

Association of Maternal and Child Health Programs

Audited Financial Statements Other Financial Information and Uniform Guidance Supplemental Reports

*Year ended September 30, 2019
with Report of Independent Auditors*

Association of Maternal and Child Health Programs

Audited Financial Statements
Other Financial Information and
Uniform Guidance Supplemental Reports

Year ended September 30, 2019

Contents

Report of Independent Auditors.....1 - 2

Audited Financial Statements

Statement of Financial Position 3
Statement of Activities and Changes in Net Assets.....4
Statement of Functional Expenses.....5
Statement of Cash Flows.....6
Notes to Financial Statements.....7 - 13

Other Financial Information

Schedule of Expenditures of Federal Awards.....15 - 17
Notes to the Schedule of Expenditures of Federal Awards.....18

Uniform Guidance Supplemental Reports

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*.....19 - 20
Report on Compliance for Each Major Federal Program and Report on Internal
Control Over Compliance Required by *Uniform Guidance*.....21 - 22
Schedule of Findings and Questioned Costs.....23 - 24
Summary of Prior Year Findings.....25
Management's Corrective Action Plan.....26

Report of Independent Auditors

Board of Directors
Association of Maternal and Child Health Programs
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of the Association of Maternal and Child Health Programs ("the Association"), which comprise the statement of financial position as of September 30, 2019 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.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 of the United States of America. 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 auditor's 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 entity'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 entity's internal control over financial reporting. 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 Association of Maternal and Child Health Programs as of September 30, 2019 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.

Other Matter - Other Financial 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 on pages 15 - 17 is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2020, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Vienna, Virginia
July 29, 2020

Association of Maternal and Child Health Programs

Statement of Financial Position

As of September 30, 2019

Assets

Current assets:

Cash and cash equivalents	\$	338,198
Investments		886,617
Accounts and grants receivable		1,765,161
Prepaid expenses		<u>177,356</u>
Total current assets		3,167,332

Noncurrent assets:

Property and equipment		
Furniture & fixtures		125,901
Leasehold improvements		<u>631,673</u>
Total property and equipment		757,574
Less accumulated depreciation and amortization		<u>(225,020)</u>
Total property and equipment, net		532,554
Other assets - security deposit		<u>66,813</u>
Total noncurrent assets		<u>599,367</u>

Total assets \$ 3,766,699

Liabilities and net assets

Current liabilities:

Accounts payable and accrued liabilities	\$	1,089,719
Deferred dues and meetings		118,690
Deferred revenue - other		<u>96,306</u>
Total current liabilities		1,304,715

Noncurrent liabilities:

Deferred rent		<u>817,350</u>
Total noncurrent liabilities		<u>817,350</u>

Total liabilities 2,122,065

Net assets:

Net assets without donor restrictions		1,634,112
Net assets with donor restrictions		<u>10,522</u>
Total net assets		<u>1,644,634</u>

Total liabilities and net assets \$ 3,766,699

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Activities and Changes in Net Assets

For the year ended September 30, 2019

Change in net assets without donor restrictions

Revenue

Government grants and contracts	\$	4,692,066
Government pass-through grants and contracts		<u>1,250,375</u>
Total governmental grants and contracts		5,942,441
Non-government grants and contracts		195,345
Membership		557,665
Registration and exhibit		517,255
Contributions		10,975
Investment income, net		39,621
Other revenue		<u>24,129</u>
		7,287,431
Net assets released from restrictions		<u>1,533</u>
Total support and revenue without donor restrictions		7,288,964

Expenses

Program services:

Maternal and Child Health Programs and Policy		5,596,871
Annual Conference		364,054
Membership, Communications and Other Programs		90,838
Legislative Activities		<u>309,655</u>
Total program services		6,361,418

Supporting services:

Fundraising		32,051
Management and general		<u>580,839</u>
Total supporting services		<u>612,890</u>

Total expenses		<u>6,974,308</u>
Change in net assets without donor restrictions		314,656

Change in net assets with donor restrictions

Contributions		2,525
Net assets released from restrictions		<u>(1,533)</u>
Change in net assets with donor restrictions		<u>992</u>
Change in net assets		315,648
Net assets, beginning of year		<u>1,328,986</u>
Net assets, end of year	\$	<u><u>1,644,634</u></u>

