

Association of Maternal and Child Health Programs

Audited Financial Statements
Other Financial Information and
Uniform Guidance Supplemental Reports

*Years ended September 30, 2017 and 2016
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, 2017 and 2016

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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 statement of financial position as of September 30, 2017 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 *Governmental Auditing Standards*, issued by the Comptroller of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association of Maternal and Child Health Programs as of September 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - 2016 Financial Statements

The financial statements of the Association of Maternal and Child Health Programs as of and for the year ended September 30, 2016, were audited by another auditor whose report dated February 17, 2017 expressed an unmodified opinion on those statements and included an other matter paragraph that described the purpose of the supplemental information included in the report.

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 16 - 17 is presented for purposes of additional analysis as required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018, 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
January 30, 2018

Association of Maternal and Child Health Programs

Statements of Financial Position

	September 30,	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 158,756	\$ 35,814
Investments	954,299	910,739
Accounts and grants receivable	837,724	1,339,157
Prepaid expenses	110,933	117,003
Total current assets	2,061,712	2,402,713
Noncurrent assets:		
Property and equipment		
Furniture & fixtures	125,901	-
Leasehold improvements	631,673	4,671
Total property and equipment	757,574	4,671
Less accumulated depreciation and amortization	(74,199)	-
Total property and equipment, net	683,375	4,671
Other assets - security deposit	66,813	116,839
Total noncurrent assets	750,188	121,510
Total assets	\$ 2,811,900	\$ 2,524,223
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 482,953	\$ 773,478
Deferred dues and meetings	181,035	430,899
Deferred revenue - other	16,043	196,305
Total current liabilities	680,031	1,400,682
Noncurrent liabilities:		
Deferred rent	724,811	-
Total noncurrent liabilities	724,811	-
Total liabilities	1,404,842	1,400,682
Net assets:		
Unrestricted net assets	1,407,058	1,123,541
Total liabilities and net assets	\$ 2,811,900	\$ 2,524,223

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statements of Activities and Change in Net Assets

	Years ended September 30,	
	2017	2016
Revenue		
Government grants and contracts	\$ 2,892,120	\$ 2,239,291
Government pass-through grants and contracts	1,540,318	1,456,863
Total governmental grants and contracts	4,432,438	3,696,154
Non-government grants and contracts	1,023,018	1,758,764
Membership	523,385	472,025
Registration and exhibit	467,900	412,810
Sponsorship and contributions	17,175	40,575
Investment income, net	43,566	52,035
Other revenue	23,665	10,490
Total revenue	6,531,147	6,442,853
Expenses		
Program services:		
Maternal and Child Health Programs and Policy	5,417,747	5,573,459
Annual Conference	234,572	355,693
Membership, Communications and Other Programs	78,200	67,119
Legislative Activities	289,207	367,661
Total program services	6,019,726	6,363,932
Supporting services:		
Fundraising	31,593	20,276
Management and general	196,311	151,638
Total supporting services	227,904	171,914
Total expenses	6,247,630	6,535,846
Change in unrestricted net assets before non-operating items	283,517	(92,993)
Non-operating items		
Insurance proceeds from cancellation of event, net of registration refunds of \$86,190	-	61,496
Lease termination incentive	-	292,840
Total non-operating items	-	354,336
Net change in unrestricted net assets	283,517	261,343
Unrestricted net assets, beginning of year	1,123,541	862,198
Unrestricted net assets, end of year	\$ 1,407,058	\$ 1,123,541

