

**MASSACHUSETTS ASSOCIATION OF
HEALTH BOARDS, INC.**

**FINANCIAL STATEMENTS
AND SINGLE AUDIT REPORTS**

YEARS ENDED JUNE 30, 2020 and 2019

MASSACHUSETTS ASSOCIATION OF HEALTH BOARDS, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 and 2019

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	3
FINANCIAL STATEMENTS	
Statements of Financial Position	7
Statements of Activities	8
Statements of Functional Expenses	9
Statements of Cash Flows	10
Notes to Financial Statements	11
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	16
Notes to Schedule of Expenditures of Federal Awards	17
SINGLE AUDIT SECTION	
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	19
Independent auditor's report on compliance for each major program and on internal control over compliance in accordance with the Uniform Guidance	21
Schedule of Findings and Questioned Costs	23

Financial Section

This page left intentionally blank.



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

To the Board of Directors
Massachusetts Association of Health Boards, Inc.

We have audited the accompanying financial statements of the Massachusetts Association of Health Boards, Inc. ("MAHB"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 principles used and the reasonableness of significant 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 Massachusetts Association of Health Boards, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other 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, 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 March 25, 2021 on our consideration of MAHB'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* in considering MAHB's internal control over financial reporting and compliance.



March 25, 2021

Financial Statements

This page left intentionally blank.

STATEMENT OF FINANCIAL POSITION

JUNE 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 629,001	\$ 228,036
Grant receivables.....	113,186	90,513
Prepaid expenses and other current assets.....	<u>4,241</u>	<u>12,192</u>
TOTAL ASSETS.....	<u>\$ 746,428</u>	<u>\$ 330,741</u>
LIABILITIES		
CURRENT:		
Accounts payable and accrued expenses.....	\$ 71,846	\$ 49,423
Grant advances.....	<u>44,184</u>	<u>51,926</u>
TOTAL LIABILITIES.....	<u>116,030</u>	<u>101,349</u>
NET ASSETS		
Without donor restrictions.....	<u>630,398</u>	<u>229,392</u>
TOTAL LIABILITIES AND NET ASSETS.....	<u>\$ 746,428</u>	<u>\$ 330,741</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
REVENUE:		
Federal grants.....	\$ 1,396,585	\$ 1,321,299
Other state grants and contracts.....	305,872	366,734
State department of public health COVID -19 grants.....	1,090,000	-
Membership dues and assessments.....	33,913	27,555
Other revenue.....	9,600	8,795
	<u>2,835,970</u>	<u>1,724,383</u>
EXPENSES:		
Program expenses.....	2,249,435	1,559,373
General and administrative expense.....	185,529	150,479
	<u>2,434,964</u>	<u>1,709,852</u>
CHANGE IN NET ASSETS.....	<u>401,006</u>	<u>14,531</u>
NET ASSETS AT BEGINNING OF YEAR.....	<u>229,392</u>	<u>214,861</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 630,398</u>	<u>\$ 229,392</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30,

	2020	2019
<u>Program Expenses:</u>		
Salaries and wages.....	\$ 285,134	\$ 279,703
Employee benefits.....	27,716	19,635
Payroll taxes.....	22,665	22,870
Office.....	45,086	9,226
Rent.....	17,520	9,360
Contract services.....	155,801	158,896
Certification and other training.....	24,176	16,397
Legal and accounting.....	21,496	15,987
Grants to communities.....	761,577	982,110
COVID-19 grants to communities.....	736,677	-
Other COVID-19 expense.....	113,285	-
Conferences.....	38,302	45,189
	<u>2,249,435</u>	<u>1,559,373</u>
<u>General and Administrative Expenses:</u>		
Salaries and wages.....	122,200	119,873
Employee benefits.....	11,878	8,415
Payroll taxes.....	9,714	9,801
Office.....	30,057	6,150
Rent.....	11,680	6,240
	<u>185,529</u>	<u>150,479</u>
	<u>2,434,964</u>	<u>1,709,852</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ 401,006	\$ 14,531
Adjustments to reconcile change in net assets to net cash		
Changes in assets and liabilities:		
Decrease (increase) in grant receivables.....	(22,673)	(36,661)
Decrease (increase) in prepaid expenses and other current assets.....	7,951	(2,037)
Increase (decrease) in accounts payable and accrued expenses.....	22,423	42,872
Increase (decrease) in grant advances.....	(7,742)	(67,074)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	400,965	(48,369)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	228,036	276,405
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 629,001	\$ 228,036

See notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Massachusetts Association of Health Boards, Inc. (MAHB) is presented to assist in understanding MAHB's financial statements. The financial statements and notes are representations of the MAHB's management who is responsible for their integrity and objectivity.

Organization

MAHB was established and incorporated as a non-profit organization under the laws of the Commonwealth of Massachusetts in 1982. MAHB provides a central source of information and education for Boards of Health primarily in Bristol and Plymouth counties of Massachusetts. Its membership is comprised of health boards and commissions and their representatives. Membership without voting privileges is also available to other businesses, professionals, and individuals.

Basis of Presentation

MAHB's policy is to prepare its financial statements in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 *Not-for-Profit Organizations (FASB ASC 958-205)*, as updated by FASB Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, on an accrual basis of accounting which recognizes revenue when earned rather than when received and records expenses when incurred rather than when paid. Under ASC 958, MAHB is required to report information regarding its financial position and activities based on two classes of net assets as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions or limits as to their use.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations in which only the earnings can be used to fund various programs.

Tax Status

MAHB is a tax-exempt organization under the Internal Revenue Code Section 501(c) (3) and, therefore, has no provision for Federal or state income taxes.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, MAHB considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents.

Fair Value Measurements

MAHB reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the MAHB to classify these financial instruments into a three-level hierarchy,

based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and are based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

At June 30, 2020 and 2019, the MAHB had no financial instruments valued using fair value standards.

Property and Equipment

MAHB capitalizes the costs of office furnishings and equipment with expected useful lives greater than one year. This policy relates to individual purchases in excess of \$5,000 and these are valued at historical cost. Depreciation is provided using the straight-line method for financial reporting purposes at rates based on estimated useful lives approximating 5 years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized and are treated as expenses when incurred.

Advertising

Advertising costs are expensed as incurred. There were no advertising expenses incurred for the years ended June 30, 2020 or 2019.

Fundraising

There were no fundraising expenses incurred during the years ended June 30, 2020 or 2019.

Reclassifications

Certain amounts reported in 2019 have been reclassified to compare with the presentations in 2020 without any changes to net assets.

Subsequent Events

MAHB has evaluated subsequent events through March 25, 2021, the date the financial statements were available to be issued.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2020, the carrying amount of deposits totaled \$629,001, and the bank balance totaled \$676,886. The entire bank balance was covered by Federal Depository Insurance.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for expenditure within one year consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents.....	\$ 629,001	\$ 228,036
Grant receivables.....	<u>113,186</u>	<u>90,513</u>
Total.....	<u>\$ 742,187</u>	<u>\$ 318,549</u>

NOTE 4 – GRANT RECEIVABLE

Grants receivable are deemed to be fully collectible and are comprised of the following amounts due at June 30:

<u>Grants</u>	<u>2020</u>	<u>2019</u>
Commonwealth of Massachusetts, Department of Public Health.....	<u>\$ 113,186</u>	<u>\$ 90,513</u>

NOTE 5 – CONCENTRATIONS OF CREDIT RISK

MAHB derives approximately 95% of its revenues from the Massachusetts Department of Public Health in the form of grants.

MAHB believes that it has no significant concentration of credit risk outside of its basis of origin as described in Note 1.

NOTE 6 – OFFICE LEASE

As of December 1, 2019, MAHB entered into an Agreement to lease office space, along with other shared services including utilities, telephone and internet services, and other administrative services as needed, in Wellesley Hills, Massachusetts. The current Agreement covers the period of December 1, 2019 to April 30, 2022 with monthly minimum rents due in the amount of \$1,100 per month. Rent expense under this Agreement amounted to \$7,700 for the year ending June 30, 2020. MAHB also provided a security deposit of \$1,100 at the

inception of the lease.

