

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
FEDERAL SINGLE AUDIT
*In Accordance with the Single Audit Act and Applicable
Federal Regulations*
For the Year Ended June 30, 2025**

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

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2025

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STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2025

Agency Officials

Chair of the Authority	Mr. Will Hobert
Executive Director	Mr. Christopher Meister
Chief Operating Officer (November 1, 2025 – Present)	Mr. Sanjay Patel
Deputy General Counsel (August 31, 2024 – January 15, 2026)	Mr. Matt Stonecipher
Deputy General Counsel (January 16, 2026 – Present)	Mr. Mark Meyer
Senior Vice President of Finance & Administration	Ms. Ximena Granda
General Counsel (July 15, 2015 – February 11, 2025)	Ms. Elizabeth Fleming Weber

Members of the Illinois Finance Authority during the period were as follows:

Member (August 28, 2023 – December 2, 2024)	Ms. Susan Abrams
Member	Mr. Drew Beres
Member	Ms. Karen Caldwell
Member (April 6, 2005 – November 10, 2025)	Mr. James J. Fuentes
Member	Mr. Will Hobert
Member	Ms. Arlene Juracek
Member	Mr. Steven Landek
Member	Ms. Lynn Sutton
Member	Ms. Roxanne Nava
Member	Mr. Ameya Pawar
Member	Mr. Roger E. Poole
Member	Mr. Timothy Ryan
Member	Mr. Michael Strautmanis
Member	Mr. J. Randal Wexler
Member	Mr. Bradley Zeller
Member (January 12, 2026 – Present)	Douglas E. House
Member (January 26, 2026 – Present)	Tiffany Mathis Posey

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2025**

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Illinois Finance Authority (the Authority) was conducted in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Government Auditing Standards*.

AUDITOR'S REPORT

The Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report*</u>
Findings	1	N/A
Repeated Findings	N/A	N/A
Prior Findings Not Repeated	N/A	N/A

* This is the Authority's first Single Audit. Therefore, there were no prior findings.

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 – Federal Compliance

2025-001	10	New	Internal Controls over Allowable Costs/Activities	Material Weakness
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**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2025**

EXIT CONFERENCE

The finding and recommendation appearing in this report were discussed with Authority personnel at an exit conference on January 28, 2026.

In attendance were:

Illinois Finance Authority

Ximena Granda, SVP of Finance and Administration

Sanjay Patel, Chief Operating Officer

Office of the Auditor General

Sara Metzger, Assistant Director of Financial/Compliance

RSM US LLP

Dan Sethness, Partner

Katie Rodriguez, Senior Manager

The response to the recommendation was provided by Sanjay Patel, Chief Operating Officer, in a correspondence dated January 30, 2026.

**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***

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Finance Authority

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 (*Government Auditing Standards*), the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Finance Authority (Authority), a component unit of the State of Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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

Schaumburg, Illinois
December 3, 2025

**Report on Compliance for Each Major Federal Program; Report on
Internal Control Over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General, State of Illinois

and

Board of Directors
Illinois Finance Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Illinois Finance Authority (the Authority) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, a component unit of the State of Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 3, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 6, 2026

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2025**

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____	X	no
Significant deficiency(ies) identified?	_____	yes	_____	X	none reported
Noncompliance material to the financial statements noted?	_____	yes	_____	X	no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____	X	yes	_____	no
Significant deficiency(ies) identified?	_____	yes	_____	X	none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR § 200.516(a)?

_____	yes	_____	X	no
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Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
66.959	Greenhouse Gas Reduction Fund: Solar for All

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

_____	yes	_____	X	no
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**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

I. Financial Statement Findings

There were no internal control deficiencies identified and no compliance findings over the financial statements for fiscal year 2025.

II. Federal Award Findings and Questioned Costs

Federal Agency: U.S. Environmental Protection Agency
Program Name: Greenhouse Gas Reduction Fund: Solar For All
ALN: 66.959
Award Numbers: 84090501, Federal Award Year 2024 - 2025
Questioned Costs: None

2025-001: Finding: Internal Controls over Allowable Costs/Activities

The Illinois Finance Authority (Authority) had weaknesses in its internal controls over reviews of allowable costs and activities.

