

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

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

ILLINOIS CONSERVATION FOUNDATION
 (A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
 For the Year Ended June 30, 2020

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ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

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Other Reports Issued Under a Separate Cover:

The Illinois Conservation Foundation's financial statements as of and for the year ended June 30, 2020, have been issued under a separate cover that includes the Report Required Under Government Auditing Standards for the year ended June 30, 2020, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

FOUNDATION OFFICIALS

Executive Director (11/16/20 – Present)	Mr. Steve Ettinger
Executive Director (11/01/20 – 11/15/20)	Vacant
Executive Director (08/01/19 – 10/31/20)	Ms. Crystal Curfman
Executive Director (07/01/19 – 07/31/19)	Mr. Eric Schenck
Chief Operating Officer (11/16/20 – Present)	Vacant
Chief Operating Officer (07/01/19 – 11/15/20)	Mr. Steve Ettinger

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. Andrew Katlin
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. Kenneth Polhamus
Member	Mr. Robert Russell
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

November 18, 2020

Roth & Company, LLP
Certified Public Accountants
815 W. Van Buren Street, Suite 500
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, 2020. Based on this evaluation, we assert that during the year ended June 30, 2020, 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

ILLINOIS CONSERVATION FOUNDATION
 (A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
 For the Year Ended June 30, 2020

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weakness over internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	1	5
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	4	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDING (<i>GOVERNMENT AUDITING STANDARDS</i>)				
2020-001	11	2020/2019	Weaknesses over Receipts Process	Material Weakness and Material Noncompliance

FINDING (STATE COMPLIANCE)

In addition, the following finding which was reported as a current finding under *Government Auditing Standards* for financial audits also meet the reporting requirements for State compliance under the Illinois State Auditing Act.

2020-001	11	2020/2019	Weaknesses over Receipts Process	Material Weakness and Material Noncompliance
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ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED			
A	12	2019/2019	Inadequate Controls over Capital Assets
B	12	2019/2018	Inadequate Planning and Monitoring Program
C	12	2019/2019	Noncompliance with Training Requirements
D	12	2019/2019	Employee Timesheets Not Submitted

EXIT CONFERENCE

The Foundation waived an exit conference in a correspondence from Mr. Steve Ettinger, Chief Operating Officer, on November 12, 2020. The response to the recommendation was provided by Mr. Steve Ettinger, Chief Operating Officer, in a correspondence dated November 12, 2020.



**INDEPENDENT ACCOUNTANT’S REPORT ON STATE COMPLIANCE AND ON
INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY
INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Conservation Foundation

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, 2020. 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 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 modified opinion.

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

Our examination disclosed material noncompliance with the specified requirement applicable to the Foundation during the year ended June 30, 2020.

Specified Requirement D

As described in the accompanying Schedule of Findings as item 2020-001, the Foundation had not ensured the revenues and receipts collected by the Foundation were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.

In our opinion, except for the material deviation from the specified requirements described in the preceding paragraph, the Foundation complied with the specified requirements during the year ended June 30, 2020, in all material respects. We considered the effect of these circumstances on our audit of the financial statements of the governmental activities, the major fund, and the remaining fund information of the Foundation, as of and for the year ended June 30, 2020, and the related notes to the financial statements. This report on the Foundation's compliance with the specified requirements does not affect our audit report dated November 18, 2020.

The Foundation's response to the compliance finding identified in our examination is described in the accompanying Schedule of Findings. The Foundation's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

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* 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* 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 second 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 identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2020-001 that we consider to be a material weakness.

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

The Foundation's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Foundation's response was not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the response.

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.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the major fund, and the remaining fund information of the Foundation as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated November 18, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that

collectively comprise the Foundation's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 18, 2020. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 and 2 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the Foundation. Such information is the responsibility of Foundation management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 and 2 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 and 2 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Foundation's basic financial statements as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated January 13, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, the major fund, and the remaining fund information. The accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 2 is the responsibility of Foundation's management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 financial statements. The accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 2 has been subjected to the auditing procedures applied in the audit of the June 30, 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2019, in Schedules 1 and 2 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
November 18, 2020



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Conservation Foundation

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the remaining fund information of the Illinois Conservation Foundation (Foundation), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements, and we have issued our report thereon dated November 18, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as item 2020-001.

