MHP SALUD

Audited Financial Statements and
Single Audit Reports

December 31, 2022
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
MHP Salud

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of MHP Salud (the “Organization”), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.
**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Organization. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of the Organization to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

The financial statements of the Organization as of and for the year ended December 31, 2021, were audited by other auditors whose report dated June 11, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the audited financial statements for which it was derived.
Supplementary 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 June 10, 2023, on our consideration of the Organization’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 solely 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 effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization’s internal control over financial reporting and compliance.

New York, NY
June 10, 2023
MHP SALUD  
STATEMENT OF FINANCIAL POSITION  
AT DECEMBER 31, 2022  
(With comparative totals at December 31, 2021)

<table>
<thead>
<tr>
<th></th>
<th>12/31/22</th>
<th>12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$322,764</td>
<td>$531,961</td>
</tr>
<tr>
<td>Government grants receivable</td>
<td>985,003</td>
<td>791,953</td>
</tr>
<tr>
<td>Contributions receivable (Note 2d)</td>
<td>169,051</td>
<td>476,476</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>212,810</td>
<td>168,991</td>
</tr>
<tr>
<td>Operating lease right of use assets (Note 3)</td>
<td>42,151</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,731,779</td>
<td>$1,969,381</td>
</tr>
</tbody>
</table>

|                                | 12/31/22  | 12/31/21  |
| **Liabilities and Net Assets** |           |           |
| Liabilities:                   |           |           |
| Accounts payable and accrued expenses | $295,533  | $263,664  |
| Deferred revenue               | 1,660     | 0         |
| Operating lease liability (Note 3) | 42,679    | 0         |
| **Total liabilities**          | 339,872   | 263,664   |

Net assets:

|                                | 12/31/22  | 12/31/21  |
| Without donor restrictions     | 999,338   | 1,107,876 |
| With donor restrictions (Note 4) | 392,569   | 597,841   |
| **Total net assets**           | 1,391,907 | 1,705,717 |

| Total liabilities and net assets | $1,731,779 | $1,969,381 |

*The attached notes and auditor's report are an integral part of these financial statements.*
# MHP SALUD

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

(With comparative totals for the year ended December 31, 2021)

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total 12/31/22</th>
<th>Total 12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants</td>
<td>$6,528,195</td>
<td>$6,528,195</td>
<td>$4,687,210</td>
</tr>
<tr>
<td>Contributions</td>
<td>7,246</td>
<td>$178,042</td>
<td>185,288</td>
</tr>
<tr>
<td>Program fee income</td>
<td>161,688</td>
<td>161,688</td>
<td>156,173</td>
</tr>
<tr>
<td>Interest</td>
<td>4</td>
<td>4</td>
<td>52</td>
</tr>
<tr>
<td>Other income</td>
<td>1,627</td>
<td>1,627</td>
<td>5,750</td>
</tr>
<tr>
<td>Net assets released from restrictions (Note 4)</td>
<td>383,314</td>
<td>(383,314)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total public support and revenue</strong></td>
<td>7,082,074</td>
<td>(205,272)</td>
<td>6,876,802</td>
</tr>
</tbody>
</table>

| **Expenses:** |                         |                |                |
| Program services      | 5,609,247               | 5,609,247      | 4,277,478      |
| Supporting services:  |                         |                |                |
| Management and general | 1,442,082               | 1,442,082      | 967,633        |
| Fundraising            | 139,283                 | 139,283        | 108,336        |
| **Total expenses**     | 7,190,612               | 0              | 7,190,612      |
| **Change in net assets** | (108,538)               | (205,272)      | (313,810)      | (101,013) |
| **Net assets - beginning of year** | 1,107,876               | 597,841        | 1,705,717      | 1,806,730 |
| **Net assets - end of year** | $999,338                | $392,569       | $1,391,907     | $1,705,717 |

The attached notes and auditor's report are an integral part of these financial statements.
## Supporting Services

