Association of Maternal and Child Health Programs

Audited Financial Statements
and Related Communications

*Years ended September 30, 2020 and 2019*
*with Report of Independent Auditors*
Association of Maternal and Child Health Programs

Audited Financial Statements
and Related Communications

*Years ended September 30, 2020 and 2019
with Report of Independent Auditors*

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Association of Maternal and Child Health Programs

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Other Financial Information and
Uniform Guidance Supplemental Reports

Years ended September 30, 2020 and 2019
with Report of Independent Auditors
Association of Maternal and Child Health Programs

Audited Financial Statements
Other Financial Information and
Uniform Guidance Supplemental Reports

Years ended September 30, 2020 and 2019

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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 statements of financial position as of September 30, 2020 and 2019 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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States of America. Those standards require that we plan and perform the audits 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,
2020 and 2019 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.

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 17 - 19 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 March 2,
2021, 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.

Vienna, Virginia
March 2, 2021
Association of Maternal and Child Health Programs

Statements of Financial Position

<table>
<thead>
<tr>
<th>Assets</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$784,012</td>
<td>$338,198</td>
</tr>
<tr>
<td>Investments</td>
<td>911,690</td>
<td>886,617</td>
</tr>
<tr>
<td>Accounts and grants receivable</td>
<td>2,151,292</td>
<td>1,765,161</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>160,341</td>
<td>177,356</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>4,007,335</td>
<td>3,167,332</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>125,901</td>
<td>125,901</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>631,673</td>
<td>631,673</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td>757,574</td>
<td>757,574</td>
</tr>
<tr>
<td>Less accumulated depreciation and amortization</td>
<td>(300,430)</td>
<td>(225,020)</td>
</tr>
<tr>
<td><strong>Total property and equipment, net</strong></td>
<td>457,144</td>
<td>532,554</td>
</tr>
<tr>
<td>Other assets - security deposit</td>
<td>75,938</td>
<td>66,813</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>533,082</td>
<td>599,367</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$4,540,417</td>
<td>$3,766,699</td>
</tr>
</tbody>
</table>

| Liabilities and net assets |             |             |
| Current liabilities: |             |             |
| Accounts payable and accrued liabilities | $1,638,531 | $1,089,719 |
| Deferred dues and meetings | 305,875 | 118,690 |
| Refundable advances | 314,132 | 96,306     |
| **Total current liabilities** | 2,258,538 | 1,304,715 |
| Noncurrent liabilities: |             |             |
| Deferred rent | 757,669 | 817,350 |
| Paycheck Protection Program (PPP) Loan | 538,300 | - |   |
| **Total noncurrent liabilities** | 757,669 | 817,350 |
| **Total liabilities** | 3,016,207 | 2,122,065 |
| Net assets: |             |             |
| Net assets without donor restrictions | 1,512,146 | 1,634,112 |
| Net assets with donor restrictions | 12,064 | 10,522 |
| **Total net assets** | 1,524,210 | 1,644,634 |
| **Total liabilities and net assets** | $4,540,417 | $3,766,699 |

See accompanying notes to the financial statements.
Association of Maternal and Child Health Programs

Statements of Activities and Changes in Net Assets

<table>
<thead>
<tr>
<th>Change in net assets without donor restrictions</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants and contracts</td>
<td>$4,659,243</td>
<td>$4,692,066</td>
</tr>
<tr>
<td>Government pass-through grants and contracts</td>
<td>675,330</td>
<td>1,250,375</td>
</tr>
<tr>
<td><strong>Total governmental grants and contracts</strong></td>
<td>5,334,573</td>
<td>5,942,441</td>
</tr>
<tr>
<td>Non-government grants and contracts</td>
<td>203,687</td>
<td>195,345</td>
</tr>
<tr>
<td>Membership</td>
<td>555,680</td>
<td>557,665</td>
</tr>
<tr>
<td>Registration and exhibit</td>
<td>387,343</td>
<td>517,255</td>
</tr>
<tr>
<td>Contributions</td>
<td>19,608</td>
<td>10,975</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>24,399</td>
<td>39,621</td>
</tr>
<tr>
<td>Other revenue</td>
<td>52,923</td>
<td>24,129</td>
</tr>
<tr>
<td><strong>Total support and revenue without donor restrictions</strong></td>
<td>6,578,561</td>
<td>7,288,964</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program services:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternal and Child Health Programs and Policy</td>
<td>5,317,334</td>
<td>5,596,871</td>
</tr>
<tr>
<td>Annual Conference</td>
<td>253,815</td>
<td>364,054</td>
</tr>
<tr>
<td>Membership, Communications and Other Programs</td>
<td>92,834</td>
<td>90,838</td>
</tr>
<tr>
<td>Legislative Activities</td>
<td>213,946</td>
<td>309,655</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>5,877,929</td>
<td>6,361,418</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>57,495</td>
<td>32,051</td>
</tr>
<tr>
<td>Management and general</td>
<td>765,103</td>
<td>580,839</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>822,598</td>
<td>612,890</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>6,700,527</td>
<td>6,974,308</td>
</tr>
<tr>
<td>Change in net assets without donor restrictions</td>
<td>(121,966)</td>
<td>314,656</td>
</tr>
</tbody>
</table>

