



PROMOVIENDO VIDAS SALUDABLES

# MHP, INC. PROMOVIENDO VIDAS SALUDABLES

AUDITED ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

SCHRIVER | CARMONA | CARRERA P.L.L.C.  
*Certified Public Accountants*

**MHP, INC. PROMOVRIENDO VIDAS SALUDABLES**

**AUDITED FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Board of Directors**

Fabio Arcila, Jr.  
- President

John A. Gallagher, PhD – Vice  
President

Gayle A. Lawn-Day,  
PhD – Secretary

Jose Salinas

Michelle McKay, MBA  
- Treasurer

Judith Mouch, RSM

Amanda Martinez

Melissa A. Valerio

Jonathon Vineyard

**Chief Executive Officer**  
Gayle A. Lawn-Day, PhD

MHP, INC. PROMOVRIENDO VIDAS SALUDABLES  
FOR THE YEAR ENDED DECEMBER 31, 2013

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Independent Auditor's Report

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

To the Board of Directors of  
MHP Inc., Promoviendo Vidas Saludables

**Report on the Financial Statements**

We have audited the accompanying financial statements of MHP Inc., Promoviendo Vidas Saludables (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, 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 MHP Inc., Promoviendo Vidas Saludables as of December 31, 2013, 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 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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 May 5, 2014, on our consideration of MHP Inc., Promoviendo Vidas Saludables'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 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 MHP Inc., Promoviendo Vidas Saludables's internal control over financial reporting and compliance.



Schrive, Carmona & Carrera, PLLC  
Certified Public Accountants  
San Antonio, Texas  
May 5, 2014

# MHP, INC. PROMOVRIENDO VIDAS SALUDABLES

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

### ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 581,375
Grants Receivable	295,584
Other Assets	67,303
Total Current Assets	<u>\$ 944,262</u>
Restricted Assets:	
Endowment Funds Held by Others	4,782
Total Restricted Assets	<u>\$ 4,782</u>
Fixed Assets:	
Property and Equipment, Net	\$ 6,000
Total Fixed Assets	<u>\$ 6,000</u>
<b>Total Assets</b>	<b><u><u>\$ 955,044</u></u></b>

### LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ -
Accrued Liabilities	2,516
Accrued Payroll	62,979
Payroll Taxes Payable	4,938
Deferred Revenues	28,937
Total Current Liabilities	<u>\$ 99,370</u>
<b>Total Liabilities</b>	<b><u><u>\$ 99,370</u></u></b>
Net Assets:	
Unrestricted net assets	\$ 850,892
Temporarily Restricted Net Assets	-
Permanently Restricted Net Assets	4,782
<b>Total Net Assets</b>	<b><u><u>\$ 855,674</u></u></b>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 955,044</u></u></b>

The accompanying notes to the financial statements are an integral part of this statement

# MHP, INC. PROMOVRIENDO VIDAS SALUDABLES

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

<b><u>SUPPORT AND REVENUES</u></b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Totals (Memo Only)</b>
Grants	\$ -	\$ 2,159,600	\$ -	\$ 2,159,600
Contributions	35,511	-	-	35,511
Interest	356	-	-	356
Contracts, Fees and Reimbursements	14,524	-	-	14,524
Other	-	-	-	-
Net Assets Released From Restrictions	2,159,600	(2,159,600)	-	-
<b>Total Revenues</b>	<b>\$ 2,209,991</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,209,991</b>
 <b><u>EXPENSES</u></b>				
<b>Program Services:</b>				
Health Promotion	\$ 1,758,991	\$ -	\$ -	\$ 1,758,991
<b>Total Program Services</b>	<b>\$ 1,758,991</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,758,991</b>
 <b>Support Services:</b>				
General and Administrative	286,577	-	-	286,577
Fundraising and Grant Development	50,143	-	-	50,143
<b>Total Support Services</b>	<b>336,720</b>	<b>-</b>	<b>-</b>	<b>336,720</b>
<b>Total Expenses</b>	<b>\$2,095,711</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$2,095,711</b>
<b>Change in Net Assets</b>	<b>114,280</b>	<b>-</b>	<b>-</b>	<b>114,280</b>
<b>Net Assets, January 1, 2013</b>	<b>736,612</b>	<b>-</b>	<b>4,782</b>	<b>741,394</b>
<b>Net Assets, December 31, 2013</b>	<b>\$ 850,892</b>	<b>\$ -</b>	<b>\$ 4,782</b>	<b>\$ 855,674</b>

The accompanying notes to the financial statements are an integral part of this statement.