<table>
<thead>
<tr>
<th></th>
<th>Management Services</th>
<th>General Fundraising</th>
<th>Total Expenses 12/31/22</th>
<th>Total Expenses 12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$3,420,425</td>
<td>$841,508</td>
<td>$102,838</td>
<td>$4,364,771</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>1,346,891</td>
<td>245,690</td>
<td>31,243</td>
<td>1,623,824</td>
</tr>
<tr>
<td>Total salaries and benefits</td>
<td>4,767,316</td>
<td>1,087,198</td>
<td>134,081</td>
<td>5,988,595</td>
</tr>
<tr>
<td>Professional fees</td>
<td>449</td>
<td>139,241</td>
<td></td>
<td>139,690</td>
</tr>
<tr>
<td>Supplies</td>
<td>128,308</td>
<td>5,400</td>
<td>289</td>
<td>133,997</td>
</tr>
<tr>
<td>Equipment</td>
<td>16,591</td>
<td>4,008</td>
<td></td>
<td>20,599</td>
</tr>
<tr>
<td>Contracted services</td>
<td>353,822</td>
<td></td>
<td></td>
<td>353,822</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>11,985</td>
<td></td>
<td>11,985</td>
</tr>
<tr>
<td>IT and technology</td>
<td>144,267</td>
<td>45,157</td>
<td>3,485</td>
<td>192,909</td>
</tr>
<tr>
<td>Occupancy</td>
<td></td>
<td>55,137</td>
<td></td>
<td>55,137</td>
</tr>
<tr>
<td>Travel</td>
<td>189,409</td>
<td>57,886</td>
<td></td>
<td>247,295</td>
</tr>
<tr>
<td>Staff development and recruitment</td>
<td>8,532</td>
<td>11,978</td>
<td></td>
<td>20,510</td>
</tr>
<tr>
<td>Other</td>
<td>553</td>
<td>24,092</td>
<td>1,428</td>
<td>26,073</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,609,247</strong></td>
<td><strong>$1,442,082</strong></td>
<td><strong>$139,283</strong></td>
<td><strong>$7,190,612</strong></td>
</tr>
</tbody>
</table>

*The attached notes and auditor's report are an integral part of these financial statements.*
MHP SALUD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

<table>
<thead>
<tr>
<th></th>
<th>12/31/22</th>
<th>12/31/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>($313,810)</td>
<td>($101,013)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used for operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants receivable</td>
<td>(193,050)</td>
<td>(241,943)</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>307,425</td>
<td>36,969</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(43,819)</td>
<td>(46,312)</td>
</tr>
<tr>
<td>Operating lease assets and liabilities</td>
<td>528</td>
<td>0</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>31,869</td>
<td>87,260</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,660</td>
<td>0</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>104,613</td>
<td>(164,026)</td>
</tr>
<tr>
<td>Net cash used for operating activities / net decrease in cash and cash equivalents</td>
<td>(209,197)</td>
<td>(265,039)</td>
</tr>
<tr>
<td>Cash and cash equivalents - beginning of year</td>
<td>531,961</td>
<td>797,000</td>
</tr>
<tr>
<td>Cash and cash equivalents - end of year</td>
<td>$322,764</td>
<td>$531,961</td>
</tr>
</tbody>
</table>

Supplemental disclosure:
Taxes and interest paid
$0  $0
Note 1 - Organization

MHP Salud (the "Organization") is a nonprofit organization that serves communities by embracing the strengths and experiences of individuals and families, and engaging them to achieve health and well-being. The Organization conducts activities nationally and implements community-based programs in Florida and Texas. These programs provide peer health education, increased access to health resources and brings community members together with health providers, employers and policymakers to create positive change. The Organization’s community leaders provide the inspiration, direction, and vision necessary to build stronger and healthier communities from within.

For the year ended December 31, 2022, the Organization used funding from the following grants:

5. U.S. Department of Health and Human Services - Special Programs for the Aging (2021-2022)
6. U.S. Department of Health and Human Services - Special Programs for the Aging (2022-2023)
7. U.S. Department of Health and Human Services - Connecting Kids to Coverage (2021-2022)
9. U.S. Department of Health and Human Services - Substance Abuse and Mental Health Services Projects of Regional and National Significance
10. U.S. Department of Health and Human Services - Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)
11. U.S. Department of Health and Human Services – Public Training Centers Program
12. Texas Health and Human Services Commission – SNAP ED
13. Valley Baptist Legacy Foundation - Healthy Outcome - Life Stages
14. Florida Blue Foundation - Health Outcome, Life Stages
15. AARP Foundation – Direct Services – Rio Grande Valley, TX