| Change in net assets with donor restrictions   |         |         |
| Contributions                                  | 1,890   | 2,525   |
| Net assets released from restrictions          | (348)   | (1,533) |
| **Change in net assets with donor restrictions**| 1,542   | 992     |

| Change in net assets                           |         |         |
| Change in net assets                           | (120,424) | 315,648 |
| Net assets, beginning of year                  | 1,644,634 | 1,328,986 |
| Net assets, end of year                        | $1,524,210 | $1,644,634 |

See accompanying notes to the financial statements.
Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2020

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maternal and Child Health Programs and Policy</strong></td>
<td><strong>Membership, Communications and Other Programs</strong></td>
</tr>
<tr>
<td>Maternal and Child Health Programs and Policy</td>
<td>Annual Conference</td>
</tr>
<tr>
<td>Salaries</td>
<td>$1,707,685</td>
</tr>
<tr>
<td>Benefits</td>
<td>442,215</td>
</tr>
<tr>
<td>Professional services</td>
<td>654,697</td>
</tr>
<tr>
<td>Subgrants</td>
<td>1,021,752</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>324,471</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>158,563</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
</tr>
<tr>
<td>IT Licenses, Fees, &amp; Maintenance</td>
<td>-</td>
</tr>
<tr>
<td>Office expenses</td>
<td>23,872</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,393</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$4,394,097</td>
</tr>
<tr>
<td>Allocation of management and general</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$5,317,334</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
### Statement of Functional Expenses

**Year ended September 30, 2019**

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maternal and Child Health Programs and Policy</td>
<td>Membership, Communications and Other Programs</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 1,668,004</td>
<td>$ 47,520</td>
</tr>
<tr>
<td>Benefits</td>
<td>489,737</td>
<td>13,818</td>
</tr>
<tr>
<td>Professional services</td>
<td>452,353</td>
<td>34,589</td>
</tr>
<tr>
<td>Subgrants</td>
<td>1,132,260</td>
<td>-</td>
</tr>
<tr>
<td>Rent</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>45,952</td>
<td>411</td>
</tr>
<tr>
<td>Travel</td>
<td>858,568</td>
<td>33,472</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>275,660</td>
<td>209,722</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IT Licenses, Fees, &amp; Maintenance</td>
<td>1,830</td>
<td>-</td>
</tr>
<tr>
<td>Office expenses</td>
<td>26,695</td>
<td>6,114</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>4,951,059</td>
<td>345,646</td>
</tr>
<tr>
<td>Allocation of management and general</td>
<td>645,812</td>
<td>18,408</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 5,596,871</td>
<td>$ 364,054</td>
</tr>
</tbody>
</table>

*See accompanying notes to the financial statements.*
Association of Maternal and Child Health Programs

Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Years ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(120,424)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>75,410</td>
</tr>
<tr>
<td>Unrealized (loss) gain on investments</td>
<td>3,938</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
</tr>
<tr>
<td>Accounts and grants receivable</td>
<td>(386,131)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>17,015</td>
</tr>
<tr>
<td>Security deposit</td>
<td>(9,125)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>10,512</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>187,185</td>
</tr>
<tr>
<td>Refundable advances</td>
<td>217,826</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(59,681)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(63,475)</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |                            |                |
| Purchase of investments         | (29,011)      | (34,629)      |
| Proceeds from sales of investments | -            | 128,052       |
| Net cash (used in) provided by investing activities | (29,011)      | 93,423        |

| **Cash flows from financing activities** |                            |                |
| PPP Loan Proceeds                | 538,300        | -             |
| Net cash provided by financing activities | 538,300       | -             |

Net change in cash and cash equivalents | 445,814        | (331,053)     |

Cash and cash equivalents, beginning of year | 338,198        | 669,251       |

Cash and cash equivalents, end of year $784,012 $338,198

See accompanying notes to the financial statements.
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.