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2019

	Program Services					Supporting Services			Total Expenses
	Maternal and Child Health Programs and Policy	Annual Conference	Membership, Communications and Other Programs	Legislative Activities	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 1,668,004	\$ 47,520	\$ 46,636	\$ 165,653	\$ 1,927,813	\$ 17,480	\$ 394,587	\$ 412,067	\$ 2,339,880
Benefits	489,737	13,818	13,562	48,171	565,288	5,155	102,724	107,879	673,167
Professional services	452,353	34,589	2,309	-	489,251	2,549	122,247	124,796	614,047
Subgrants	1,132,260	-	-	-	1,132,260	-	-	-	1,132,260
Rent	-	-	-	-	-	-	333,146	333,146	333,146
Telephone	45,952	411	445	2,930	49,738	-	21,519	21,519	71,257
Staff travel	128,793	3,176	534	3,649	136,152	-	6,993	6,993	143,145
Non-Staff travel	729,775	30,296	-	2,615	762,686	-	7,905	7,905	770,591
Meetings and conference	275,660	209,722	14	4,542	489,938	-	19,140	19,140	509,078
Depreciation and amortization	-	-	-	-	-	-	75,410	75,410	75,410
Information technology	1,830	-	8,875	-	10,705	-	183,027	183,027	193,732
Office expenses	26,695	6,114	397	17,924	51,130	-	49,130	49,130	100,260
Miscellaneous	-	-	-	-	-	-	18,335	18,335	18,335
Subtotal	4,951,059	345,646	72,772	245,484	5,614,961	25,184	1,334,163	1,359,347	6,974,308
Allocation of management and general	645,812	18,408	18,066	64,171	746,457	6,867	(753,324)	(746,457)	-
Total expenses	<u>\$ 5,596,871</u>	<u>\$ 364,054</u>	<u>\$ 90,838</u>	<u>\$ 309,655</u>	<u>\$ 6,361,418</u>	<u>\$ 32,051</u>	<u>\$ 580,839</u>	<u>\$ 612,890</u>	<u>\$ 6,974,308</u>

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Cash Flows

For the year ended September 30, 2019

Cash flows from operating activities

Change in net assets	\$	315,648
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization		75,410
Unrealized gain on investments		(13,046)
(Increase) in:		
Accounts and grants receivable		(1,121,560)
Prepaid expenses		(1,780)
Increase (decrease) in:		
Accounts payable and accrued liabilities		405,759
Deferred revenue		(34,631)
Deferred rent		(50,276)
Net cash used in operating activities		<u>(424,476)</u>
Cash flows from investing activities		
Purchase of investments		(34,629)
Proceeds from sales of investments		<u>128,052</u>
Net cash provided by investing activities		<u>93,423</u>
Net change in cash and cash equivalents		(331,053)
Cash and cash equivalents, beginning of year		<u>669,251</u>
Cash and cash equivalents, end of year	\$	<u><u>338,198</u></u>

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Notes to Financial Statements

Year ended September 30, 2019

1. Summary of Significant Accounting Policies and General Information

Organization

The Association of Maternal and Child Health Programs (AMCHP or the Association) is a non-profit organization, incorporated and located in Washington, D.C. AMCHP was established to provide leadership to assure the health and well-being of all women, children and adolescents, including those with special health care needs, and their families.

Basis of presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents

AMCHP considers all cash and other highly liquid investments including certificates of deposit, with maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, AMCHP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at fair value. Investment income, net consists of interest and dividends earned from cash, cash equivalents and investments, net of related investment management expenses, along with the change in fair value of investments including gains and losses realized upon sales and unrealized resulting from fluctuations in market values of investments.

Accounts and grants receivable

Accounts and grants receivable approximate fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Grants and contracts

Grants and contracts are recorded when the associated expenses are incurred, using the cost-reimbursement basis. The Association receives funding under grants and contracts from the U.S. government and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, grants and contracts revenue is recorded when expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies and General Information (Continued)

Fixed assets

Fixed assets in excess of \$3,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to eight years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs are expensed as incurred.

Deferred revenue

Deferred revenue consists of member dues, conference sponsorships and grants. AMCHP recognizes member dues on a pro-rata basis over the annual membership period. AMCHP recognizes conference sponsorships when the event occurs.

Classification of Net Assets

AMCHP's net assets have been classified into the following two classes:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor (or grantor)-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 (or grantor)-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.

Income taxes

AMCHP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. AMCHP is not a private foundation.

For the year ended September 30, 2019, AMCHP has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

1. Summary of Significant Accounting Policies and General Information (Continued)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and benefits are allocated based on actual time and effort. Rent, depreciation and amortization and all other expenses which require allocation have been allocated based on employee salaries and other reasonable methodologies. Other natural expenses that can be identified specifically with a particular program or supporting service are charged directly based on the nature of the activity.

