

Association of Maternal and Child Health Programs

Audited Financial Statements, Other Financial Information and Uniform Guidance Supplemental Reports

*Years ended September 30, 2021 and 2020
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, 2021 and 2020

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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, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 7, 2022, 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
March 7, 2022

Association of Maternal and Child Health Programs

Statements of Financial Position

	For the years ended September 30,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,660,121	\$ 784,012
Investments	1,025,826	911,690
Accounts and grants receivable	920,007	2,151,292
Prepaid expenses	164,175	160,341
Total current assets	3,770,129	4,007,335
Noncurrent assets:		
Property and equipment		
Furniture & fixtures	140,901	125,901
Leasehold improvements	631,673	631,673
Total property and equipment	772,574	757,574
Less accumulated depreciation and amortization	(380,841)	(300,430)
Total property and equipment, net	391,733	457,144
Other assets - security deposit	66,813	75,938
Total noncurrent assets	458,546	533,082
Total assets	\$ 4,228,675	\$ 4,540,417
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 660,044	\$ 1,100,231
Deferred dues and meetings	86,265	305,875
Refundable advances	534,586	314,132
Total current liabilities	1,280,895	1,720,238
Noncurrent liabilities:		
Deferred rent	688,335	757,669
Paycheck Protection Program (PPP) Loan	-	538,300
Total noncurrent liabilities	688,335	1,295,969
Total liabilities	1,969,230	3,016,207
Net assets:		
Net assets without donor restrictions	2,247,381	1,512,146
Net assets with donor restrictions	12,064	12,064
Total net assets	2,259,445	1,524,210
Total liabilities and net assets	\$ 4,228,675	\$ 4,540,417

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statements of Activities and Changes in Net Assets

	For the years ended September 30,	
	<u>2021</u>	<u>2020</u>
Change in net assets without donor restrictions		
Revenue		
Government grants and contracts	\$ 7,842,267	\$ 4,659,243
Government pass-through grants and contracts	762,524	675,330
Total governmental grants and contracts	<u>8,604,791</u>	<u>5,334,573</u>
Non-government grants and contracts	580,148	203,687
Membership	528,240	555,680
Registration and exhibit	396,987	387,210
Contributions	10,000	19,608
Investment income, net	114,052	24,399
Other revenue	129,963	53,056
Gain on forgiveness of debt	538,300	-
	<u>10,902,481</u>	<u>6,578,213</u>
Net assets released from restrictions	-	348
Total support and revenue without donor restrictions	10,902,481	6,578,561
Expenses		
Program services:		
Maternal and Child Health Programs and Policy	8,717,703	5,317,334
Annual Conference	220,123	253,815
Membership, Communications and Other Programs	71,189	92,834
Legislative Activities	300,369	213,946
Total program services	<u>9,309,384</u>	<u>5,877,929</u>
Supporting services:		
Fundraising	47,219	57,495
Management and general	810,643	765,103
Total supporting services	<u>857,862</u>	<u>822,598</u>
Total expenses	<u>10,167,246</u>	<u>6,700,527</u>
Change in net assets without donor restrictions	735,235	(121,966)
Change in net assets with donor restrictions		
Contributions	-	1,890
Net assets released from restrictions	-	(348)
Change in net assets with donor restrictions	<u>-</u>	<u>1,542</u>
Change in net assets	735,235	(120,424)
Net assets, beginning of year	<u>1,524,210</u>	<u>1,644,634</u>
Net assets, end of year	<u>\$ 2,259,445</u>	<u>\$ 1,524,210</u>

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2021

	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	\$ 2,208,999	\$ 35,840	\$ 37,539	\$ 156,020	\$ 2,438,398	\$ 26,129	\$ 624,923	\$ 651,052	\$ 3,089,450	
Benefits	641,180	10,401	10,849	45,278	707,708	7,531	181,363	188,894	896,602	
Professional services	1,181,760	92,303	5,375	-	1,279,438	1,503	478,377	479,880	1,759,318	
Subgrants	3,484,484	-	-	-	3,484,484	-	-	-	3,484,484	
Rent	-	-	-	-	-	-	323,470	323,470	323,470	
Telephone	34,872	588	-	1,225	36,685	-	21,443	21,443	58,128	
Travel	15,809	17,858	-	5	33,672	-	104	104	33,776	
Meetings and conferences	67,644	42,122	-	130	109,896	-	1,133	1,133	111,029	
Depreciation and amortization	-	-	-	-	-	-	80,411	80,411	80,411	
IT licenses, fees, & maintenance	24,828	4,268	60	391	29,547	-	193,074	193,074	222,621	
Office expenses	20,418	94	-	24,215	44,727	-	27,480	27,480	72,207	
Contributions	-	-	-	500	500	-	1,205	1,205	1,705	
Miscellaneous	1,935	-	-	127	2,062	-	31,983	31,983	34,045	
Subtotal	7,681,929	203,474	53,823	227,891	8,167,117	35,163	1,964,966	2,000,129	10,167,246	
Allocation of management and general	1,035,774	16,649	17,366	72,478	1,142,267	12,056	(1,154,323)	(1,142,267)	-	
Total expenses	<u>\$ 8,717,703</u>	<u>\$ 220,123</u>	<u>\$ 71,189</u>	<u>\$ 300,369</u>	<u>\$ 9,309,384</u>	<u>\$ 47,219</u>	<u>\$ 810,643</u>	<u>\$ 857,862</u>	<u>\$ 10,167,246</u>	

