

ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Illinois Chapter of American Academy of Pediatrics
Chicago, Illinois

We have audited the accompanying statements of financial position of Illinois Chapter of American Academy of Pediatrics (the Chapter), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. For the year ended June 30, 2021, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Chapter's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chapter's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

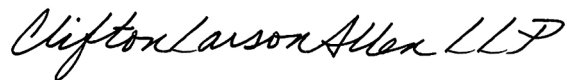
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chapter as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Restatement of Prior Year Financial Statements

As noted in Note 10 to the financial statements, the 2020 financial statements of the Chapter have been restated to correct the reporting and presentation of certain grant revenues. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2022, on our consideration of the Chapter’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 solely 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 the effectiveness of the Chapter’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 the Chapter’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Oak Brook, Illinois
April 13, 2022

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	As Restated 2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 356,104	\$ 465,267
Grants Receivable	535,732	550,525
Membership and Other Receivables	99,779	130,465
Prepaid Expenses and Other Current Assets	16,507	12,117
Total Current Assets	1,008,122	1,158,374
PROPERTY AND EQUIPMENT	46,222	46,822
Less: Accumulated Depreciation	29,796	25,372
NET PROPERTY AND EQUIPMENT	16,426	21,450
OTHER ASSETS , Security Deposit	20,000	20,000
Total Assets	\$ 1,044,548	\$ 1,199,824
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 112,059	\$ 131,616
Current Maturities of Equipment Loan	3,419	3,817
Deferred Rent	11,852	6,753
Deferred Revenue	230,377	225,856
Total Current Liabilities	357,707	368,042
LONG-TERM AND OTHER LIABILITIES		
Equipment Loan, Net of Current Maturities	5,954	8,688
Paycheck Protection Program Loan, Net of Current Maturities	160,700	160,700
Total Long-Term and Other Liabilities	166,654	169,388
Total Liabilities	524,361	537,430
NET ASSETS		
Without Donor Restrictions	426,143	213,467
With Donor Restrictions	94,044	448,927
Total Net Assets	520,187	662,394
Total Liabilities and Net Assets	\$ 1,044,548	\$ 1,199,824

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Government Grants	\$ 767,598	\$ -	\$ 767,598
Foundation Grants	194,314	19,175	213,489
Membership Dues	254,421	-	254,421
Contributions	98,183	-	98,183
Sponsorships	4,750	-	4,750
Exhibitor Fees	7,725	-	7,725
Registration Fees	4,984	-	4,984
Management Service Fees	100,000	-	100,000
Special Events	5,284	-	5,284
Interest and Miscellaneous Income	10,700	-	10,700
Net Assets Released from Restrictions	374,058	(374,058)	-
Total Revenue, Gains, and Other Support	1,822,017	(354,883)	1,467,134
 EXPENSES			
Program Services	1,265,364	-	1,265,364
Management and General	272,473	-	272,473
Fundraising	71,504	-	71,504
Total Expenses	1,609,341	-	1,609,341
 CHANGE IN NET ASSETS	212,676	(354,883)	(142,207)
 Net Assets - Beginning of Year	213,467	448,927	662,394
 NET ASSETS - END OF YEAR	\$ 426,143	\$ 94,044	\$ 520,187

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020**

	As Restated		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE, GAINS, AND OTHER SUPPORT			
Government Grants	\$ 635,270	\$ -	\$ 635,270
Foundation Grants	56,998	310,615	367,613
Membership Dues	268,768	-	268,768
Contributions	75,042	-	75,042
Sponsorship	52,500	-	52,500
Exhibitor Fees	43,060	-	43,060
Registration Fees	32,476	-	32,476
Management Service Fees	100,000	-	100,000
Special Events	1,050	-	1,050
Interest and Miscellaneous Income	11,936	-	11,936
Net Assets Released from Restrictions	233,975	(233,975)	-
Total Revenue, Gains, and Other Support	1,511,075	76,640	1,587,715
EXPENSES			
Program Services	1,122,193	-	1,122,193
Management and General	283,183	-	283,183
Fundraising	71,780	-	71,780
Total Expenses	1,477,156	-	1,477,156
CHANGE IN NET ASSETS	33,919	76,640	110,559
Net Assets - Beginning of Year	179,548	372,287	551,835
NET ASSETS - END OF YEAR	\$ 213,467	\$ 448,927	\$ 662,394