## MHP, INC. PROMOVRIENDO VIDAS SALUDABLES

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<b>Program Services</b>		<b>Support Services</b>		
	<b>Health Promotion</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Fundraising and Grant Development</b>	<b>Total Expenses</b>
Salaries - Senior Management	\$ 351,527	\$ 351,527	\$ -	\$ -	\$ 351,527
Other Salaries	728,170	728,170	74,630	45,484	848,284
Total Compensation	<u>1,079,697</u>	<u>1,079,697</u>	<u>74,630</u>	<u>45,484</u>	<u>1,199,811</u>
Pension Plan	19,474	19,474	48,488	4,659	72,621
Insurance	172,502	172,502	-	-	172,502
Payroll Taxes	114,954	114,954	-	-	114,954
Total Employee Benefits	<u>306,930</u>	<u>306,930</u>	<u>48,488</u>	<u>4,659</u>	<u>360,077</u>
Total Compensation and Employee Benefits	1,386,627	1,386,627	123,118	50,143	1,559,888
Occupancy	51,781	51,781	-	-	51,781
Office Expense	62,559	62,559	32,005	-	94,564
Travel	136,736	136,736	48,886	-	185,622
Fees for Services	62,832	62,832	61,561	-	124,393
Insurance	7,322	7,322	-	-	7,322
Conferences, Conventions & Meetings	9,715	9,715	-	-	9,715
Stipends and Incentives	400	400	-	-	400
Promotion and Advertising	19,994	19,994	-	-	19,994
Other Expense	-	-	17,007	-	17,007
Depreciation	-	-	4,000	-	4,000
Information Technology	21,025	21,025	-	-	21,025
Total Expenses	<u>\$ 1,758,991</u>	<u>\$ 1,758,991</u>	<u>\$ 286,577</u>	<u>\$ 50,143</u>	<u>\$ 2,095,711</u>

The accompanying notes are an integral part of the financial statements.



# MHP, INC. PROMOVRIENDO VIDAS SALUDABLES

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2013

### CASH FLOWS FROM OPERATING ACTIVITIES:

<b>Change in Net assets</b>	\$ 114,280
<b>Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:</b>	
Depreciation Expense	4,000
(Increase)decrease in Grants Receivable	49,712
(Increase)decrease in Other Assets	(36,245)
Increase(decrease) in Accounts Payable	(20,602)
Increase(decrease) in Accrued Liabilities	(6,661)
Increase(decrease) in Accrued Payroll	24,790
Increase(decrease) in Payroll Taxes Payable	204
Increase(decrease) in Deferred Revenues	<u>(19,964)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>109,514</u>
<b>Net Increase (Decrease) in Cash</b>	109,514
Cash at Beginning of the Year	471,861
<b>Cash at End of the Year</b>	<u><u>\$ 581,375</u></u>
 Amount Paid for Interest Expense	 <u><u>\$ -</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

# MHP, INC. PROMOVRIENDO VIDAS SALUDABLES

Notes to Financial Statements  
For the Year Ended December 31, 2013

## NOTE 1 – SUMMARY OF ACCOUNTING PRINCIPLES

### a. Nature of Activities

Using the Promotor(a) model, MHP, INC. Promoviendo Vidas Saludables (MHP) provides culturally-appropriate health education and outreach and sustainable community development to farmworker, migrant, border, and/or other underserved or isolated communities throughout the nation. Through increased knowledge and skill building, individuals and families will be empowered to live healthy lives.

