

EL CENTRO DEL BARRIO

**FINANCIAL STATEMENTS WITH COMPLIANCE
AND SINGLE AUDIT REPORTING**

MARCH 31, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
El Centro del Barrio
San Antonio, Texas

We have audited the accompanying statements of financial position of El Centro del Barrio, (the Agency), a non-profit corporation, as of March 31, 2012 and 2011, and the related statements of activities (with comparative totals for 2011), functional expenses (with comparative totals for 2011) and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Centro del Barrio as of March 31, 2012 and 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of El Centro del Barrio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards (as required by U.S. Office on 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 basic financial statements. Such information is the responsibility of management and was derived from and related 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 basic financial statements taken as a whole.



June 27, 2012

EL CENTRO DEL BARRIO
STATEMENTS OF FINANCIAL POSITION
March 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and Cash Equivalents	\$ 868,376	\$ 1,960,987
Investments	6,949,101	6,757,325
Receivables:		
Promises to Give	210,000	318,662
Grants and Contracts	1,022,368	695,851
Patient Fees, net of allowance	2,120,786	1,781,462
Medicaid FQHC Cost Settlements, net of allowance	258,144	969,638
Other	99,430	172,310
Prepaid Expenses and Deposits	272,699	110,661
Unamortized Debt Issuance Cost, net	461,316	483,548
Inventory	87,562	74,081
Property and Equipment, net	<u>32,798,668</u>	<u>29,075,459</u>
TOTAL ASSETS	\$ <u>45,148,450</u>	\$ <u>42,399,984</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,037,347	\$ 2,325,641
Contingent Liabilities	594,536	639,440
Deferred Revenue	1,086,472	1,311,325
Accrued Payroll Related Liabilities	985,189	736,284
Other Accrued Liabilities	706,996	592,037
Derivative Financial Instruments	1,768,127	549,816
Capital Lease	-	207,393
Notes Payable	386,054	290,810
Bonds Payable	<u>14,145,000</u>	<u>14,460,000</u>
TOTAL LIABILITIES	<u>20,709,721</u>	<u>21,112,746</u>
 NET ASSETS		
Unrestricted	24,187,729	21,180,315
Temporarily Restricted	<u>251,000</u>	<u>106,923</u>
TOTAL NET ASSETS	<u>24,438,729</u>	<u>21,287,238</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>45,148,450</u>	\$ <u>42,399,984</u>

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

EL CENTRO DEL BARRIO

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2012

(with comparative totals for 2011)

