ILLINOIS JOINING FORCES FOUNDATION

FINANCIAL AUDIT

For the Two Years Ended June 30, 2024

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

TABLE OF CONTENTS

Other Reports Issued Under a Separate Cover

The Illinois Joining Forces Foundation's *Compliance Examination* for the two years ended June 30, 2024, has been issued under a separate cover.

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

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

Appointment Type	Board Member	Board Position	Appointment/Re-appointment Date
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
House Minority Rep.	Wayne Rosenthal	At-Large	03/2023
IDVA Appointed	John Schwan	At-Large	03/2024

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 FOUNDATION
FINANCIAL AUDIT
For the Two Years Ended June 30, 2024

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the Illinois Joining Forces Foundation (Foundation) was performed by the Office of the Auditor General in accordance with *Government Auditing Standards*.

Based on their audit, the auditors expressed a qualified opinion on the Foundation's basic financial statements.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	2	4
Repeated Findings	2	4
Prior Recommendations Implemented or Not Repeated	2	0

SCHEDULE OF FINDINGS

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2024-001	19	2022/2018	Weaknesses in Financial Statements and Notes	Material Weakness
2024-002	24	2022/2016	Internal Control Structure Weaknesses	Material Weakness and Noncompliance
			Prior Findings Not Repeated	
A	27	2022/2019	Inadequate Controls over Board Membership	
B	27	2022/2016	Lack of Documentation to Substantiate Compliance with Grant Agreements	

<u>EXIT CONFERENCE</u>

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

Attending were:

<u>Illinois Joining Forces Foundation</u>
Megan Everett, Executive Director

<u>Office of the Auditor General</u>
Dennis Gibbons, Senior Audit Manager

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

SPRINGFIELD OFFICE:
400 W. MONROE
SUITE 306 • 62704
PHONE: 217/782-6046 • FAX: 217/785-8222
TTY: 888/261-2887
FRAUD HOTLINE: 1-855-217-1895

CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Joining Forces Foundation

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the Illinois Joining Forces Foundation (Foundation), which comprise the Statement of Financial Position as of June 30, 2024, and June 30, 2023, and the related Statement of Activities, Statement of Functional Expenses, and Statement of Cash Flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and June 30, 2023, and the changes in financial position, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matters Giving Rise to Qualified Opinion

As described in Finding 2024-001, the Foundation had weaknesses in its financial statements and related note disclosures in accordance with accounting principles generally accepted in the United States of America. Under accounting principles generally accepted in the United States of America, the Foundation should ensure all required disclosures are made and ensure the financial statements and related note disclosures are accurate and properly classified. The Foundation's financial statements do not disclose material related party transactions; fair value measurement for each class of assets and liabilities measured at fair value or the level of the fair value hierarchy within which the fair value measurements are categorized; principal services performed or the main sources of revenue that fund its programs; a description of the organization's activities, including a description of each of its major classes of programs; amounts of promises receivable in increments of less than one year, one to five years, and more than five years; and qualitative information that describes how the 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. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America. In addition, the Foundation's financial statements contained errors such as inaccurate account balances and errors in classification of accounts.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, 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, and grant agreements and other matters. The purpose of that 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* in considering the Foundation's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

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

Springfield, Illinois
September 25, 2025

Illinois Joining Forces Foundation
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents		
Without donor restrictions	$ 787,108	$ 252,506
With donor restrictions	170,834	195,834
Total cash	957,942	448,340
Grants receivable	220,447	136,862
Contribution receivable - with donor restriction	710,000	300,000
Prepaid expenses	11,337	508
Total Current Assets	1,899,726	885,710
Property and Equipment		
Furniture and equipment	14,017	13,466
Less: accumulated depreciation	10,882	8,755
Total Property and Equipment	3,135	4,711
Total Assets	$ 1,902,861	$ 890,421
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 6,245	$ 58,769
Program advance	40,000	-
Accrued expenses	190,405	39,148
Total Current Liabilities	236,650	97,917
Long-Term Debt	150,000	150,000
Total Liabilities	386,650	247,917
Net Assets		
With donor restrictions	880,834	495,834
Without donor restrictions	635,377	146,670
Total Net Assets	1,516,211	642,504
Total Liabilities and Net Assets	$ 1,902,861	$ 890,421

