

ILLINOIS JOINING FORCES FOUNDATION

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2024

**ILLINOIS JOINING FORCES FOUNDATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

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The Illinois Joining Forces Foundation's <i>Financial Audit</i> for the two years ended June 30, 2024, has been issued under a separate cover.	

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FOUNDATION OFFICIALS

Executive Director (03/2025 – Present)	Megan Everett
Executive Director (11/2022 – 03/2025)	Brenda Osuch
Interim Executive Director (10/01/2021 – 10/31/2022)	Brenda Osuch

BOARD OFFICERS

Chair of the Board (10/01/2019 – Present)	Ms. Erica Borggren
Vice Chair of the Board (10/01/2019 – Present)	Mr. John DeBlasio
Secretary (12/23/2020 – Present)	Mr. Matt Schachman
Treasurer (10/01/2019 – Present)	Rep. Stephanie Kifowit

GOVERNING BOARD MEMBERS

<u>Appointment Type</u>	<u>Board Member</u>	<u>Board Position</u>	<u>Appointment/Re- appointment Date</u>
IJF ⁱ Elected	Erica Borggren	Chair of Board	06/2024
IDVA ⁱⁱ Appointment	John DeBlasio	Vice Chair of Board	03/2024
House Majority Rep.	Stephanie Kifowit	Treasurer	01/2023
IDVA Appointment	Matt Schachman	Secretary	03/2024
IDVA Appointment	Nick Gross	At-Large	03/2024
IDVA Appointment	Megan Everett	At-Large	03/2024
IDMA ⁱⁱⁱ Appointment	Maj. Gen Rodney Boyd	At-Large	06/2024
IDVA Representative	Director Terry Prince	At-Large	04/2021
Senate Appointee	Craig Wilcox	At-Large	12/2024
IJF Elected	Jim Evans	At-Large	09/2024
IDVA Appointment	Angel Torres	At-Large	09/2024
IDVA Appointment	Alex Fink	At-Large	09/2024
IJF Elected	Matt Gambs	At-Large	09/2024
		At-Large	
House Minority Rep.	Wayne Rosenthal		03/2023
IDVA Appointed	John Schwan	At-Large	03/2024

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COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

FOUNDATION OFFICE

The Foundation's physical address is located at:
c/o National Able
567 W Lake Street, Suite 1150
Chicago, IL 60661

The Foundation's Mailing Address:
PO Box #1161
Chicago, Illinois 60690

ⁱ Illinois Joining Forces

ⁱⁱ Illinois Department of Veterans Affairs

ⁱⁱⁱ Illinois Department of Military Affairs



ILLINOIS JOINING FORCES

Supporting Service Members, Veterans, and their Families

MANAGEMENT ASSERTION LETTER

September 25, 2025

Honorable Frank J. Mautino
Auditor General
State of Illinois
400 West Monroe, Suite 306
Springfield, Illinois 62704

Auditor General Mautino:

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 Joining Forces 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, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the Foundation has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- D. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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.

Yours truly,

Illinois Joining Forces Foundation

SIGNED ORIGINAL ON FILE

Megan Everett, Executive Director

**ILLINOIS JOINING FORCES FOUNDATION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024**

COMPLIANCE REPORT

SUMMARY

The 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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	4	5
Repeated Findings	4	5
Prior Recommendations Implemented or Not Repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2024-001	10	2022/2018	Weaknesses in Financial Statements and Notes	Material Weakness and Material Noncompliance
2024-002	15	2022/2016	Internal Control Structure Weaknesses	Material Weakness and Material Noncompliance
2024-003	18	2022/2019	Inadequate Controls over Board Membership	Significant Deficiency and Noncompliance
2024-004	21	2022/2018	Mandate Noncompliance	Material Weakness and Material Noncompliance

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Prior Findings Not Repeated

A	24	2022/2016	Lack of Documentation to Substantiate Compliance with Grant Agreements	
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Foundation personnel at an exit conference on September 17, 2025.

Attending were:

Illinois Joining Forces Foundation
Megan Everett, Executive Director

Office of the Auditor General
Dennis Gibbons, Senior Audit Manager

The responses to the recommendations were provided by Megan Everett, Executive Director, in a correspondence dated September 25, 2025.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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 Joining Forces Foundation

Report on Compliance

We have examined compliance by the Illinois Joining Forces Foundation (Foundation) 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, 2024. 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 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.