Our programs provide peer health education, increase access to health resources and bring community members together with health providers, employers and policymakers to create positive changes. Community leaders, called *Promotores* and *Promotoras*, provide the inspiration, direction and vision necessary to build stronger, healthier communities — from within.

We are currently celebrating 30 years of service and we maintain offices in Florida, Michigan, Ohio, Washington and South Texas. Our grants this year consist of:

The Community Based Doula Program/Amor de Madre  
Tech Assist to Community & Migrant Health Centers & Homeless/Capacity  
Building Assistance  
Department of Justice-Un Nuevo Manana  
Passed-Through TDH&HS - Area Agency on Aging  
Passed-Through TDH&HS - Promotora Community Project  
Department of Justice - Hombre a Hombre  
Department of Justice - EI Arte de Sobrevivir  
Colonia Outreach Program  
Navigator  
March of Dimes  
NUCA  
Transforming Texas  
Kellogg – First Foods Program  
Promotoras Connect  
CPRIT

MHP is funded by government and private grants, as well as contributions.

### b. Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

- c. Contributions  
The Corporation reports contributions in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, contributions are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction.
- d. Contributed Services  
During the year ended December 31, 2013, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Corporation in carrying out its programs.
- e. Estimates  
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- f. Property, Plant and Equipment  
Property, plant and equipment are stated at cost or at their estimated market value at the date of receipt from donors. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Expenditures for maintenance and repairs are charged to operations. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated lives of the related assets. The estimated useful lives of depreciable assets range from five to twenty-five years.
- g. Advertising Costs  
Advertising costs are charged to operations when incurred. Total advertising expenses for the year ended December, 2013 were 19,994.

- h. Compensated Absences  
Vested or accumulated vacation leave is recorded as expenses and liabilities of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, “Accounting for Compensated Absences,” no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.
  
- i. Financial Statement Presentation  
The Financial Statements of the Corporation are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statement of Not-for-Profit Organization”. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.
  
- j. 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
  
- k. Investments  
The Corporation elected to adopt SFAS No. 124 “Accounting for Certain Investments Held by Not-for-Profit Organizations” in 1996. Under SFAS No. 124 investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the changes in net assets. These effects are included in changes in unrestricted net assets because the gains and losses are unrestricted. This change had no effect on the Corporation’s financial statements.
  
- l. Interest Rate Risk  
The Corporation has not developed a formal investment policy limiting investment maturities as a means of limiting its exposure to fair value losses arising from increasing interest rates.
  
- m. Concentration of Credit Risk  
The Corporation’s policy limits the deposits in any one-bank institution to their extent of FDIC coverage. This policy does not extend to contributions or donations from the community.

n. Federal Income Taxes

The Corporation is a non-profit organization exempt from income tax under Section 501(C)3 of the Internal Revenue Code. Form 990, the federal information return for exempt organizations is filed annually with the Internal Revenue Service.

o. Disclosures About Fair Value of Financial Instruments

The estimated fair values of the Corporation's financial instruments at December 31, 2013 and the methods and assumptions used to estimate such fair values are as follows:

Cash: Fair values approximate the carrying amount because of the short maturity of the instruments.

Due From Other Agencies: The fair value of the receivables approximates the carrying amount, as the origination date was December 31, 2013.

Promises to Give: Fair value approximates the carrying amount. To date the Corporation has not had any grants or contracts reduced.

Other Liabilities: The fair value of the amount due to others approximates the carrying amount, as the origination date was December 31, 2013.

p. Restrictions on Net Assets

Substantially, all of the restrictions on net assets at December 31, 2013 relate to funding from governmental agencies and endowment funds held in trust by others.

q. Cash & Cash Equivalents

The Corporation considers all investment instruments with an original maturity of three(3) months or less to be cash equivalents.

Custodial credit risk refers to the risk that in the event of bank failure, the Corporation's deposits may not be returned to it.

The Corporation's Board approved fiscal policy is to maintain demand and time deposits through local depository banks that are members of the Federal Reserve System.

