

ILLINOIS PUBLIC HEALTH ASSOCIATION

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

Illinois Public Health Association

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
<u>Financial Statements</u>	
STATEMENT 1 - STATEMENTS OF FINANCIAL POSITION	3
STATEMENT 2 - STATEMENTS OF ACTIVITIES	4-5
STATEMENT 3 - STATEMENTS OF FUNCTIONAL EXPENSES	6-7
STATEMENT 4 - STATEMENTS OF CASH FLOWS.....	8
Notes to Financial Statements.....	9-13
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 <i>Government Auditing Standards</i>	14-15
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	16-17
Schedule 1 - Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards.....	19
Schedule 2 - Schedule of Findings and Questioned Costs	20-22
Schedule 3 - Schedule of Prior Audit Findings	23

Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

LORI K. MILOSEVICH, C.P.A., C.F.E.
TERRI L. PHELPS, C.P.A.
JAMES C. LEGG, C.P.A.
RICHARD W. OGDEN, C.P.A.

901 South Second Street
Springfield, Illinois 62704
217/528-8473
Fax 217/528-8506



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Illinois Public Health Association

Report on the Financial Statements

We have audited the accompanying financial statements of Illinois Public Health Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Illinois Public Health Association as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2021 on our consideration of Illinois Public Health Association'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 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 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 Illinois Public Health Association's internal control over financial reporting and compliance.

Ester, Bridgman & Ogden

Certified Public Accountants
Springfield, Illinois

February 18, 2021

Illinois Public Health Association
STATEMENTS OF FINANCIAL POSITION
 June 30, 2020 and 2019

Statement 1

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$1,895,077	\$2,145,466
Accounts receivable.....	1,897,356	1,424,515
Prepaid expenses.....	<u>15,827</u>	<u>10,170</u>
Total current assets.....	3,808,260	3,580,151
PROPERTY AND EQUIPMENT , less accumulated depreciation of \$197,779 and \$187,988 at June 30, 2020 and 2019, respectively	<u>44,445</u>	<u>23,802</u>
TOTAL ASSETS	<u>\$3,852,705</u>	<u>\$3,603,953</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Refundable advance.....	\$ 798	\$1,183,593
Deferred revenue	84,685	234,898
Accounts payable.....	1,348,994	1,239,236
Accrued payroll	<u>2,728</u>	<u>3,895</u>
Total current liabilities	<u>1,437,205</u>	<u>2,661,622</u>
NET ASSETS		
Without donor restrictions	<u>2,415,500</u>	<u>942,331</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$3,852,705</u>	<u>\$3,603,953</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2020

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
REVENUES			
Federal financial assistance	\$ -	\$1,241,097	\$1,241,097
Memberships	83,504	-	83,504
Continuing education and grants	5,110,148	-	5,110,148
Interest	17,901	-	17,901
Net Assets released for restrictions.....	<u>1,241,097</u>	<u>(1,241,097)</u>	<u>-</u>
 Total Revenues.....	 <u>6,452,650</u>	 <u>-</u>	 <u>6,452,650</u>
EXPENSES			
Program Services:			
Continuing education and grants.....	4,670,833	-	4,670,833
Supporting Services:			
Management and General	<u>308,648</u>	<u>-</u>	<u>308,648</u>
 Total Expenses.....	 <u>4,979,481</u>	 <u>-</u>	 <u>4,979,481</u>
 CHANGE IN NET ASSETS.....	 1,473,169	 -	 1,473,169
 NET ASSETS – BEGINNING OF YEAR	 <u>942,331</u>	 <u>-</u>	 <u>942,331</u>
 NET ASSETS – END OF YEAR	 <u>\$2,415,500</u>	 <u>\$ -</u>	 <u>\$2,415,500</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
STATEMENT OF ACTIVITIES, Continued
 For the Year Ended June 30, 2019

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
REVENUES			
Federal financial assistance	\$ -	\$1,190,274	\$1,190,274
Memberships	99,330	-	99,330
Continuing education and grants	2,794,780		2,794,780
Interest	29,297		29,297
Net Assets released for restrictions.....	<u>1,190,274</u>	<u>(1,190,274)</u>	<u>-</u>
Total Revenues.....	<u>4,113,681</u>	<u>-</u>	<u>4,113,681</u>
EXPENSES			
Program Services:			
Continuing education and grants.....	3,889,055	-	3,889,055
Supporting Services:			
Management and General	<u>354,243</u>	<u>-</u>	<u>354,243</u>
Total Expenses.....	<u>4,243,298</u>	<u>-</u>	<u>4,243,298</u>
CHANGE IN NET ASSETS.....	(129,617)	-	(129,617)
NET ASSETS – BEGINNING OF YEAR	<u>1,071,948</u>	<u>-</u>	<u>1,071,948</u>
NET ASSETS – END OF YEAR	<u>\$ 942,331</u>	<u>\$ -</u>	<u>\$ 942,331</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

