

**ILLINOIS PUBLIC HEALTH ASSOCIATION**  
**AUDITED FINANCIAL STATEMENTS AND**  
**OTHER FINANCIAL INFORMATION**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2023 AND 2022**

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.....	9-12
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> .....	13-14
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	15-17
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

901 South Second Street, Suite 300  
Springfield, Illinois 62704  
217/528-8473  
Fax 217/528-8506

LORI K. MILOSEVICH-LAHR, C.P.A.  
TERRI L. PHELPS, C.P.A.  
JAMES C. LEGG, C.P.A.  
DANIEL J. CODY, C.P.A.  
RICHARD W. OGDEN, C.P.A.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Illinois Public Health Association

### Report on the Financial Statements

#### *Opinion*

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

#### *Basis for Opinion*

We conducted our audits 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. 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 Illinois Public Health Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Illinois Public Health Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 Illinois Public Health Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Illinois Public Health Association'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.

### ***Supplementary 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 23, 2024 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.



Certified Public Accountants  
Springfield, Illinois

February 23, 2024

Illinois Public Health Association  
**STATEMENTS OF FINANCIAL POSITION**  
 June 30, 2023 and 2022

Statement 1

<u>Assets</u>	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	\$ 917,021	\$ 6,920,521
Accounts receivable.....	6,820,526	4,680,519
Prepaid expenses.....	<u>3,037</u>	<u>7,605</u>
Total current assets.....	7,740,584	11,608,645
<b>PROPERTY AND EQUIPMENT</b> , less accumulated depreciation of \$258,994 and \$236,829 at June 30, 2023 and 2022, respectively .....	<u>84,914</u>	<u>99,645</u>
<b>TOTAL ASSETS</b> .....	<b><u>\$ 7,825,498</u></b>	<b><u>\$11,708,290</u></b>
 <u>Liabilities and Net Assets</u>  		
<b>CURRENT LIABILITIES</b>		
Refundable advance.....	\$ 344,719	\$ 8,304,214
Deferred revenue .....	98,590	60,031
Accounts payable.....	4,598,744	663,604
Accrued payroll .....	<u>954</u>	<u>11,042</u>
Total current liabilities .....	<u>5,043,007</u>	<u>9,038,891</u>
<b>NET ASSETS</b>		
Without donor restrictions .....	<u>2,782,491</u>	<u>2,669,399</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b> .....	<b><u>\$ 7,825,498</u></b>	<b><u>\$11,708,290</u></b>

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

Illinois Public Health Association  
**STATEMENT OF ACTIVITIES**  
 For the Year Ended June 30, 2023

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>
<b>REVENUES</b>			
Federal financial assistance .....	\$ -	\$16,832,073	\$16,832,073
Memberships .....	23,580	-	23,580
Continuing education and grants .....	726,304	2,651,255	3,377,559
Interest .....	27,850	-	27,850
Net Assets released for restrictions.....	<u>19,483,328</u>	( <u>19,483,328</u> )	<u>-</u>
 Total Revenues.....	 <u>20,261,062</u>	 <u>-</u>	 <u>20,261,062</u>
<b>EXPENSES</b>			
Program Services:			
Continuing education and grants.....	19,593,625	-	19,593,625
Supporting Services:			
Management and General .....	<u>554,345</u>	<u>-</u>	<u>554,345</u>
 Total Expenses.....	 <u>20,147,970</u>	 <u>-</u>	 <u>20,147,970</u>
 <b>CHANGE IN NET ASSETS.....</b>	 <b>113,092</b>	 <b>-</b>	 <b>113,092</b>
 NET ASSETS -- BEGINNING OF YEAR .....	 <u>2,669,399</u>	 <u>-</u>	 <u>2,669,399</u>
 NET ASSETS -- END OF YEAR .....	 <u>\$ 2,782,491</u>	 <u>\$ -</u>	 <u>\$ 2,782,491</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, 2022