NOTE 2 – CASH AND CASH EQUIVALENTS

All cash deposits are held at Wells Fargo, and Fidelity bank under a depository agreements. The Federal Deposit Insurance Corporation (F.D.I.C.) insures deposits of the Corporation up to \$250,000 at each depository institution. All cash funds were secured by FDIC. The carrying amounts of cash & cash equivalents reported on the financial statements approximate fair market value because of the short-term maturities of these instruments.

Cash and cash equivalents as of December 31, 2013 was as follows:

Cash-Wells Fargo	\$ 209,384
Cash-Fidelity	<u>371,991</u>
Total-Cash & Cash Equivalents	<u>\$ 581,375</u>

NOTE 3 – ACCOUNTS RECEIVABLE – GRANTS AND CONTRACTS

As of December 31, 2013, accounts receivable from grants and contracts was composed of the following:

Federal	\$ 164,075
Non Federal	<u>131,509</u>
Total Accounts Receivable – Grants and Contracts	<u>\$ 295,584</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Net assets totalling \$2,159,600 were released from restrictions by incurring expenses satisfying the restricted purposes or the occurrence of other events specified by donors.

NOTE 5 – PERMANENTLY RESTRICTED NET ASSETS

In 2001 MHP began a campaign to raise endowment funds. In addition to funds sent directly to the Ann Arbor Community Foundation. MHP collected a total of \$4,782 prior to June 30, 2002. which it forwarded to the Foundation. The Foundation agreed to distribute funds annually based on their current spending policy. The agreement between MHP and the Foundation grants the Foundation variance power to redirect the use of gifts or assets to another beneficiary so that the donor's charitable interest may be served in perpetuity. The amount of this portion of the Endowment Fund is permanently restricted and shown on the Statement of Financial Position as Endowment Funds Held by Others.

NOTE 6 –RETIREMENT PLAN

MHP maintains a Tax Sheltered Annuity (TSA) Retirement Plan which is administered by Nova & Associates or Principal & Lincoln Insurance Companies. To qualify for an employer contribution, an employee must complete six months of service and work 1,000 hours. After qualifying and in each subsequent plan year an employee works 1000 hours, MHP will make an employer contribution in an amount equal to 6.5% of their salary earned during the plan year effective Jan 1, 2013. Employees may contribute an additional amount if desired up to the amount maximum designated by law. Employees may choose to make employee salary deferrals into the 403(b) retirement plan from the date of hire in any amount up to the maximum amount designated by law. Employees are fully vested in contributions made on their behalf by MHP. MHP's contributions to the TSA Retirement Plan were \$72,621 for the year ended December 31, 2013.

NOTE 7 –OPERATING LEASE COMMITMENT

MHP is currently leasing office equipment and office space on non-cancelable operating leases MHP's minimum annual lease commitment is as follows:

FYE December 31, 2014	\$38,947
FYE December 31, 2015	\$6,000
FYE December 31, 2016	\$0
Thereafter	\$0

Operating lease and rental expense totaled \$39,480 for the year ended December 31, 2013.

NOTE 8 – FIXED ASSETS

Fixed asset activity for the Corporation for the fiscal year ended December 31, 2013, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Disposals and</u> <u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Computer Software	\$ 10,000	\$ -	\$ -	\$ 10,000

There were no actual additions or disposals in the current year. Depreciation totaled \$4,000 for the year with an ending accumulated depreciation of \$4,000 and net value of \$6,000.

NOTE 9-INSURANCE

The Organization had general liability insurance and directors' and officers' liability insurance in force throughout the audit period with limits of liability of \$1,000,000 on each.

NOTE 10-EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 5, 2014, the date that the financial statements were available to be issued.

