



THE ILLINOIS LITERACY FOUNDATION

(A Component Unit of the State of Illinois)

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2023

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

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THE ILLINOIS LITERACY FOUNDATION

(A Component Unit of the State of Illinois)

STATE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2023

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THE ILLINOIS LITERACY FOUNDATION
(A Component Unit of the State of Illinois)

STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2023

FOUNDATION OFFICIALS

Ex Officio Director (07/01/21 – 01/08/23)	Honorable Jesse White, Secretary of State
Ex Officio Director (01/09/23 – Present)	Honorable Alexi Giannoulias, Secretary of State
Executive Director (07/01/21 – 01/08/23)	Thomas N. Benigno
Executive Director (01/09/23 – Present)	Vacant
Fiscal Officer	Greg McCormick
General Counsel (07/01/21 – 01/08/23)	Irene Lyons
General Counsel (01/09/23 – Present)	Rob Gamrath

BOARD OFFICERS

Chair	Michael C. Mroz
Vice Chair	John Rosales
Treasurer	Dr. Roberto R. Castaneda
Secretary	Heather Bookstaver

FOUNDATION OFFICE

Illinois Literacy Foundation office was located at from July 1, 2021 to June 19, 2023 –

100 West Randolph Street
Chicago, IL 60601

From June 20, 2023 to present –

115 S. LaSalle St., Suite 300
Chicago, IL 60603



Alexi Giannoulis
Secretary of State
State Librarian

The Illinois Literacy Foundation
James R. Thompson Center
P.O. Box 64386
Chicago, IL 60664-0386
www.theillinoisliteracyfoundation.org

**MANAGEMENT ASSERTION LETTER – STATE
COMPLIANCE EXAMINATION**

January 19, 2024

Sikich LLP
3051 Hollis Dr. 3rd Floor
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of The Illinois Literacy 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, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022, and June 30, 2023, the Foundation has materially complied with the specified requirements listed below.

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



The **Mission** of The Illinois Literacy Foundation is to partner with the corporate and private sectors to enhance literacy awareness and support literacy programs throughout the State of Illinois. Therefore, in collaboration with corporate and private entities, local businesses and state agencies, the foundation strives to promote the enjoyment of reading and learning by addressing the literacy needs of the people of Illinois.

Management Assertion Letter
January 19, 2024
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- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

The Illinois Literacy Foundation

SIGNED ORIGINAL ON FILE

Honorable Alexi Giannoulias, Secretary of State

SIGNED ORIGINAL ON FILE

Mr. Greg McCormick, Fiscal Officer

SIGNED ORIGINAL ON FILE

Mr. Rob Gamrath, General Counsel

THE ILLINOIS LITERACY FOUNDATION
 (A Component Unit of the State of Illinois)
FINANCIAL AUDIT
 For the Two Years Ended June 30, 2023

STATE COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	0	1
Repeated findings	0	1
Prior recommendations implemented or not repeated	1	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First</u> <u>Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Current Findings

No current year findings

Prior Findings Not Repeated

A	9	2021/ 2019	Inaccurate Inventory Records
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THE ILLINOIS LITERACY FOUNDATION
(A Component Unit of the State of Illinois)
FINANCIAL AUDIT
For the Two Years Ended June 30, 2023

EXIT CONFERENCE

The Foundation waived an exit conference in a correspondence from Greg McCormick, Director, on December 18, 2023.

3051 Hollis Dr 3rd Floor
Springfield, IL 62704
217.793.3363

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**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
The Illinois Literacy Foundation

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by The Illinois Literacy Foundation (Foundation), a component unit of the State of Illinois, with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2023. 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 public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

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

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

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

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

In our opinion, the Foundation complied with the specified requirements during the two years ended June 30, 2023, in all material respects.

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

Report on Internal Control Over Compliance

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Foundation's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Foundation's compliance with the specified requirements and to test and report on the Foundation's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

Springfield, Illinois
January 19, 2024

THE ILLINOIS LITERACY FOUNDATION

(A Component Unit of the State of Illinois)

SCHEDULE OF FINDINGS – PRIOR FINDING NOT REPEATED

For the Two Years Ended June 30, 2023

A. **FINDING** (Inaccurate Inventory Records)

During the prior examination, the Illinois Literacy Foundation (Foundation) did not maintain accurate inventory records for the years ended June 30, 2020 and June 30, 2021.

During the current examination, the Foundation discontinued the program for which inventory records were maintained. The inventory balance for the years ended June 30, 2022, and June 30, 2023, was \$0. (Finding Code No. 2021-001, 2019-001)