



# **ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS**

**AUDIT REPORT**

**FINANCIAL AND FEDERAL AWARD  
COMPLIANCE EXAMINATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

# ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

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**FINANCIAL STATEMENTS**



**ASSOCIATION OF MATERNAL AND  
CHILD HEALTH PROGRAMS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2015**

# ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

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# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### INDEPENDENT AUDITOR'S REPORT

To the 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 (AMCHP), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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. 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 AMCHP as of September 30, 2016, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Report on Summarized Comparative Information

We have previously audited AMCHP's 2015 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 19, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards on pages I-(16 - 18), as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis 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.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017, on our consideration of AMCHP'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 AMCHP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AMCHP's internal control over financial reporting and compliance.



February 17, 2017

## ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

STATEMENT OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

## ASSETS

	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 35,814	\$ 303,887
Investments	910,739	1,058,930
Accounts and grants receivable	1,339,157	1,017,119
Prepaid expenses	117,003	64,983
Advances to subgrantees	<u>-</u>	<u>27,500</u>
Total current assets	<u>2,402,713</u>	<u>2,472,419</u>
<b>FIXED ASSETS</b>		
Equipment	-	286,478
Leasehold improvements	<u>4,671</u>	<u>164,312</u>
	4,671	450,790
Less: Accumulated depreciation and amortization	<u>-</u>	<u>(419,920)</u>
Net fixed assets	<u>4,671</u>	<u>30,870</u>
<b>OTHER ASSETS - Security Deposit</b>	<u>116,839</u>	<u>50,027</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,524,223</u></b>	<b><u>\$ 2,553,316</u></b>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 773,478	\$ 549,794
Deferred revenue	196,305	95,285
Refundable advances (non-governmental)	430,899	942,445
Deferred rent	<u>-</u>	<u>103,594</u>
Total current liabilities	<u>1,400,682</u>	<u>1,691,118</u>
<b>NET ASSETS - Unrestricted</b>	<u>1,123,541</u>	<u>862,198</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,524,223</u></b>	<b><u>\$ 2,553,316</u></b>

## ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	<u>Unrestricted</u>	
	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Government grants and contracts	\$ 2,239,292	\$ 2,346,915
Government pass-through grants and contracts	<u>1,456,863</u>	<u>1,477,751</u>
Total government grants and contracts	3,696,155	3,824,666
Non-government grants and contracts	1,758,764	1,365,875
Membership	472,025	401,106
Registration and exhibit	412,810	419,950
Sponsorship and contributions	41,025	-
Investment income	53,995	16,408
Other revenue	<u>10,040</u>	<u>29,935</u>
Total revenue	<u>6,444,814</u>	<u>6,057,940</u>
<b>EXPENSES</b>		
Program Services:		
Maternal and Child Health Programs and Policy	5,573,459	5,030,129
Annual Conference	355,693	317,926
Membership, Communications and Other Programs	67,119	72,620
Legislative	<u>367,661</u>	<u>340,192</u>
Total program services	<u>6,363,932</u>	<u>5,760,867</u>
Supporting Services:		
Management and General	153,599	101,519
Fundraising	<u>20,276</u>	<u>26,257</u>
Total supporting services	<u>173,875</u>	<u>127,776</u>
Total expenses	<u>6,537,807</u>	<u>5,888,643</u>
Change in unrestricted net assets before other items	<u>(92,993)</u>	<u>169,297</u>
<b>OTHER ITEMS</b>		
Insurance proceeds from cancellation of event, net of registration refunds of \$86,190	61,496	-
Lease termination incentive	<u>292,840</u>	<u>73,210</u>
Total other items	<u>354,336</u>	<u>73,210</u>
Total change in unrestricted net assets	261,343	242,507
Unrestricted net assets at beginning of year	<u>862,198</u>	<u>619,691</u>
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,123,541</u></b>	<b><u>\$ 862,198</u></b>



**ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	<b>2016</b>				
	<b>Program Services</b>				
<b>Maternal and Child Health Programs and Policy</b>	<b>Annual Conference</b>	<b>Membership, Communications and Other Programs</b>	<b>Legislative</b>	<b>Total Program Services</b>	
Salaries	\$ 1,762,427	\$ 34,367	\$ 35,784	\$ 180,584	\$ 2,013,162
Benefits	464,427	9,002	9,419	47,533	530,381
Printing and production	21,822	6,539	595	850	29,806
Professional fees	191,327	34,737	140	-	226,204
Rent	17,619	-	-	-	17,619
Insurance	-	2,671	-	-	2,671
Depreciation and amortization	-	-	-	-	-
Telephone	34,524	3,040	293	2,596	40,453
Travel	806,375	13,345	1,528	9,954	831,202
Postage and delivery	3,224	5,675	540	-	9,439
Supplies	6,185	4,517	181	349	11,232
Subscriptions and publications	3,737	-	127	21,847	25,711
Meetings and conferences	266,279	211,775	671	15,196	493,921
Bank fees	251	13,943	655	414	15,263
Equipment	1,540	-	-	-	1,540
Information technology	19,641	-	-	-	19,641
Subgrants	1,142,697	-	-	-	1,142,697
Dues to other organizations	1,584	-	99	3,750	5,433
Miscellaneous	280	-	-	-	280
Recruitment and training	3,784	-	325	-	4,109
Bad debt expense	-	-	-	-	-
Sub-total	<u>4,747,723</u>	<u>339,611</u>	<u>50,357</u>	<u>283,073</u>	<u>5,420,764</u>
Allocation of management and general	<u>825,736</u>	<u>16,082</u>	<u>16,762</u>	<u>84,588</u>	<u>943,168</u>
<b>TOTAL</b>	<b><u>\$ 5,573,459</u></b>	<b><u>\$ 355,693</u></b>	<b><u>\$ 67,119</u></b>	<b><u>\$ 367,661</u></b>	<b><u>\$ 6,363,932</u></b>

<b>2015</b>				
<b>Supporting Services</b>				
<b>Management and General</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>
\$ 327,959	\$ 11,709	\$ 339,668	\$ 2,352,830	\$ 2,290,907
86,271	3,082	89,353	619,734	621,790
2,693	-	2,693	32,499	51,182
146,039	-	146,039	372,243	365,263
256,222	-	256,222	273,841	273,158
12,092	-	12,092	14,763	10,993
30,870	-	30,870	30,870	37,721
20,526	-	20,526	60,979	90,463
8,561	-	8,561	839,763	845,116
1,636	-	1,636	11,075	11,308
10,973	-	10,973	22,205	40,360
299	-	299	26,010	24,383
7,712	-	7,712	501,633	484,699
4,306	-	4,306	19,569	16,239
16,046	-	16,046	17,586	23,139
162,875	-	162,875	182,516	167,198
-	-	-	1,142,697	522,065
1,319	-	1,319	6,752	7,398
4,763	-	4,763	5,043	3,254
690	-	690	4,799	2,007
400	-	400	400	-
1,102,252	14,791	1,117,043	6,537,807	5,888,643
(948,653)	5,485	(943,168)	-	-
<b>\$ 153,599</b>	<b>\$ 20,276</b>	<b>\$ 173,875</b>	<b>\$ 6,537,807</b>	<b>\$ 5,888,643</b>

## ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 261,343	\$ 242,507
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	30,870	37,721
Unrealized loss on investments	36,690	20,977
Realized gain on sales of investments	(27,432)	-
Bad debt expense	400	-
(Increase) decrease in:		
Accounts and grants receivable	(322,438)	(551,272)
Prepaid expenses	(52,020)	54,305
Advances to subgrantees	27,500	71,207
Security deposit	(66,812)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	223,684	309,866
Deferred revenue	101,020	10,361
Refundable advances (non-governmental)	(511,546)	(172,135)
Deferred rent	<u>(103,594)</u>	<u>(89,112)</u>
Net cash used by operating activities	<u>(402,335)</u>	<u>(65,575)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(4,671)	-
Purchase of investments	-	(31,170)
Proceeds from sales of investments	<u>138,933</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>134,262</u>	<u>(31,170)</u>
Net decrease in cash and cash equivalents	(268,073)	(96,745)
Cash and cash equivalents at beginning of year	<u>303,887</u>	<u>400,632</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 35,814</u></b>	<b><u>\$ 303,887</u></b>

# ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The Association of Maternal and Child Health Programs (AMCHP) 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 of reproductive age, 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 FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with AMCHP's financial statements for the year ended September 30, 2015, from which the summarized information was derived.

#### 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, and excluding money market funds held by investment managers in the amount of \$240,995 for the year ended September 30, 2016.

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 their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.

#### Accounts and grants receivable -

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

#### Grants and contracts -

Unrestricted and temporarily restricted grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

AMCHP receives funding under grants and contracts from the U.S. Government and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the agreements.

# ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Grants and contracts (continued) -

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Grant and contract funding received in advance of incurring the related expenses is recorded as a refundable advance.