NOTE 7 – CONTINGENCIES

MAHB participates in a number of federal award programs. Although MAHB's programs have been audited in accordance with the provisions of the Uniform Guidance, these programs are still subject to financial and compliance audits. The amounts, if any, of expenditures or overhead allowances which may be disallowed or changed by the granting agencies cannot be determined at this time, although MAHB expects such amounts, if any, to be immaterial.

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one supporting function. Therefore, expenses require allocation on a reasonable and consistent basis that is consistently applied. The expenses that are allocated are certain salaries and wages along with the related employee benefits, as well as office expenses and rent. The allocations are based on estimates of time, effort, and usage.

NOTE 9 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses.

The Commonwealth of Massachusetts Department of Public Health awarded MAHB \$800,000, from the Public Health Trust Fund, to distribute funds efficiently and equitably to the 51 Towns and 2 Tribes assigned to the MAHB affiliates group. Steps were taken to apply risk assessments to each municipality to determine the amount of the award based upon a number of demographic and economic factors that could support an equitable distribution. Towns would receive a minimum award of \$3,500 regardless of population size and other influencing equity covariates.

The Commonwealth of Massachusetts also awarded MAHB \$250,000 for Statewide Capacity Building Services. These funds were used to provide a variety of public health services to local board of health departments when dealing with the COVID-19 pandemic.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

Supplementary Information

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Passed through to Subrecipients</u>	<u>Expenditures</u>
PASS THROUGH PROGRAMS:				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed through the Massachusetts Department of Public Health:</u>				
Public Health Emergency Preparedness.....	93.069	INTF6208PP1161326146	\$ -	\$ 679,188
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund.....	93.733	INTF2900M04500824134	-	34,500
National Bioterrorism Hospital Preparedness Program.....	93.889	INTF6208PP1161326146	-	450,211
Preventive Health and Health Services Block Grant.....	93.991	INTF1200PP1W17060032	-	30,000
Preventive Health and Health Services Block Grant.....	93.991	INTF1200M04500824029	-	50,000
Total Preventive Health and Health Services Block Grant.....			-	80,000
TOTAL.....			\$ -	\$ 1,243,899

See notes to schedule of expenditures of federal awards.

Note A – Definition of Reporting Entity

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

Note B – Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Massachusetts Association of health Boards, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Single Audit Section



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

INDEPENDENT AUDITOR'S 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

To Board of Directors
Massachusetts Association of Health Boards, Inc.

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 Massachusetts Association of Health Boards, Inc. (MAHB), a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MAHB'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 MAHB's internal control. Accordingly, we do not express an opinion on the effectiveness of the MAHB'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 MAHB's financial statements are free of 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Pomeroy & Sullivan, LLC".

March 25, 2021



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To Board of Directors
Massachusetts Association of Health Boards, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Massachusetts Association of Health Boards, Inc. (MAHB) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of MAHB's major federal programs for the year ended June 30, 2020. MAHB'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 requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of MAHB'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; are 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). 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 MAHB'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 on MAHB's compliance.

Opinion on Each Major Federal Program

In our opinion, MAHB 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 June 30, 2020.

Report on Internal Control Over Compliance

Management of MAHB 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 MAHB'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 MAHB'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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily 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.

This 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.



March 25, 2021

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Massachusetts Association of Health Boards, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of the Massachusetts Association of Health Boards, Inc., were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Massachusetts Association of Health Boards, Inc., expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for the Massachusetts Association of Health Boards, Inc.
7. The Public Health Emergency Preparedness program (CFDA 93.069) was tested as a major grant.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Massachusetts Association of Health Boards, Inc. was determined to be a low-risk auditee.

B. Findings-Financial Statements Audit

None

C. Findings and Questioned Costs-Major Federal Award Programs

None

D. Summary Schedule of Prior Audit Findings

None