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

Deferred revenue
Deferred revenue consists of member dues and conference sponsorships. 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, 2020 and 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.
1. Summary of Significant Accounting Policies and General Information (Continued)

Change in Accounting Principle
In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, (topic 958). The ASU clarifies when the transfer of an asset or the extinguishment of a liability (the transaction) meets the definition of an exchange transaction or a contribution. When the transaction is an exchange transaction, an entity must apply Topic 606, Revenue from Contracts with Customers or other applicable Topics. When the transaction is a contribution, the ASU clarifies when the contribution is conditional and when revenue should be recognized. As of October 1, 2019, AMCHP has implemented ASU 2018-08 and has adjusted the presentation in the financial statements accordingly. The ASU has been applied prospectively to the year ending September 30, 2020, with no effect on net assets.

Accounting Policies Not Yet Adopted
In June 2020, the FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606): Effective Dates for Certain Entities, which extended the effective date of ASU 2014-09, Revenue from Contracts with Customers (Topic 606) by one year. ASU 2014-09 provides a five step process for an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services, including accounting for costs to obtain or fulfill a contract with a customer. AMCHP will be required to adopt this guidance effective for the fiscal year beginning October 1, 2020.

Grants and contracts
Grants and contracts are recognized when an unconditional promise to give is received. Conditional promises to give, with a measurable performance obligation or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. A portion of AMCHP’s revenue is derived from cost-reimbursable grants from various sources. Amounts received are recognized as revenue without donor restriction when expenses have been incurred in compliance with specific contracts or grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the statements of financial position. AMCHP received grants of $314,132 and $96,306 as of September 30, 2020 and 2019, respectively, for which qualifying expenditures have not yet been incurred and are recognized in the statements of financial position as refundable advances.

Grants receivable represent amounts expended and not yet reimbursed under a Federal grant awarded to AMCHP.
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 statements 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.

**Loan payable**
On April 20, 2020, the Association received a loan pursuant to the Paycheck Protection Program (the Program), a program implemented and federally authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, for an aggregate principal amount of $538,300 (the PPP Loan). The PPP Loan is reported as loan payable on the statement of financial position and is reported at the outstanding principal balance of the debt. Interest expense is accrued on the outstanding principal. As of September 30, 2020, the Association elected to account for this PPP loan in accordance with FASB ASC 470, Debt. See Note 9 for more information.

**COVID-19 risks and uncertainties**
In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus (COVID-19) outbreak, which has led to a global health emergency. AMCHP's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the Association and its members, employees and vendors. As such, COVID-19 could have a material adverse effect on AMCHP's financial position in the future. The ultimate duration and impact of the COVID-19 outbreak on AMCHP's financial position cannot be reasonably estimated at this time.

**Subsequent events**
AMCHP has performed an evaluation of subsequent events through March 2, 2021, which is the date the financial statements were available to be issued and has considered any relevant matters in the preparation of the financial statements and footnotes.
2. Liquidity and Availability of Resources

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$784,012</td>
<td>$338,198</td>
</tr>
<tr>
<td>Investments</td>
<td>911,690</td>
<td>886,617</td>
</tr>
<tr>
<td>Accounts and grants receivable</td>
<td>2,151,292</td>
<td>1,765,161</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,846,994</strong></td>
<td><strong>2,989,976</strong></td>
</tr>
</tbody>
</table>

Less:
Amounts unavailable for general expenditures due to:
- Purpose restrictions | (12,064) | (10,522) |

Financial assets available for general expenditures | $3,834,930 | $2,979,454 |

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. AMCHP also has a line of credit in the amount of $60,000 that could be drawn on if needed.

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 statements 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.
3. Investments and Fair Value Measurement (Continued)

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

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:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market funds</td>
<td>$111,328</td>
<td>$99,171</td>
<td>1</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>800,362</td>
<td>787,446</td>
<td>1</td>
</tr>
<tr>
<td>Total investments</td>
<td>$911,690</td>
<td>$886,617</td>
<td></td>
</tr>
</tbody>
</table>

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 statements of financial position.