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.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Foundation during the two years ended June 30, 2024. As described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-004, the Foundation had not complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations. Further, as described in the accompanying Schedule of Findings as items 2024-001 and 2024-002, 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. Finally, as described in the accompanying Schedule of Findings as items 2024-001 and 2024-002, money or negotiable securities or similar assets handled by the Foundation or held in trust by the Foundation had not been properly and legally administered and the accounting and recordkeeping relating thereto was not proper, accurate, and in accordance with law.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Foundation complied with the specified requirements during the two years ended June 30, 2024, 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 item 2024-003.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001, 2024-002, and 2024-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings as item 2024-003 to be significant deficiencies.

There were no immaterial findings that have been excluded from this report.

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

COURTNEY DZIERWA, CPA, CISA, CIA
Director of Financial and Compliance Audits

Springfield, Illinois
September 25, 2025

ILLINOIS JOINING FORCES FOUNDATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-001. **FINDING** (Weaknesses in Financial Statements and Notes)

The Illinois Joining Forces Foundation (Foundation) had weaknesses in its financial statements and related note disclosures for Fiscal Year 2023 and Fiscal Year 2024.

We noted the following instances where the Foundation did not present its Fiscal Year 2023 and Fiscal Year 2024 financial statements and related note disclosures in accordance with the *Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)*:

- The Foundation did not disclose its material related party transactions. In Fiscal Years 2023 and 2024, we noted the Foundation received donations of \$307,500 and \$360,000, respectively, from donor companies that were affiliated with Foundation Board members.

FASB ASC 850-10-50 requires the Foundation to disclose all material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business within the notes to the financial statements. The disclosure shall include the nature of the relationship(s) involved, a description of the transactions, the dollar amounts of the transactions, and amounts due to or from a related party and the terms and manner of the settlement, unless otherwise apparent. FASB ASC 850-10-20 defines related parties as including management of the entity and members of their immediate families. FASB ASC 850-10-20 further indicates that management normally includes members of the board of directors, the chief executive officer, chief operating officer, vice presidents in charge of principal business functions, and other persons who perform similar policy making functions.

- The Foundation did not disclose the fair value measurement for each class of assets and liabilities measured at fair value during Fiscal Year 2023 and Fiscal Year 2024. Additionally, the Foundation did not disclose the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3).

FASB ASC 820-10-50-2 states that a reporting entity shall disclose for each class of assets and liabilities measured at fair value the fair value measurement at the end of the reporting period (recurring fair value measurements) and/or the fair value measurement at the relevant measurement date and the reasons for the measurement (non-recurring fair value measurements), and the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3).

- The Foundation did not disclose its principal services performed or the main sources of revenue that funded its programs during Fiscal Year 2023 and Fiscal Year 2024. There is a general description in the nature of organization and

ILLINOIS JOINING FORCES FOUNDATION
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For the Two Years Ended June 30, 2024

purpose in Note 1; however, it does not state what its principal services are (i.e. what resources and services are provided). This should align with the Foundation's enabling legislation.

FASB ASC 275-10-50-2 requires the Foundation to include a description of the principal services performed and the revenue sources for the Foundation's services. Further, FASB ASC 275-10-55-3 provides implementation guidance indicating this note disclosure should provide information necessary for users not familiar with the operations of the Foundation to identify and consider the broad risks and uncertainties associated with the businesses and markets in which it operates and competes.

- The Foundation did not disclose the description of the organization's activities, including a description of each of its major classes of programs (such as Statewide Resource Navigation Services) during Fiscal Year 2023 and Fiscal Year 2024.

FASB ASC 958-205-50-1 requires the Foundation to provide a description of the nature of its activities, including a description of each of its major classes of programs either on the statement of activities or within the notes to the financial statements.

- The Foundation did not disclose the amounts of promises receivable in increments of less than one year, one to five years, and more than five years during Fiscal Year 2023 and Fiscal Year 2024.

FASB ASC 958-310-50-1 requires recipients of unconditional promises to give to disclose the amounts of promises receivable in less than one year, in one to five years, and in more than five years.

- The Foundation did not separate all significant categories of receivables presented in the statement of financial position (for example, grants and contract receivable) during Fiscal Year 2023. Contracts receivable and grants receivable should be separate accounts in the statement of financial position.