Fair value measurement

AMCHP uses the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. AMCHP accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Recent Accounting Pronouncements

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 Not for Profit Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit-Entities*. The amendments in this update are designed to improve the net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, expense allocation and cash flows. The amendments in the ASU are effective for annual periods beginning after December 15, 2017. Management adopted the provisions of this ASU as of and for the year ended September 30, 2019. The adoption of this standard resulted in additional disclosures in the areas mentioned above and no changes in net assets for the year ending September 30, 2019.

2. Liquidity and Availability of Resources

AMCHP's financial assets available within one year for general expenditures are as follows as of September 30, 2019:

	<u>2019</u>
Cash and cash equivalents	\$ 338,198
Investments	886,617
Accounts and grants receivable	<u>1,765,161</u>
	2,989,976
Less:	
Amounts unavailable for general expenditures due to:	
Purpose restrictions	<u>(10,522)</u>
Financial assets available for general expenditures	<u>\$ 2,979,454</u>

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

2. Liquidity and Availability of Resources (Continued)

AMCHP's main source of revenue is Federal grants which are received on a reimbursable basis. Timing of payments may cause a fluctuation in cash. As part of AMCHP's liquidity management, it has a policy of structuring financial assets to be available as its general obligations become due.

3. Investments and Fair Value Measurement

In accordance with FASB ASC 820, *Fair Value Measurement*, AMCHP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market AMCHP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at September 30, 2019.

- Money market funds - Fair value is equal to the reported net asset value of the fund.
- Mutual funds - The fair value is equal to the reported net asset value of the related fund, which is the price at which additional shares can be obtained.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

3. Investments and Fair Value Measurement (Continued)

The fair value of investments, along with the level within the fair value hierarchy on a recurring basis, consisted of the following as of September 30:

	<u>2019</u>	<u>Level</u>
Money market funds	\$ 99,171	1
Mutual funds	<u>787,446</u>	1
Total investments	<u>\$ 886,617</u>	

4. Lease Commitments

During June 2016, AMCHP signed an 11-year lease for office space commencing October 1, 2016. The lease includes an annual increase, and a tenant allowance of \$70 per square foot.

In accordance with GAAP, the total rent commitment is recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the statement of financial position.

The following is a schedule of the future minimum lease payments:

<u>Year Ending September 30,</u>	
2020	\$ 386,430
2021	396,082
2022	414,645
2023	425,040
2024	435,682
Thereafter	<u>1,373,461</u>
	<u>\$ 3,431,340</u>

Rent expense for the year ended September 30, 2019 was \$333,146.

5. Retirement Plan

AMCHP provides retirement benefits to its employees through a 403(b) defined contribution plan covering all full-time employees. During the year ended September 30, 2019, AMCHP made discretionary contributions to the plan totaling \$51,896.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

6. Concentration of Revenue

Approximately 82% of AMCHP's revenue for the year ended September 30, 2019 was derived from grants awarded by agencies of the United States Government. AMCHP has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect AMCHP's ability to finance ongoing operations.

7. Contingency

AMCHP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2019. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

8. Commitments

AMCHP is committed under agreements for conference space through fiscal year 2021. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event. AMCHP has an insurance policy for any potential liabilities related to these commitments. See Note 10 for further information regarding subsequent events.

9. Subsequent Events

In preparing these financial statements, AMCHP has evaluated events and transactions for potential recognition or disclosure through July 29, 2020, the date the financial statements were issued.

The spread of COVID-19 around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, AMCHP is unable to determine if it will have a material impact to its operations.

In March 2020, AMCHP canceled its 2020 Annual Conference that was scheduled to be held in Arlington, Virginia. Due to an impossibility clause in the contract with the hotel who scheduled to host the conference, AMCHP was not liable for any penalties as a result of this cancellation.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

9. Subsequent Events (Continued)

In April 2020, AMCHP submitted an application to the Small Business Association, which it approved, for a loan to be made in association with the federally authorized Paycheck Protection Program (Program). The approximate amount of such approved loan is \$538,300. In accordance with the interim Department of Treasury regulations, portions of this loan amount utilized by AMCHP for qualifying business expenses as authorized by the Program may be eligible for forgiveness.

Additionally, AMCHP was awarded \$4,000,000 in April 2020 from the U.S. Department of Health and Human Services related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The awarded funds have a performance period of May 1, 2020 to April 30, 2021.