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2017

	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	\$ 1,690,894	\$ 40,553	\$ 38,493	\$ 138,336	\$ 1,908,276	\$ 16,780	\$ 411,771	\$ 428,551	\$ 2,336,827
Benefits	469,867	11,290	10,717	38,514	530,388	4,672	114,642	119,314	649,702
Professional services	695,037	39,683	-	377	735,097	-	86,744	86,744	821,841
Subgrants	556,335	-	-	-	556,335	-	-	-	556,335
Office supplies	5,397	204	72	68	5,741	-	13,294	13,294	19,035
Equipment	-	-	-	-	-	-	13,117	13,117	13,117
Rent	7,409	-	-	-	7,409	-	323,372	323,372	330,781
Telephone	62,102	482	1,117	10,371	74,072	195	6,997	7,192	81,264
Postage and delivery	2,326	3,629	510	-	6,465	-	1,771	1,771	8,236
Printing and production	11,430	3,824	2	1	15,257	4	355	359	15,616
Subscriptions and publications	10,599	-	174	17,024	27,797	-	108	108	27,905
Dues to other organizations	268	-	-	3,750	4,018	-	1,006	1,006	5,024
Travel	651,019	7,642	-	3,616	662,277	-	8,524	8,524	670,801
Meetings and conference	282,674	89,456	28	1,490	373,648	795	17,493	18,288	391,936
Depreciation and amortization	-	-	-	-	-	-	74,199	74,199	74,199
Insurance	-	1,821	-	-	1,821	-	7,156	7,156	8,977
Training	3,093	-	-	-	3,093	-	2,243	2,243	5,336
Information technology	23,721	466	5,600	-	29,787	-	182,598	182,598	212,385
Miscellaneous	-	13,416	504	250	14,170	-	4,143	4,143	18,313
Subtotal	4,472,171	212,466	57,217	213,797	4,955,651	22,446	1,269,533	1,291,979	6,247,630
Allocation of management and general	945,576	22,106	20,983	75,410	1,064,075	9,147	(1,073,222)	(1,064,075)	-
Total expenses	\$ 5,417,747	\$ 234,572	\$ 78,200	\$ 289,207	\$ 6,019,726	\$ 31,593	\$ 196,311	\$ 227,904	\$ 6,247,630

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statement of Functional Expenses

Year ended September 30, 2016

	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	\$ 1,762,427	\$ 34,367	\$ 35,784	\$ 180,584	\$ 2,013,162	\$ 11,709	\$ 327,959	\$ 339,668	\$ 2,352,830
Benefits	464,427	9,002	9,419	47,533	530,381	3,082	86,271	89,353	619,734
Professional services	275,038	112,545	140	-	387,723	-	146,039	146,039	533,762
Subgrants	1,142,697	-	-	-	1,142,697	-	-	-	1,142,697
Office supplies	6,185	4,517	181	349	11,232	-	10,973	10,973	22,205
Equipment	1,540	-	-	-	1,540	-	16,046	16,046	17,586
Rent	17,619	-	-	-	17,619	-	256,222	256,222	273,841
Telephone	34,524	3,040	293	2,596	40,453	-	20,526	20,526	60,979
Postage and delivery	3,224	5,675	540	-	9,439	-	1,636	1,636	11,075
Printing and production	21,822	6,539	595	850	29,806	-	2,693	2,693	32,499
Subscriptions and publications	3,737	-	127	21,847	25,711	-	299	299	26,010
Dues to other organizations	1,584	-	99	3,750	5,433	-	1,319	1,319	6,752
Travel	806,375	13,345	1,528	9,954	831,202	-	8,561	8,561	839,763
Meetings and conferences	182,568	133,967	671	15,196	332,402	-	7,712	7,712	340,114
Depreciation and amortization	-	-	-	-	-	-	30,870	30,870	30,870
Insurance	-	2,671	-	-	2,671	-	12,092	12,092	14,763
Information technology	19,641	-	-	-	19,641	-	162,875	162,875	182,516
Miscellaneous	4,315	13,943	980	414	19,652	-	8,198	8,198	27,850
Subtotal	4,747,723	339,611	50,357	283,073	5,420,764	14,791	1,100,291	1,115,082	6,535,846
Allocation of management and general	825,736	16,082	16,762	84,588	943,168	5,485	(948,653)	(943,168)	-
Total expenses	<u>\$ 5,573,459</u>	<u>\$ 355,693</u>	<u>\$ 67,119</u>	<u>\$ 367,661</u>	<u>\$ 6,363,932</u>	<u>\$ 20,276</u>	<u>\$ 151,638</u>	<u>\$ 171,914</u>	<u>\$ 6,535,846</u>