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
<b>REVENUES</b>			
Federal financial assistance .....	\$ -	\$32,868,095	\$32,868,095
Memberships .....	81,786	-	81,786
Continuing education and grants .....	342,562	2,143,447	2,486,009
Interest .....	31,451	-	31,451
Net Assets released for restrictions.....	<u>35,011,542</u>	( <u>35,011,542</u> )	<u>-</u>
 Total Revenues.....	 <u>35,467,341</u>	 <u>-</u>	 <u>35,467,341</u>
<b>EXPENSES</b>			
Program Services:			
Continuing education and grants.....	35,055,590	-	35,055,590
Supporting Services:			
Management and General .....	<u>680,889</u>	<u>-</u>	<u>680,889</u>
 Total Expenses.....	 <u>35,736,479</u>	 <u>-</u>	 <u>35,736,479</u>
 <b>CHANGE IN NET ASSETS.....</b>	 <b>( 269,138)</b>	 <b>-</b>	 <b>( 269,138)</b>
 <b>NET ASSETS – BEGINNING OF YEAR .....</b>	 <u>2,938,537</u>	 <u>-</u>	 <u>2,938,537</u>
 <b>NET ASSETS – END OF YEAR .....</b>	 <u>\$ 2,669,399</u>	 <u>\$ -</u>	 <u>\$ 2,669,399</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, 2023

Statement 3

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2023</u>
	<u>Continuing Education</u>	<u>Management</u>	<u>Total</u>
	<u>and Grants</u>	<u>and General</u>	<u>Expenses</u>
Salaries .....	\$ 1,818,718	\$ 195,926	\$ 2,014,644
Payroll taxes .....	164,165	16,828	180,993
Employee benefits .....	172,886	6,726	179,612
Travel .....	53,491	6,856	60,347
Duplicating/printing .....	24,402	122	24,524
Postage and shipping .....	226	723	949
Telephone .....	2,861	6,273	9,134
Information systems .....	47,103	8,343	55,446
Office supplies .....	7,600	8,281	15,881
Program supplies .....	4,432	59	4,491
Conference supplies .....	-	-	-
Professional services .....	15,000	37,613	52,613
Internet services .....	307	17,436	17,743
Insurance .....	-	4,993	4,993
Depreciation .....	-	22,164	22,164
Dues and fees .....	64,157	6,212	70,369
Rent and utilities .....	-	133,216	133,216
Equipment rental .....	1,180	5,162	6,342
Furniture .....	-	-	-
Equipment repair .....	-	245	245
Repairs and maintenance .....	-	34,860	34,860
Refunds .....	75	-	75
Recognition and support .....	8,853	2,105	10,958
Training .....	2,086	-	2,086
Other .....	-	32,580	32,580
Consultant/contractors .....	1,939,221	-	1,939,221
HIV prevention .....	1,526,359	-	1,526,359
COVID-19 .....	7,863,120	-	7,863,120
COVID PHN .....	5,768,196	-	5,768,196
Financial fees .....	1,877	3,177	5,054
Legislative .....	57,699	-	57,699
Conferences .....	49,611	4,445	54,056
<b>Total expenses .....</b>	<b><u>\$19,593,625</u></b>	<b><u>\$ 554,345</u></b>	<b><u>\$20,147,970</u></b>