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

<table>
<thead>
<tr>
<th>Year Ending September 30</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$396,082</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>414,645</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>425,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>435,682</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>446,572</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thereafter</td>
<td>926,889</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,044,910</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rent expense for the years ended September 30, 2020 and 2019 was $329,622 and $333,146, respectively.

5. Retirement Plan

AMCHP provides retirement benefits to its employees through a 403(b) defined contribution plan covering all full-time employees. During the years ended September 30, 2020 and 2019, AMCHP made discretionary contributions to the plan totaling $154,182 and $144,362, respectively.
6. Concentration of Revenue

Approximately 81% and 82% of AMCHP’s revenue for the years ended September 30, 2020 and 2019, respectively, 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 2020. 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

In March 2020, AMCHP cancelled 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. In February 2021, AMCHP cancelled its 2021 Annual Conference that was scheduled to be held in New Orleans, Louisiana. The hotel waived financial penalties in exchange for AMCHP re-booking the event in 2023.

AMCHP is committed under agreements for conference space through fiscal year 2023. 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.
Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

9. Paycheck Protection Program (PPP) Loan

On April 20, 2020, the Association received a PPP Loan in the amount of $538,300, and is a two year loan with a maturity date of April 20, 2022. The PPP Loan bears an annual interest rate of 1%, and is unsecured and guaranteed by the Small Business Administration (SBA). To the extent that all or part of the PPP Loan is not forgiven, principal and interest payments are deferred ten months after the end of the Association's loan forgiveness covered period. Thereafter, the Association is obligated to make monthly principal and interest payments through the maturity date. As of September 30, 2020, unpaid principal was $538,300 on the PPP Loan.

To the extent that the proceeds are used to pay qualified expenses, and other employment criteria required by the Program have been met by the Association, the PPP Loan may be subject to forgiveness under the Program upon the Association's request. The Association applied for forgiveness of the PPP Loan with respect to covered expenses and is awaiting forgiveness from the SBA.
Other Financial Information
<table>
<thead>
<tr>
<th>Federal Grantor</th>
<th>Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Pass-Through Entity</th>
<th>Pass-Through to Subrecipients</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Human Services/ Health Resources and Services Administration:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership for State Title V MCH Leadership Community Cooperative Agreement</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td>$ 49,556</td>
<td>$ 1,423,278</td>
<td></td>
</tr>
<tr>
<td>Partnership for State Leadership Cooperative Agreement</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td>111,284</td>
<td></td>
</tr>
<tr>
<td>Bright Futures Pediatric Implementation</td>
<td>93.110</td>
<td>American Academy of Pediatrics U04MC1627-01-02</td>
<td>13,500</td>
<td>29,190</td>
<td>29,190</td>
<td></td>
</tr>
<tr>
<td>Health Care Delivery System Innovations for Children with Medical Complexity</td>
<td>93.110</td>
<td>Trustees of Boston University 5 UJ6MC32737-02-00</td>
<td>-</td>
<td>46,076</td>
<td>46,076</td>
<td></td>
</tr>
<tr>
<td>Adolescent and Young Adult Health National Resource Center</td>
<td>93.110</td>
<td>Regents of the University of California U45MC27709-05-00</td>
<td>20,000</td>
<td>213,152</td>
<td>213,152</td>
<td></td>
</tr>
<tr>
<td>National Center for MCH Workforce Development (research and development)</td>
<td>93.110</td>
<td>University of North Carolina, Chapel Hill 5 UE7MC262820600</td>
<td>34,250</td>
<td>226,404</td>
<td>226,404</td>
<td></td>
</tr>
<tr>
<td>Maternal and Child Environment Health Collaborative Improvement and Innovation Network</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td>509,116</td>
<td>697,273</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
## Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2020