NOTE 11-NET INCOME (LOSS) BY PROGRAM

The Organization has revenues and direct and indirect expenses as follows on page 14 of the notes:



	Expenses					Net Income (Loss)
	Revenue	Direct	Indirect	Grant Development	Total	
The Community Based Doula Program/Amor De Madre	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tech Assist to Community & Migrant Health Centers & Homeless/Capacity Building Assistance	\$ 620,364	\$ 491,998	\$ 128,366	\$ -	\$ 620,364	\$ -
Department of Justice - Un Nuevo Manana	\$ 95,867	\$ 76,082	\$ 19,785	\$ -	\$ 95,867	\$ -
Rural Health Care Service Outreach Grant Program - Futuro Saludables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Passed Through TDH&HS - Promotora Community Project	\$ 49,708	\$ 43,854	\$ 5,854	\$ -	\$ 49,708	\$ -
Hombre a Hombre	\$ 65,242	\$ 51,751	\$ 13,491	\$ -	\$ 65,242	\$ -
El Arte de Sobrevivir	\$ 199,561	\$ 158,466	\$ 41,095	\$ -	\$ 199,561	\$ -
Navigator	\$ 175,826	\$ 139,649	\$ 36,177	\$ -	\$ 175,826	\$ -
Salud Y Sabiduria	\$ 48,423	\$ 40,614	\$ 7,809	\$ -	\$ 48,423	\$ -
NUCA	\$ 222,406	\$ 176,458	\$ 45,948	\$ -	\$ 222,406	\$ -
Colonia Outreach Program	\$ 150,000	\$ 107,716	\$ 42,284	\$ -	\$ 150,000	\$ -
Transportation Education Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Federal Grants</b>	<b>\$ 1,627,397</b>	<b>\$ 1,286,588</b>	<b>\$ 340,809</b>	<b>\$ -</b>	<b>\$ 1,627,397</b>	<b>\$ -</b>
Transforming Texas Willacy	\$ 213,002	\$ 184,604	\$ 28,398	\$ -	\$ 213,002	\$ -
First Foods Program	\$ 41,561	\$ 35,441	\$ 6,120	\$ -	\$ 41,561	\$ -
Transforming Texas Jim Wells	\$ 187,506	\$ 162,397	\$ 25,109	\$ -	\$ 187,506	\$ -
Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Non-Federal Grants</b>	<b>\$ 442,069</b>	<b>\$ 382,442</b>	<b>\$ 59,627</b>	<b>\$ -</b>	<b>\$ 442,069</b>	<b>\$ -</b>
<b>Total Grants</b>	<b>\$ 2,069,466</b>	<b>\$ 1,669,030</b>	<b>\$ 400,436</b>	<b>\$ -</b>	<b>\$ 2,069,466</b>	<b>\$ -</b>
Fundraising and Grant Development	\$ -	\$ -	\$ -	\$ 50,143	\$ 50,143	\$ (50,143)
Miscellaneous Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,143</b>	<b>\$ 50,143</b>	<b>\$ (50,143)</b>
<b>Totals</b>	<b>\$ 2,069,466</b>	<b>\$ 1,669,030</b>	<b>\$ 400,436</b>	<b>\$ 50,143</b>	<b>\$ 2,119,609</b>	<b>\$ (50,143)</b>

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 of  
MHP Inc., Promoviendo Vidas Saludables

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 MHP Inc., Promoviendo Vidas Saludables (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MHP Inc., Promoviendo Vidas Saludables'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 MHP Inc., Promoviendo Vidas Saludables's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 MHP Inc., Promoviendo Vidas Saludables'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 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, reading "Schriver Carmona Carrera".

Schriver, Carmona & Carrera, PLLC  
Certified Public Accountants  
San Antonio, Texas  
May 5, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Directors of  
MHP Inc., Promoviendo Vidas Saludables

**Report on Compliance for Each Major Federal Program**

We have audited MHP Inc., Promoviendo Vidas Saludables's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MHP Inc., Promoviendo Vidas Saludables's major federal programs for the year ended December 31, 2013. MHP Inc., Promoviendo Vidas Saludables'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 MHP Inc., Promoviendo Vidas Saludables'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 MHP Inc., Promoviendo Vidas Saludables'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 MHP Inc., Promoviendo Vidas Saludables's compliance.