Internal Control Over Financial Reporting

Management of the Foundation is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the Foundation's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than 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 identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2020-001 that we consider to be a material weakness.

Foundation's Response to the Finding

The Foundation's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
November 18, 2020

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
SCHEDULE OF FINDING – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2020

2020-001. **FINDING** (Weaknesses over Receipts Process)

The Illinois Conservation Foundation (Foundation) had weaknesses over its receipts process.

During testing, the following conditions were noted:

- The Foundation did not maintain proper segregation of custody and recordkeeping duties over its receipts process. A consultant from an outside accounting firm contracted to perform bookkeeping services records receipts, prepares deposit summary, and electronically deposits funds into the bank. Cash receipts are sometimes physically deposited by the same individual to the bank.
- Eight of 8 (100%) monthly bank reconciliations prepared by the consultant were not reviewed by management.

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 that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Prudent business practices require proper internal controls such as proper segregation of duties and adequate review be established to ensure the accuracy and reliability of accounting data.

Foundation management stated as they did in the prior year, the above issues were due to limited staffing resources.

Failure to maintain proper segregation of duties may result in theft or misappropriation of assets which may not be prevented or detected. Lack of review of monthly bank reconciliations may result in inaccurate financial records and inappropriate charges not timely detected and corrected. (Finding Code No. 2020-001, 2019-001)

RECOMMENDATION

We recommend management increase its oversight of the receipts process performed by its contractor to timely prevent or detect misstatements.

FOUNDATION RESPONSE

The Foundation agrees and will increase oversight of the receipts process.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2020

A. **FINDING** (Inadequate Controls Over Capital Assets)

During the prior audit, the Illinois Conservation Foundation (Foundation) did not have adequate controls over its capital assets. Specifically, we noted the Foundation's listing of capital assets was not complete or accurate and the Foundation did not maintain a listing of items below the capitalization threshold of \$5,000 or conduct regular inspection of its capital assets.

During the current audit, our testing showed the Foundation strengthened its controls over its capital assets. (Finding Code No. 2019-002)

B. **FINDING** (Inadequate Planning and Monitoring Program)

During the prior examination, the Foundation did not have adequate planning and monitoring procedures. In addition, the Foundation's Board of Directors (Board) had a vacancy to be filled through an appointment from the Office of the Governor.

During the current examination, the Foundation established a strategic plan and updated its policies and procedures. However, we noted the Foundation's Board continued to have a vacancy. This condition was not considered significant, therefore, the finding was reported in the Foundation's *Letter of Immaterial Findings* as IM2020-001. (Finding Code No. 2019-003, 2018-002)

C. **FINDING** (Noncompliance with Training Requirements)

During the prior examination, the Foundation did not comply with the required trainings for its Board members and employees.

During the current examination, our testing disclosed the Foundation employees and the Board members complied with the required trainings. (Finding Code No. 2019-004)

D. **FINDING** (Employee Timesheets Not Submitted)

During the prior examination, the Foundation did not require employees to submit timesheets as required by the State Officials and Employees Ethics Act (Act).

During the current examination, the Foundation updated its policies and procedures to require employees to submit timesheets in compliance with Act. Our testing disclosed employees submitted timesheets as required. (Finding Code No. 2019-005)

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,

	2020	2019
Balance, beginning of the fiscal year	\$ 727,520	\$ 452,251
Receipts:		
Donations	803,543	862,888
Merchandise sales	25,690	23,860
Net investment earnings	183,671	252,421
Loan payable proceeds	66,271	-
Disbursements:		
General administrative	(473,080)	(291,761)
Programs	(861,480)	(572,139)
Balance, ending of the fiscal year	\$ 472,135	\$ 727,520

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 State Comptroller as of June 30, 2020.

