

**Illinois  
Conservation  
Foundation**

A COMPONENT UNIT OF THE STATE  
OF ILLINOIS

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**STATE COMPLIANCE  
EXAMINATION**

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FOR THE YEAR ENDED  
JUNE 30, 2021

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PERFORMED AS SPECIAL ASSISTANT  
AUDITORS FOR THE AUDITOR  
GENERAL,  
STATE OF ILLINOIS

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Year Ended June 30, 2021

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**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Year Ended June 30, 2021

**FOUNDATION OFFICIALS**

Executive Director (11/16/20 – Present)	Mr. Steve Ettinger
Executive Director (11/01/20 – 11/15/20)	Vacant
Executive Director (07/01/20 – 10/31/20)	Ms. Crystal Curfman
Operations Director (02/01/21 – Present)	Ms. Cindy Timmermann
Chief Operating Officer (11/16/20 – 01/31/21)	Vacant
Chief Operating Officer (07/01/20 – 11/15/20)	Mr. Steve Ettinger
Marketing Director* (12/01/20 – Present)	Mr. Justin Greaves

*\*This position was added during the current examination period.*

**GOVERNING BOARD OFFICER**

Chair of the Board	Ms. Colleen Callahan
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**GOVERNING BOARD MEMBERS**

Member - Secretary	Mr. Ryan Anderson
Member - Treasurer	Ms. Barbara Johnson
Member	Mr. William Cullerton Jr.
Member	Mr. Mike Ruffolo
Member	Ms. Diane Schneider
Member	Mr. Tom Bennett
Member	Mr. Trip Banks
Member	Mr. Mike Hillstrom
Member	Mr. Mick Wanless
Member	Mr. Robert Russell
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

December 10, 2021

Roth & Co., LLP  
815 W Van Buren St.  
Chicago, Illinois 60607

Ladies and Gentlemen:

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 one-year period ended June 30, 2021. Based on this evaluation, we assert that during the year ended June 30, 2021, 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

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Steve Ettinger, Executive Director

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Cindy Timmermann, Operations Director

**ILLINOIS CONSERVATION FOUNDATION**  
 (A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
 For the Year Ended June 30, 2021

**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*.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s 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**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	2	1
Repeated Findings	0	1
Prior Recommendations Implemented or Not Repeated	1	4

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2021-001	9	New	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
2021-002	11	New	Noncompliance with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance
<b>Prior Findings Not Repeated</b>				
A	13	2020/2019	Weaknesses over Receipts Process	

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Year Ended June 30, 2021

**EXIT CONFERENCE**

The Foundation waived an exit conference in a correspondence from Mr. Steve Ettinger, Executive Director, on November 24, 2021. The responses to the recommendations were provided by Mr. Steve Ettinger, Executive Director, in a correspondence dated December 6, 2021.



**INDEPENDENT ACCOUNTANT’S 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 year ended June 30, 2021. 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 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.



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.

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 year ended June 30, 2021, 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 2021-001 and 2021-002.

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 2021-001 and 2021-002 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  
December 10, 2021



**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Year Ended June 30, 2021

2021-001. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over Service Providers)

The Illinois Conservation Foundation (Foundation) did not timely obtain or conduct timely independent internal controls reviews 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 the Foundation’s five service providers, we noted the Foundation had not:

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

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.

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.

In addition, 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 Service 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.

Foundation management stated the above issues were due to limited staffing resources.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Year Ended June 30, 2021

2021-001. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over Service Providers) - Continued

Without having timely obtained and reviewed a SOC report or another form of independent internal controls review, the Foundation does not have assurance the service providers' internal controls are adequate to ensure its critical and confidential data are secure and available. In addition, failure to ensure compliance with service level agreements may lend itself to inadequate services by the service providers. (Finding Code No. 2021-001)

**RECOMMENDATION**

We recommend 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, 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 RESPONSE**

The Foundation agrees with the recommendation. When selecting service providers, the Foundation takes into account each provider's status and reputation. The Foundation selected companies that are used nationally by non-profits of all sizes. SOC reports are available annually from each provider; however, they were not received and reviewed as soon as they were made available. The Foundation will attempt to obtain and review SOC reports as they become available in the future.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Year Ended June 30, 2021

2021-002. **FINDING** (Noncompliance with Payment Card Industry Data Security Standards)

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

The Foundation accepted credit card payments for donations, program registration fees, and pin sales. In Fiscal Year 2021, the Foundation handled approximately 2,000 transactions totaling approximately \$75,000. During testing, we noted the Foundation had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers to obtain relevant information and guidance as deemed appropriate.
- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.

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 above issues were due to limited staffing resources.