Condition:

Out of the 13 payroll transactions and 4 indirect cost transactions tested for allowable activities and costs, we were unable to obtain documentation to support that controls were in place to review for allowable activities and costs prior to applying to the grant for all (100%) of the transactions.

The sample was not intended to be, and was not, a statistically valid sample.

Criteria:

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Cause:

Authority officials indicated this issue was due to the size of the Authority, there was a lack of segregation of duties or documentation to support reviews.

Effect:

Without a proper internal control system to support reviews performed over allowable costs and activities, the Authority risks submitting unallowable costs, which could result in a loss of future funding. (Finding Code No. 2025-001)

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS
For the Year Ended June 30, 2025**

Recommendation:

We recommend the Authority develop and document controls for ensuring expenditures applied to the grant are allowable.

Authority's Response:

The Authority accepts single audit finding 2025-001 Internal Controls over Allowable Costs/Activities.

The Authority has implemented a process and related internal controls and appropriate segregation of duties to ensure Authority financial transactions (i.e., expenditures applied to corresponding grants are allowable; month-end financial entries; etc.) are appropriately prepared, reviewed, authorized, and recorded.

**FY2025 Federal Single Audit 2025-001
Corrective Action Plan****Single Audit Finding 2025-001: Internal Controls over Allowable Costs/Activities**

Plan: The IFA acknowledges the importance of internal controls and appropriate segregation of duties ensuring the review and approval process for Authority financial transactions (i.e., expenditures applied to corresponding grants are allowable; month-end financial entries; etc.). With recent staff additions, IFA has enhanced its internal control environment by implementing a review/authorization process to ensure the preparation and approval of journal entries (i.e., month-end, etc.) occurs in accordance of established internal controls and appropriate segregation of duties (e.g., month-end journal entries prepared by the IFA SVP-FA are reviewed and approved by the IFA Chief Operating Officer, or appropriate designee). Since manual or adjusting journal entries are information processing activities that carry higher risk, a review of journal entries after posting serve as acceptable verification control in accordance with the United States Government Accountability Office Standards for Internal Control in the Federal Government that helps ensure transactions are appropriate. These post-entry reviews represent an acceptable form of management oversight (Principle 16) and serve as an acceptable validation check (Principle 10) to confirm that entries align with supporting documentation, reconcile with expectations, and aligned with organizational directives.

Month Implemented: November 2025**IFA Contact:** Ms. Ximena Granda
SVP – Finance & Administration
xgranda@il-fa.com
Office (312) 651-1362

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

Supplementary information presented in this section of the report includes the following:

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards

**STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025**

Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Environmental Protection Agency				
Greenhouse Gas Reduction Fund: Solar for All Pass-through Illinois Environmental Protection Agency Climate Pollution Reduction Grants	66.959	84090501	\$ -	\$ 692,622
Pass-through Coalition for Green Capital Greenhouse Gas Reduction Fund: National Clean Investment Fund	66.046	00E03861	-	238,723
Total U.S. Environmental Protection Agency	66.957	84094001	-	6,388
			<u>-</u>	<u>937,733</u>
U.S. Department of Energy				
Grid Infrastructure Deployment and Resilience Pass-through Illinois Environmental Protection Agency State Energy Program	81.254	GD0000014	-	222,770
Pass-through Elevate Energy Weatherization Assistance for Low-Income Persons	81.041	DE-EE0010337	-	313,476
Total U.S. Department of Energy	81.042	EE0010930	-	15,017
			<u>-</u>	<u>551,263</u>
U.S. Department of Transportation				
Pass-through Illinois Environmental Protection Agency Highway Planning and Construction	20.205	344-55846	-	143,729
Total U.S. Department of Transportation			<u>-</u>	<u>143,729</u>
			<u>\$ -</u>	<u>\$ 1,632,725</u>

See notes to schedule of expenditures of federal awards.

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Illinois Finance Authority (the Authority) under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Authority. There were no federal awards expended for non-cash assistance or insurance for the year ended June 30, 2025.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The Authority applied an approved indirect cost rate of 10% to modified total direct costs in accordance with the grant agreement and Uniform Guidance requirements.