FASB ASC 310-10-50-3 requires the Foundation to disclose major categories of loans or trade receivables in the notes to the financial statements if they are not presented separately in the statement of financial position. Further, FASB ASC 310-10-45-13 requires the Foundation to separately show receivables from related parties and not include related party receivables under a general heading such as contributions receivable.

- The Foundation did not disclose qualitative information that describes how the organization manages its liquid resources available to meet cash needs for

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For the Two Years Ended June 30, 2024

general expenditures within one year of the date of the statement of financial position during Fiscal Year 2023 and Fiscal Year 2024.

FASB ASC 958-210-50-1A requires the Foundation to disclose qualitative information in the notes to the financial statements that is useful in assessing an entity's liquidity and that communicates how a not-for-profit organization manages its liquid resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position.

We noted the following instances where the Foundation did not present its Fiscal Year 2023 and Fiscal Year 2024 financial statements and related note disclosures in accordance with sources such as practices that are widely recognized and prevalent, either generally or in the industry, including good business practices:

- The Foundation's financial statements and related note disclosures during Fiscal Year 2024 had errors such as inaccurate account balances and errors in classification of accounts:
 - The Foundation classified all of its receivable amounts as current assets even though some portions will not be collected within the ordinary course of business within a year. As a result, current assets were overstated by \$300,000 and noncurrent assets were understated by \$300,000.
 - The Foundation erroneously recorded a payroll tax refund of \$8,793 received from its payroll processor as non-profit income from its third-party online payment processor. As a result, the Foundation's fundraising revenue was overstated by \$8,793 and its payroll tax expense was overstated by the same amount on the statement of activities.
 - The Foundation classified a certificate of deposit (CD), valued at \$157,372 as of June 30, 2024, as part of its cash and cash equivalents on the statement of financial position. However, the CD did not meet the criteria to be considered a cash and cash equivalent, and should have been classified as an investment.

The FASB Master Glossary defines cash equivalents as short-term, highly liquid investments that have both of the following characteristics: (a) readily convertible to known amounts of cash, and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The FASB Master Glossary states that generally, only investments with original maturities of three months or less qualify under that definition. Original maturity means original maturity to the entity holding the investment. Additionally, the FASB Master Glossary defines

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“cash” as including currency on hand and demand deposits with banks or other financial institutions, and it includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

- The Foundation did not accrue a liability for the employer portion of 403(b) retirement plan contributions for services rendered but not yet paid as of June 30, 2024. The amount of the unrecorded liability was \$553.
- The Foundation’s financial statement footnote disclosures (Contributions receivable portion of Note 1) during Fiscal Year 2023 and Fiscal Year 2024 regarding its accounting policies for valuing its contributions receivable/unconditional promises to give do not accurately reflect the actual procedures carried out by the Foundation.
- The Foundation disclosed in Note 5 (Long-term Debt) during Fiscal Year 2023 and Fiscal Year 2024 that it issued an unsecured promissory note through the Small Business Administration. However, this does not agree with the terms of the original loan agreement, which indicate that the promissory note is secured by collateral.
- The Foundation’s Fiscal Year 2023 and Fiscal Year 2024 financial statements and note disclosures were presented with errors in spelling, punctuation, capitalization, and overall appearance.

Good business practices require a proper internal control structure to be established, including proper levels of monitoring and reviews, to help ensure the accuracy and reliability of accounting data and information presented in the financial statements and related notes.

The financial statements and related note disclosures were not corrected to fix the errors noted throughout this finding.

This finding was first noted during the Foundation’s Fiscal Year 2018 financial audit. In the subsequent years, the Foundation has made improvements to its financial statements and notes. However, it has been unsuccessful in fully implementing a corrective action plan to remedy this finding.

Foundation management indicated the issues noted were caused by competing priorities of management, limited staff, unfamiliarity with the requirements, and human error.

ILLINOIS JOINING FORCES FOUNDATION
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For the Two Years Ended June 30, 2024

Failure to prepare adequate financial statements and related note disclosures based on FASB ASC and practices that are widely recognized and prevalent, either generally or in the industry, including good business practices, hinders the usefulness and reliability of the Foundation's basic financial statements. (Finding Code No. 2024-001, 2022-001, 2021-001, 2020-001, 2019-002, 2018-002)

RECOMMENDATION

We recommend the Foundation utilize professional tools, such as checklists, to improve the completeness and quality of its financial statements and related note disclosures.