The accompanying notes are an integral part of the financial statements

Illinois Joining Forces Foundation
Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support, Fundraising, Other Revenue						
Support						
Contribution and grants	$ 664,523	$ 1,060,000	$ 1,724,523	$ 413,974	$ 650,000	$ 1,063,974
Fundraising	194,219	-	194,219	16,068	-	16,068
Less: Direct expenses	-	-	-	-	-	-
Net Fundraising	194,219	-	194,219	16,068	-	16,068
Interest and dividends	11,223	-	11,223	9	-	9
Other revenue - debt forgiveness	-	-	-	53,831	-	53,831
Net assets released from restrictions	675,000	(675,000)	-	224,999	(224,999)	-
Total Revenue and Other Support	1,544,965	385,000	1,929,965	708,881	425,001	1,133,882
Expenses						
Statewide Resource Navigation Services Program						
Salaries and wages	416,362	-	416,362	304,763	-	304,763
Payroll taxes and benefits	43,255	-	43,255	23,218	-	23,218
Operations	685	-	685	112,836	-	112,836
Consultants	149,397	-	149,397	84,500	-	84,500
Travel and meals	27,843	-	27,843	10,931	-	10,931
Telecommunications	3,407	-	3,407	3,115	-	3,115
Website development	3,625	-	3,625	178	-	178
Total Program Expenses	644,574	-	644,574	539,541	-	539,541
Supporting Services						
Salaries and wages	104,091	-	104,091	53,782	-	53,782
Payroll taxes and benefits	10,814	-	10,814	4,097	-	4,097
Office supplies and expense	4,617	-	4,617	3,210	-	3,210
Insurance	1,739	-	1,739	2,484	-	2,484
Interest	7,692	-	7,692	4,487	-	4,487
Professional fees	32,677	-	32,677	24,166	-	24,166
Client supporting servies	7,605	-	7,605	-	-	-
Depreciation	2,127	-	2,127	1,413	-	1,413
Dues and subscriptions	1,652	-	1,652	14	-	14
Other general expense	24,845	-	24,845	-	-	-
Partner support	153,000	-	153,000	-	-	-
Printing and copying	5,845	-	5,845	2,848	-	2,848
Postage and delivery	1,536	-	1,536	332	-	332
Marketing and promotion	52,534	-	52,534	-	-	-
Bank charges	910	-	910	574	-	574
Total Supporting Services	411,684	-	411,684	97,407	-	97,407
Total Expenses	1,056,258	-	1,056,258	636,948	-	636,948
Increase in Net Assets	488,707	385,000	873,707	71,933	425,001	496,934
Net Assets - Beginning of Year	146,670	495,834	642,504	74,737	70,833	145,570
Net Assets - End of Year	$ 635,377	$ 880,834	$ 1,516,211	$ 146,670	$ 495,834	$ 642,504

The accompanying notes are an integral part of the financial statements

Illinois Joining Forces Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Statewide Resource Navigation Services	General and Administrative	Total Expenses
Salaries and wages	$ 416,362	$ 104,091	$ 520,453
Payroll taxes and benefits	43,255	10,814	54,069
Operations	685	-	685
Consultants	149,397	-	149,397
Travel and meals	27,843	-	27,843
Telecommunications	3,407	-	3,407
Website development	3,625	-	3,625
Office supplies and expense	-	4,617	4,617
Insurance	-	1,739	1,739
Interest	-	7,692	7,692
Professional fees	-	32,677	32,677
Client supporting servies	-	7,605	7,605
Depreciation	-	2,127	2,127
Dues and subscriptions	-	1,652	1,652
Other general expense	-	24,845	24,845
Partner support	-	153,000	153,000
Printing and copying	-	5,845	5,845
Postage and delivery	-	1,536	1,536
Marketing and promotion	-	52,534	52,534
Bank charges	-	910	910
Total Expenses by Function	$ 644,574	$ 411,684	$ 1,056,258
Percentage of Total Expenses	61.02%	38.98%	100.00%

