



**THE ILLINOIS LITERACY FOUNDATION  
(A COMPONENT UNIT OF THE STATE OF ILLINOIS)  
FINANCIAL AUDIT  
For the Two Years Ended June 30, 2025**

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

**THE ILLINOIS LITERACY FOUNDATION  
(A COMPONENT UNIT OF THE STATE OF ILLINOIS)  
FINANCIAL AUDIT  
For the Two Years Ended June 30, 2025**

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For the Two Years Ended June 30, 2025**

**FOUNDATION OFFICIALS**

Ex Officio Director	Honorable Alexi Giannoulias, Secretary of State
Executive Director (Interim) (05/13/24 – Present)	Hanah Jubeh
Executive Director (07/01/23 – 05/12/24)	Vacant
Fiscal Officer	Greg McCormick
General Counsel	Rob Gamrath

**BOARD OFFICERS**

Chair (07/01/25 – Present)	Mo Khan
Chair (07/01/23 – 06/30/25)	Michael Mroz
Vice Chair	John Rosales
Treasurer (4/17/25 – Present)	Heather Anichini
Treasurer (07/01/23 – 04/16/25)	Dr. Roberto Castaneda
Secretary (07/01/25 – Present)	Claire Demirjian
Secretary (07/01/24 – 06/30/25)	Crystal Reynolds
Secretary (04/02/24 – 06/30/24)	Vacant
Secretary (07/01/23 – 04/01/24)	Heather Bookstaver

**FOUNDATION OFFICE**

The Illinois Literacy Foundation’s primary administrative office is located at:

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

**THE ILLINOIS LITERACY FOUNDATION  
(A COMPONENT UNIT OF THE STATE OF ILLINOIS)  
FINANCIAL AUDIT  
For the Two Years Ended June 30, 2025**

**FINANCIAL STATEMENT REPORT**

**SUMMARY**

The audit of the accompanying financial statements of the Illinois Literacy Foundation (Foundation) was performed by Adelfia LLC.

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

**SUMMARY OF FINDINGS**

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

**SCHEDULE OF FINDINGS**

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

No current year findings

**EXIT CONFERENCE**

The Foundation waived an exit conference in a correspondence from Greg McCormick, Fiscal Officer, on December 19, 2025.



## **INDEPENDENT AUDITOR'S REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Directors  
The Illinois Literacy Foundation

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities and the major fund of the Illinois Literacy Foundation (Foundation), a component unit of the State of Illinois, as of and for the years ended June 30, 2025 and 2024, 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Foundation as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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 audit opinions.

### ***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 opinions. 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 judgement, 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.

### ***Required Supplementary Information***

Management has omitted a management’s discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the agency officials page but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2026, 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**

Chicago, Illinois  
January 23, 2026

## BASIC FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND BALANCE SHEETS/STATEMENTS OF NET POSITION  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash	<u>\$ 19,730</u>	<u>\$ 16,807</u>
Total Assets	<u><u>\$ 19,730</u></u>	<u><u>\$ 16,807</u></u>
FUND BALANCE/NET POSITION		
Assigned/Unrestricted	<u>\$ 19,730</u>	<u>\$ 16,807</u>
Total Fund Balance/Net Position	<u><u>\$ 19,730</u></u>	<u><u>\$ 16,807</u></u>

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

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES  
& CHANGE IN FUND BALANCE/STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expense) revenue</u>
Illinois Literacy Foundation	\$ 31,682	\$ 34,557	\$ 2,875
General revenues:			
Interest income			48
Total general revenues			<u>48</u>
Change in net position			2,923
Fund Balance/Net position - beginning			<u>16,807</u>
Fund Balance/Net position - ending			<u><u>\$ 19,730</u></u>

THE ILLINOIS LITERACY FOUNDATION  
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STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES  
& CHANGE IN FUND BALANCE/STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2024

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program revenues Operating grants and contributions</u>	<u>Net (expense) revenue</u>
Illinois Literacy Foundation	\$ 320	\$ 50	\$ (270)
General revenues:			
Interest income			96
Total general revenues			<u>96</u>
Change in net position			(174)
Fund Balance/Net position - beginning			<u>16,981</u>
Fund Balance/Net position - ending			<u><u>\$ 16,807</u></u>

THE ILLINOIS LITERACY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Illinois Literacy Foundation (the Foundation) was created by State Statute (15 ILCS 322/40) to promote literacy among the residents of the State of Illinois by supporting literacy programs and enhancing Statewide literacy awareness, to make grants and gifts in aid in support of the goal, and to engage generally in other lawful endeavors consistent with the foregoing purposes. The Foundation develops strategies and pioneers test programs that can be implemented at a local level to fill identified gaps in the literacy efforts of the State of Illinois. Directors of the Foundation's Board are appointed by the Secretary of State of Illinois, who also has the authority to remove said Directors. In addition, the Secretary of State adopts rules and regulations necessary to govern Foundation procedures.