FOUNDATION RESPONSE

The Foundation concurs with the finding. These controls are not yet in place. We will institute the measures below during the third quarter of Fiscal Year 2026 (January 1 to March 31, 2026) and achieve full implementation by March 31, 2026.

Planned actions and timeline:

- Close checklist and two-level review. Draft a monthly and year-end close checklist by January 31, 2026. Pilot with the January close in early February. Begin two-level Executive Director and Treasurer review with the February close. Fully operational by March 31, 2026.
- Corrections to disclosures and accruals. Update Note 1 and Note 5 and institute recurring year-end accrual entries, including employer 403(b), by February 28, 2026. Reflect corrections in third quarter Fiscal Year 2026 reporting and the next financial statements issued in March 2026.
- Capacity and training. Adopt templates and a pre-issuance disclosure checklist. Provide staff training by March 2026.

Responsibilities and oversight: The Executive Director and Board Treasurer are responsible for the checklist and review process. The Finance and Audit Committee will receive a status update in the third quarter of Fiscal Year 2026 and confirm completion by March 31, 2026.

ILLINOIS JOINING FORCES FOUNDATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-002. **FINDING** (Internal Control Structure Weaknesses)

The Illinois Joining Forces Foundation (Foundation) had weaknesses in its internal control structure.

We noted the following issues during testing:

- For 4 of 25 (16%) receipts tested, totaling \$112,500, the Foundation was unable to provide documentation to demonstrate the dates when the Foundation received the receipt checks. As such, we were unable to determine whether the receipts were deposited timely into the Foundation's checking account.

The Foundation's Financial Controls Policy states that all funds received by the Foundation shall be timely deposited in full into the Foundation's bank account. Additionally, good business practices require sufficient and properly designed accounting records to be maintained to adequately control fiscal operations and provide reliable data for any necessary management reports. Good business practices also require a proper internal control structure be established to safeguard assets, ensure the collection of revenues, and promote operational efficiency.

- For 2 of 12 (17%) bank reconciliations in Fiscal Year 2023, we noted the ending balances on the reconciliations did not agree to the ending balances noted on the bank statements and general ledger. As a result, the balances on the bank reconciliations were overstated by \$105.

The Foundation's Financial Controls Policy requires the Foundation's treasurer to monitor the Foundation's accounts regularly and to prepare, with the support of a fiscal agent or a member of the staff, a written reconciliation of all bank or investment accounts which proves that the balances presented on the financial reports agree with the records of the financial institution.

- We noted one individual who departed from the Foundation prior to the examination period was still listed as an authorized signer on the Foundation's bank account from July 1, 2022 through June 16, 2023, when the Foundation closed this bank account.
- The Foundation's bank account balance as of June 30, 2023, exceeded the amount of the federal deposit insurance coverage. The Foundation did not obtain a bond, pledged security, or other type of collateral for the uninsured amount.
- The Foundation's bank account balances as of June 30, 2024, exceeded the amount of the federal deposit insurance coverage. Although the Foundation obtained extended coverage of up to \$3.75 million for one of its accounts, this

**ILLINOIS JOINING FORCES FOUNDATION
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For the Two Years Ended June 30, 2024**

additional coverage did not extend to its other two bank accounts which had a combined coverage of \$250,000.

Good business practices require a proper internal control structure be established to safeguard assets, ensure the collection of revenues, and promote operational efficiency.

This finding was first noted during the Foundation's Fiscal Year 2016 financial audit. Foundation management has been unsuccessful in implementing a corrective action plan to remedy this finding.

Foundation management indicated the issues noted were caused by competing priorities, limited staff, and human error.