<table>
<thead>
<tr>
<th>Federal Grantor</th>
<th>Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Pass-Through to Subrecipients</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Human Services/ Health Resources and Services Administration: (Continued)</td>
<td>Partnership for State Leadership Coop. Agreement - State Public Health Coordinating Center for Autism</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td>$</td>
<td>226,608</td>
</tr>
<tr>
<td></td>
<td>Support for Maternal and Child Health Innovation in States</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td>70,797</td>
<td>315,537</td>
</tr>
<tr>
<td></td>
<td>Children's Healthy Weight Collaborative Improvement and Innovation Network</td>
<td>93.110</td>
<td>Association of State and Public Health Nutritionists 6U7NMC30388-01-01</td>
<td>-</td>
<td>19,719</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COVID-19 Maternal and Child Health Telehealth Capacity in Public Health Systems</td>
<td>93.110</td>
<td>N/A</td>
<td>N/A</td>
<td>226,234</td>
<td>441,284</td>
</tr>
<tr>
<td></td>
<td>Maternal Health Learning Innovation Center</td>
<td>93.110</td>
<td>University of North Carolina, Chapel Hill 1 U7CMC33636-01-00 /6 U7CMC336360-1-01</td>
<td>-</td>
<td>93,462</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Early Childhood Comprehensive Systems Collaborative Improvement</td>
<td>93.110</td>
<td>National Institute for Children's Health Quality NONE</td>
<td>-</td>
<td>10,112</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal CFDA 93.110 996,685 4,225,777
### Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2020

<table>
<thead>
<tr>
<th>Federal Grantor</th>
<th>Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Pass-Through to Subrecipients</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Human Services/ Center for Disease Control and Prevention:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maternal and Child Health Epidemiology</td>
<td>93.946</td>
<td>N/A</td>
<td>N/A</td>
<td>-</td>
<td>$ -</td>
<td>$ 348,496</td>
</tr>
<tr>
<td>National and State Coalition Capacity Building to Improve Outcomes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal 93.946</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OSTLTS Partnership-CBA of the Public Health System</td>
<td>93.424</td>
<td>Association of University Centers on Disabilities</td>
<td>6NU380T000140-04-02</td>
<td>-</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Alliance Innovation on Maternal and Child Health</td>
<td>93.424</td>
<td>American College of Obstetricians and Gynecologists</td>
<td>5U380T000162-02</td>
<td>-</td>
<td>27,986</td>
<td></td>
</tr>
<tr>
<td>Subtotal 93.424</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replication of the Learn the Signs. Act Early. WIC Model</td>
<td>93.421</td>
<td>Association of State and Public Health Nutritionists</td>
<td>NU38OT000279-01-01</td>
<td>-</td>
<td>8,023</td>
<td></td>
</tr>
<tr>
<td>Improving Performance and Capacity in Territories &amp; States for Maternal and Child Health</td>
<td>93.421</td>
<td>N/A</td>
<td>N/A</td>
<td>-</td>
<td>397,787</td>
<td></td>
</tr>
<tr>
<td>AMCHP Partnership Grant NCBDDD</td>
<td>93.421</td>
<td>N/A</td>
<td>N/A</td>
<td>-</td>
<td>131,859</td>
<td></td>
</tr>
<tr>
<td>State-level Support for Maternal Health and Early Child Feeding</td>
<td>93.421</td>
<td>N/A</td>
<td>N/A</td>
<td>25,067</td>
<td>82,429</td>
<td></td>
</tr>
<tr>
<td>COVID-19 Strengthening Maternal and Child Health Programs to Respond to COVID-19</td>
<td>93.421</td>
<td>N/A</td>
<td>N/A</td>
<td>-</td>
<td>47,336</td>
<td></td>
</tr>
<tr>
<td>Increasing Public Health Preparedness capability among maternal and child health programs</td>
<td>93.421</td>
<td>N/A</td>
<td>N/A</td>
<td>-</td>
<td>64,795</td>
<td></td>
</tr>
<tr>
<td>Subtotal 93.421</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25,067</td>
<td>732,229</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES OF FEDERAL AWARDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,021,752</td>
<td>5,334,573</td>
</tr>
</tbody>
</table>

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

Year ended September 30, 2020

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, 2020. 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, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance awards</td>
<td>$5,314,854</td>
</tr>
<tr>
<td>Fixed price contracts</td>
<td>19,719</td>
</tr>
<tr>
<td>Total government grants and contracts revenue</td>
<td>$5,334,573</td>
</tr>
</tbody>
</table>
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, 2020 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 March 2, 2021.

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) as a basis for designing 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 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*.

**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.

Vienna, Virginia
March 2, 2021

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, 2020. 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, 2020.
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.

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.

Vienna, Virginia
March 2, 2021
Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs

Year ended September 30, 2020

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? No

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)? No

7). Identification of major program:

<table>
<thead>
<tr>
<th>Federal Granting Agency and Program Title</th>
<th>CFDA Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health and Human Services / Health Resources and Services Administration: Maternal and Child Health Federal Consolidated Programs</td>
<td>93.110</td>
</tr>
</tbody>
</table>

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.

