ILLINOIS PUBLIC HEALTH ASSOCIATION

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS

June 30, 2025

CONTENTS

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

Board of Directors
Illinois Public Health Association
Springfield, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Illinois Public Health Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Illinois Public Health Association as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditors' 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 auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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* 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 schedule of expenditures of federal awards 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 March 20, 2026, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Illinois Public Health Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Illinois Public Health Association's internal control over financial reporting and compliance.

Eck, Schafer + Punke, LLP

Springfield, Illinois
March 20, 2026

Illinois Public Health Association

STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 2,079,498
Certificate of deposit	100,000
Accounts receivable	2,358,247
Prepaid expenses	117,000
Total current assets	4,654,745
NONCURRENT ASSETS	
Property and equipment, net	53,491
Right-of-use lease asset	1,684,543
Total noncurrent assets	1,738,034
Total assets	$ 6,392,779

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 820,193
Deferred revenue	600,757
Payroll liabilities	119,754
Operating lease liability, current portion	72,246
Total current liabilities	1,612,950
NONCURRENT LIABILITIES	
Operating lease liability, net of current portion	1,616,885
Total liabilities	3,229,835
NET ASSETS	
Without donor restrictions	
Undesignated	3,062,944
Board-designated	49,000
With donor restrictions	51,000
Total net assets	3,162,944
Total liabilities and net assets	$ 6,392,779

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

Illinois Public Health Association

STATEMENT OF ACTIVITIES

Year ended June 30, 2025

REVENUES AND SUPPORT	
Federal and state grants	$ 6,203,799
Other grants and contracts	448,030
Memberships	82,302
Continuing education and training	677,175
Miscellaneous income	28,644
Interest income	32,667
Total revenues and other support	7,472,617
EXPENSES	
Program services	6,442,454
Supporting activities	
Management and general	744,422
Total expenses	7,186,876
CHANGE IN NET ASSETS	285,741
NET ASSETS AT BEGINNING OF YEAR - AS ORIGINALLY STATED	2,953,586
PRIOR PERIOD ADJUSTMENT	(76,383)
NET ASSETS AT BEGINNING OF YEAR - RESTATED	2,877,203
NET ASSETS AT END OF YEAR	$ 3,162,944

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

Illinois Public Health Association

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Program Services	Management and General	Total
Salaries	$ 1,470,867	$ 362,869	$ 1,833,736
Payroll taxes	132,140	27,720	159,860
Employee benefits	166,060	21,718	187,778
Travel	63,425	20,256	83,681
Printing	8,888	68	8,956
Postage and shipping	609	1,833	2,442
Telephone	2,057	6,058	8,115
Information systems	23,806	13,552	37,358
Office supplies	6,892	10,200	17,092
Program supplies	48,358	-	48,358
Conference supplies	3,196	-	3,196
Professional fees	13,537	29,616	43,153
Internet services	-	17,077	17,077
Insurance	-	10,138	10,138
Depreciation	-	20,451	20,451
Dues and fees	584,111	5,384	589,495
Rent and utilities	77,717	11,666	89,383
Equipment rental	1,294	6,310	7,604
Furniture	35,768	-	35,768
Equipment repair	-	697	697
Repairs and maintenance	208	26,765	26,973
Refunds	1,791	400	2,191
Recognition and support	15,138	1,323	16,461
Training	486,545	-	486,545
Other	17,673	110	17,783
Consultants and contractors	3,176,673	74,572	3,251,245
Financial fees	1,653	2,855	4,508
Legislative services	-	61,699	61,699
Conferences	104,048	11,085	115,133
Total expenses	$ 6,442,454	$ 744,422	$ 7,186,876

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

Illinois Public Health Association

STATEMENT OF CASH FLOWS

Year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 285,741
Adjustments to reconcile the change in net assets to net cash flows from operating activities	
Depreciation	20,451
Noncash lease expense	(50,692)
Changes in certain assets and liabilities	
Accounts receivable	715,620
Prepaid expenses	(117,000)
Accounts payable	(992,884)
Deferred revenue	282,138
Payroll liabilities	11,163
Net cash flows from operating activities	154,537
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(11,820)
NET CHANGE IN CASH AND CASH EQUIVALENTS	142,717
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,936,781
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,079,498
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid for operating lease liability	$ 139,660

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

Illinois Public Health Association

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - DESCRIPTION OF ORGANIZATION AND 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.

1. Basis of Accounting

The financial statements of the Association were prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

2. Basis of Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The Board has designated, from net assets without donor restrictions, net assets for a scholarship fund.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

3. Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking and interest-bearing money market accounts.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Certificates of Deposit

Certificates of deposit are recorded at cost, which approximates market value.