Other Financial Information

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards

For the year ended September 30, 2019

Federal Grantor	Program Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services/ Health Resources and Services Administration:						
	Partnership for State Title V MCH Leadership Community Cooperative Agreement	93.110	N/A	N/A	\$ 47,629	\$ 1,583,197
	Partnership for State Leadership Cooperative Agreement	93.110	N/A	N/A	-	22,391
	Bright Futures Pediatric Implementation	93.110	American Academy of Pediatrics	U04MC1627-01-02	9,750	48,139
	Collaborative Improvement and Innovation Network to Reduce Infant Mortality	93.110	National Institute for Children's Health Quality	RFA-13-282	135,213	502,223
	Improving Timeliness of Newborn Screening Diagnosis	93.110	University of Colorado	FY17.368.004_AMD1	-	1,096
	Health Care Delivery System Innovations for Children with Medical Complexity	93.110	N/A	N/A	-	64,724
	Adolescent and Young Adult Health National Resource Center	93.110	Regents of the University of California	8392SC	-	356,258
	National Center for MCH Workforce Development (research and development)	93.110	University of North Carolina, Chapel Hill	5105333	30,047	316,295
	Maternal and Child Environment Health Collaborative Improvement and Innovation Network	93.110	N/A	N/A	668,210	1,006,843

(Continued)

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2019

Federal Grantor	Program Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services/ Health Resources and Services Administration: (Continued)						
	Partnership for State Leadership Coop. Agreement - State Public Health Coordinating Center for Autism	93.110	N/A	N/A	\$ -	\$ 300,153
	Support for Maternal and Child Health Innovation in States	93.110	N/A	N/A	53,062	280,007
	Children's Healthy Weight Collaborative Improvement and Innovation Network	93.110	Association of State and Public Health Nutritionists	6U7NMC30388-01-01	-	41,400
	Fetal and Infant Mortality Review	93.110	Michigan Public Health Institute	Q-38840-115-504200	-	6,585
	Child Death Review	93.110	Michigan Public Health Institute	Q-38841-115-504200	-	10,704
	Early Childhood Comprehensive Systems Collaborative Improvement	93.110	National Institute for Children's Health Quality	NONE	-	<u>7,734</u>
Subtotal CFDA 93.110					<u>943,911</u>	<u>4,547,749</u>

(Continued)

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2019

Federal Grantor	Program Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services/ Center for Disease Control and Prevention:						
	Maternal and Child Health Epidemiology National and State Coalition Capacity Building to Improve Outcomes	93.946	N/A	N/A	\$ -	\$ 296,673
Subtotal 93.946					-	296,673
	Zika Communication Improvement	93.424	Match of Dimes Foundation	5U380T000199-05-00	-	151,769
	OSTLTS Partnership-CBA of the Public Health System	93.424	Association of University Centers on Disabilities	6NU380T000140-04-02	97,550	153,347
	Alliance Innovation on Maternal and Child Health	93.424	American College of Obstetricians and Gynecologists	5U380T000162-02	-	82,800
Subtotal 93.424					97,550	387,916
	Replication of the Learn the Signs. Act Early. WIC Model	93.421	Association of State and Public Health Nutritionists	NU380T000279-01-01	-	9,524
	Improving Performance and Capacity in Territories & States for Maternal and Child Health	93.421	N/A	N/A	-	357,896
	AMCHP Partnership Grant NCBDDD	93.421	N/A	N/A	-	100,483
	State-level Support for Maternal Health and Early Child Feeding	93.421	N/A	N/A	90,799	234,289
	Increasing Public Health Preparedness capability among maternal and child health programs	93.421	N/A	N/A	-	7,911
Subtotal 93.421					90,799	710,103
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 1,132,260	\$ 5,942,441

See accompanying notes to schedule of expenditures of federal awards.

Association of Maternal and Child Health Programs

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal award activity of AMCHP under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of AMCHP, it is not intended to and does not present the financial position, changes in net assets or cash flows of AMCHP.

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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. AMCHP has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Revenue Reconciliation

Included in government grants and contracts revenue are the following for the year ended September 30, 2019:

Assistance awards	\$	5,901,041
Fixed price contracts		<u>41,400</u>
Total government grants and contracts revenue	\$	<u><u>5,942,441</u></u>

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*

Report of Independent Auditors

Board of Directors
Association of Maternal and Child Health Programs
Washington, D.C.