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, 2022

Statement 3

	<u>Program Services</u>	<u>Supporting Services</u>	<u>2022</u>
	<u>Continuing Education</u>	<u>Management</u>	<u>Total</u>
	<u>and Grants</u>	<u>and General</u>	<u>Expenses</u>
Salaries .....	\$ 1,981,038	\$ 430,257	\$ 2,411,295
Payroll taxes .....	181,695	36,668	218,363
Employee benefits .....	127,677	5,918	133,595
Travel .....	37,337	8,550	45,887
Duplicating/printing .....	2,757	-	2,757
Postage and shipping .....	580	711	1,291
Telephone .....	38	9,263	9,301
Information systems .....	10,147	18,706	28,853
Office supplies .....	40,872	12,544	53,416
Program supplies .....	9,436	-	9,436
Conference supplies .....	170	-	170
Professional services .....	34,059	37,954	72,013
Internet services .....	347	16,730	17,077
Insurance .....	-	4,433	4,433
Depreciation .....	-	23,188	23,188
Dues and fees .....	76,160	7,111	83,271
Rent and utilities .....	126,039	990	127,029
Equipment rental .....	159	6,106	6,265
Furniture .....	-	-	-
Equipment repair .....	48	-	48
Repairs and maintenance .....	262	38,272	38,534
Refunds .....	97,563	-	97,563
Recognition and support .....	-	3,371	3,371
Training .....	945	-	945
Other .....	-	3,133	3,133
Consultant/contractors .....	1,472,567	7,819	1,480,386
HIV prevention .....	1,440,875	-	1,440,875
COVID-19 .....	29,332,983	-	29,332,983
Financial fees .....	1,513	1,754	3,267
Legislative .....	75,699	-	75,699
Conferences .....	<u>4,624</u>	<u>7,411</u>	<u>12,035</u>
<b>Total expenses .....</b>	<b><u>\$35,055,590</u></b>	<b><u>\$ 680,889</u></b>	<b><u>\$35,736,479</u></b>

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, 2023 and 2022

Statement 4

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets.....	\$ 113,092	(\$ 269,138)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation .....	22,164	23,188
(Increase) decrease in accounts receivable.....	( 2,140,007)	( 3,591,825)
(Increase) decrease in prepaid expenses.....	4,568	289
Increase (decrease) in accounts payable.....	( 318,885)	( 6,116,144)
Increase (decrease) in accrued payroll .....	( 10,088)	( 8,222)
Increase (decrease) in deferred revenue .....	38,559	( 61,713)
Increase (decrease) in refundable advances .....	( 3,705,470)	2,910,848
Net cash provided by (used for) operating activities .....	( 5,996,067)	( 7,112,717)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment.....	( 7,433)	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .....</b>	<b>( 6,003,500)</b>	<b>( 7,112,717)</b>
CASH AND CASH EQUIVALENTS - BEGINNING.....	<u>6,920,521</u>	<u>14,033,238</u>
<b>CASH AND CASH EQUIVALENTS - ENDING.....</b>	<b><u>\$ 917,021</u></b>	<b><u>\$ 6,920,521</u></b>

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, 2023 and 2022

**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.

Cash and Cash Equivalents

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

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 2020, 2021, 2022, and 2023 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, 2023 and 2022

**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.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets of \$7,737,547 and \$11,601,040 are available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022, 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.

**NOTE 3 – FIXED ASSETS AND DEPRECIATION**

As of June 30, 2023 and 2022 fixed assets consist of:

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$343,908	\$336,474
Less: accumulated depreciation	<u>258,994</u>	<u>236,829</u>
	<u>\$ 84,914</u>	<u>\$ 99,645</u>

Illinois Public Health Association  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**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:

2024	\$ 67,800
2025	68,200
2026	70,200
2027	70,200
2028	70,200
Beyond	58,500

Lease expense for the years ended June 30, 2023 and 2022 were \$65,800 and \$65,400, 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.

**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.

Illinois Public Health Association  
**NOTES TO FINANCIAL STATEMENTS**  
For the Years Ended June 30, 2023 and 2022

**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, 2023</u>		
Financial Assets:		
Cash and cash equivalents	\$ 917,021	\$ 917,021
Accounts receivable	6,820,526	6,820,526
 <u>June 30, 2022</u>		
Financial Assets:		
Cash and cash equivalents	\$6,920,521	\$6,920,521
Accounts receivable	4,680,519	4,680,519

**NOTE 12 – 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.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 23, 2024, the date which the financial statements were available to be issued.

# Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

901 South Second Street, Suite 300  
Springfield, Illinois 62704  
217/528-8473  
Fax 217/528-8506

LORI K. MILOSEVICH-LAHR, C.P.A.  
TERRI L. PHELPS, C.P.A.  
JAMES C. LEGG, C.P.A.  
DANIEL J. CODY, C.P.A.  
RICHARD W. OGDEN, C.P.A.



## 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 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 statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2024.

### Report on 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) as a basis for designing 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.

### Report on 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.



Certified Public Accountants  
Springfield, Illinois

February 23, 2024



# Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

901 South Second Street, Suite 300  
Springfield, Illinois 62704  
217/528-8473  
Fax 217/528-8506



LORI K. MILOSEVICH-LAHR, C.P.A.  
TERRI L. PHELPS, C.P.A.  
JAMES C. LEGG, C.P.A.  
DANIEL J. CODY, C.P.A.  
RICHARD W. OGDEN, C.P.A.

## 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

#### *Opinion on Each Major Federal Program*

We have audited Illinois Public Health Association's compliance 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 Illinois Public Health Association's major federal programs for the year ended June 30, 2023. 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.

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, 2023.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State 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). 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 Illinois Public Health Association 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 Illinois Public Health Association'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 requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Illinois Public Health Association'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 to issue an opinion on Illinois Public Health Association'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 Illinois Public Health Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Illinois Public Health Association'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 Illinois Public Health Association'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 Illinois Public Health Association'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**

*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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

*Estes, Bridgewater & Ogden*

Certified Public Accountants  
Springfield, Illinois

February 23, 2024

Illinois Public Health Association  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2023

Schedule 1

<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>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
Pass-through Programs from:			
Illinois Department of Public Health:			
CHW Strategies	93.426	33286005K	\$ 135,000
Ryan White Part B HIV Care Connect	93.917	38780047K	167,204
* HIV Prevention Regional Implementation Grant	93.940	38780050K	644,702
* COVID-19 Community Based	93.268	28180703J	\$8,796,988
Immunization Cooperative Agreements	93.268	38180045K	4,955
Immunization Cooperative Agreements	93.268	38180906K	4,842
Immunization Cooperative Agreements	93.268	38180907K	<u>5,838</u>
Health Department Response to Public Health	93.391	30880042K	12,616
* Health Department Response to Public Health	93.391	23080001J	<u>6,291,177</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>16,063,322</u></b>
<b><u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</u></b>			
Pass-through Programs from:			
Illinois Department of Public Health:			
AmeriCorps	94.006	07380009I	<u>25,118</u>
<b>TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>			<b><u>25,118</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Pass-through Programs from:			
Illinois Department of Transportation:			
National Priority Safety Program	20.616	HS22055	<u>5,425</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b><u>5,425</u></b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>			
Pass-through Programs from:			
Illinois Department of Commerce and Economic Opportunity:			
* Coronavirus Fiscal Recovery Funds	21.027	21483008	<u>738,208</u>
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<b><u>738,208</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$16,832,073</u></b>

\* = 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, 2023

**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, 2023. 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>
20.616	\$ 5,425
21.027	738,208
93.426	135,000
93.917	167,204
93.940	644,702
93.268	8,812,623
94.006	25,118
93.391	<u>6,303,793</u>
Total Expenditures of Federal Awards by CFDA Number	<u>\$16,832,073</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 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, 2023

Schedule 2

---

**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, 2023

Schedule 2

---

**Identification of major programs:**

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.940	HIV Prevention Regional Implementation Grant
93.268	COVID-19 Community Based
93.391	Health Department Response to Public Health
21.027	Coronavirus Fiscal Recovery Funds

---

**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, 2023

Schedule 2

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There are no findings to report at June 30, 2023.

**SECTION III – FEDERAL AWARD FINDINGS**

There are no findings to report at June 30, 2023.



Illinois Public Health Association  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended June 30, 2023

Schedule 3

There are no prior audit findings to report for the year ended June 30, 2022.