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Statements of Cash Flows

	Years ended September 30,	
	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 283,517	\$ 261,343
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	74,199	30,870
Unrealized (gain) loss on investments	(29,895)	36,690
Realized gain on sales of investments	(117)	(27,432)
Bad debt expense	-	400
 (Increase) decrease in:		
Accounts and grants receivable	501,433	(322,438)
Prepaid expenses	6,070	(52,020)
Advances to subgrantees	-	27,500
Security deposit	50,026	(66,812)
 Increase (decrease) in:		
Accounts payable and accrued liabilities	(290,526)	223,684
Deferred revenue	(430,126)	(410,526)
Deferred rent	147,311	(103,594)
Net cash provided by (used in) operating activities	311,892	(402,335)
 Cash flows from investing activities		
Purchase of fixed assets	(175,403)	(4,671)
Purchase of investments	(121,225)	-
Proceeds from sales of investments	107,678	138,933
Net cash (used in) provided by investing activities	(188,950)	134,262
 Net change in cash and cash equivalents	122,942	(268,073)
 Cash and cash equivalents, beginning of year	35,814	303,887
 Cash and cash equivalents, end of year	\$ 158,756	\$ 35,814
 Supplemental cash flow information		
Deferred rent - noncash portion	\$ 577,500	\$ -
Noncash additions of fixed assets	\$ 577,500	\$ -

See accompanying notes to the financial statements.

Association of Maternal and Child Health Programs

Notes to Financial Statements

Years ended September 30, 2017 and 2016

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 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 Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents

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

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

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses, net are included in investment income, net in the statements 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

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

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

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

Fixed assets

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

Deferred revenue

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

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 statements of activities and change in net assets as net assets released from restrictions. As of September 30, 2017 and 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, 2017 and 2016, there were no permanently restricted net assets.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

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

Income taxes

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

For the year ended September 30, 2017, AMCHP has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Use of estimates

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

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 change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These costs have been allocated based on employee salaries and other reasonable methodologies.

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.

Reclassifications

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.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

2. Investments and Fair Value Measurement

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

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

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

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

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

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, 2017.

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

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>2017</u>	<u>2016</u>	<u>Level</u>
Money market funds	\$ 179,208	\$ 240,997	1
Mutual funds	<u>775,091</u>	<u>669,742</u>	1
Total investments	<u><u>\$ 954,299</u></u>	<u><u>\$ 910,739</u></u>	

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

2. Investments and Fair Value Measurement (Continued)

Included in investment income are the following for the year ended September 30, 2017:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 21,221	\$ 63,253
Unrealized gain (loss)	29,895	(36,690)
Realized gain on sales	117	27,432
Investment fees	<u>(7,667)</u>	<u>(1,960)</u>
Investment income, net	<u>\$ 43,566</u>	<u>\$ 52,035</u>

3. Lease Commitments

On September 14, 2014, AMCHP entered into an agreement with Tishman Speyer (building purchaser) to accelerate its 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 statements 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 statements of activities and change in net assets during 2016. 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.

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.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

3. Lease Commitments (Continued)

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

<u>Year Ending September 30,</u>	
2018	\$ 183,934
2019	377,025
2020	386,430
2021	396,082
2022	414,645
Thereafter	<u>2,234,183</u>
	<u>\$ 3,992,299</u>

Rent expense for the years ended September 30, 2017 and 2016 was \$330,781 and \$273,841, respectively.

4. 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, 2017 and 2016, AMCHP made discretionary contributions to the plan totaling \$185,643 and \$127,315, respectively.

5. Concentration of Revenue

Approximately 68% and 57% of AMCHP's revenue for the years ended September 30, 2017 and 2016, 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.

Association of Maternal and Child Health Programs

Notes to Financial Statements (Continued)

6. 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 2017. 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 2018. 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. Line of Credit

Effective April 14, 2016, AMCHP obtained a line of credit in the amount of \$60,000 from a banking institution. The line of credit has an interest rate of the U.S. Prime Rate + 6.75%. There were no balances outstanding on the line of credit as of September 30, 2017 and 2016 and no drawdowns during the years then ended.