5. Receivables and Allowance for Credit Losses

Receivables are stated at estimated net realizable value and are considered to be fully collectible; accordingly, no allowance for credit loss is required. Periodically, management reviews receivables and will determine if an allowance is necessary based on current circumstances, historical losses and general economic conditions.

6. 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 is reported as an increase to net assets without donor restrictions and is depreciated using the straight-line method over their useful lives. Management has determined that it is likely that the Association will be allowed to retain possession of property and equipment purchased under such contracts.

7. Leases

For leases with a term greater than twelve months, the Association records the related right-of-use lease asset and lease liability at the present value of future lease payments over the term of the lease. Lease payments are discounted using either the rate implicit in the lease (if readily determinable) or the risk-free rate. Non-component items such as real estate taxes and other pass-through charges are not included in measurement of the right-of-use asset and lease liability. Right-of-use lease assets include all contractual lease payments and initial direct costs less any lease incentives received from the lessor. Operating lease expense is recognized on straight-line basis over the lease term.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Accrued Vacation

Employees of the Association earn vacation time based on the number of years of employment. No more than one year's worth of accrued vacation may be carried over to the next fiscal year. Any unused accrued vacation time is compensable upon termination. Accrued vacation is included in payroll liabilities on the statement of financial position.

9. Income Taxes

The Association is a not-for-profit corporation under 501(c)(3) of the Internal Revenue Code and is exempt from income taxes under Section 501(a) of the Code. The Association is not considered to be a private foundation.

The Association follows accounting principles generally accepted in the United States of America which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Tax positions for the open tax years as of June 30, 2025 were reviewed, and it was determined that no provision for uncertain tax positions is required.

10. Revenue Recognition

Grants and contracts

The Association receives various grant revenue, most of which are derived from cost-reimbursable federal, state and private grants. These are conditioned upon certain performance obligations and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific grant provisions. Funds received in advance of the conditions being met are shown as deferred revenue.

Grant revenue is classified as income without donor restrictions unless the use of the income is limited by donor restrictions. If a restriction is fulfilled in the same time period in which the grant is received, the grant revenue is reported as net assets without donor restrictions.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Revenue Recognition - Continued

Membership Dues

Dues are recognized ratably over the period of membership, which is on a fiscal year basis. Benefits are recognized ratably over the membership period since this most closely approximates the transfer of such member services. Dues received prior to year-end for the following year would be included in deferred revenue on the statement of financial position.

Continuing Education and Training

Revenue from continuing education and training services is recognized during the period in which the services are provided.

11. Functional Allocation of Expenses

The costs of providing the various programs and other supporting 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.

12. Use of Estimates

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

13. Subsequent Events

The Association assessed events that have occurred subsequent to June 30, 2025 through March 20, 2026, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No other events have occurred that would require adjustment to or disclosure in the financial statements.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Association's financial assets as of June 30, 2025, reduced by any amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations.

Financial assets at year-end	
Cash	$ 2,079,498
Certificate of deposit	100,000
Accounts receivable	2,358,247
Total financial assets	4,537,745
Less board-designated funds	(49,000)
Less donor restricted funds	(51,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,437,745

The Association's cash flows vary throughout the year attributable to timing of payments from revenue and grants. To manage liquidity, the Association structures its financial assets to be available as general expenses, liabilities and other obligations come due.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30, 2025:

Demand deposits	$ 857,232
Money market funds	1,222,266
Total	$ 2,079,498

NOTE D - CONCENTRATION OF CREDIT RISK

The Association maintains its cash balances and certificate of deposit at a financial institution in Springfield, Illinois. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $ 250,000. At various times throughout the year, the balances exceeded the amount insured. The Association has not experienced any losses on excess amounts and believes it is not subject to any significant risk.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025:

Property and equipment	$ 355,727
Less accumulated depreciation	(302,236)
Total	$ 53,491

NOTE F - LEASE

The Association had a noncancellable lease for Springfield office space that was set to expire on April 30, 2029. During the year ended June 30, 2025, this lease was amended with a new expiration date of February 28, 2040. The lease provides for base rent with fixed escalation charges over the lease periods. The Association classifies this lease as an operating lease. Lease expense was $ 144,663 for the year ended June 30, 2025.