B. Financial Reporting Entity

The Foundation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or,
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the required criteria, the Foundation has no component units. However, the Foundation is a component unit of the State of Illinois. Therefore, the financial statements of the Foundation are included in the financial statements of the State of Illinois. The State of Illinois' Annual Comprehensive Financial Report may be obtained by accessing the State Comptroller Office's website: <https://illinoiscomptroller.gov/financial-data/find-a-report/comprehensive-reporting/comprehensive-annual-financial-report/>.

### C. Basis of Presentation

For reporting purposes, the Foundation has combined its presentation of the fund financial statements and the government-wide financial statements. There are no differences between the fund financial data and the government-wide data, and therefore, no reconciliation is presented herein. A brief description of the Foundation's government-wide financial statements is as follows:

**Government-wide Statements:** The government-wide statement of net position and statement of activities report the overall financial activity of the Foundation. The financial activities of the Foundation consist only of governmental activities, which are primarily supported by contributions from outside parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The Foundation administers the following major governmental fund:

**General Fund** – This is the Foundation's primary operating fund. It accounts for all financial resources of the Foundation. The services that are administered by the Foundation and accounted for in this fund include the promotion of literacy among the residents of the State of Illinois.

#### D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Foundation gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Foundation considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

#### E. Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. The Foundation's cash and cash equivalents consist of cash deposits in an FDIC insured bank.

#### F. Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Foundation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances are self-imposed limitations approved by the Foundation’s Board of Directors, which is the highest level of decision-making authority within the Foundation. Only the Board of Directors can remove or change the constraints placed on committed fund balances.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the Foundation for specific purposes but do not meet the criteria to be classified as restricted or committed. Fund balance assignments can only be removed by the Board of Directors.

Unassigned – The unassigned fund balance classification is the residual classification and includes all spendable amounts not contained in the other classifications.

The Foundation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### G. Net Position

In the government-wide financial statements, equity is displayed as follows:

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the State’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that does not meet the definition of “restricted”, which includes any net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

#### H. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

## I. Adoption of New Accounting Pronouncements

Effective for the year ending June 30, 2024, the Foundation adopted the following GASB statements:

The portion of Statement No. 99, *Omnibus 2022*, related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No53. The implementation of this statement had no financial impact on the Foundation's net position or results of operations.

Statement No. 100, *Accounting Changes and Error Corrections*, which is intended to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of this statement had no current financial impact on the Foundation's net position or results of operations.

Effective for the year ending June 30, 2025, the Foundation adopted the following GASB statements but has determined the implementation will have no initial financial impact on the Foundation's net position or results of operations:

Statement No. 101, *Compensated Absences*, which is intended to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

## 2. DEPOSITS

Bank deposits of \$19,730 and \$16,807 as of June 30, 2025 and 2024 are held in Federal Deposit Insurance Corporation (FDIC) insured depository institutions. The Foundation's deposits did not exceed FDIC insurance limits at any time during Fiscal Years 2025 and 2024.

Custodial credit risk is the risk that, in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2025, and 2024, \$0 of the Foundation's bank balances of \$19,730 and \$16,807, respectively, was exposed to custodial credit risk.

## 3. INCOME TAXES

The Foundation is a not-for-profit organization and claims exemption from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code and similar provisions of State tax codes.

#### 4. RELATED PARTY TRANSACTIONS

Salaries and wages and the related employee benefits of the Executive Director and his assistants are paid by the State of Illinois Office of the Secretary of State (Office) and are not reported in the financial statements of the Foundation. The Office also provides office space, equipment, and some administrative expenses for the Foundation.

#### 5. BOOK DONATION

During Fiscal Year 2025, the Foundation received a donation of 1,500 new books valued at \$29,985. The books were recognized as inventory and revenue at fair value upon receipt and subsequently distributed to each of the 750 public library branches in Illinois by the Illinois State Library and Office of the Illinois Secretary of State.

#### 6. SUBSEQUENT EVENTS

The Foundation is not aware of any facts, decisions or conditions that might be expected to have a significant impact on the financial position or results of operations during this and future fiscal years.



**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  
The Illinois Literacy Foundation

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Illinois Literacy Foundation (Foundation), a component unit of the State of Illinois, as of and for the years ended June 30, 2025 and 2024, 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 January 23, 2026.

**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 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 audit, 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.

### **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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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**

Chicago, Illinois  
January 23, 2026