#### 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 is recorded as expenses are incurred.

#### 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.

#### Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of AMCHP and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of AMCHP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions. As of September 30, 2016, there were no temporarily restricted net assets.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by AMCHP. As of September 30, 2016, there were no permanently restricted net assets.

#### 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.

#### Uncertain tax positions -

For the year ended September 30, 2016, AMCHP has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

# ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

#### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

#### Investment risks and uncertainties -

AMCHP invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

#### Fair value measurement -

AMCHP adopted 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.

### 2. INVESTMENTS

Investments consisted of the following at September 30, 2016:

	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 240,995	\$ 240,995
Equity and real estate mutual funds	224,445	239,481
Fixed income mutual funds	314,674	315,472
Other (mixed mutual fund)	22,899	23,194
Managed futures	<u>93,000</u>	<u>91,597</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 896,013</u></b>	<b><u>\$ 910,739</u></b>

**ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**2. INVESTMENTS (Continued)**

Included in investment income are the following September 30, 2016:

Interest and dividends	\$ 63,253
Unrealized loss	(36,690)
Realized gain on sales	<u>27,432</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 53,995</u></b>

**3. LEASE COMMITMENTS**

On September 14, 2014, AMCHP entered into an agreement with Tishman Speyer (building-purchaser) to accelerate its current lease expiration date from June 30, 2018 to September 30, 2016. The purchaser agreed to pay AMCHP an initial lease termination incentive payment of \$73,210 and an acceleration payment of \$292,840. The initial payment was received and included in the 2015 Statement of Activities and Change in Net Assets. The acceleration payment was contingent upon successful completion of a sale of the building to the purchaser on September 30, 2016, and was recorded in the Statement of Activities and Change in Net Assets during the current year. An adjustment was made to the deferred rent, leasehold and tenant improvement as of September 30, 2015 to reflect the new lease expiration date of September 30, 2016.

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.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be 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 will be recorded as a deferred rent liability in the Statement of Financial Position.

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

**Year Ending September 30,**

2017	\$ 358,875
2018	367,868
2019	377,025
2020	386,430
2021	396,083
Thereafter	<u>2,648,828</u>
	<b><u>\$ 4,535,109</u></b>

Rent expense for the year ended September 30, 2016 was \$273,841.

**4. RETIREMENT PLAN**

AMCHP provides retirement benefits to its employees through a 403(b) defined contribution plan covering all full-time employees. During the year ended September 30, 2016, AMCHP made discretionary contributions to the plan totaling \$127,315.

## ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2016

#### 5. CONCENTRATION OF REVENUE

Approximately 57% of AMCHP's revenue for the year ended September 30, 2016 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.

#### 6. CONTINGENCY

AMCHP receives grants from various agencies of the United States Government. For fiscal years through September 30, 2015, such grants were subject to audit under the provisions of OMB Circular A-133. Beginning for fiscal year ended September 30, 2016, 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 2016. 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.

#### 7. COMMITMENTS

AMCHP is committed under agreements for conference space through fiscal year 2017. 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.

#### 8. FAIR VALUE MEASUREMENT

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

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

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

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



**ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**8. FAIR VALUE MEASUREMENT (Continued)**

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

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at September 30, 2016.

- *Money market funds* - Fair value is equal to the reported net asset value of the fund.
- *Equity and real estate mutual funds* - The fair value is equal to the reported net asset value of the related equity and/or real estate fund, which is the price at which additional shares can be obtained.
- *Fixed income mutual funds* - The fair value is equal to the reported net asset value of the related fund, which is the price at which additional shares can be obtained.
- *Managed futures* - The fair value is based on the daily net asset value as reported by the managing member of the Berkeley Quantitative Colorado Fund LLC. The reported net asset value represents fair value based on observable data such as ongoing redemption and/or subscription activity.

The table below summarizes, by level within the fair value hierarchy, AMCHP's investments as of September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total September 30, 2016</u>
<b>Asset Class:</b>				
Money market funds	\$ 240,995	\$ -	\$ -	\$ 240,995
Equity and real estate mutual funds	239,481	-	-	239,481
Fixed income mutual funds	315,472	-	-	315,472
Other (mixed mutual fund)	23,194	-	-	23,194
Managed futures	<u>-</u>	<u>91,597</u>	<u>-</u>	<u>91,597</u>
<b>TOTAL</b>	<b><u>\$ 819,142</u></b>	<b><u>\$ 91,597</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 910,739</u></b>

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, AMCHP has evaluated events and transactions for potential recognition or disclosure through February 17, 2017, the date the financial statements were issued.