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Benefits	\$ 679,712	\$ 105,949	\$ 66,377	\$ 852,038
Payroll Taxes	44,673	6,641	4,327	55,641
Bank Fees	-	282	-	282
Books	22,366	-	-	22,366
Computer and Software	54,454	11,856	-	66,310
Consulting and Professional Fees	189,906	35,945	-	225,851
Accounting Services	-	61,785	-	61,785
Depreciation	-	5,024	-	5,024
Equipment Lease and Repair	-	-	-	-
Government Affairs and Advocacy	36,307	-	-	36,307
Grant Subcontracts	38,182	-	-	38,182
Insurance	2,374	12,254	-	14,628
Interest	-	972	-	972
Memberships and Registration Fees	989	1,462	-	2,451
Bad Debt Expense	345	364	57	766
Miscellaneous	4,730	1,417	57	6,204
Office Supplies	3,675	2,714	390	6,779
Payroll Service	8,954	2,370	-	11,324
Photocopies	4,551	800	-	5,351
Postage	7,616	975	296	8,887
Printing and Graphic Design	33,270	2,801	-	36,071
Professional Development	6,150	975	-	7,125
Publications	-	256	-	256
Rent Expense	93,743	12,311	-	106,054
Speaker Fees	6,850	-	-	6,850
Stipends	2,395	1,500	-	3,895
Telephone	21,924	2,373	-	24,297
Travel and Meals	828	100	-	928
Maintenance	-	784	-	784
Utilities	1,370	563	-	1,933
Total Functional Expenses	\$ 1,265,364	\$ 272,473	\$ 71,504	\$ 1,609,341

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENT OF FUNCTIONAL EXPENSES (AS RESTATED)
YEAR ENDED JUNE 30, 2020**

	Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Benefits	\$ 686,521	\$ 141,406	\$ 65,050	\$ 892,977
Payroll Taxes	45,964	4,490	4,207	54,661
Bank Fees	-	434	-	434
Books	16,002	-	-	16,002
Computer and Software	40,264	12,603	-	52,867
Consulting and Professional Fees	25,412	24,540	-	49,952
Accounting Services	-	38,453	-	38,453
Depreciation	-	7,559	-	7,559
Equipment Lease and Repair	10,012	-	-	10,012
Government Affairs and Advocacy	36,307	-	-	36,307
Grant Subcontracts	43,742	-	-	43,742
Insurance	-	5,436	-	5,436
Interest	-	1,363	-	1,363
Memberships and Registration Fees	5,935	2,399	-	8,334
Bad Debt Expense	6,861	400	-	7,261
Miscellaneous	1,651	3,604	185	5,440
Office Supplies	3,414	1,071	93	4,578
Payroll Service	9,061	2,384	-	11,445
Photocopies	2,263	375	-	2,638
Postage	5,109	1,121	1,127	7,357
Printing and Graphic Design	36,544	2,079	1,118	39,741
Professional Development	5,135	659	-	5,794
Publications	275	441	-	716
Rent Expense	71,009	18,366	-	89,375
Speaker Fees	6,223	-	-	6,223
Stipends	23,194	-	-	23,194
Telephone	15,264	2,993	-	18,257
Travel and Meals	22,236	10,108	-	32,344
Maintenance	2,061	552	-	2,613
Utilities	1,734	347	-	2,081
Total Functional Expenses	\$ 1,122,193	\$ 283,183	\$ 71,780	\$ 1,477,156

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>As restated 2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (142,207)	\$ 110,559
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	5,024	7,559
Effects of Changes in Operating Assets and Liabilities:		
Grants Receivable	45,479	(196,196)
Prepaid Expenses and Other Assets	(4,390)	(1,439)
Accounts Payable and Accrued Expenses	(19,557)	84,976
Deferred Revenue	9,620	28,444
Net Cash Provided (Used) by Operating Activities	<u>(106,031)</u>	<u>33,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(19)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program Loan	-	160,700
Payments on Equipment Loan	(3,132)	(2,580)
Net Cash Provided (Used) by Financing Activities	<u>(3,132)</u>	<u>158,120</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(109,163)	192,004
Cash and Cash Equivalents - Beginning of Year	<u>465,267</u>	<u>273,263</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 356,104</u>	<u>\$ 465,267</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 972</u>	<u>\$ 1,363</u>

See accompanying Notes to Financial Statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Illinois Chapter of American Academy of Pediatrics (the Chapter) was incorporated in the state of Illinois on June 18, 1975, as a nonprofit corporation. The Chapter was organized to promote and advocate for optimal child, youth and family well-being and access to quality healthcare while supporting members. The Chapter, a member organization of the American Academy of Pediatrics (AAP), provides educational programs, communications, and limited advocacy for Illinois pediatricians. The primary sources of revenue consist of program and project grants and membership dues. The Chapter's fiscal year ends on June 30.