Statement 3

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2020</u>
	<u>Continuing Education</u>	<u>Management</u>	<u>Total</u>
	<u>and Grants</u>	<u>and General</u>	<u>Expenses</u>
Salaries	\$1,135,408	\$ 169,029	\$1,304,437
Payroll taxes	103,553	16,422	119,975
Employee benefits	79,692	7,201	86,893
Travel	103,169	2,437	105,606
Duplicating/printing	13,049	-	13,049
Postage and shipping	127	557	684
Telephone	5,526	3,776	9,302
Information systems	9,889	7,080	16,969
Office supplies	20,504	6,832	27,336
Program supplies	132,356	-	132,356
Conference supplies	938	-	938
Professional services	12,565	18,338	30,903
Internet services	378	3,608	3,986
Insurance	330	2,696	3,026
Depreciation	-	11,490	11,490
Dues and fees	28,292	2,535	30,827
Rent and utilities	40,744	22,529	63,273
Equipment rental	864	8,357	9,221
Repairs and maintenance	1,550	17,373	18,923
Refunds	3,254	-	3,254
Recognition and support	12,300	2,000	14,300
Training	21,574	-	21,574
Other	1,245	452	1,697
Consultant/contractors	1,016,549	-	1,016,549
HIV prevention	1,835,657	-	1,835,657
Financial fees	2,433	1,846	4,279
Legislative	51,499	-	51,499
Conferences	<u>37,388</u>	<u>4,090</u>	<u>41,478</u>
Total expenses	<u>\$4,670,833</u>	<u>\$ 308,648</u>	<u>\$4,979,481</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
STATEMENT OF FUNCTIONAL EXPENSES, Continued
For the Year Ended June 30, 2019

Statement 3

	<u>Program Services</u>	<u>Supporting Services</u>	2019
	<u>Continuing Education</u>	<u>Management</u>	Total
	<u>and Grants</u>	<u>and General</u>	<u>Expenses</u>
Salaries	\$ 946,321	\$ 181,716	\$1,128,037
Payroll taxes	84,195	21,119	105,314
Employee benefits	68,666	11,892	80,558
Travel	114,857	8,420	123,277
Duplicating/printing	12,329	448	12,777
Postage and shipping	486	419	905
Telephone	5,775	19,735	25,510
Information systems	6,007	5,751	11,758
Office supplies	8,505	9,108	17,613
Program supplies	203,971	-	203,971
Conference supplies	1,894	24	1,918
Professional services	14,948	13,688	28,636
Internet services	904	2,896	3,800
Insurance	1,438	1,867	3,305
Depreciation	-	10,394	10,394
Dues and fees	63,406	13,594	77,000
Rent and utilities	30,857	23,374	54,231
Equipment rental	2,494	6,782	9,276
Repairs and maintenance	2,453	15,770	18,223
Refunds	55,570	-	55,570
Recognition and support	11,711	1,559	13,270
Training	100,940	-	100,940
Other	13,353	519	13,872
Consultant/contractors	197,637	1,250	198,887
HIV prevention	1,830,408	-	1,830,408
Financial fees	5,621	1,967	7,588
Legislative	46,564	-	46,564
Conferences	57,745	1,951	59,696
Total expenses	<u>\$3,889,055</u>	<u>\$ 354,243</u>	<u>\$4,243,298</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

Statement 4

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$1,473,169	(\$ 129,617)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	11,490	10,394
(Increase) decrease in accounts receivable.....	(472,841)	248,129
(Increase) decrease in prepaid expenses.....	(5,657)	925
Increase (decrease) in accounts payable.....	109,758	(496,527)
Increase (decrease) in accrued payroll	(1,167)	2,645
Increase (decrease) in deferred revenue	(150,213)	19,767
Increase (decrease) in refundable advances	(<u>1,182,795</u>)	<u>57,708</u>
Net cash provided by (used for) operating activities	(<u>218,256</u>)	(<u>286,576</u>)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment.....	(<u>32,133</u>)	(<u>9,260</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(250,389)	(295,836)
CASH AND CASH EQUIVALENTS - BEGINNING.....	<u>2,145,466</u>	<u>2,441,302</u>
CASH AND CASH EQUIVALENTS - ENDING.....	<u>\$1,895,077</u>	<u>\$2,145,466</u>

The accompanying notes are an integral part of these financial statements.

