

ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
SINGLE AUDIT REPORTS
YEAR ENDED JUNE 30, 2021



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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 Chapter of American Academy of Pediatrics
Chicago, Illinois

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 Chapter of American Academy of Pediatrics (the Chapter), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, 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 April 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chapter'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 the Chapter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chapter'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chapter’s financial statements are free of 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*.

Management’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Chapter’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Chapter’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 Chapter’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chapter’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Oak Brook, Illinois
April 13, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Illinois Chapter of American Academy of Pediatrics' (the Chapter) compliance with the types of compliance requirements described in the Office of Management and Budget (*OMB Compliance Supplement*) that could have a direct and material effect on each of the Chapter's major federal programs for the year ended June 30, 2021. The Chapter's major federal programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Chapter's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Chapter's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Chapter 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, 2021.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Illinois Chapter of American Academy of Pediatrics as of and for the year ended June 30, 2021, and have issued our report thereon dated April 13, 2022, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Oak Brook, Illinois
April 13, 2022

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Pass through the Egyptian Public & Mental Health				
Department of Saline County:				
Integrated Care for Kids	93.550	2B2CMS331763	\$ -	\$ 27,132
Total CFDA 93.550			<u>-</u>	<u>27,132</u>
Pass through the Chicago Department of Public Health:				
Coordinating Healthcare Provider Immunization Education Program	93.268*	5NH231P000732-05-00	-	143,896
Coordinating Healthcare Provider Immunization Education Program	93.268*	5NH231P000732-05-00	-	46,208
Pass through the Illinois Department of Public Health:				
Immunizations CoAg and Vaccines for Children Program	93.268*	6NH231P000722-04-04, 5NH231P000722-05-00	-	110,118
Immunizations CoAg and Vaccines for Children Program	93.268*	6NH231P000722-05-03	-	196,742
Total CFDA 93.268			<u>-</u>	<u>496,964</u>
Pass through the Chicago Department of Public Health:				
Lead Healthcare Provider Outreach	93.197	NUE2EH001376	-	126,675
Total CFDA 93.197			<u>-</u>	<u>126,675</u>
Pass through the Illinois Public Health Association:				
State Physical Activity & Nutrition (SPAN)	93.439	NU58DP00658-01-00	-	27,989
Total CFDA 93.439			<u>-</u>	<u>27,989</u>
Pass through the Illinois Department of Public Health:				
Adolescent Health Program	93.994	B04MC9341	-	88,838
Total CFDA 93.994			<u>-</u>	<u>88,838</u>
Total U.S. Department of Health and Human Services			<u>-</u>	<u>767,598</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ -</u>	<u>\$ 767,598</u>

* This program was tested as a major program at June 30, 2021.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Illinois Chapter of American Academy of Pediatrics under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. As the Schedule presents only a selected portion of the operations of the Chapter, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Chapter.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Chapter has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 OTHER MATTERS

Amounts of noncash assistance	None
Amount of insurance	None
Amount of loans	None
Amount of loan guarantees	None

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2021-001 – Audit Adjustments

Type of Finding:

Material Weakness in Internal Control over Financial Reporting.

Criteria:

Policies and procedures should be in place to provide management with reasonable assurance that interim and year-end reporting of financial information is accurate and in accordance with accounting principles generally accepted in the United States of America.

Condition:

During the course of our audit, we identified 17 audit adjustments including 2 prior period adjustments. These adjustments related to the Chapter's cash, accounts receivable, grant receivable, fixed assets, accumulated depreciation, accounts payable, other accruals, deferred revenue and beginning net assets.

Questioned Costs:

None.

Context:

17 adjustments, including 2 prior period adjustments, were recorded as a result of audit procedures performed resulting in a decrease in net assets of \$98,175. The 2 prior period adjustments resulted in an increase of beginning net assets of \$34,261.

Cause:

Unknown.

Effect:

Imprecise financial reporting could adversely affect the decision-making process for the management of the Chapter.

Repeat Finding:

No, this is not a repeat finding.

Recommendation:

We recommend management follow established procedures of reconciling account balances in timely manner after year-end and that all accounts are analyzed and adjusted prior to the start of audit fieldwork. Management should ensure that all necessary adjustments are being posted in accordance with accounting principles generally accepted in the United States of America.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Views of Responsible Officials:

There is no disagreement with this finding.

Management's Response and Corrective Action Plan:

Management is aware of the situation and will implement a more comprehensive monthly review of reconciliations and an additional review process at year-end prior to the start of audit fieldwork. Management has added a Director of Operations to staff who will provide additional resources to the accounting team.

Name of Person Responsible: Jennie Pinkwater, Executive Director

Planned Completion Date: Immediately

Finding 2021-002 – Financial Statement Preparation

Type of Finding:

Material Weakness in Internal Control over Financial Reporting.

Criteria:

Management is responsible for adopting sound accounting policies and establishing and maintaining a system of internal control for the fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition:

The Chapter relies on its external auditors to prepare the year-end financial statements and related disclosures.

Questioned Costs:

None.

Context:

The board of directors and management share the ultimate responsibility for the Chapter's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. Preparation of year-end financial statements and footnotes is a component of the Chapter's internal control.

Cause:

The Chapter does not have the resources available to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America; however, management has reviewed and approved the annual financial statements and related notes, as prepared by external auditors, and has accepted responsibility for those financial statements.

**ILLINOIS CHAPTER OF AMERICAN ACADEMY OF PEDIATRICS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Effect:

There is the potential that material omissions or other errors within the financial statements would not be identified and corrected in a timely manner.

Repeat Finding:

No, this is not a repeat finding.

Recommendation:

The Chapter should design and implement a comprehensive review procedure to ensure the financial statements, including disclosures are complete and accurate.

Views of Responsible Officials:

There is no disagreement with this finding.

Management's Response and Corrective Action Plan:

Management is aware of the situation and has added a Director of Operations to the staff who will provide additional resources to the accounting team. Management is reviewing additional options available within its financial limitations to address this issue. In the interim, management will rely on and work with external auditors to mitigate risks.

Name of Person Responsible: Jennie Pinkwater, Executive Director

Planned Completion Date: Immediately

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with n CFR 200.516(a).

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