Significant accounting policies followed by the Chapter are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements requires the Chapter to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The Chapter's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets of the Chapter are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Chapter's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Net asset classifications are defined as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors (board) has discretionary control.

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. The Chapter has no net assets with perpetual donor-imposed restrictions.

Cash Equivalents

The Chapter considers all liquid investments with a maturity of three months or less to be used for operating purposes when purchased, to be cash equivalents.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

Grants receivable are shown net of an allowance for doubtful amounts. After review of the receivables, no provision for uncollectible accounts was deemed necessary by management as of June 30, 2021 and 2020.

Property and Equipment

Property and equipment are recorded at cost when purchased. The Chapter capitalizes all property and equipment purchases in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office Furniture and Equipment	10 Years
Computer Equipment	5 Years
Leasehold Improvements	5 Years

Impairment of Long-Lived Assets

The Chapter reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Revenue Recognition

Grants and Contributions

All grants and contributions are considered to be available for general use unless specifically restricted by donors. Amounts received that are restricted by the donor are reported as increases in net assets with donor restrictions. When such restrictions are met in the same year as received, the grant or contribution is reported as an increase in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as Net Assets Released from Restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2021 and 2020, contributions approximating \$476,000 and \$406,000, respectively, of which no amounts had been received in advance, have not been recognized in the accompany financial statements because the conditions were not met. Contributions of assets other than cash are recorded at their estimated fair value.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Member Dues

Member dues are on an anniversary-date basis. Performance obligations provided to members include access to continuing education at discounted rates, subscriptions to semi-annual newsletter and weekly e-newsletter, and access to volunteer and advocacy opportunities. Membership dues are recognized ratably over the periods to which the dues relate as the performance obligations to the member are evenly distributed throughout the year.

Sponsorships, Registration and Exhibitor Fees

Annual conference registration and booth space exhibit fees are recognized when the conference takes place. Sponsorship revenue is recognized when the sponsored events and activities take place.

Management Service Fees

Management service fees are recognized when services are provided.

Membership dues, sponsorship income, registration fees and exhibitor fees received in advance are recorded as deferred revenue. Management service fees are recognized when services are provided.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated based on estimates of time and effort. Other expenses that are allocated include professional fees, supplies, business expenses, facility expenses, and various other expenses which are allocated based on actual asset and expense usage.

Income Taxes

The Chapter is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Chapter qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Chapter evaluates its exposure for uncertain tax positions on an annual basis. As of June 30, 2021 and 2020, there were no liabilities related to uncertain tax positions.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

As part of the Chapter's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other commitments come due with the goal of having cash on hand for 90 days of normal operating expenses, which are, on average, approximately \$275,000. Financial assets available at June 30 to meet cash needs within one year are as follows:

	2021	As Restated 2020
Cash and Cash Equivalents	\$ 356,104	\$ 465,267
Grants Receivable	535,732	550,525
Membership and Other Receivables	99,779	130,465
Subtotal	991,615	1,146,257
Less:		
Net Assets With Donor Restrictions	94,044	448,927
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 897,571	\$ 697,330

Adoption of New Accounting Standard

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires the Chapter to recognize revenue to depict the transfer of goods or services in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts. Additionally, qualitative and quantitative disclosures are required regarding contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The financial statements reflect the application of Topic 606 guidance beginning in 2021. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2019-09 did not significantly impact the Chapter's reported historical revenue.

Recent Accounting Pronouncement

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Chapter's leasing activities. The amendments in the guidance are effective for the Chapter for the year ending June 30, 2023. Early adoption is permitted.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 LEASES

Operating Leases

The Chapter has a long-term, noncancellable lease commitment for office space that began May 1, 2019, and requires monthly payments ranging from \$7,480 to \$8,259 over the six-year lease term. In addition, the Chapter is required to pay its proportionate share of building operating expenses. The Chapter also leases certain office equipment requiring monthly lease payments of \$325 through 2025.

Future minimum rental payments under existing lease agreements are summarized as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 89,920
2023	99,582
2024	101,452
2025	10,859
Total	<u>\$ 301,813</u>

For the years ended June 30, 2021 and 2020, net rent expense was \$106,054 and \$89,375, respectively.