Failure to maintain documentation of the dates when it receives checks prevents the Foundation from demonstrating that it deposited the checks in a timely manner. Failure to ensure that amounts within bank reconciliations agree to bank statements and the general ledger contributes to inaccuracies in financial records. Failure to ensure that bank signature cards are updated timely to remove individuals who no longer require bank access exposes the Foundation to risk that its resources could be misappropriated. Failure to ensure bank balances which exceed the threshold of federal deposit insurance coverage are adequately protected could expose the Foundation to financial risk. (Finding Code No. 2024-002, 2022-002, 2021-002, 2020-002, 2019-003, 2018-003, 2016-002)

RECOMMENDATION

We recommend the Foundation strengthen its controls over retention and maintenance of supporting documentation related to financial and fiscal operations. Additionally, we recommend the Foundation timely update its bank signature cards to ensure the removal of individuals who no longer require access. Finally, we recommend the Foundation ensure that its bank balances in excess of federal deposit insurance coverage maximums are adequately secured.

FOUNDATION RESPONSE

The Foundation agrees with the finding. The cited controls are not yet in place. We will institute the measures below during the third quarter of Fiscal Year 2026 (January 1 to March 31, 2026) and achieve full implementation by March 31, 2026.

Planned actions and timeline:

- Centralized receipt log and timely deposits. Implement the log and dual control by January 30, 2026. Require deposits within two business days starting February 2, 2026.

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SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

- Bank reconciliations and review. Use a standardized template with reviewer sign-off. Complete reconciliations within 15 calendar days after month end beginning with the January 2026 close.
- Authorized signers. Update the procedure to refresh bank signature cards within five business days of staffing or governance changes. Complete the initial signer refresh and bank confirmation by January 31, 2026. Perform quarterly confirmations thereafter.
- Protection of excess cash. Execute an insured cash sweep or comparable solution by February 15, 2026 and retain coverage documentation.
- Documentation retention and monitoring. Centralize storage of logs, deposit support, reconciliation packets, and signer attestations by February 28, 2026.

Responsibilities and oversight: The Executive Director oversees implementation. The Treasurer provides reconciliation review sign-off. The Finance and Audit Committee will receive a quarterly compliance packet starting in the third quarter of Fiscal Year 2026 and will confirm full implementation by March 31, 2026.

ILLINOIS JOINING FORCES FOUNDATION
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

2024-003. **FINDING** (Inadequate Controls over Board Membership)

The Illinois Joining Forces Foundation (Foundation) had weaknesses in its controls over the appointments, terms, vacancies, and composition of its Board of Directors (Board) and in its controls over the publication of Board meeting minutes.

During testing of statutory Board requirements, we noted the following:

- Two Board members were serving on expired terms. The Board members had served 417 and 672 days beyond their term expirations as of June 30, 2024.

The Department of Veterans' Affairs Act (20 ILCS 2805/37(d)) limits Board members to two-year terms.

- The Board positions for the Governor's appointee and the Minority Leader of the House of Representatives' appointee were vacant as of June 30, 2024.
- The Board composition as of June 30, 2024, was not in compliance with the Department of Veterans' Affairs Act (20 ILCS 2805/37). We noted the Board had five members appointed by the Department of Veterans Affairs and only one member nominated by the Foundation, although the Department of Veterans' Affairs Act requires an equal number of Board and Department appointed additional members.

The Department of Veterans' Affairs Act (20 ILCS 2805/37(d)) states, "The Foundation's Board of Directors shall be appointed as follows: one member appointed by the Governor; one member appointed by the President of the Senate; one member appointed by the Minority Leader of the Senate; one member appointed by the Speaker of the House of Representatives; and one member appointed by the Minority Leader of the House of Representatives. The Foundation may also include up to 18 additional voting members of the Board of Directors: up to 9 members to be nominated and approved by the Board of Directors according to the Foundation's bylaws, and up to 9 members to be appointed by the Director of Veterans' Affairs or the Director of Military Affairs. The Board shall have an equal number of board or department appointed members. To ensure parity, no additional nominee may be considered by the Board of Directors unless a like appointment is made by the Department of Veterans' Affairs or the Department of Military Affairs, and vice versa."

During testing of Board meetings, we noted the Foundation did not post to its website the meeting minutes for one of eight (13%) Board meetings held during the examination period.

The Foundation's bylaws require all meetings of the Board to be held in accordance with the Open Meetings Act (5 ILCS 120). The Open Meetings Act (5 ILCS

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120/2.06(b)) requires the Foundation to post the minutes of regular meetings of its governing body on its website within 10 days after the approval of the minutes.

This finding was first noted during the Foundation’s Fiscal Year 2019 financial audit. Foundation management has been unsuccessful in implementing a corrective action plan to remedy this finding.