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

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
SCHEDULE OF CHANGES IN PROPERTY
For the Year Ended June 30, 2020

	<u>Building and Improvements</u>	<u>Equipment</u>	<u>Site Improvements</u>	<u>Land</u>	<u>Total</u>
Balance at June 30, 2019	\$ 1,793,448	\$ 138,755	\$ 174,279	\$ 2,968,000	\$ 5,074,482
Additions	-	45,359	-	-	45,359
Deletions	-	(23,393)	-	-	(23,393)
Balance at June 30, 2020	<u>\$ 1,793,448</u>	<u>\$ 160,721</u>	<u>\$ 174,279</u>	<u>\$ 2,968,000</u>	<u>\$ 5,096,448</u>

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Year Ended June 30, 2020

(UNAUDITED)

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 a Memorandum of Understanding (MOU) to provide a detailed outline and description of reasonable assistance of IDNR to the Foundation. Assistance by IDNR includes free use of office space at 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.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Year Ended June 30, 2020

(UNAUDITED)

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 lacked 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.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2020

(UNAUDITED)

The Foundation's Fiscal Year 2020 Statement of Net Position and Statement of Activities can be found on pages 10-11, respectively within its separately released Fiscal Year 2020 financial audit report. Additionally, the Foundation's Fiscal Year 2019 Statement of Net Position and Statement of Activities can be found on pages 12-13, respectively, within its previously released Fiscal Year 2019 audit report.

Statement of Net Position

Cash and cash equivalents

The decrease was mainly due to the increase in expenses paid during the year, specifically salaries and wages and Blackhawk Statue restoration expenses, and the decrease in donations and grants received during the year for the Blackhawk Statue restoration project and cancelled events due to the Coronavirus Disease 2019 (COVID-19) pandemic.

Investments

The decrease was due to the volatile market conditions affecting the fair value of investments at the end of the fiscal year.

Unearned revenues

The increase was mainly due to an increase in advanced payments received for the Annual Gala which was supposed to happen in Fiscal Year 2020 but was postponed to Fiscal Year 2021 due to the COVID-19 pandemic.

Loan payable

The increase pertains to the loan obtained under the Paycheck Protection Program Loan of the U.S. Small Business Administration to assist the Foundation in its payroll costs during the COVID-19 pandemic.

Net Position – restricted for natural resources and recreation

The decrease was mainly due to the increase in expenses related to the Blackhawk Statue restoration project, which was started and completed during the current fiscal year.

Net position - unrestricted

The decrease was mainly due to the decrease in donations and contributions this year due to cancellation of events as a result of the COVID-19 pandemic and also due to the increase in salaries and expenses for the current fiscal year.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2020

(UNAUDITED)

Statement of Activities

Program Revenue – operating grants and contributions

The decrease was mainly due to the decrease in donations and grants received during the year for the Blackhawk Statue restoration project and the absence of on-behalf revenues, offset by the increase in point of sale online donations and private donations for the Torstenson Property.

Expenses – general and administrative

The increase in general administrative expenses was due to the increase in payroll expenses, particularly the severance pay of the prior Executive Director and the salary of the Chief Operating Officer.

Expenses – natural resources and recreation

The increase was mainly due to the completion of the Blackhawk Statue restoration project during the current fiscal year, and the increase in marketing and advertisement costs due to the website and application development activities initiated and completed during Fiscal Year 2020 as part of the Foundation's initiative to increase and attract more revenues.

ILLINOIS CONSERVATION FOUNDATION
(A Component Unit of the State of Illinois)
AVERAGE NUMBER OF EMPLOYEES

(UNAUDITED)

For the Fiscal Year Ended June 30,

Average Full Time Employees	2020	2019	2018
Executive Director	1	1	1
Chief Operating Officer	1	1	-
Office Manager	-	-	1
Property Manager	1	1	1
Total Full-Time Equivalent Employees	3	3	3

Note 1: This schedule presents the average number of employees, by function, at the Foundation.