The Organization has been notified by the Internal Revenue Servicethat it is a not-for-profit entity exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.
Note 2 - Significant Accounting Policies

a. Basis of Accounting
The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than when received or paid.

b. Recently Adopted Accounting Standards
Effective January 1, 2022, the Organization adopted the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, Leases, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use (“ROU”) assets of $52,961 and lease liabilities of the same amount on the statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

Effective January 1, 2022, the Organization adopted FASB ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures. Adoption of this standard did not have a material impact on the Organization’s financial statements.

c. Basis of Presentation
The Organization’s net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- **Net Assets Without Donor Restrictions** – represents those resources for which there are no restrictions by donors as to their use.

- **Net Assets With Donor Restrictions** – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

d. Revenue Recognition
The Organization follows the requirements of the FASB’s Accounting Standards Codification (“ASC”) 958-605 for recording contributions, which are recorded when considered unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified in the class of net assets without donor restrictions.
The Organization records unconditional promises to give as revenue in the period received at net realizable value if expected to be received within one year or at fair value using risk adjusted present value techniques if material and expected to be received after one year. Of the total contributions receivable, $109,756 is expected to be collected within one year and $59,295 is expected to be collected in two to five years. Due to its immaterial nature, no discount to present value has been taken.

Contributions and grants may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Government grants received by the Organization are primarily conditional, non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of the conditions being met are recorded as deferred revenue.

Conditional grants that have not been recognized amounted to $7,287,380 and $4,460,488 as of December 31, 2022 and December 31, 2021, respectively. These grants are conditioned upon incurring qualifying expenses, at which time revenue will be recognized.

The Organization follows FASB ASC 606 for recognizing revenue from contracts with customers. Training and consulting services for community health worker programs fall under the scope of FASB ASC 606 and have been included with program fee income in the statement of activities. Revenue is recognized as the performance obligation is satisfied and services are provided.

Training and consulting services fees that have yet to be collected at year end are reflected as accounts receivable; whereby, fees collected in advance of being earned are reflected as deferred revenue.

Based on a review of outstanding receivables and historical experience, management expects all receivables to be collected and has not established an allowance for doubtful accounts. Write-offs, if any, will be recorded as expenses in the year they are deemed to be uncollectible.

e. Cash and Cash Equivalents
The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

f. Concentration of Credit Risk
Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash and money market accounts which are placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts. The Organization did not suffer any losses due to bank failure.
g. **Management Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

h. **Fixed Assets**

Equipment and furniture that exceed $2,000 and that have a useful life of greater than one year are recorded at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets as follows:

- Computer equipment – 5 years
- Furniture and fixtures – 5 years
- Leasehold improvements – 5 years

Fixed assets were fully depreciated at December 31, 2022 and 2021.

i. **Leases**

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

j. **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Employee benefits

The following were allocated using full time equivalency as the basis:

- IT and technology

All other expenses have been charged directly to the applicable program or supporting services.
k. **Advertising**
   Advertising costs are expensed as incurred.

l. **Donated Goods and Services**
   Donated services are recognized in circumstances where the service creates or enhances a non-financial asset or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

   Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

m. **Accounting for Uncertainty of Income Taxes**
   The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2019 and later are subject to examination by applicable taxing authorities.

n. **Summarized Comparative Financial Information**
   The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

**Note 3 - Operating Lease Right-of-Use Asset and Operating Lease Liability**

   The Organization evaluated current contracts to determine which met the criteria of a lease. The Organization leases office space as follows:

   a) Michigan, under an agreement that runs through December 31, 2026, which was determined to be an operating lease.

   b) Texas, under an agreement that expired December 31, 2022. As this agreement terminated at the statement of financial position date, the Organization is not reporting an ROU asset or lease liability for this lease. Subsequent to year end, the Organization entered into a new lease for space in Texas for a one-year term expiring December 31, 2023 and an option to renew for an additional year through December 31, 2024.

   The ROU assets represent the Organization’s right to use underlying assets for the lease term and the lease liabilities represent the Organization’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2022 was 1.37%. 

12
For the year ended December 31, 2022, the total operating lease cost was $30,300 and total short-term lease cost was approximately $33,300. As of December 31, 2022, the weighted-average remaining lease term for the Organization’s operating leases was approximately 44 months.