Foundation management indicated the vacancies and expired terms of statutorily-appointed Board members were caused because the Foundation is unable to make these appointments themselves, which limits the Foundation’s ability to address the issues. Foundation management also indicated the issues noted with the lack of parity in the additional Board member composition was due to a differing interpretation of statutory language. Foundation management also indicated the Board meeting minutes were not posted to its website due to human error.

Failure to maintain adequate controls over Board appointments, terms, vacancies, and Board composition, and failure to post records of open meeting minutes on the Foundation’s website represents noncompliance with State law and the Foundation’s bylaws and can create confusion and inefficiencies. (Finding Code No. 2024-003, 2022-003, 2021-003, 2020-003, 2019-005)

RECOMMENDATION

We recommend the Foundation monitor its Board appointments to ensure compliance with term limits and to ensure vacancies are filled timely. Additionally, we recommend the Foundation comply with the Board composition requirements of the Department of Veterans’ Affairs Act (20 ILCS 2805/37(d)), or seek legislative remedy from the statute’s requirements. Finally, we recommend the Foundation post meeting minutes to its website in accordance with the Foundation’s bylaws and State law.

FOUNDATION RESPONSE

The Foundation acknowledges the deficiencies in term tracking, parity, vacancies, and minutes posting. These governance controls are not yet in place. We will institute the measures below during the third quarter of Fiscal Year 2026 (January 1 to March 31, 2026) and achieve full implementation by March 31, 2026, consistent with 20 Illinois Compiled Statutes 2805/37 and the Open Meetings Act requirements cited in the finding.

Planned actions and timeline:

- Board roster and term matrix. Build a live master matrix showing each seat’s statutory source, appointment date, term end date, and eligibility for

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renewal by January 31, 2026. Include automatic alerts 120 and 60 days before term end.

- Parity monitoring and appointments. Implement a monthly parity check across Illinois Joining Forces-nominated and Department-appointed additional members. Provide a standing outreach letter from the Chair to appointing authorities for any pending or vacant statutory seats beginning January 30, 2026.
- Vacancy cadence. Add vacancies and parity as a standing agenda item for each Executive Committee meeting beginning February 2026, with documented follow-ups.
- Minutes publication. Adopt a minutes workflow to post approved minutes to the website within 10 days after approval. Implement for meetings approved on or after February 1, 2026.
- Bylaws and statutory alignment. Conduct a brief counsel review to confirm interpretations of parity language and, if needed, prepare proposed legislative or bylaw clarifications by March 16, 2026.

Responsibilities and oversight: The Board Chair and Governance lead administer the matrix and outreach. The Executive Director maintains the website posting log. The Secretary certifies minutes posting timeliness. Progress will be reviewed at the board meeting in the third quarter of Fiscal Year 2026 and completion confirmed by March 31, 2026.

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2024-004. **FINDING** (Mandate Noncompliance)

The Illinois Joining Forces Foundation (Foundation) did not comply with certain statutory requirements.

During testing of statutory requirements, we noted the following issues:

- The Foundation was unable to provide a copy of the donation letter for 1 of 27 (4%) receipts tested, totaling \$2,500. As such, we were unable to determine whether the Foundation provided the letter in accordance with the Department of Veterans' Affairs Act or the Foundation's Financial Controls Policy, or whether the amount described in the letter agreed to the Foundation's general ledger. Additionally, we noted that for 2 of 27 (7%) receipts tested, totaling \$11,250, the amounts indicated on the donation letters were incorrect and did not trace to the Foundation's general ledger.

The Department of Veterans' Affairs Act (20 ILCS 2805/37(h)) requires the Foundation to provide a written notice to any entity providing a gift, grant, donation, or bequest to the Foundation that the Foundation is not subject to the provisions of the Public Funds Investment Act, which places limitations on the types of securities in which a public agency may invest public funds. Additionally, the Foundation's Financial Controls Policy requires such written notices to be provided. Additionally, good business practices require sufficient and properly designed accounting records to be maintained to adequately control fiscal operations and provide reliable data for necessary management reports.

- The Foundation's treasurer did not obtain a fidelity or surety bond in accordance with the Department of Veterans' Affairs Act. Although the Foundation maintained liability insurance during the examination period, this policy did not include a fidelity or surety bond for the treasurer.