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 the Association of Maternal and Child Health Programs (the Association), which comprise the statement of financial position as of September 30, 2019 and the related statements of activities and change 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 July 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Association's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Vienna, Virginia
July 29, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance

Report of Independent Auditors

Board of Directors
Association of Maternal and Child Health Programs
Washington, D.C.

Report on Compliance for Each Major Federal Program

We have audited the Association of Maternal and Child Health Programs' (the Association) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended September 30, 2019. The Association's major federal program is identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Association's major federal program 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; 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 Association'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 the major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the Association 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 Association's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Association'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 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. 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. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

The Association's response to the significant deficiency in internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. The Association's response was not subjected to the 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.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style.

Vienna, Virginia
July 29, 2020

Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs

Year ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting: | Unmodified |
| 2). Internal control over financial reporting: | |
| • Material weakness identified? | No |
| • Significant deficiency identified that is not considered to be a material weakness? | None reported |
| 3). Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|------------|
| 4). Internal control over major program: | |
| • Material weakness identified? | No |
| • Significant deficiency identified that is not considered to be a material weakness? | Yes |
| 5). Type of auditor's report issued on compliance for major program: | Unmodified |
| 6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| 7). Identification of major program: | |

Federal Granting Agency and Program Title

CFDA Number

Department of Health and Human Services /

Health Resources and Services Administration:

Maternal and Child Health Federal Consolidated Programs

93.110

- | | |
|---|-----------|
| 8). Dollar threshold used to distinguish between Type A and B programs: | \$750,000 |
| 9). Auditee qualified as a low-risk auditee? | Yes |

Section II - Financial Statement Findings

There were no reportable findings.

Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs (Continued)

Year ended September 30, 2019

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

Finding 2019-001: Significant Deficiency over Subrecipient Reporting

Information on Federal Award: Department of Health and Human Services / Health Resources and Services Administration - Maternal and Child Health Federal Consolidated Programs

CFDA Number: 93.110

Criteria:

Federal Funding Accountability and Transparency Act ("FFATA") reports are required to be filed for subrecipients receiving direct awards in excess of \$25,000.

Condition:

The Association did not file FFATA reports for 2 subrecipients who were awarded \$25,000 or more.

Questioned Costs:

There were no material questioned costs identified.

Context:

For 2019, the FFATA reports not filed represent 40% of the total population of those reports.

Cause:

Due to lack of controls surrounding the monitoring of FFATA reporting for subrecipients.

Effect:

Noncompliance due to failure of filing required FFATA reports.

Repeat finding:

Yes. Finding 2018-001.

Recommendation:

We recommend management establish a control to identify when FFATA reporting is needed and to ensure the respective reports are filed on a timely basis. This can be done as a part of their existing subrecipient monitoring checklist.

View of Responsible Official and Planned Corrective Action:

Reference is made to Corrective Action Plan on page 26.

Association of Maternal and Child Health Programs

Summary of Prior Year Findings

For the year ended September 30, 2019

Finding 2018-001: Significant Deficiency over Subrecipient Reporting

Information on Federal Award: Department of Health and Human Services / Health Resources and Services Administration - Maternal and Child Health Federal Consolidated Programs

CFDA Number: 93.110

Criteria:

Federal Funding Accountability and Transparency Act ("FFATA") reports are required to be filed for subrecipients receiving direct awards in excess of \$25,000.

Condition:

The Association did not file FFATA reports for 5 subrecipients who were awarded \$25,000 or more.

Context:

For 2018, the FFATA reports not filed represent 100% of the total population of those reports.

2019 Status of Finding:

During the current year, AMCHP did not file FFATA reports for two subrecipients receiving direct awards in excess of \$25,000. Reference is made to Finding 2019-001.



Corrective Action Plan
Association of Maternal and Child Health Programs
Year Ending September 30, 2019

Financial Statement Findings

There were no reportable findings.

Federal Award Findings and Questioned Costs

Finding 2019-001: Significant Deficiency over Subrecipient Reporting

CFDA Number: 93.110

Finding: All direct subrecipient awards in excess of \$25,000 require a Federal Funding Accountability and Transparency Act (FFATA) report to be filed. The Association did not file two FFATA reports, which were required to be filed, for the year ended September 30, 2019.

Planned Corrective Action: Management plans to implement improved controls over subrecipient monitoring to ensure necessary reports are filed.

Person Responsible for Corrective Action: Jonathan Webb, CEO

Planned Completion Date: No later than September 2020.

Jonathan Webb

CEO