NOTE F - LEASE - Continued

The future maturities of operating lease payments are as follows as of June 30, 2025:

2026	$ 142,980
2027	144,720
2028	148,200
2029	148,200
2030	148,200
Thereafter	1,571,200
Total future payments	2,303,500
Less imputed interest	(614,369)
Total lease liability	1,689,131
Less current lease liability	(72,246)
Total noncurrent lease liability	$ 1,616,885
Weighted-average remaining lease term:	14.67 years
Weighted-average discount rate:	4.33%

NOTE G - NET ASSETS

The Association holds a certificate of deposit at a local bank. A portion of these funds were donated for the purpose of giving scholarships. An additional amount was added to the certificate by the Association and designated for scholarships. Board-designated net assets and net assets with donor restrictions consisted of the following at June 30, 2025:

Board-designated net assets	$ 49,000
Net assets with donor restrictions	51,000
Total certificate of deposit	$ 100,000

NOTE H - CONCENTRATION OF FUNDING

The Association receives a substantial amount of its support from state and federal agencies. A significant reduction in the level of this support, if it were to occur, may have a significant effect on the Association's programs and activities. Grant revenues from the State of Illinois for administering programs is contingent upon the Association's annual execution of grant contracts with the State of Illinois, compliance with grant provisions, and the availability of appropriated funds at both state and federal levels.

NOTE I - RETIREMENT PLAN

The Association offers a 403(b) plan to employees but does not make any contributions. The plan is funded by employee contributions only.

NOTE J - PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2025, multiple matters were identified which required prior period adjustments. For the year ended June 30, 2024, the Association did not record their right-of-use lease asset, lease liability and certain payroll liabilities. The Association also did not properly record deferred revenue. These prior period adjustments were necessary for the Association's financial statements to be in accordance with generally accepted accounting principles. This resulted in a decrease of beginning net assets of $ 76,383.

REPORTS ON FEDERAL AWARDS AND COMPLIANCE

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' 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*

Board of Directors
Illinois Public Health Association
Springfield, Illinois

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, 2025, 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 March 20, 2026.

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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Illinois Public Health Association's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Illinois Public Health Association's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Illinois Public Health Association's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Illinois Public Health Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Illinois Public Health Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eck, Schafer + Punke, LLP

Springfield, Illinois
March 20, 2026

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Independent Auditors' Report on Compliance
For Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance

Board of Directors
Illinois Public Health Association
Springfield, Illinois

Report on Compliance for Each Major 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 the Association's major federal programs for the year ended June 30, 2025. Illinois Public Health Association's major federal programs are identified in the summary of auditors' 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' 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 the 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 the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Illinois Public Health Association's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on the major federal program is not modified with respect to this matter.

Illinois Public Health Association's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Illinois Public Health Association's was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a significant deficiency.

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

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

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

Eck, Schafer & Punke, LLP

Springfield, Illinois
March 20, 2026

ILLINOIS PUBLIC HEALTH ASSOCIATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

	Assistance Listing	Award Identification Number	Federal Award Expenditures	Amount Paid To Subrecipients
U.S. Department of Health and Human Services				
Public Health Training Centers Program	93.516	T2946697	$ 1,550,884	$ 220,072
Passed through the Illinois Department of Public Health				
Immunization Cooperative Agreements	93.268	48180045L	132,669	30,000
Immunization Cooperative Agreements	93.268	58180045M	43,045	-
Immunization Cooperative Agreements	93.268	48180045L	84,472	27,500
Immunization Cooperative Agreements	93.268	58180906M	32,613	-
Immunization Cooperative Agreements	93.268	48180907L	84,395	27,500
Immunization Cooperative Agreements	93.268	58180907M	33,153	-
			410,347	85,000
Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	46380088L	85,850	60,993
HIV - Related Training and Technical Assistance	93.917	38780047K	193,238	47,564
HIV Prevention Activities - Health Department Based				
Region 1	93.940	48780050L	75,567	58,306
Region 2	93.940	48780051L	65,915	53,189
Region 3	93.940	48780052L	49,048	36,309
Region 4	93.940	48780053L	79,662	61,360
Region 5	93.940	48780054L	24,673	19,158
Region 6	93.940	48780055L	62,600	52,701
Region 7	93.940	48780056L	247,948	208,040
			605,413	489,063
Passed through CDC Foundation				
Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects	93.185	7064	120,000	24,000
Total U.S. Department of Health and Human Services			2,965,732	926,692
U.S. Department of Labor				
Community Project Funding/Congressionally Directed Spending	17.289	24A60CP000135-01-00	289,155	15,000
Total Federal Assistance			$ 3,254,887	$ 941,692

See accompanying notes to schedule of expenditures of federal awards.

Illinois Public Health Association

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Illinois Public Health Association (the Association) under programs of the federal government for the year ended June 30, 2025. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

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. The Association has elected to use the de-minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

For the year ended June 30, 2025, Illinois Public Health Association had the following major program:

Public Health Training Centers Program - The Public Health Training Center program improves the nation's public health system by strengthening the technical, scientific, managerial and leadership competencies of the current and future public health workforce through the provision of education, training and consultation services. Specifically, the Community Health Worker Training Program (CHWTP) expands the public health workforce through the training of new Community Health Workers (CHWs) and health support workers and to extend the knowledge and skills of current CHWs and other health support workers. The CHWTP aims to increase access to care, improve public health emergency response, and address the public health needs of underserved communities.