The Department of Veterans' Affairs Act (20 ILCS 2805/37(g)) requires the Foundation's treasurer to obtain a fidelity or surety bond on satisfactory terms and in sufficient amounts to protect the interests of the Foundation, the cost of which shall be reimbursed by the Foundation.

- The Foundation did not file its Calendar Year 2022 and Calendar Year 2023 General Not for Profit Corporation Act Annual Reports (reports) with the Office of the Secretary of State within 60 days immediately preceding the first day of the anniversary month of the Foundation. The Calendar Year 2022 report was filed 27 days late and the Calendar Year 2023 report was filed 1 day late.

The General Not For Profit Corporation Act of 1986 (805 ILCS 105/114.10) requires the Foundation to submit an annual report to the Office of the Secretary of

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State within 60 days immediately preceding the first day of the anniversary month of the corporation each year.

This finding was first noted during the Foundation’s compliance examination for the two years ended June 30, 2018. Foundation management has been unsuccessful in implementing a corrective action plan to remedy this finding.

Foundation management indicated the issues noted were caused by human error, inability to locate a specific donation letter, and the Foundation’s belief that its existing liability insurance policy was sufficient to satisfy the requirement for the treasurer to obtain a surety or fidelity bond.

Failure to provide donation letters prevents the Foundation from demonstrating compliance with statutory requirements. Failure to ensure amounts on donation letters agree to the Foundation’s financial records creates confusion and could impair the recordkeeping of donors who receive the letters. Failure to ensure the Foundation’s treasurer obtained a fidelity or surety bond could expose the Foundation to financial and legal liability and represents noncompliance with a statutory requirement. Failure to timely file reports with the Office of the Secretary of State hinders government oversight. (Finding Code No. 2024-004, 2022-005, 2021-005, 2020-005, 2019-006, 2018-005)

RECOMMENDATION

We recommend the Foundation strengthen its controls over retention and maintenance of supporting documentation related to its statutorily-required donation letters. Additionally, we recommend the Foundation ensure its treasurer obtains a fidelity or surety bond in accordance with the Department of Veterans’ Affairs Act (20 ILCS 2805/37(g)). Finally, we recommend the Foundation timely file required reports with the Office of the Secretary of State.

FOUNDATION RESPONSE

The Foundation concurs. Controls for donor letters, Treasurer bond, and corporate annual reports are not yet in place. We will institute the measures below during the third quarter of Fiscal Year 2026 (January 1 to March 31, 2026) and achieve full implementation by March 31, 2026, addressing 20 Illinois Compiled Statutes 2805/37 requirements and Secretary of State filings noted in the finding.

Planned actions and timeline:

- Statutory donor letter process. Implement a required donor acknowledgement template that includes the notice regarding the Public Funds Investment Act non-applicability and verifies gift amounts against the general ledger. Effective for all gifts received on or after

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February 1, 2026. Backfill any missing letters from Fiscal Year 2024 and Fiscal Year 2025 by March 15, 2026.

- Treasurer fidelity or surety bond. Obtain a fidelity or surety bond for the Treasurer on satisfactory terms and in sufficient amount by January 30, 2026, and add annual renewal to the governance compliance calendar.
- Annual report reminder calendar. Create a corporate filings calendar with Secretary of State report due dates, assign the Corporate Secretary as responsible party, and set 60, 30, and 7 day reminders. Next filing prepared no later than February 28, 2026.
- Evidence retention. Store donor letters, bond policy, and annual report confirmations in the central compliance repository with a quarterly spot check beginning March 2026.

Responsibilities and oversight: The Corporate Secretary is responsible for filings and donor letter retention. The Treasurer is responsible for maintaining the bond. The Executive Director verifies quarterly that required artifacts are on file. The Finance and Audit Committee will review compliance documentation at its meetings in the third quarter of Fiscal Year 2026 and will confirm full implementation by March 31, 2026.

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A. **FINDING** (Lack of Documentation to Substantiate Compliance with Grant Agreements)

During the prior engagement, the Illinois Joining Forces Foundation (Foundation) failed to retain documentation and records to substantiate compliance with grant agreements.

During the current engagement, the Foundation provided sufficient documentation to demonstrate compliance with grant agreements. As such, this finding is not repeated. (Finding Code No. 2022-004, 2021-004, 2020-004, 2019-004, 2018-004, 2016-003)