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2020

	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	\$ 1,707,685	\$ 34,514	\$ 40,480	\$ 107,790	\$ 1,890,469	\$ 32,506	\$ 557,452	\$ 589,958	\$ 2,480,427
Benefits	442,215	8,957	10,500	27,920	489,592	8,400	194,103	202,503	692,095
Professional services	654,697	56,679	11,042	144	722,562	-	393,702	393,702	1,116,264
Subgrants	1,021,752	-	-	-	1,021,752	-	-	-	1,021,752
Rent	-	-	-	-	-	-	329,622	329,622	329,622
Telephone	39,657	441	212	1,597	41,907	-	23,609	23,609	65,516
Travel	324,471	55,231	-	1,565	381,267	-	(23,176)	(23,176)	358,091
Meetings and conferences	158,563	77,549	(1,500)	1,048	235,660	-	17,296	17,296	252,956
Depreciation and amortization	-	-	-	-	-	-	75,410	75,410	75,410
IT licenses, fees, & maintenance	19,792	-	11,200	199	31,191	-	157,584	157,584	188,775
Office expenses	23,872	2,324	70	22,130	48,396	-	25,307	25,307	73,703
Miscellaneous	1,393	-	30	-	1,423	-	44,493	44,493	45,916
Subtotal	4,394,097	235,695	72,034	162,393	4,864,219	40,906	1,795,402	1,836,308	6,700,527
Allocation of management and general	923,237	18,120	20,800	51,553	1,013,710	16,589	(1,030,299)	(1,013,710)	-
Total expenses	\$ 5,317,334	\$ 253,815	\$ 92,834	\$ 213,946	\$ 5,877,929	\$ 57,495	\$ 765,103	\$ 822,598	\$ 6,700,527

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statements of Cash Flows

	Years ended September 30,	
	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 735,235	\$ (120,424)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	80,411	75,410
Unrealized (gain) loss on investments	(96,377)	3,938
Gain on forgiveness of debt	(538,300)	-
(Increase) decrease in:		
Accounts and grants receivable	1,231,285	(386,131)
Prepaid expenses	(3,834)	17,015
Security deposit	9,125	(9,125)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(440,187)	10,512
Deferred revenue	(219,610)	187,185
Refundable advances	220,454	217,826
Deferred rent	(69,334)	(59,681)
Net cash provided by (used in) operating activities	908,868	(63,475)
Cash flows from investing activities		
Purchase of fixed assets	(15,000)	-
Purchase of investments	(17,759)	(29,011)
Net cash used in investing activities	(32,759)	(29,011)
Cash flows from financing activities		
PPP Loan Proceeds	-	538,300
Net cash (used in) provided by financing activities	-	538,300
Net change in cash and cash equivalents	876,109	445,814
Cash and cash equivalents, beginning of year	784,012	338,198
Cash and cash equivalents, end of year	\$ 1,660,121	\$ 784,012
Supplemental cash flow information		
Non-cash financing activities		
PPP Loan principal forgiven during the year	\$ 538,300	

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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*.

Recently adopted accounting pronouncements

FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, as amended, supersedes or replaces nearly all accounting principles generally accepted in the United States of America (GAAP) revenue recognition guidance. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized either over time or at a point in time, and expands disclosures about revenue. As of October 1, 2020 the Association has implemented ASU 2014-09 and its related amendments and has adjusted the presentation in these financial statements accordingly. The ASU has been applied using a modified retrospective basis to all periods presented, with no effect on net assets.

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 are recorded at net realizable value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

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.

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 years ended September 30, 2021 and 2020, 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 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)

Revenue recognition

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 \$534,586 and \$314,132 as of September 30, 2021 and 2020, respectively, for which qualifying expenditures have not yet been incurred and are recognized in the statements of financial position as refundable advances.