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

In our opinion, MHP Inc., Promoviendo Vidas Saludables 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 December 31, 2013.

## Report on Internal Control Over Compliance

Management of MHP Inc., Promoviendo Vidas Saludables 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 MHP Inc., Promoviendo Vidas Saludables'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 OMB Circular A-133, 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 MHP Inc., Promoviendo Vidas Saludables'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Schrive, Carmona & Carrera, PLLC  
Certified Public Accountants  
San Antonio, Texas  
May 5, 2014

**MHP INC., PROMOVRIENDO VIDAS SALUDABLES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**I. Summary of the Auditor's Results:**

A.	The type of report issued:	Unqualified Opinion
B.	Internal Control over financial statements: Material Weakness(es) Identified?	No
	Significant deficiency(s) identified which were not considered material weaknesses?	No
C.	Noncompliance material to financial statements noted?	No
D.	Federal Awards: Type of Report on Compliance With Major Programs	Unqualified Opinion
E.	Findings & Questioned Costs for Federal Awards As Defined in Section __510(a).OMB Circ. 133	No
F.	Dollar Threshold considered between Type A And Type B Federal Programs	\$300,000
H.	Low risk Auditee Statement	The Corporation did meet the criteria as a low-risk auditee in the context of OMB Circular A-133
I.	Major Federal Program(s)	CFDA#93.129 Migrant Health Centers and Homeless

**II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.**

None Identified

**III. Findings Related to Federal Awards.**

None Identified

**MHP INC., PROMOVRIENDO VIDAS SALUDABLES**  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Section II - Financial Statement Findings**

No findings identified in the prior year

**Section III – Federal Awards Findings**

No findings identified in the prior year

# MIGRANT HEALTH PROMOTION, INC.

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA	Pass-Through Entity Identification	Expenditures Indirect Costs and Refunds
<b>U.S. Department of Health and Human Services:</b>			
Texas Health & Human Services Commission:			
Colonia Outreach Program	93.091	529-11-00006-0000	\$ 150,000
Subtotal			<u>\$ 150,000</u>
Health Resources and Services Administration:			
Capacity Building Assistance	93.129	U30CS09744-03	\$ 620,364
NUCA II Program	93.004	MPCMP121067	\$ 222,406
Navigator			<u>\$ 175,826</u>
Subtotal			\$ 1,018,596
Passed Through Texas Department of State Health Services:			
Salud Y Sabiduria AAOA	93.043	AAA3-12-HM-01	\$ 48,423
Promotora Community Project	93.988	2012-039714	<u>\$ 49,708</u>
Subtotal			\$ 98,131
		Total Direct Awards	\$ 1,168,596
		Total Indirect Awards	\$ 98,131
		<b>Total Department of Health and Human Services</b>	<b><u>\$1,266,727</u></b>
 <b>U.S. Department of Justice:</b>			
Office of Violence Against Women:			
Un Nuevo Manana	16.013	2009-KS-AX-K001	\$ 95,867
De Hombre a Hombre	16.014	2011-WM-AX-K012	\$ 65,242
El Arte De Sobrevivir	16.598	2011-UW-AX-0008	<u>\$ 199,561</u>
Total Direct Awards			\$ 360,670
		<b>Total Department of Justice</b>	<b><u>\$ 360,670</u></b>
		<b>Total Federal Assistance</b>	<b><u>\$ 1,627,397</u></b>



# MHP INC., PROMOVRIENDO VIDAS SALUDABLES

## NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2013

1. General  
The accompanying Schedule of Expenditures of Federal and Awards presents the activity of all Federal and state Award Programs of the MHP, Inc. Promoviendo Vidas Soludables ( a nonprofit organization).
2. Basis of Accounting  
The accompanying Schedule of Expenditures of Federal and State Awards is presented using the accrual basis of accounting, which is described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.
3. Relationship to Federal Financial Reports Basis of Accounting  
Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal financial reports filed with the grantor agencies because of accruals made in the schedule, which will be included in future reports filed with the agencies.