The accompanying notes are an integral part of the financial statements

Illinois Joining Forces Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Statewide Resouce Navigation Services	General and Administrative	Total Expenses
Salaries and wages	$ 304,763	$ 53,782	$ 358,545
Payroll taxes and benefits	23,218	4,097	27,315
Operations	112,836	-	112,836
Consultants	84,500	-	84,500
Travel and meals	10,931	-	10,931
Advertising expense	3,115	-	3,115
Bad debt expense	178	-	178
Office supplies and expense	-	3,210	3,210
Insurance	-	2,484	2,484
Interest	-	4,487	4,487
Professional fees	-	24,166	24,166
Depreciation		1,413	1,413
Dues and subscription	-	14	14
Printing and copying	-	2,848	2,848
Postage and delivery	-	332	332
Bank charges	-	574	574
Total Expenses by Function	$ 539,541	$ 97,407	$ 636,948
Percentage of Total Expenses	84.71%	15.29%	100.00%

The accompanying notes are an integral part of the financial statements

Illinois Joining Forces Foundation
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Increase in net assets	$ 873,707	$ 496,934
Depreciation	2,127	1,413
Forgiveness of debt	-	(53,831)
Changes in operating assets and liabilities:		
Grant and contribution receivable	(493,585)	(395,279)
Prepaid expenses	(10,829)	266
Accounts payable	(52,524)	588
Program advance	40,000	-
Accrued expenses	151,257	35,041
Net Cash Provided by Operating Activities	510,153	85,132
Cash Flows from Investing Activities		
Purchase of fixed assets	(551)	(4,810)
Net Cash Used for Investing Activities	(551)	(4,810)
Net Increase in Cash and Cash Equivalents	509,602	80,322
Cash and Cash Equivalents at Beginning of Year	448,340	368,018
Cash and Cash Equivalents at End of Year	$ 957,942	$ 448,340

The accompanying notes are an integral part of the financial statements

1. Summary of Significant Accounting Policies

Nature of Organization and Purpose

The Illinois Joining Forces Foundation (the "Organization") is a Statewide, public-private network of military and veteran-serving organizations. It was incorporated in 2012. It collaborates in-person and online to help service members, veterans, and their families identify and marshal resources and services available to them throughout the State.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions—Net assets that are available to support operations. The only limits on the use of these assets are the broad limits resulting from the nature of the Organization, the environment it operates, the purposes specified in its corporate documents, its application for tax-exempt status, and any limits resulting from contractual agreement with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions—Net assets that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature; the restrictions will expire when the resources are used in accordance with donor's restrictions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration is reported in the statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment, or less commonly the contribution of those assets directly are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Estimates

The preparation of financial statements in conformity with United States of America generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization presents its cash flows using the indirect method. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Tax Status

The Organization received notification that it qualifies as a tax-exempt organization under section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of state law and, accordingly, is not subject to federal or state income tax on exempt-purpose income. There was no unrelated business income for the years ended June 30, 2024. Accordingly, no provision for income tax has been included in the accompanying financial statements.

1. Summary of Significant Accounting Policies (Continued)

Contributions receivable

Contribution receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than a year are recorded at fair value at the date of promise. Contributions receivable that are expected to be collected over a period exceeding twelve months are recorded at present value at the date of promise. That present value is computed using a technique applied to the anticipated cash flows of the donor's payment plan. Amortization of the resulting discount is recognized as additional contribution revenue as time elapses. The allowance for uncollectible contributions receivable is management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Property and Equipment

Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of $500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computers	3 years
Furniture and fixtures	5 years

The Organization incurred $2,127 and $1,413 of depreciation expense for the years ended June 30, 2024 and 2023, respectively. Land, buildings, and equipment are reviewed for impairment when a significant change in an asset's use of another indicator of possible impairment is present. No impairment losses were recognized during the years ended June 30, 2024 and 2023.

Subsequent Events

In accordance with ASC 855, the Organization evaluated subsequent events through November 25, 2024, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and there are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Revenue Recognition

The Organization recognizes contract revenue from its contracts either on a pro-rate basis over a 12-month period, which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract. Funding agencies may, at their discretion, request reimbursement for expenses, return of funds, or both as a result of noncompliance by the Organization with the terms of the grants or contracts.