Cash paid for operating leases for the year ended December 31, 2022 was $10,932. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2b.

Minimum future obligations for all commitments are as follows:

<table>
<thead>
<tr>
<th>Year ending:</th>
<th>December 31, 2023</th>
<th>December 31, 2024</th>
<th>December 31, 2025</th>
<th>December 31, 2026</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$34,032</td>
<td>37,272</td>
<td>11,712</td>
<td>9,664</td>
<td>$92,679</td>
</tr>
</tbody>
</table>

Total rent expense was $41,328 and $43,515 for the years ended December 31, 2022 and 2021, respectively.

**Note 4 - Net Assets With Donor Restrictions**

Activity in the class of net assets with donor restrictions is as follows:

<table>
<thead>
<tr>
<th>Program restricted:</th>
<th>Beginning Balance 1/1/22</th>
<th>Released from Restrictions</th>
<th>Ending Balance 12/31/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy Outcomes</td>
<td>$597,841</td>
<td>($336,657)</td>
<td>$261,184</td>
</tr>
<tr>
<td>Direct Service – Rio Grande Valley, TX</td>
<td>0</td>
<td>178,042</td>
<td>(46,657)</td>
</tr>
<tr>
<td>Total program restricted</td>
<td>$597,841</td>
<td>$178,042</td>
<td>($383,314)</td>
</tr>
</tbody>
</table>

**Note 5 - Line of Credit**

On June 18, 2019, the Organization entered into a line of credit agreement with a financial institution for an amount not to exceed $500,000. There was no outstanding balance at December 31, 2022 or 2021 and the full line was available. The line is set to expire November 25, 2023.
Note 6 - Retirement Plan

The Organization maintains a 401(k) retirement plan with both employer and employee contributions. The Organization’s contributions to the retirement plan totaled $359,466 and $279,457 for the years ended December 31, 2022 and 2021, respectively.

Note 7 - Significant Concentrations

Approximately 71% and 67% of public support was received from one government agency during the years ending December 31, 2022 and 2021, respectively.

In addition, one foundation had a receivable balance that consisted of 99% of contributions receivable as of December 31, 2022, and two foundations had receivable balances that consisted of 100% of contributions receivable as of December 31, 2021. One government agency had a receivable balance that consisted of 62% and 63% of government grants receivable as of December 31, 2022 and 2021, respectively.

Note 8 - Availability and Liquidity

Financial assets at December 31, 2022 available to meet cash needs for general expenditures within one year are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$322,764</td>
</tr>
<tr>
<td>Government grants receivable</td>
<td>985,003</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>169,051</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>$1,476,818</td>
</tr>
</tbody>
</table>

Less amounts not available to be used within one year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program restricted contributions</td>
<td>(392,659)</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year $1,084,159

The Organization regularly monitors liquidity to meet its operating needs. The Organization attempts to operate within a balanced budget and anticipates collecting sufficient revenue from current year and future year government and other grants to cover general expenditures.