NOTE 3 - ADDITIONAL INFORMATION

A. Other Federal Assistance

Illinois Public Health Association did not receive any non-cash federal assistance, federal insurance, or federal loans or loan guarantees.

B. Subrecipient Grants

During the year ended June 30, 2025, Illinois Public Health Association passed through $ 941,692 of federal funds to subrecipients.

Illinois Public Health Association

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?	X	Yes		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 deficiency(ies) identified that are not considered to be material weakness(es)?	X	Yes		None reported
Type of auditors' report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X	Yes		No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.516	Public Health Training Centers Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

Section II - Financial Statement Findings

Reference Number:	2025-001
Criteria:	Management is responsible for establishing and maintaining internal controls over financial reporting and for the fair presentation of the financial statements, including the related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America (GAAP). Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and subsequent amendments require the Association to recognize a right-of-use lease asset and lease liability on the statement of financial position for all in-scope leases with a term of greater than twelve months and require disclosure of certain quantitative and qualitative information pertaining to the leasing arrangement.
Condition:	The Association entered into a lease agreement effective March 1, 2021, which was subsequently amended on March 1, 2024 and March 1, 2025, that meets the criteria for recognition under ASU 2016-02, *Leases (Topic 842)*. However, the Association's prior year financial statements only reported lease payments as expenses and did not recognize the related right-of-use lease asset and lease liability.
Cause:	Management did not have sufficient internal controls or procedures to monitor for and implement new accounting standards issued by the Financial Accounting Standards Board (FASB).
Effect:	As a result of this omission, the Association's June 30, 2022, 2023, and 2024, financial statements were materially misstated and did not conform to GAAP, resulting in prior period adjustments to previously issued financial statements.
Recommendation:	Management should develop a process for monitoring and implementing new accounting standards.
Management Response:	Management agrees with the finding. Management has already reached out to their external accounting firm and is working with them to ensure that future financial statements will be updated to reflect new accounting standards, as applicable.

Section II - Financial Statement Findings - Continued

Reference Number: 2025-002

Criteria: Management is responsible for establishing and maintaining internal controls over financial reporting and for the fair presentation of the financial statements, including the related footnote disclosures, in conformity with accounting principles generally accepted in the United States of America (GAAP). This includes maintaining accurate financial statements throughout the year.

Condition: During the year ended June 30, 2025, significant audit adjustments were necessary to report accurate GAAP financial statements. This included material entries to right-of-use lease asset, prepaid expense, deferred revenue, accrued vacation and lease liability.

Cause: Management did not have sufficient internal controls or procedures to monitor for accurate GAAP financial statements throughout the year. Management is also not using their accounting software to aid in accurate reporting.

Effect: As a result of these entries, management was not presenting accurate financial statements to their Executive Council throughout the year.

Recommendation: Management should develop a process for monitoring and implementing accurate financial statements including utilizing their accounting software to do so.

Management Response: Management agrees with the finding. Management has already reached out to their external accounting firm and is working with them to ensure that financial statements will be updated to reflect all proper GAAP adjustments.

Section III - Federal Award Findings and Questioned Costs

Reference Number: 2025-003
Federal Program: Public Health Training Centers Program
Assistance Listing Number: 93.516
Federal Agency: U.S. Department of Health and Human Services (HRSA)

Criteria:	Per 2 CFR 200.403, costs charged to federal awards must be necessary, reasonable, and adequately documented. Additionally, 2 CFR 200.430 requires payroll costs charged to federal awards to be accurately supported and properly allocated to the benefiting program.
Condition:	During testing of expenditures charged to the federal award, we identified contractual payroll amounts that were charged to the grant for instruction and curriculum development activities. However, these activities were already charged to the grant through the separate training fee (HRSA-approved fee-for-service). This essentially resulted in these payroll expenditures being double charged to the grant.
Cause:	Management indicated that the duplication resulted from confusion regarding the proper treatment and recording of contractual payroll costs under the grant requirements, which led to the amounts being charged to the program more than once.
Effect:	As a result, contractual payroll costs charged to the federal award were overstated.
Questioned Costs:	Questioned costs totaling $ 6,405 were identified as duplicated contractual payroll amounts charged to the grant.
Recommendation:	We recommend that management implement additional review procedures over payroll allocations charged to federal awards and ensure staff responsible for grant accounting receive additional guidance regarding grant requirements to prevent similar errors in the future.
Management Response:	Management agrees with the finding. Management has already corrected by reducing the most recent drawdown from HRSA by the amount in question. Management will also implement additional review procedures to prevent similar errors in the future.

Illinois Public Health Association

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

There were no prior audit findings required to be reported relative to federal awards.