**SUPPLEMENTAL INFORMATION**

ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
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	\$ 30,711	\$ 1,030,539
	Alliance for Innovation on Maternal and Child Health	93.110	N/A	N/A	-	350,888
	Partnership for State Leadership Cooperative Agreement	93.110	N/A	N/A	-	236,856
	MCH Advanced Education Policy	93.110	Johns Hopkins University	2002590828	-	50,781
	Collaborative Improvement and Innovation Network to Reduce Infant Mortality	93.110	National Institute for Children's Health Quality	RFA-13-282	-	110,676
	UCD New Steps	93.110	University of Colorado	FY16.368.004	-	8,733
	Perinatal Oral Health Quality Improvement PIOHQI Learning Network	93.110	Children's Dental Health Project	NONE	-	70,544
	Adolescent and Young Adult Health National Resource Center	93.110	Regents of the University of California	8392SC	60,083	348,547
	National Center for MCH Workforce Development	93.110	University of North Carolina, Chapel Hill	5102022	<u>107,794</u>	<u>588,148</u>
	<b>Subtotal CFDA 93.110</b>				<b><u>198,588</u></b>	<b><u>2,795,712</u></b>
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	-	29,056

ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Department of Health and Human Services/ Center for Disease Control and Prevention (Continued):</b>						
	Maternal and Child Health Epidemiology National and State Coalition Capacity Building to Improve Outcomes	93.946	N/A	N/A	\$ 46,649	\$ 553,106
	Maternal and Child Health Epidemiology National and State Coalition Capacity Building to Improve Outcomes	93.946	N/A	N/A	-	38,846
<b>Subtotal 93.946</b>					<b>46,649</b>	<b>621,008</b>
	PPHF 2013: OSTLTS Partnership-CBA of the Public Health System	93.292	Association of University Centers on Disabilities	1U38OT000140-01	71,240	90,233
	Building Capacity of the Public Health System to Improve Population Health through National Non-profit Orgs	93.424	American College of Obstetricians and Gynecologists	5U38OT000162-02	-	50,390
	Building Capacity in Maternal and Child Health (MCH) Epidemiology	93.424	Council of State and Territorial Epidemiologists	1U38 OT000143-03	48,893	69,365
	MOD-NBS Coplan	93.424	March of Dimes Foundation	1U38OT000199-03	-	34,607
<b>Subtotal 93.424</b>					<b>48,893</b>	<b>154,362</b>
	Building Capacity of the Public Health System to Improve Population Health Through National Non-profit Orgs	93.524	National Association of County and City Health Officials	2015-112402	-	4,778
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<b>\$ 365,370</b>	<b>\$ 3,666,093</b>

ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

**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, 2016. 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 *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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 September 30, 2016:

Assistance awards	\$ 3,666,093
Fixed price contracts	<u>30,062</u>
<b>TOTAL GOVERNMENT GRANTS AND CONTRACTS REVENUE</b>	<b><u>\$ 3,696,155</u></b>

ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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(es) identified?  Yes  No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported
- 3). Noncompliance material to financial statements noted?  Yes  No

Federal Awards

- 4). Internal control over major program:
- Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported
- 5). Type of auditor's report issued on compliance for major program: **Unmodified**
- 6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

7). Identification of major program:

<u>Federal Granting Agency and Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<b>Department of Health and Human Services / Health Resources and Services Administration:</b>		
Maternal and Child Health Federal Consolidated Programs	93.110	\$ 2,795,712

- 8). Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- 9). Auditee qualified as a low-risk auditee?  Yes  No

**ASSOCIATION OF MATERNAL AND CHILD HEALTH PROGRAMS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**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.

# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### 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

#### Independent Auditor's Report

To the 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 (AMCHP) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise AMCHP's basic financial statements, and have issued our report thereon dated February 17, 2017.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered AMCHP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AMCHP's internal control. Accordingly, we do not express an opinion on the effectiveness of AMCHP'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 AMCHP'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.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION



## **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

February 17, 2017

# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

#### Independent Auditor's Report

To the 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's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of AMCHP's major federal programs for the year ended September 30, 2016. AMCHP'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 the 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 AMCHP'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 AMCHP'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 AMCHP's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, AMCHP 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, 2016.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Report on Internal Control Over Compliance

Management of AMCHP 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 AMCHP'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 AMCHP'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.



February 17, 2017