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Illinois Public Health Association (the Association) is a not-for-profit organization devoted exclusively to matters of public health. To accomplish this purpose the Association promotes public health in its broadest sense; promotes an understanding and an appreciation for the field of public health and its issues; promotes the highest standards of professional, technical and administrative service to the public; assumes a leadership role in the development and implementation of sound health policy; and, promotes a sense of public health community and unity among the public health disciplines.

Basis of Accounting

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

Property and Equipment

Depreciation of furniture and equipment is provided over the estimated useful lives of 5 to 7 years using the straight-line method. Acquisitions in excess of \$500 are capitalized.

According to the contracts between the Association and the funding sources, the funding sources retain a reversionary interest in the property and equipment purchased under the contract. If it is probable that the Association will be permitted to keep the assets when the arrangement terminates, property and equipment purchased in exchange transactions, in which the funding source retains a reversionary interest during the term of the arrangement, are reported as increase to unrestricted net assets and depreciated using the straight-line method over their useful lives. Management has determined that in all likelihood the Association will be allowed to retain possession of property and equipment purchased under such contracts.

Income Taxes

The Association is a not-for-profit organization and claims exemption from Federal and State income taxes under Internal Revenue Code Section 501(c)(3) and similar provisions of State income tax law. The Association is not considered to be a private foundation.

The Association's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017, 2018, 2019, and 2020 are subject to examination by IRS, generally for three years after they were filed.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Association to report information regarding its financial position and activities accordingly to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Association's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking, interest bearing money market accounts and certificate of deposits.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets of \$3,792,433 and \$3,569,981 are available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019, respectively.

The Association's cash flows have variations during the year attributable to timing of payments from members, and other assessments. To manage liquidity, the organization structures its financial assets to be available as general expenses, liabilities and other obligations come due.

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 3 – FIXED ASSETS AND DEPRECIATION

As of June 30, 2020 and 2019 fixed assets consist of:

	<u>2020</u>	<u>2019</u>
Furniture and Equipment	\$242,224	\$211,790
Less: accumulated depreciation	<u>197,779</u>	<u>187,988</u>
	<u>\$ 44,445</u>	<u>\$ 23,802</u>

NOTE 4 – ACCOUNTS RECEIVABLE

The Association receives certain grants on a reimbursement basis for which grant support is received after requesting reimbursement for allowable costs. Amounts available to the Association for allowable costs incurred before the end of the year are reported as accounts receivable.

NOTE 5 – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Association carries its accounts receivable at cost. Because the bad debt write-offs have been minimal over the past years the Association has not established an allowance for doubtful accounts. Write-offs are charged to current year operations in the year they are deemed worthless.

NOTE 6 – OPERATING LEASE

The Association leases office space under an operating lease expiring on April 30, 2029. Minimum future rental payments under the lease are summarized as follows:

Year Ending June 30:

2021	\$ 63,400
2022	65,400
2023	65,800
2024	67,800
2025	68,200
Beyond	267,100

Lease expense for the years ended June 30, 2020 and 2019 were \$63,000 and \$54,231, respectively.

NOTE 7 – REFUNDABLE ADVANCES

The Association records grants as exchange transactions and are accounted for as refundable advances until related services are performed, at which time they are recognized as revenue.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Association maintains cash balances in various commercial banks. These deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At various times during the year, material insured balances may exist. Management believes there is no significant risk of losses arising from these uninsured balances.

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 9 – COMPENSATED ABSENCES

The Association allows the accumulation of unused sick leave up to a maximum of 90 days. Sick leave will not be paid at the time of separation. Due to its immaterial effect, no provision for sick leave has been reflected in the financial statements.

Vacation time may be carried over to the next year. However, no more than one year of accrual may be carried to the next calendar year.

NOTE 10 – DUES

The Association receives dues from its members on an annual basis. Their dues are billed out at the end of each calendar year.

NOTE 11 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents and accounts receivable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments

The estimated fair values (level 1) of the Association’s instruments are as follows:

	Carrying Amount	Fair Value
<u>June 30, 2020</u>		
Financial Assets:		
Cash and cash equivalents	\$1,895,077	\$1,895,077
Accounts receivable	1,897,356	1,897,356
 <u>June 30, 2019</u>		
Financial Assets:		
Cash and cash equivalents	\$2,145,466	\$2,145,466
Accounts receivable	1,424,515	1,424,515

NOTE 12 – RETIREMENT PLAN

The Association maintains a 403(b) retirement plan matching up to 3% after one year of service.

