extensive resources to conduct redundant technical reviews of large, independently audited service providers and their subservice organizations would not meaningfully reduce risk and would divert limited staff resources from the Foundation's charitable mission. The Foundation believes its current approach provides reasonable assurance that critical and confidential data are safeguarded.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-002. **FINDING** (Noncompliance with Payment Card Industry Data Security Standards)

The Illinois Conservation Foundation (Foundation) did not adequately ensure compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Foundation accepted credit card payments for donations, fundraising activities, program registration fees, and pin sales. The Foundation handled approximately 3,848 and 4,396 transactions, totaling \$243,182 and \$275,666 in Fiscal Years 2024 and 2025, respectively. During testing, we noted the Foundation had not:

- Matched credit card payment methods to the appropriate Self-Assessment Questionnaire (SAQ) and contacted service providers to obtain relevant information and guidance as deemed appropriate.
- Completed the required SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data for in-person credit card transactions.

The Foundation is responsible for the design, implementation, and maintenance of internal controls related to its operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder. To assist in the assessments of entities' environment, the Payment Card Industry (PCI) Council established SAQs for validating compliance with PCI's core requirements.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Foundation to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Foundation management stated the issues identified were due to limited staffing, particularly the lack of an Information Technology department.

Failure to ensure compliance with PCI DSS increases the risk of unauthorized disclosure and unintended use of confidential information. (Finding Code No. 2025-002, 2023-002, 2021-002)

RECOMMENDATION

We recommend the Foundation match the credit card payment methods to the appropriate Self-Assessment Questionnaire (SAQ) and contact service providers to obtain relevant information and guidance as deemed appropriate and complete the required SAQs at least annually.

ILLINOIS CONSERVATION FOUNDATION
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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2025

2025-002. **FINDING** (Noncompliance with Payment Card Industry Data Security Standards) -
Continued

FOUNDATION RESPONSE

The Foundation agrees with the finding.

The Foundation has reviewed its payment methods and will continue to complete the appropriate PCI DSS Self-Assessment Questionnaires (SAQ), including the additional SAQ identified by the auditors, on an ongoing basis.