Note 9 - Subsequent Events

Subsequent events have been evaluated through June 10, 2023, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.
MHP SALUD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal AL#</th>
<th>Pass-through/Grant Number</th>
<th>Federal Expenditures **</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Health and Human Services:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical and Non-Financial Assistance to Health Centers, direct</td>
<td>93.129</td>
<td>6U30CS09744-15-01</td>
<td>$303,112 *</td>
</tr>
<tr>
<td>Technical and Non-Financial Assistance to Health Centers, direct</td>
<td>93.129</td>
<td>5U30CS09744-14-00</td>
<td>352,699 *</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Technical and Non-Financial Assistance to Health Centers</td>
<td></td>
<td></td>
<td>754,374</td>
</tr>
<tr>
<td>Children’s Health Insurance Program, direct</td>
<td>93.767</td>
<td>2Y2CMS33184-01-01</td>
<td>224,593</td>
</tr>
<tr>
<td>Children’s Health Insurance Program, direct</td>
<td>93.767</td>
<td>1Y1CMS331694-03-00</td>
<td>271,872</td>
</tr>
<tr>
<td>Total Children’s Health Insurance Program</td>
<td></td>
<td></td>
<td>496,465</td>
</tr>
<tr>
<td>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects, direct</td>
<td>93.048</td>
<td>90HDRC0004-03-00</td>
<td>79,752</td>
</tr>
<tr>
<td>Special Programs for the Aging, Title IV, and Title II, Discretionary Projects, direct</td>
<td>93.048</td>
<td>90HDRC0004-02-02</td>
<td>145,569</td>
</tr>
<tr>
<td>COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects, direct</td>
<td>93.048</td>
<td>90HDRC0004-02-02</td>
<td>31,497</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</td>
<td></td>
<td></td>
<td>256,818</td>
</tr>
<tr>
<td>Substance Abuse and Mental Health Services Projects of Regional and National Significance, direct</td>
<td>93.243</td>
<td>1H79SP082148-01</td>
<td>133,861</td>
</tr>
<tr>
<td>Substance Abuse and Mental Health Services Projects of Regional and National Significance, direct</td>
<td>93.243</td>
<td>5H79SP082148-02</td>
<td>65,316</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Substance Abuse and Mental Health Services Projects of Regional and National Significance</td>
<td></td>
<td></td>
<td>199,177</td>
</tr>
<tr>
<td>Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF), direct</td>
<td>93.761</td>
<td>90FPSG0049-01-00</td>
<td>102,955</td>
</tr>
<tr>
<td>COVID-19 - Public Health Training Centers Program, direct</td>
<td>93.516</td>
<td>1T29HP46707-01-00</td>
<td>57,553</td>
</tr>
<tr>
<td>Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges, direct</td>
<td>93.332</td>
<td>NAVCA210385-02-00</td>
<td>1,342,167</td>
</tr>
<tr>
<td>Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges, direct</td>
<td>93.332</td>
<td>NAVCA210385-01-02</td>
<td>1,998,949</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cooperative Agreement to Support Navigators in Federally-facilitated Exchanges</td>
<td></td>
<td></td>
<td>3,341,116</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Health and Human Services</td>
<td></td>
<td></td>
<td>5,208,458</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Agriculture:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNAP Cluster</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, pass-through the Texas Health and Human Services Commission</td>
<td>10.561</td>
<td>529-17-0046-00001</td>
<td>882,982 *</td>
</tr>
<tr>
<td>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, pass-through the Texas Health and Human Services Commission</td>
<td>10.561</td>
<td>HHS000491900001</td>
<td>436,755 *</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Agriculture/SNAP Cluster/State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</td>
<td></td>
<td></td>
<td>1,319,737</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Federal Expenditures</td>
<td></td>
<td></td>
<td>$6,528,195</td>
</tr>
</tbody>
</table>

*Indicates a major program.

**No programs used subrecipients.
MHP SALUD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of MHP Salud (the "Organization") under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in Uniform Guidance. Under federal cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Subrecipients

There were no amounts provided to subrecipients from Federal awards received during the year ended December 31, 2022.

Note 4 - Indirect Cost Rate

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance as it has a negotiated indirect cost rate.
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 Trustees of
MHP Salud

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 Salud (the “Organization”), which comprise the statement of financial position as of December 31, 2022, 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 June 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’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 or significant deficiencies may exist that have not been identified.
Report on Compliance and Other Matters

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

Purpose of this Report

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

New York, NY
June 10, 2023
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees of
MHP Salud

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited MHP Salud’s (the “Organization”) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 2022. The Organization’s major federal programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization’s federal programs.
**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

New York, NY
June 10, 2023

[Signature] CPAs LLP
Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: UNMODIFIED
Internal control over financial reporting:
  Material weakness(es) identified? _____ Yes  X No
  Significant deficiency identified
    Not considered to be material weaknesses? _____ Yes  X No
Noncompliance material to financial statements noted? _____ Yes  X No

Federal Awards

Internal control over major programs:
  Material weakness(es) identified? _____ Yes  X No
  Significant deficiency identified
    Not considered to be material weaknesses? _____ Yes  X No
Type of auditor’s report issued on compliance for major programs: UNMODIFIED
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 516(a)? _____ Yes  X No

Identification of major programs:

<table>
<thead>
<tr>
<th>AL Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.129</td>
<td>Technical and Non-Financial Assistance to Health Centers</td>
</tr>
<tr>
<td>10.561</td>
<td>SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? X Yes  No
MHP SALUD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Section II – Financial Statement Findings

None

Section III – Federal Award and Findings and Questioned Costs

None