Membership:

Membership with the Association, which runs on a concurrent basis with the Association's fiscal year, has one performance obligation of member benefits. Member benefits, which include advocacy services and access to various resources, are considered one performance obligation. Member benefits are provided over the term of the membership period and accordingly membership dues revenue is recognized over that time period, which is generally one year. Payment for membership dues is due annually prior to the start of the membership period. Amounts received in advance of a given membership period for member dues are recorded as deferred revenue when received and recognized as revenue over the course of the applicable membership period. Membership dues revenue are refundable in the event of a membership cancellation. The Association has determined that a refund liability is not necessary as of September 30, 2021 and 2020.

Registration and exhibit

The Association holds various conferences during the year. The proceeds from registration and events are recognized as revenue, at the end of the month in which the meeting is held, or when goods, services, or benefits related to the conferences are provided. Amounts received in advance for conferences and meetings are recorded as deferred revenue when received and recognized as revenue when the meetings take place. In the event of a conference cancellation, refunds to attendees and sponsors are evaluated on a case by case basis.

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 statements of activities and changes in net assets. Certain categories of expenses are attributed to more than one program or supporting activity. 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. 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.

COVID-19 risks and uncertainties

The ongoing COVID-19 coronavirus pandemic (COVID-19) continues to have a global impact creating uncertainty, volatility, and disruption across economies and financial markets. The Association's operational and financial performance will depend on certain developments, including the duration and spread of COVID-19 could have a material effect on the Company's financial position in the future. The ultimate duration and impact of the COVID-19 outbreak on the Association's financial position cannot be reasonably estimated at this time.

Subsequent events

AMCHP has performed an evaluation of subsequent events through March 7, 2022, 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.

Reclassifications

Certain 2020 balances have been reclassified to conform to the 2021 presentation.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

2. Liquidity and Availability of Resources

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,660,121	\$ 784,012
Investments	1,025,826	911,690
Accounts and grants receivable	<u>920,007</u>	<u>2,151,292</u>
	3,605,954	3,846,994
Less:		
Amounts unavailable for general expenditures due to:		
Purpose restrictions	<u>(12,064)</u>	<u>(12,064)</u>
Financial assets available for general expenditures	<u>\$ 3,593,890</u>	<u>\$ 3,834,930</u>

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 the 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.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

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:

	<u>2021</u>	<u>2020</u>	<u>Level</u>
Money market funds	\$ 111,479	\$ 111,328	1
Mutual funds	914,347	800,362	1
Total investments	<u>\$ 1,025,826</u>	<u>\$ 911,690</u>	

4. Lease Commitments

AMCHP leases office space under a non-cancellable lease which expires in 2027. 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:

<u>Year Ending September 30,</u>	
2022	\$ 414,645
2023	425,040
2024	435,682
2025	446,572
2026	457,710
Thereafter	<u>469,179</u>
	<u>\$ 2,648,828</u>

Rent expense for the years ended September 30, 2021 and 2020 was \$323,470 and \$329,622, 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, 2021 and 2020, AMCHP made discretionary contributions to the plan totaling \$201,551 and \$154,182, respectively.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

6. Concentration of Revenue

Approximately 79% and 81% of AMCHP's revenue for the years ended September 30, 2021 and 2020, 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 2021. 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 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. In January 2022, AMCHP cancelled its 2022 Annual Conference that was scheduled to be held in Washington, DC. The hotel waived financial penalties in exchange for AMCHP re-booking the event in 2025 and 2026.

AMCHP is committed under agreements for conference space through fiscal year 2026. 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. Management does not have insurance for the commitments but has sufficient reserves to cover any potential liabilities.

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 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 Association elected to account for this PPP Loan in accordance with FASB ASC 470, Debt when received. On April 13, 2021 the Association received forgiveness of the PPP Loan from the Small Business Administration (SBA) and concurrently recorded a gain on loan extinguishment on the statement of activities and changes in net assets for the forgiveness of principal and accrued interest of \$538,300 for the year ended September 30, 2021.