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

There were no reportable findings or questioned costs.
Association of Maternal and Child Health Programs

Summary of Prior Year Findings

For the year ended September 30, 2020

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.

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

2020 Status of Finding:
During the current year, AMCHP filed all necessary FFATA reports.

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.

2020 Status of Finding:
During the current year, AMCHP filed all necessary FFATA reports.
TAB 2
Agenda

+ Engagement Team
+ Audit Results
+ Board Communications
+ Technical Resources
Engagement Team Leads

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Audit Results
Auditor’s Responsibility

* Forming and expressing an opinion about whether the financial statements prepared by management with the oversight of those charged with governance are presented fairly in all material respects in conformity with GAAP and Uniform Guidance
* Communicating significant matters related to the financial statement audit relevant to the responsibilities of those charged with governance in overseeing the financial reporting process
Audit Results

+ Issued unmodified (clean) audit opinion over GAAP financial statements and unmodified (clean) audit opinion on Compliance and Internal Control Over Compliance in accordance with Uniform Guidance

+ Issued letters and communications:
  + Internal Control Letter
    + We are not required (and have not been engaged) to perform an audit of AMCHP’s internal control over financial reporting
    + No material weaknesses in internal controls identified
Board Communications
Management is responsible for the selection and use of appropriate accounting policies

+ AMCHP has available alternative accounting policies from which to choose
+ Significant accounting policies are described in Note 1
+ The accounting policies selected and applied are appropriate under the circumstances and consistent with those used by other similar organizations
+ New accounting policy adopted (see next slide) and the application of existing policies were not changed
+ We noted no transactions entered into for which there is lack of authoritative guidance or consensus
+ We noted no significant transactions recognized in the financial statements in a different period than when the transaction occurred
New Accounting Policies Adopted

(ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Management adopted the provisions of this ASU as of and for the year ended September 30, 2020

+ ASU 2018-08 is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional.

+ This ASU was adopted on a prospective basis and there was no impact to the financial statements as a result of adoption.
Management’s Judgments and Accounting Estimates

- Accounting estimates are an integral part of the financial statements and are based upon management’s current judgments and assumptions.
- The financial statements contain the following significant estimates:
  - Allocation of expenses
  - Allowance for doubtful accounts/grants receivable
Board Communications

+ Significant Difficulties Performing the Audit
  + None
+ Uncorrected Misstatements
  + None
+ Audit Adjustments
  + None
+ Disagreements with Management
  + None
+ Management’s Consultations with Other Accountants
  + Outsourced accountants, RSM LLP
+ Significant Issues Discussed
  + Deferral of Implementation of Revenue Recognition ASU 2014-09
  + Implementation of ASU 2018-08
  + Disclosure of Paycheck Protection Program (PPP) Loan – see next slide
  + Impact of Covid-19 on current and future operations
+ Financial Statements Included in a Association-Prepared Document
  + None
+ Upcoming ASUs
  + See attached white paper for information regarding upcoming ASU relating to revenue recognition
+ Independence
  + We are independent with respect to AMCHP in accordance with applicable independence rules
**Board Communications**

**PPP Loan**

- The Association received a PPP Loan in 2020 pursuant to the Paycheck Protection Program (the Program), a program implemented and federally authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, for an aggregate principal amount of $538,300. The Association elected to account for the PPP Loan as debt under ASC 470 – Debt. Management determined this accounting policy election was appropriate for the Association.

- The Program was designed to provide a direct incentive for small businesses to keep workers on their payroll. The Small Business Administration (SBA) may forgive the PPP Loan provided the Association met the following criteria: (1) is eligible for the loan based on the purpose of the Program, (2) met all employee retention criteria and (3) used the funds for eligible expenses. Management represented to us that the Association is eligible for the PPP Loan as the economic uncertainties made the PPP Loan request necessary to support ongoing operations and that they have met all other criteria and continue to meet the criteria for the PPP Loan eligibility as outlined in the loan application and certifications to the SBA (see attached management representation letter).