1. Summary of Significant Accounting Policies (Continued)

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and amortization and interest allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and interest services, insurance, supplies, and miscellaneous expense that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

In-kind Contributions

The Organization receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meet the Organization's capitalization policy. Donated use of facilities is reported as a contribution and an expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services to the Organization's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

2. Concentration of Credit Risk

The Organization maintains bank accounts which at times may exceed federally insured limits. The Organization's cash deposits are kept with a large Midwest money center bank, and management believes there is no significant concentration of credit risk with respect to these accounts. At June 30, 2024 and 2023, the Organization's uninsured cash was $707,942 and $198,340, respectively.

A significant portion of the Organization's funding comes from contributing entities by way of grants and donations, both at the corporate and individual level. As such, the Organization's ability to operate is directly related to the dollar amounts contributed. The organization relies on a small number of major contributors. During year ended June 30, 2024 and 2023, 86% and 79%, respectively, of the organization's total reported revenue came from three contributing organizations and individuals.

3. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2024	*2023*
Cash and cash equivalents	$957,942	$448,340
Grant and contract receivable	930,447	436,862
Total financial assets	1,888,389	885,202
Less: financial assets held to meet donor-imposed restrictions:		
Time restricted net assets (note 4)	880,837	495,834
Financial assets available to meet cash needs for general expenditures within one year	$1,007,552	$ 389,368

4. With Donor Restricted Net Assets

At June 30, 2024 and 2023, net assets with donor restrictions are available for the following purposes or periods:

	2024	*2023*
Purpose restrictions, available for spending:		
Statewide resource navigation services	$ -	$ -
Time restrictions:		
Contributions received, which are unavailable for spending until due	170,834	195,834
Grant and contract receivable	710,000	300,000
Net assets with donor restrictions	$ 880,834	$ 495,834

5. Long-term Debt

On June 16, 2020, the Organization issued an unsecured promissory note (the "EIDL Loan") for $150,000 through the Small Business Administration established under the Small Business Act and administered by the U.S. Small Business Administration ("SBA"). The EIDL Loan was made though the SBA (the "Lender"). Has a thirty-year term, bears interest at 2.75% per annum, and matures on June 16, 2050. Monthly principal and interest payments are deferred until 24 months after the date of the promissory note or June 16, 2022. The EIDL Loan may be prepaid at any time prior to maturity with no prepayment penalties. Payments will be first applied to accrued interest. Maturities of the EIDL Loan are as follows for the years ending June 30: 2025 - $0; 2026 - $3,192; 2027 - $3,701; 2028 - $3,804; 2029 - $3,910; thereafter - $135,393.

SPRINGFIELD OFFICE:
400 W. MONROE
SUITE 306 • 62704
PHONE: 217/782-6046 • FAX: 217/785-8222
TTY: 888/261-2887
FRAUD HOTLINE: 1-855-217-1895

CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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 Joining Forces Foundation

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 Illinois Joining Forces Foundation (Foundation), which comprise the Statement of Financial Position as of June 30, 2024, and June 30, 2023, and the related Statement of Activities, Statement of Cash Flows, and Statement of Functional Expenses for the years then ended, 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 September 25, 2025. We expressed a qualified opinion on the Foundation's financial statements because of weaknesses noted in the Foundation's financial statements and related note disclosures.

Report on 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 as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on 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 financial statements. 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 2024-002.

Foundation's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Foundation's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 entity'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

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

Springfield, Illinois
September 25, 2025

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 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 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 "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.

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.

2024-002. **<u>FINDING</u>** (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 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.

- 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 – PRIOR FINDINGS NOT REPEATED – *GOVERNMENT AUDITING STANDARDS*
For the Two Years Ended June 30, 2024

A. **FINDING** (Inadequate Controls over Board Membership)

During the prior engagement, the Foundation failed to maintain adequate controls over its Board of Directors (Board) and did not take certain actions required by its bylaws.

During the current engagement, our testing indicated that the current year conditions in the finding did not have a material effect on the Foundation's financial statements or financial data. As such, this finding will be reported in the Foundation's *Compliance Examination Report* as Finding 2024-003. (Finding Code No. 2022-003, 2021-003, 2020-003, 2019-005)

B. **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)