Other Financial Information

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards

For the year ended September 30, 2021

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	\$ 21,178	\$ 1,788,205
	Maternal and Child Environmental Health Collaborative Improvement and Innovation Network	93.110	N/A	N/A	85,826	160,743
	Supporting Maternal and Child Health Innovation in States	93.110	N/A	N/A	80,671	460,162
	Partnership for State Leadership Coop. Agreement - State Public Health Coordinating Center for Autism	93.110	N/A	N/A	-	304,700
	Providing Support for the Collaborative Improvement and Innovation Network to Reduce Infant Mortality	93.110	N/A	N/A	-	166,398
	COVID-19 Maternal and Child Health Telehealth Capacity for Public Health Systems	93.110	N/A	N/A	3,021,280	3,450,065
	Bright Futures Pediatric Implementation	93.110	American Academy of Pediatrics	U04MC31627-04-00	-	19,330
	Children's Healthy Weight Collaborative Improvement and Innovation Network	93.110	Association of State and Public Health Nutritionists	6U7NMC30388-01-01	-	8,139

See accompanying notes to schedule of expenditures of federal awards.

(Continued)

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2021

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)						
	State Maternal Health Innovation Support and Implementation Program	93.110	The University of North Carolina at Chapel Hill	6 U7CM33636-02-02	\$ -	\$ 68,129
	Centering Birthing People's Voices Towards Equity and Accountability	93.110	N/A	N/A	-	28,198
	National Center for MCH Workforce Development (research and development)	93.110	University of North Carolina, Chapel Hill	5 UE7MC262820600	43,254	258,842
	Health Care Delivery System Innovations for Children with Medical Complexity	93.110	Trustees of Boston University	5 UJ6MC32737-03-00	-	67,232
	Adolescent and Young Adult Health National Resource Center	93.110	Regents of the University of California	U45MC27709-05-00	<u>1,059</u>	<u>271,302</u>
Subtotal CFDA 93.110					3,253,268	7,051,445

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2021

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	\$ -	\$ 140,030
Subtotal 93.946					-	140,030
	Supporting Healthy Start Performance Project	93.926	National Institute for Children's Health Quality	N/A	-	3,678
Subtotal 93.926					-	3,678
	Alliance Innovation on Maternal and Child Health	93.524	American College of Obstetricians and Gynecologists	5U380T000162-02	-	37,248
Subtotal 93.524					-	37,248
	Replication of the Learn the Signs. Act Early. WIC Model	93.421	Association of State and Public Health Nutritionists	NU380T000279-01-01	-	427
	Improving Performance and Capacity in Territories & States for Maternal and Child Health	93.421	N/A	N/A	200,000	706,227
	AMCHP Partnership Grant NCBDDD	93.421	N/A	N/A	-	136,133
	State-level Support for Maternal Health and Early Child Feeding	93.421	N/A	N/A	31,217	83,282
	COVID-19 Strengthening Maternal and Child Health Programs to Respond to COVID-19	93.421	N/A	N/A	-	219,711
	Increasing Public Health Preparedness capability among maternal and child health programs	93.421	N/A	N/A	-	226,610
Subtotal 93.421					231,217	1,372,390
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 3,484,485</u>	<u>\$ 8,604,791</u>

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, 2021

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, 2021. 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, 2021:

Assistance awards	\$	8,596,652
Fixed price contracts		<u>8,139</u>
Total government grants and contracts revenue	\$	<u><u>8,604,791</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, 2021 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 7, 2022.

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 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.

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

Vienna, Virginia
March 7, 2022

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 programs for the year ended September 30, 2021. The Association's major federal programs are 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 for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each 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 each of its major federal programs for the year ended September 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002. Our opinion on each major Federal program is not modified with respect to these matters.

The Association's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The Association's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

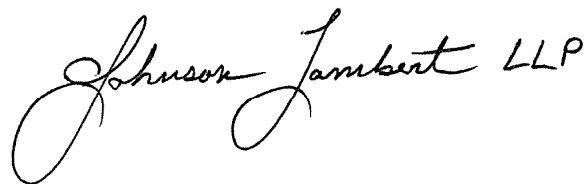
Report on Internal Control Over Compliance

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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.

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

Vienna, Virginia
March 7, 2022

Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs

Year ended September 30, 2021

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: | |

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
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421

- | | |
|---|-----------|
| 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

Year ended September 30, 2021

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

Finding 2021-001: Noncompliance over Subrecipient Monitoring

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:

In our sample of 7, The Association did not file FFATA reports for 1 subrecipient who were awarded \$25,000 or more in a timely manner.

Questioned Costs:

There were no material questioned costs identified.

Context:

For 2021, the FFATA reports not filed timely represent 14% of the subrecipient population tested that required FFATA reports to be filed.

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:

No, this is a new finding.

Recommendation:

We recommend management establish a control to identify when FFATA reporting is required and to ensure the respective reports are filed in accordance with filing requirements. 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 28-29.

Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs

Year ended September 30, 2021

Finding 2021-002: Noncompliance over Subrecipient Monitoring

Information on Federal Award: Department of Health and Human Services / Center for Disease Control and Prevention

CFDA Number: 93.421

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:

In our sample of 2, The Association did not file FFATA reports for 1 subrecipient who were awarded \$25,000 or more in a timely manner.

Questioned Costs:

There were no material questioned costs identified.

Context:

For 2021, the FFATA reports not filed timely represent 50% of the subrecipient population tested that required FFATA reports to be filed.

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:

No, this is a new finding.

Recommendation:

We recommend management establish a control to identify when FFATA reporting is needed and to ensure the respective reports are filed in accordance with filing requirements. 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 28-29.

Corrective Action Plan
Association of Maternal and Child Health Programs
Year Ending September 30, 2021

Financial Statement Findings

There were no reportable findings.

Federal Award Findings and Questioned Costs

Finding 2021-001: Noncompliance over Subrecipient Reporting

CFDA Number: 93.110

Finding: The Federal Funding Accountability and Transparency Act (“FFATA”) reports are required to be filed for subrecipients receiving direct awards in excess of \$25,000. The Association did not file FFATA reports for 1 subrecipient who was awarded \$25,000 or more in a timely manner.

Planned Corrective Action: Management plans to perform the following -

- Update the Procurement Request Form to include a more detailed checklist of the subrecipient process for FFATA
- Update the FFATA threshold to \$30,000 per government guidance at <https://www.fsrs.gov/>
- Include explicit information about:
 - the responsibilities of Subrecipient, AMCHP, the AMCHP budget manager, and the AMCHP Administrative Team in FFATA filing
 - key pre-award milestones such as the FFATA requirement start date of full execution of the subrecipient agreement, to ensure timely reporting
 - the requirement to amend FFATA reports if the amount of the subrecipient agreement is amended
- Institute two key dates and reminders monthly to ensure timely FFATA reporting:
 - On the 5th of each month, AMCHP staff will have a reminder to ensure they have all necessary paperwork to file any required FFATAs and to notify the Administrative Team of the need to file a FFATA
 - On the 15th of each month (or earlier if the 15th falls on a weekend) any eligible subrecipients from the past 30 days will be filed in FFATA.
- Updates and time-sensitivity of the FFATA filing will be incorporated into procurement training material for all AMCHP staff and for orientation and refresher training for AMCHP budget managers.
- Updated forms, including process checklists will serve as reminders of the key deadlines where FFATA is required. Updated forms will be reviewed annually as part of staff training material on procurement processes.

Person Responsible for Corrective Action: Terrance Moore, CEO and Caroline Stampfel, Chief Strategy and Program Officer

Planned Completion Date: No later than September 2022.

Finding 2021-002: Noncompliance over Subrecipient Reporting

CFDA Number: 93.421

Finding: The Federal Funding Accountability and Transparency Act (“FFATA”) reports are required to be filed for subrecipients receiving direct awards in excess of \$25,000. The Association did not file FFATA reports for 1 subrecipient who was awarded \$25,000 or more in a timely manner.

Planned Corrective Action: Management plans to perform the following –

- Update the Procurement Request Form to include a more detailed checklist of the subrecipient process for FFATA
- Update the FFATA threshold to \$30,000 per government guidance at <https://www.fsrs.gov/>
- Include explicit information about:
 - the responsibilities of Subrecipient, AMCHP, the AMCHP budget manager, and the AMCHP Administrative Team in FFATA filing
 - key pre-award milestones such as the FFATA requirement start date of full execution of the subrecipient agreement, to ensure timely reporting
 - the requirement to amend FFATA reports if the amount of the subrecipient agreement is amended
- Institute two key dates and reminders monthly to ensure timely FFATA reporting:
 - On the 5th of each month, AMCHP staff will have a reminder to ensure they have all necessary paperwork to file any required FFATAs and to notify the Administrative Team of the need to file a FFATA
 - On the 15th of each month (or earlier if the 15th falls on a weekend) any eligible subrecipients from the past 30 days will be filed in FFATA.
- Updates and time-sensitivity of the FFATA filing will be incorporated into procurement training material for all AMCHP staff and for orientation and refresher training for AMCHP budget managers.
- Updated forms, including process checklists will serve as reminders of the key deadlines where FFATA is required. Updated forms will be reviewed annually as part of staff training material on procurement processes.

Person Responsible for Corrective Action: Terrance Moore, CEO and Caroline Stampfel, Chief Strategy and Program Officer

Planned Completion Date: No later than September 2022.

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Terrance Moore

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Terrance Moore

CEO

DocuSigned by:

Caroline Stampfel

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Caroline Stampfel

Chief Strategy and Program Officer