- The ultimate disposition by the SBA of the amount received by the Association is currently unknown, particularly given the lack of clear guidance from the SBA. Regardless of the ultimate determination of the SBA as to eligibility and/or forgiveness of the PPP Loan, management has appropriately applied the debt accounting guidance as of September 30, 2020.
Significant related party transactions have been appropriately identified and accounted for. There are no material related party transactions in the statements.
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This communication is intended solely for the information and use of the Board of Directors and audit committee and is not intended and should not be used by anyone other than those specified parties.
Questions?
March 2, 2021

Johnson Lambert LLP
2650 Park Tower Drive, Suite 801
Vienna, Virginia  22180

This representation letter is provided in connection with your audit of the financial statements of the Association of Maternal and Child Health Programs (the Association) as of and for the year ended September 30, 2020 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, activities, functional expenses and cash flows of the Association in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States of America, and for the presentation of the other financial information and supplemental reports in accordance with the applicable criteria.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, as of the date of this letter, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 14, 2020, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the presentation of the supplemental and other financial information in accordance with the applicable criteria.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls and programs relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility to ensure that the Association’s operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts in the Association’s financial statements.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. All liabilities resulting from retirement obligations, deferred compensation agreements, and severance packages have been recorded in the financial statements and disclosed in the notes to the financial statements.

7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

8. In regards to the fact that your firm’s tax department provided certain tax services to us, we have:
   a. Made all management decisions and performed all management functions;
   b. Established and maintained appropriate internal controls;
   c. Designated a competent employee, Jonathan Webb, to evaluate and accept responsibility for the results of the tax services performed by your firm’s tax department.

9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

10. We are not aware of any uncorrected misstatements to the financial statements.

11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

12. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.

13. The Association has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

14. Guarantees, whether written or oral, under which the Association is contingently liable have been properly reported or disclosed in the financial statements.

15. Material concentrations known to management have been properly disclosed in accordance with U.S. GAAP. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

16. The methods and significant assumptions as disclosed in the financial statements were used to determine fair values of financial instruments and result in a measure of fair value appropriate for financial statement measurement and disclosure purposes. The categorization of the Association’s investments into the hierarchical levels as defined by ASC 820, Fair Value Measurements, is based on the lowest level of significant input to the securities’ valuation.
17. In regards to the fact that your firm assisted us by drafting the financial statements and supplementary information, including appropriate disclosures required by U.S. GAAP, and additional assistance in implementing ASU 2018-08, we have:
   a. Made all management decisions and performed all management functions.
   b. Designated an individual, Michelle Edwards, who possesses suitable skill, knowledge or experience to oversee the services.
   c. Evaluated the adequacy and results of the draft preparation by reviewing and accepting the financial statements as complete and accurate.
   d. Accepted responsibility for the financial statements and supplementary information.

18. In regards to the other financial information and supplemental schedules, we:
   a. Note the methods of measurement or presentation have not changed from those used in the prior period.
   b. Have notified you of any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information; and
   c. Note that when the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information and the auditor's report thereon.

19. The Association has satisfactory title to all owned assets. We understand that it is our responsibility to report any liens, encumbrances and/or pledged assets in the Association's financial statements. As of and for the years September 30, 2020 and 2019 we are not aware of any liens, encumbrances or pledged assets.

20. The Association is an exempt organization under 501(c)(3) of the Internal Revenue Code. We are not aware of any activities that would jeopardize the Association's tax exempt status and all activities subject to tax on unrelated business income or excise tax or other tax have been properly reported. All required filings with tax authorities are up to date. We have not been informed of any tax reviews by federal or state taxing authorities. There is no tax position considered to be uncertain if it was to undergo an inspection by the IRS or state authorities.

21. We have evaluated the subsequent impact of COVID-19 on our operations and financial position through the date of this letter. There are no known subsequent material impacts to our financial position, including impairment of assets, loss contingencies, or negative impacts on operations that have not been disclosed. The financial statements adequately disclose the risks and uncertainties as a result of COVID-19.
22. The Association received a loan in April 2020 pursuant to the Paycheck Protection Program (the Program), a program implemented and federally authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, for an aggregate principal amount of $538,300. The Program was designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Small Business Administration (SBA) may forgive the loan provided the Company met the following criteria: (1) is eligible for the loan based on the purpose of the program, (2) met all employee retention criteria and (3) used the funds for eligible expenses. We represent that we are eligible for the loan as the economic uncertainties made the loan request necessary to support ongoing operations and have met all other criteria and continue to meet the criteria for the Program loan eligibility as outlined in the loan application and certifications to the SBA. The Association expects to receive forgiveness for the loan in 2021.

Information Provided

1. We have provided you with:
   a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
   b. Additional information that you have requested from us for the purpose of the audit; and
   c. Unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.