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

**RECOMMENDATION**

We recommend the Foundation assess each program accepting credit card payments, the methods in which payments can be made, match these methods to the appropriate SAQ, work with the service provider to obtain relevant information, and complete those SAQs at least annually.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF FINDINGS – STATE COMPLIANCE**  
For the Year Ended June 30, 2021

**FOUNDATION RESPONSE**

The Foundation agrees with the recommendation. The Foundation contracted with nationally recognized and respected service providers who perform their own PCI compliance testing. The SAQ was not completed due to staffing constraints and competing priorities.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**PRIOR FINDING NOT REPEATED**  
For the Year Ended June 30, 2021

A. **FINDING** (Weakness over Receipts Process)

During the prior audit, the Illinois Conservation Foundation (Foundation) had weaknesses over its receipts process. Specifically, we noted the Foundation did not maintain proper segregation of custody and recordkeeping duties over its receipts process, and monthly bank reconciliations prepared by the consultant were not reviewed by management.

During the current audit, our testing showed the Foundation hired an additional employee to ensure adequate segregation of duties over its receipts process. In addition, our sample testing indicated bank reconciliations were reviewed by management. (Finding Code No. 2020-001, 2019-001)

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT**  
For the Year Ended June 30, 2021

**DISCLOSURES REPORT**

**SUMMARY**

A reading of the accompanying report components of the Illinois Conservation Foundation (Foundation) was performed by Roth & Company, LLP.

**ACCOUNTANT'S REPORT**

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

**EXIT CONFERENCE**

The Foundation waived an exit conference in a correspondence from Mr. Steve Ettinger, Executive Director, on November 24, 2021.





**INDEPENDENT ACCOUNTANT’S REPORT**  
**ON DISCLOSURES ACCOMPANYING**  
**A STATE COMPLIANCE EXAMINATION REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Directors  
Illinois Conservation Foundation

***Disclosures Accompanying a State Compliance Examination Report***

Management of the Illinois Conservation Foundation (Foundation) is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant’s Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document. Our opinion on the Foundation’s State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the Foundation, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the Foundation we obtained as part of the Foundation’s State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
December 10, 2021

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF LOCALLY HELD FUND RECEIPTS AND DISBURSEMENTS**

For the Year Ended June 30,

	2021	2020
<b>LOCALLY-HELD FUNDS</b>		
<b>Illinois Conservation Foundation Fund - 1313</b>		
Balance, beginning of the fiscal year	\$ 472,135	\$ 727,520
Receipts:		
Donations	658,240	803,543
Merchandise sales	27,115	25,690
Paycheck Protection Program loan proceeds	69,237	66,271
Net investment earnings	105,395	183,671
Disbursements:		
General administrative	(385,000)	(473,080)
Programs	(326,981)	(861,480)
Balance, ending of the fiscal year	\$ 620,141	\$ 472,135

Note 1: These balances were obtained from the Foundation's records and have been reconciled to the Foundation's *Report of Receipts and Disbursements for Locally Held Funds* for each locally held fund submitted to the Office of Comptroller as of June 30, 2021.

Note 2: This schedule is presented on the cash basis of accounting.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF CHANGES IN PROPERTY**  
For the Year Ended June 30, 2021

	<u>Building and Improvements</u>	<u>Equipment</u>	<u>Site Improvements</u>	<u>Land</u>	<u>Total</u>
<b>Balance at June 30, 2020</b>	\$ 1,793,448	\$ 160,721	\$ 174,279	\$ 2,968,000	\$ 5,096,448
Additions	-	10,000	-	-	10,000
Deletions	-	(6,806)	-	-	(6,806)
<b>Balance at June 30, 2021</b>	<u>\$ 1,793,448</u>	<u>\$ 163,915</u>	<u>\$ 174,279</u>	<u>\$ 2,968,000</u>	<u>\$ 5,099,642</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES**  
For the Year Ended June 30, 2021

**Fiscal Year 2021 Compared to Fiscal Year 2020**

The Foundation's Fiscal Year 2021 Statement of Net Position and Statement of Activities can be found on pages 10-11, respectively, within its separately released Fiscal Year 2021 financial audit report. Additionally, the Foundation's Fiscal Year 2020 Statement of Net Position and Statement of Activities can be found on pages 10-11, respectively, within its previously released Fiscal Year 2020 audit report.

**Statement of Net Position**

Cash and cash equivalents

The increase was mainly due to the combined effects of the decrease in administrative salaries and wages paid, decrease in Blackhawk restoration project expenses due to its completion in Fiscal Year 2020, and receipt of the Paycheck Protection Program (PPP) loan in Fiscal Year 2021.

Due from the related party

The increase pertains to donations received by Illinois Department of Natural Resources on behalf of the Foundation which were not yet remitted to the Foundation at the end of Fiscal Year 2021.

Investments

The increase was mainly due to the upward trajectory in the market values of investments beginning in November 2020 up to the end of Fiscal Year 2021 as the economy rebounds from the pandemic.

Net Position – restricted for natural resources and recreation

The increase was mainly due to the restricted donation received from Rocky Mountain Elk Foundation in Fiscal Year 2021 and a decrease in expenses related to the Blackhawk Restoration Project which was completed in Fiscal Year 2020.

Net position – unrestricted

The increase was mainly due to an increase in unrealized gains on investments during the current fiscal year as a result of the increase in market value of investments held at the end of Fiscal Year 2021.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES**  
For the Year Ended June 30, 2021

**Statement of Activities**

Investment income – unrealized gains

The increase was mainly due to the upward trajectory in the market values of investments beginning in November 2020 up to the end of Fiscal Year 2021 as the economy rebounds from the pandemic.

