

ILLINOIS PUBLIC HEALTH ASSOCIATION

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

**FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021**

Illinois Public Health Association

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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, 2022 and 2021, 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, 2022 and 2021, 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 22, 2023 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, Sridjanata & Ogden

Certified Public Accountants
Springfield, Illinois
February 22, 2023

Illinois Public Health Association
STATEMENTS OF FINANCIAL POSITION
 June 30, 2022 and 2021

Statement 1

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,920,521	\$14,033,238
Accounts receivable.....	4,680,519	1,088,694
Prepaid expenses.....	<u>7,605</u>	<u>7,894</u>
Total current assets.....	11,608,645	15,129,826
PROPERTY AND EQUIPMENT , less accumulated depreciation of \$236,829 and \$213,641 at June 30, 2022 and 2021, respectively	<u>99,645</u>	<u>122,833</u>
TOTAL ASSETS	<u>\$11,708,290</u>	<u>\$15,252,659</u>
<u>Liabilities and Net Assets</u>		
CURRENT LIABILITIES		
Refundable advance.....	\$ 8,304,214	\$ 5,393,366
Deferred revenue	60,031	121,744
Accounts payable.....	663,604	6,779,748
Accrued payroll	<u>11,042</u>	<u>19,264</u>
Total current liabilities	<u>9,038,891</u>	<u>12,314,122</u>
NET ASSETS		
Without donor restrictions	<u>2,669,399</u>	<u>2,938,537</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$11,708,290</u>	<u>\$15,252,659</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, 2022

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
REVENUES			
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>
EXPENSES			
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>
CHANGE IN NET ASSETS.....	(269,138)	-	(269,138)
NET ASSETS – BEGINNING OF YEAR	<u>2,938,537</u>	<u>-</u>	<u>2,938,537</u>
NET ASSETS – END OF YEAR	<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 ACTIVITIES, Continued
 For the Year Ended June 30, 2021

Statement 2

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
REVENUES			
Federal financial assistance	\$ -	\$17,949,008	\$17,949,008
Memberships	93,383	-	93,383
Continuing education and grants	721,038	2,182,222	2,903,260
Interest	10,566	-	10,566
Net Assets released for restrictions.....	<u>20,131,230</u>	(<u>20,131,230</u>)	<u>-</u>
Total Revenues.....	<u>20,956,217</u>	<u>-</u>	<u>20,956,217</u>
EXPENSES			
Program Services:			
Continuing education and grants.....	19,948,339	-	19,948,339
Supporting Services:			
Management and General	<u>484,841</u>	<u>-</u>	<u>484,841</u>
Total Expenses.....	<u>20,433,180</u>	<u>-</u>	<u>20,433,180</u>
CHANGE IN NET ASSETS.....	523,037	-	523,037
NET ASSETS – BEGINNING OF YEAR	<u>2,415,500</u>	<u>-</u>	<u>2,415,500</u>
NET ASSETS – END OF YEAR	<u>\$ 2,938,537</u>	<u>\$ -</u>	<u>\$ 2,938,537</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, 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>
Total expenses	<u>\$35,055,590</u>	<u>\$ 680,889</u>	<u>\$35,736,479</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, 2021

Statement 3

	Program Services Continuing Education and Grants	Supporting Services Management and General	2021 Total Expenses
Salaries	\$ 1,569,290	\$ 282,091	\$ 1,851,381
Payroll taxes	143,480	24,652	168,132
Employee benefits	102,154	10,069	112,223
Travel	16,870	717	17,587
Duplicating/printing	5,328	58	5,386
Postage and shipping	715	1,014	1,729
Telephone	12,123	2,034	14,157
Information systems	32,833	19,024	51,857
Office supplies	27,003	17,486	44,489
Program supplies	105,315	-	105,315
Conference supplies	665	-	665
Professional services	26,772	19,716	46,488
Internet services	853	10,530	11,383
Insurance	318	3,307	3,625
Depreciation	-	15,863	15,863
Dues and fees	66,959	5,006	71,965
Rent and utilities	64,529	22,096	86,625
Equipment rental	689	7,025	7,714
Furniture	926	-	926
Equipment repair	168	-	168
Repairs and maintenance	1,177	27,040	28,217
Refunds	6,758	-	6,758
Recognition and support	12,881	391	13,272
Training	8,541	21	8,562
Other	-	-	-
Consultant/contractors	564,621	5,860	570,481
HIV prevention	1,545,672	-	1,545,672
COVID-19	15,556,973	-	15,556,973
Financial fees	2,687	-	2,687
Legislative	71,499	3,000	74,499
Conferences	540	7,841	8,381
Total expenses	<u>\$19,948,339</u>	<u>\$ 484,841</u>	<u>\$20,433,180</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, 2022 and 2021