2. All transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have disclosed to you the results of our risk assessment as to how and where the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any fraud or suspected fraud that affects the Association and involves:
   a. Management;
   b. Employees who have significant roles in internal control; or
   c. Others when the fraud could have a material effect on the financial statements

5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Association's financial statements communicated by employees, former employees or others.

6. We are not aware of any undisclosed known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

7. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting that could have a material effect on the financial statements.

8. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

9. We have disclosed to you the identity of the Association's related parties and all the related party relationships and transactions of which we are aware.
10. We have provided you information concerning monetary related party transactions and amounts receivable or payable from related parties, including support for any assertion that a transaction with a related party was conducted on terms equivalent to those prevailing in an arms-length transaction. There are no material related party transactions disclosed in the financial statements.

With respect to compliance with requirements applicable to our major federal program

1. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.

2. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.

3. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.

4. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual, Jonathan Webb, with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

5. The methods of measurement or presentation have not changed from those used in the prior period.

6. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.

7. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.

8. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.

9. We have, in accordance the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

10. We have no knowledge of instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors, regulators, or others.
11. We have no knowledge of instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

12. We have no knowledge of instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

13. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.

14. We have a process to track the status of audit findings and recommendations.

15. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

16. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.

17. We have provided to you our interpretations of any compliance requirements that have varying interpretations.

18. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies and material weaknesses reported in the schedule of findings and questioned costs.

19. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.

20. We have received no requests from a federal agency to audit one or more specific programs as a major program.

21. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.

22. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
23. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

24. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).

25. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

26. We have monitored subrecipients to determine if they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.

27. We have issued management decisions timely after the receipt of subrecipients' auditor reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that the subrecipients have taken the appropriate and timely corrective action on findings.

28. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.

29. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

30. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

31. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.

32. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

33. We have reviewed, approved, and taken responsibility for the schedule of expenditures of federal awards and related notes and an acknowledgment of the auditor's role in the preparation of this information.

34. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
35. We have reviewed, approved, and taken responsibility for the schedule of expenditures of federal awards and related notes and an acknowledgment of the auditor's role in the preparation of this information.

36. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the schedule of expenditures of federal awards and through the date of this letter that would require adjustment to or disclosure in the aforementioned schedule of expenditures of federal awards.

Jonathan Webb, CEO

Michelle Edwards, Senior Accountant
Management and the Audit Committee of the Board of Directors
Association of Maternal and Child Health Programs

In planning and performing our audit of the financial statements of Association of Maternal and Child Health Programs (the "Association") as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing auditing 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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 were not identified.

During the course of our audit, we had the opportunity to observe the operations in some detail. As a result, we submit the following comments to you, which are not considered to be material weaknesses, with the hope that they assist you in improving internal control.

**Updates to Prior Year Recommendations**

We submit the following updates to the recommendations we made to you in our letter dated July 29, 2020:

**Approval of Expenditures**

During our prior year audit, we noted three instances, totaling approximately $1,085, where the Association could not provide evidence of approval for an invoice that was processed. We recommended the Association evaluate its approval process to ensure that all invoices are properly approved before payment is processed and to ensure supporting documentation of that approval is retained for an appropriate period of time.

*Current year update:* During our current year audit we noted that the Association had proper approval of all invoices before payment was processed. We consider this comment cleared.
**Expense Allocation**
During our prior year audit, we proposed and the Association recorded an adjustment to allocate expenses across program and supporting services in accordance with generally accepted accounting principles (GAAP). We recommended the Association to implement a review process over the expense allocation process to ensure all natural expenses are allocated to the appropriate program or supporting service in accordance with GAAP.

*Current year update:* During our current year audit we noted that the Association properly allocated all natural expenses to the appropriate program or supporting service. We consider this comment cleared.

**Automation of Processes**
During prior year audits, we noted that the Association was very paper-based in terms of document retention and controls. We recommended the Association consider evaluating solutions to automate these controls, such as software to enable paperless accounts payable and purchasing. While there is an initial cost of entry that should be carefully considered, automation could enable the Association's programs to be more efficient in carrying out the mission of the Association.

*Current year update:* During our current year audit we noted that the Association implemented a software to enable paperless accounts payable and purchasing. We consider this comment cleared.

This communication is intended solely for the information and use of the finance committee, board of directors, management, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Vienna, Virginia
March 2, 2021