NOTE 3 GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30:

	<u>2021</u>	<u>As Restated 2020</u>
Illinois Department of Public Health	\$ 294,693	\$ 213,396
Otho S.A. Sprague Memorial Institute	75,000	225,000
Chicago Department of Public Health	131,295	81,368
American Academy of Pediatrics	5,000	4,000
Institute for Health Research and Policy	-	15,584
Illinois Public Health Association	11,145	11,177
Egyptian Health Department	18,599	-
Total Grants Receivable	<u>\$ 535,732</u>	<u>\$ 550,525</u>

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2021</u>	<u>As Restated 2020</u>
Computers and Equipment	\$ 29,176	\$ 29,176
Furniture and Fixtures	17,046	17,646
Total	46,222	46,822
Less: Accumulated Depreciation	29,796	25,372
Property and Equipment, Net	\$ 16,426	\$ 21,450

NOTE 5 DEFERRED REVENUE

Deferred revenue of \$230,377 and \$225,856 at June 30, 2021 and 2020, respectively, consisted of member dues received in advance of the membership period.

NOTE 6 PROPERTY AND EQUIPMENT LOAN

During the year ended June 30, 2019, the Chapter acquired certain furniture and fixtures under a financing agreement that requires monthly payments of \$326 including interest at 6.98%. The balance due under the agreement at June 30, 2021 and 2020 is \$9,373 and \$12,505, respectively. Principal maturities are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 3,419
2023	3,666
2024	2,288
Total	\$ 9,373

NOTE 7 PAYCHECK PROTECTION PROGRAM LOAN

On May 28, 2020, the Chapter received a loan from a bank in the amount of \$160,700 through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5, 2020) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Chapter fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. On September 1, 2021, the Chapter was notified the loan was forgiven in full by the SBA.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 RETIREMENT PLAN

The Chapter maintains a tax-deferred compensation plan for the benefit of its eligible employees. Participation by eligible employees is voluntary, and the Chapter matches an amount equal to 50% of the elective deferral up to 4% of an individual's compensation. During the years ended June 30, 2021 and 2020, the Chapter paid \$11,746 and \$13,592, respectively, of retirement plan expenses, which is allocated among program services, management and general expense, and fundraising expense.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30:

	2021	As Restated 2020
Subject to Expenditure for Specified Purpose or Program:		
TEAM QICME	\$ -	\$ 174,515
TEAM Adolescent Pregnancy	-	26,278
Early Childhood Policy	75,000	225,000
Immunization	9,869	19,431
Project/Firstline	5,000	-
Healthy People	2,675	-
Breastfeeding	1,500	-
Childhood Obesity	-	3,703
Total Net Assets With Donor Restrictions	\$ 94,044	\$ 448,927

NOTE 10 PRIOR PERIOD ADJUSTMENTS

The Chapter's 2020 financial statements have been restated to reflect corrections in the reporting of certain grant revenues and receivables. A description of the resulting adjustments made and their effect on net assets as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, June 30, 2020, as Previously Reported	\$ 197,728	\$ 498,927	\$ 696,655
To Adjust Government Grant Revenue and Receivables	15,739	-	15,739
To Adjust Foundation Grant Revenue and Receivables	-	(50,000)	(50,000)
Net Adjustments	15,739	(50,000)	(34,261)
Net Assets, June 30, 2020, as Restated	\$ 213,467	\$ 448,927	\$ 662,394

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 REVENUE, CONTRACT ASSETS, AND LIABILITIES

The following table shows the Chapter's revenues from contracts with customers disaggregated according to the timing of the transfer of goods and services:

	2021	As Restated 2020
Revenue Recognized Over Time:		
Membership Dues	\$ 254,421	\$ 268,768
Sponsorships	4,750	52,500
Exhibitor Fees	7,725	43,060
Registration Fees	4,984	32,476
Management Service Fees	100,000	100,000
Total Revenue Recognized Over Time	\$ 371,880	\$ 496,804

The Chapter's contract liabilities at June 30, 2021 and 2020 consist of deferred member dues received in advance. See Note 5. The Chapter had no contract assets at June 30, 2021 and 2020.

NOTE 12 SUBSEQUENT EVENTS

Management evaluated subsequent events through April 13, 2022, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to April 13, 2022, that provided additional evidence about conditions that existed at June 30, 2021, have been recognized in the financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2021.

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