NOTE 13 – CONTINGENCIES

The Association has received funding from state and federal grants in the current and prior years which may be subjected to audits by the granting agencies. The Association believes any adjustments that may arise from these audits will be insignificant to Association operations.

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

NOTE 14 – RISKS & UNCERTAINTIES

Beginning around March 2020, The Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, Organization programs, and funding sources could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 18, 2021, the date which the financial statements were available to be issued.

Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

LORI K. MILOSEVICH, C.P.A., C.F.E.
TERRI L. PHELPS, C.P.A.
JAMES C. LEGG, C.P.A.
RICHARD W. OGDEN, C.P.A.

901 South Second Street
Springfield, Illinois 62704
217/528-8473
Fax 217/528-8506



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

To the Board of Directors of
Illinois Public Health Association

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 Illinois Public Health Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Illinois Public Health Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Illinois Public Health Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Illinois Public Health Association'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Illinois Public Health Association'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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ester, Bridgewater & Ogden

Certified Public Accountants
Springfield, Illinois

February 18, 2021

Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

LORI K. MILOSEVICH, C.P.A., C.F.E.
TERRI L. PHELPS, C.P.A.
JAMES C. LEGG, C.P.A.
RICHARD W. OGDEN, C.P.A.

901 South Second Street
Springfield, Illinois 62704
217/528-8473
Fax 217/528-8506



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Illinois Public Health Association

Report on Compliance for Each Major Federal Program

We have audited Illinois Public Health Association's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Illinois Public Health Association's major federal programs for the year ended June 30, 2020. Illinois Public Health Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Illinois Public Health Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Illinois Public Health Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Illinois Public Health Association's compliance.

Opinion on Each Major Federal Program

In our opinion, Illinois Public Health Association complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of Illinois Public Health Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Illinois Public Health Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Illinois Public Health Association's internal control over compliance.

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 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.

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

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.



Certified Public Accountants
Springfield, Illinois

February 18, 2021

Illinois Public Health Association
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Schedule 3

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
Pass-through Illinois Department of Public Health:			
Ryan White Care Act Title II	93.917	857800043F	\$174,912
Ryan White Care Act Title II	93.917	05780047H	44,203
Ryan White Care Act Title II	93.917	00180008H	80,412
Ryan White Care Act Title II	93.917	00180048H	10,638
* Comprehensive HIV Prevention Project	93.940	95780050-56G	\$ 310,165
Chronic Disease Prevention	93.426	03286005H	89,874
Immunization Cooperative Agreements	93.268	05180052H	<u>81,906</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,097,245</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</u>			
Pass-through Illinois Department of Public Health:			
Americorps 2020	94.006	07380009H	122,175
Americorps 2019	94.006	97380009G	<u>21,677</u>
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			<u>143,852</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$1,241,097</u>

* = Major Programs

See accompanying notes to Schedule of Expenditures of Federal Awards

Illinois Public Health Association
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Illinois Public Health Association under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of Illinois Public Health Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Illinois Public Health Association.

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.

NOTE 2 – SUMMARY OF CFDA TOTALS

<u>CFDA Number</u>	<u>Total Expenditures</u>
93.268	\$ 81,906
93.426	89,874
93.917	310,165
93.940	615,300
94.006	<u>143,852</u>
Total Expenditures of Federal Awards by CFDA Number	<u>\$1,241,097</u>

NOTE 3 – SUBRECIPIENTS

The Association provided no amount to subrecipients from federal programs.

NOTE 4 – NONMONETARY ASSISTANCE

The Association did not receive non-cash assistance, federal insurance coverage or loan guarantees during the year.

NOTE 5 – INDIRECT COST RATE

The Association has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Illinois Public Health Association
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I - Summary Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no

- Significant deficiency(ies) identified that are not considered to be material weakness(es) yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no

- Significant deficiencies identified? yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of the Uniform Guidance?

 yes X no

Illinois Public Health Association
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.940	COMPREHENSIVE HIV PREVENTION PROJECT

**Dollar threshold used to distinguish between
Type A and Type B programs:**

\$ 750,000

Auditee qualified as low-risk auditee?

X yes no

Illinois Public Health Association
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Schedule 4

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings to report at June 30, 2020.

SECTION III – FEDERAL AWARD FINDINGS

There are no findings to report at June 30, 2020.

Illinois Public Health Association
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020

There are no prior audit findings to report for the year ended June 30, 2019.