Statement 4

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	(\$ 269,138)	\$ 523,037
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	23,188	15,863
(Increase) decrease in accounts receivable.....	(3,591,825)	808,662
(Increase) decrease in prepaid expenses.....	289	7,933
Increase (decrease) in accounts payable.....	(6,116,144)	5,430,754
Increase (decrease) in accrued payroll	(8,222)	16,536
Increase (decrease) in deferred revenue	(61,713)	37,059
Increase (decrease) in refundable advances	<u>2,910,848</u>	<u>5,392,568</u>
Net cash provided by (used for) operating activities	(<u>7,112,717</u>)	<u>12,232,412</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment.....	_____ -	(<u>94,251</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,112,717)	12,138,161
CASH AND CASH EQUIVALENTS - BEGINNING.....	<u>14,033,238</u>	<u>1,895,077</u>
CASH AND CASH EQUIVALENTS - ENDING.....	<u>\$ 6,920,521</u>	<u>\$14,033,238</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, 2022 and 2021

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 2019, 2020, 2021, and 2022 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, 2022 and 2021

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 \$11,601,040 and \$15,121,932 are available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 and 2021, 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, 2022 and 2021 fixed assets consist of:

	<u>2022</u>	<u>2021</u>
Furniture and Equipment	\$336,474	\$336,474
Less: accumulated depreciation	<u>236,829</u>	<u>213,641</u>
	<u>\$ 99,645</u>	<u>\$122,833</u>

Illinois Public Health Association
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

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:

2023	\$ 65,800
2024	67,800
2025	68,200
2026	70,200
2027	70,200
Beyond	128,700

Lease expense for the years ended June 30, 2022 and 2021 were \$65,400 and \$63,400, 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, 2022 and 2021

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, 2022</u>		
Financial Assets:		
Cash and cash equivalents	\$ 6,920,521	\$ 6,920,521
Accounts receivable	4,680,519	4,680,519
<u>June 30, 2021</u>		
Financial Assets:		
Cash and cash equivalents	\$14,033,238	\$14,033,238
Accounts receivable	1,088,694	1,088,694

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 – 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 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 22, 2023, the date which the financial statements were available to be issued.

Estes, Bridgewater & Ogden

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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, 2022, 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 December 20, 2022.

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 22, 2023

Estes, Bridgewater & Ogden

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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, 2022. 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, 2022.

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.

Ester, Bridgewater & Ogden

Certified Public Accountants
Springfield, Illinois

February 22, 2023

Illinois Public Health Association
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2022

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 Programs from:			
Illinois Department of Public Health:			
CHW Strategies	93.426	23286005J	\$ 114,728
Ryan White Part B HIV Care Connect	93.917	05780047H	\$ 185,703
Minority AIDS Initiative	93.917	20180021J	<u>71,604</u> 257,307
* HIV Prevention Regional Implementation Grant	93.940	28780050J	268,057
* COVID-19 Pandemic Health Navigator	93.940	050805024	<u>30,935,128</u> 31,203,185
COVID-19 Community Based	93.258	281807037	<u>4,351</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>31,579,571</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</u>			
Pass-through Programs from:			
Illinois Department of Public Health:			
Americorps	94.006	07380009I	22,252
Illinois Department of Human Services:			
Americorps	94.006	FCSAY06280	<u>120,730</u>
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			<u>142,982</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-through Programs from:			
Illinois Department of Transportation:			
National Priority Safety Program	20.616	HS22055	<u>39,421</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>39,421</u>
<u>U.S. DEPARTMENT OF TREASURY</u>			
Pass-through Programs from:			
Illinois Department of Commerce and Economic Opportunity:			
* Coronavirus Fiscal Recovery Funds	21.027	21483008	<u>1,106,122</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>1,106,122</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$32,868,096</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, 2022

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, 2022. 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	\$ 39,421
21.027	1,106,122
93.426	114,728
93.917	257,307
93.940	31,203,185
93.268	4,351
94.006	<u>142,982</u>
Total Expenditures of Federal Awards by CFDA Number	<u>\$32,868,096</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, 2022

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, 2022

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.940	HIV Prevention Regional Implementation Grant
93.940	COVID-19 Pandemic Health Navigator
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, 2022

Schedule 4

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings to report at June 30, 2022.

SECTION III – FEDERAL AWARD FINDINGS

There are no findings to report at June 30, 2022.

Illinois Public Health Association
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2022

Schedule 5

There are no prior audit findings to report for the year ended June 30, 2021.