9. Subsequent Events

In preparing these financial statements, AMCHP has evaluated events and transactions for potential recognition or disclosure through January 30, 2018, the date the financial statements were issued.

Other Financial Information

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards

Year ended September 30, 2017

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	\$ 62,232	\$ 1,560,690
	Alliance for Innovation on Maternal and Child Health	93.110	N/A	N/A	-	435,271
	Partnership for State Leadership Cooperative Agreement	93.110	N/A	N/A	-	265,691
	MCH Advanced Education Policy	93.110	Johns Hopkins University	2002590828	-	42,674
	Collaborative Improvement and Innovation Network to Reduce Infant Mortality	93.110	National Institute for Children's Health Quality	RFA-13-282	-	219,982
	Improving Timeliness of Newborn Screening Diagnosis	93.110	University of Colorado	FY17.368.004_AMD	-	7,790
	Perinatal and Infant Oral Health Quality Improvement PIOHQI Learning Network	93.110	Children's Dental Health Project	NONE	-	58,536
	Adolescent and Young Adult Health National Resource Center	93.110	Regents of the University of California	83925C	15,538	565,311
	National Center for MCH Workforce Development (research and development)	93.110	University of North Carolina, Chapel Hill	5105333	36,545	251,954
	Maternal and Child Environment Health Collaborative Improvement and Innovation Network	93.110	N/A	N/A	-	9,186
	Partnership for State Leadership Coop. Agreement - State Public Health Coordinating Center for Autism	93.110	N/A	N/A	-	3,280
	Support for the Collaborative Improvement and Innovation Network to Reduce Infant Mortality	93.110	N/A	N/A	-	174
	Children's Healthy Weight Collaborative Improvement and Innovation Network	93.110	Association of State Public Health Nutritionists	6U7NMC30388-01-01	-	37,919
	Early Childhood Comprehensive Systems Collaborative Improvement	93.110	National Institute for Children's Health Quality	NONE	-	10,447
	Subtotal CFDA 93.110				114,315	3,468,905

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

Association of Maternal and Child Health Programs

Schedule of Expenditures of Federal Awards (Continued)

For the year ended September 30, 2017

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	\$ -	\$ 476,133
	Maternal and Child Health Epidemiology National and State Coalition Capacity Building to Improve Outcomes	93.946	N/A	N/A	-	<u>141,696</u>
Subtotal 93.946					-	617,829
	OSTLTS Partnership-CBA of the Public Health System	93.424	Association of University Centers on Disabilities	6NU380T000140-04-02	110,619	136,926
	State Capacity Building for Zika Virus Disease Control	93.424	Association of State and Territorial Health Officials	64-10764	-	145,997
	Zika Communication Improvement	93.424	March of Dimes Foundation	5U380T000199-05-00	-	7,945
	Newborn Screening Contingency Plan	93.424	March of Dimes Foundation	1U380T000199-03	-	<u>13,032</u>
Subtotal 93.424					110,619	303,900
	Alliance for Innovation on Maternal and Child Health	93.524	American College of Obstetricians and Gynecologists	5U380T000162-02	-	<u>41,804</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 224,934</u>	<u>\$ 4,432,438</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, 2017

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, 2017. 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 for the year ended September 30, 2017:

Assistance awards	\$	4,335,983
Fixed price contracts		<u>96,455</u>
Total government grants and contracts revenue	\$	<u><u>4,432,438</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, 2017 and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 30, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Vienna, Virginia
January 30, 2018

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's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended September 30, 2017. The Association's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

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

Vienna, Virginia
January 30, 2018

Association of Maternal and Child Health Programs

Schedule of Findings and Questioned Costs

Year ended September 30, 2017

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? | 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)? | No |
| 7). Identification of major program: | |

<u>Federal Granting Agency and Program Title</u>	<u>CFDA Number</u>
Department of Health and Human Services / Health Resources and Services Administration:	
Maternal and Child Health Federal Consolidated Programs	93.110

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

Section II - Financial Statement Findings

There were no reportable findings.

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

There were no reportable findings.