Expenses – general and administrative

The decrease in general administrative expenses was due to the decrease in payroll expenses, particularly the severance pay of the prior Executive Director and three-month salary of the Chief Operations Officer, offset by the salary of the new Marketing Director.

Expenses – natural resources and recreation

The decrease was mainly due to the completion of the Blackhawk Restoration Project in Fiscal Year 2020 thereby reducing project expenditures and decrease in marketing and advertisement costs due to the website and application development activities already completed in Fiscal Year 2020.

Other financing sources – other income

The increase was mainly due to the forgiven PPP loan and the approval of employee retention credits under the Coronavirus Aid, Relief, and Economic Security (CARES) Act during Fiscal Year 2021.

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**FUNCTIONS AND PLANNING**  
For the Year Ended June 30, 2021

**Functions**

The Illinois Conservation Foundation (Foundation) was authorized to be created by the Illinois Department of Conservation (a predecessor agency of the Illinois Department of Natural Resources) by Public Act 88-591 on August 20, 1994. The role of the Foundation is to provide additional funding for the Illinois Department of Natural Resources' (IDNR) conservation programs that are either not receiving adequate State funding or cannot be implemented because State funding is not available (20 ILCS 880/10).

The Foundation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954. As delineated by the Illinois Conservation Foundation Act (20 ILCS 880) (Act), the specific purposes of the Foundation are:

- a) to promote, support, assist, sustain, and encourage the charitable, educational, scientific, and recreational programs, projects, and policies of the IDNR;
- b) to solicit and accept aid or contributions consistent with the stated intent of the donor and the goals of the Foundation;
- c) to accept grants for the acquisition, construction, improvement, and development of potential Foundation projects;
- d) to solicit and generate private funding and donations that assist in enhancing and preserving Illinois' natural habitats, historic sites, river and stream corridors, state parks, forests, and fish and wildlife areas; and
- e) to engage generally in other lawful endeavors consistent with the foregoing purposes.

The Act provides and authorizes that the Foundation may be assisted in carrying out its functions by IDNR. In line with this, the Foundation and IDNR entered into a Memorandum of Understanding (MOU) to provide a detailed outline and description of reasonable assistance of IDNR to the Foundation. The assistance by IDNR includes free use of office space at the IDNR headquarter-building and at other IDNR offices and facilities subject to the availability and programmatic needs of the Foundation, office supplies and office equipment needed to effectively and efficiently operate an office, parking space, staffing assistance for legal, special events, grant programs, and use of an IDNR fleet vehicle.

The Foundation supports various IDNR programs and projects and runs various ecological, conservation education and recreational programs at the Torstenson farm.

*As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.*

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**FUNCTIONS AND PLANNING**  
For the Year Ended June 30, 2021

Almost half of the Foundation funds are designated to fund programs in partnership with IDNR. As part of the MOU, the Foundation requests budgets for each partner program, serving as a baseline to properly evaluate programs.

The Foundation evaluates the programmatic success of the Torstenson Youth Conservation Education Center through the contractual education-staff providing quarterly updates to management and the Board, along with a yearly report comparing the number of visitors and programs each year. Foundation management has modernized systems, including a new website for online orders and event registration, hiring a consultant for social media and search engine marketing assistance, a new payment processor, utilizing a check scanner for online deposits, and electronic filing of documents whenever possible.

**Planning**

The Board of Directors (Board) composed of members appointed by the Governor and the General Assembly, guides the strategic direction of the Foundation. The Director of IDNR is the chair of the Board. There are four committees created within the Board: 1) Executive and Strategic Planning; 2) Marketing; 3) Finance; and 4) Torstenson Youth Center. Each of the committee has specific roles towards achieving the mission of the Foundation.

The Foundation's planning process starts with meetings between the Board and management of the Foundation to review the programmatic and fiscal conditions of the Foundation. An annual budget of the Foundation and annual plan of events, as well as future plans and goals are reviewed and discussed during these meetings. During Fiscal Year 2020, the Foundation initiated a strategic planning process creating a three-year plan with goals to increase funding, awareness and impact.

**Significant Challenges**

The Foundation lacks the ability to fill Board vacancies or replace Board members not actively participating. Complete and active Board members are critical in the strategic direction and advancement of the mission of the Foundation.

Lack of staffing support historically provided by IDNR resulted in financial burden on the Foundation to hire its own staff.

Challenges in obtaining program outcomes and budgets on partnership programs with IDNR hinder the Foundation's ability to properly budget and raise funds for the programs.

*As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.*

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**NUMBER OF EMPLOYEES**  
For the Fiscal Year Ended June 30,

<u>Average Full Time Employees</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Executive Director	1	1	1
Chief Operating Officer	-	1	1
Operations Director	1	-	-
Marketing Director	1	-	-
Property Manager	1	1	1
Total Full-Time Equivalent Employees	<u>4</u>	<u>3</u>	<u>3</u>

Note: This schedule presents the average number of employees, by function, at the Foundation.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.