	2012			2011 Total (Restated)
	Unrestricted	Temporary Restricted	Total	
PUBLIC SUPPORT AND REVENUE				
PUBLIC SUPPORT				
US Dept of Health and Human Services	\$ 13,514,547	\$ -	\$ 13,514,547	\$ 14,174,471
Texas Dept of State Health Services	2,418,623	-	2,418,623	2,159,661
Pharmaceutical - In-Kind	1,968,082	-	1,968,082	1,624,196
Methodist Healthcare Ministries	1,527,084	-	1,527,084	551,462
Texas Medicaid EHR Incentive Program	935,000	-	935,000	-
University Health Systems	635,920	-	635,920	444,724
Baptist Hospital	626,848	-	626,848	-
United Way	527,493	-	527,493	510,098
Facility - In-Kind	515,987	-	515,987	515,987
Christus Santa Rosa Healthcare	443,438	-	443,438	654,825
Baptist Health Foundation	250,000	151,000	401,000	-
Bexar County / AACOG	361,577	-	361,577	383,835
Kronkosky Foundation	271,015	-	271,015	234,462
Susan Komen Breast Cancer Grant	216,026	-	216,026	157,875
Respite Care of San Antonio	203,444	-	203,444	191,245
Contributions	193,625	-	193,625	834,624
Supplies - In-Kind	175,206	-	175,206	-
City of San Antonio	130,880	-	130,880	138,545
McKenna Foundation	-	100,000	100,000	50,000
TMF Health Quality Institute	83,100	-	83,100	-
University of Texas Health Science Center	34,500	-	34,500	33,600
Methodist Metropolitan Hospital	25,136	-	25,136	12,569
Texas Dept of Human Services	24,591	-	24,591	27,157
Net Assets Released from Restrictions	106,923	(106,923)	-	-
TOTAL PUBLIC SUPPORT	<u>25,189,045</u>	<u>144,077</u>	<u>25,333,122</u>	<u>22,699,336</u>
REVENUE				
Program and Patient Fees, net of expenses	16,783,315	-	16,783,315	13,272,028
FQHC Settlements	2,083,360	-	2,083,360	3,955,454
Methodist Healthcare	967,557	-	967,557	918,769
Fitness Center / Ballroom	667,578	-	667,578	767,257
Interest Income	243,638	-	243,638	178,314
Miscellaneous	162,936	-	162,936	96,593
Rental Income	124,203	-	124,203	124,202
Unrealized Gain/(Loss) on Investments	64,992	-	64,992	28,492
Realized Gain/(Loss) on Investments	1,806	-	1,806	(11,459)
TOTAL REVENUE	<u>21,099,385</u>	<u>-</u>	<u>21,099,385</u>	<u>19,329,650</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>46,288,430</u>	<u>144,077</u>	<u>46,432,507</u>	<u>42,028,986</u>
EXPENSES				
Program Services	37,376,239	-	37,376,239	29,988,994
General and Administrative	4,686,466	-	4,686,466	3,723,388
TOTAL EXPENSES	<u>42,062,705</u>	<u>-</u>	<u>42,062,705</u>	<u>33,712,382</u>
CHANGE IN NET ASSETS	4,225,725	144,077	4,369,802	8,316,604
OTHER ITEMS				
Gain/(Loss) on Derivative Financial Instrument	(1,218,311)	-	(1,218,311)	(563,144)
CHANGE IN NET ASSETS AFTER OTHER ITEMS	3,007,414	144,077	3,151,491	7,753,460
NET ASSETS - BEGINNING OF YEAR	<u>21,180,315</u>	<u>106,923</u>	<u>21,287,238</u>	<u>13,533,778</u>
NET ASSETS - END OF YEAR	<u>\$ 24,187,729</u>	<u>\$ 251,000</u>	<u>\$ 24,438,729</u>	<u>\$ 21,287,238</u>

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

EL CENTRO DEL BARRIO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended March 31, 2012
(with comparative totals for 2011)

	2012			2011 (Restated)
	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>	
Salaries and Related Expenses	\$ 21,763,615	\$ 3,318,866	\$ 25,082,481	\$ 20,597,819
Supplies	3,881,715	125,605	4,007,320	1,831,982
Professional Fees	2,761,271	387,940	3,149,211	2,732,185
Occupancy	2,219,345	136,635	2,355,980	1,956,010
Pharmaceutical In-Kind	1,968,082	-	1,968,082	1,624,196
Depreciation	1,456,998	31,315	1,488,313	1,184,396
Promotions and Outreach	692,252	-	692,252	505,547
Interest Expense	606,325	67,369	673,694	736,306
Pharmaceutical Supplies	667,967	-	667,967	581,152
Telephone	583,686	42,104	625,790	573,567
Equipment Rental and Repair	256,522	217,663	474,185	432,219
Travel	99,286	46,493	145,779	156,580
Miscellaneous Expense	37,335	94,831	132,166	85,152
Printing and Publishing	94,987	24,955	119,942	103,080
Postage and Shipping	48,134	65,273	113,407	85,077
Conferences and Meetings	54,094	47,553	101,647	115,719
Service Fees	93,890	-	93,890	234,844
Insurance	76,217	12,963	89,180	71,925
Membership Dues	3,133	66,901	70,034	82,156
Direct Assistance	11,385	-	11,385	22,470
TOTAL EXPENSES	\$ 37,376,239	\$ 4,686,466	\$ 42,062,705	\$ 33,712,382

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

EL CENTRO DEL BARRIO
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2012 and 2011

	2012	2011
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 3,151,491	\$ 7,753,460
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,488,313	1,184,396
Amortization of Debt Issuance Costs	22,232	22,232
Revenue Recognized from Forgiveness of Debt	(69,863)	(29,625)
Realized (Gain)/Loss on Investments	(1,806)	11,459
Unrealized Gain on Investments	(114,470)	(131,363)
Loss on Derivative Financial Instruments	1,218,311	266,209
(Increase)/Decrease in Assets:		
Promises to Give	108,662	45,200
Grants and Contracts	(326,517)	(92,152)
Patient Fees	(339,324)	(24,769)
Medicaid FQHC Cost Settlements	711,494	(154,095)
Other	72,880	(52,708)
Prepaid Expenses and Deposits	(162,038)	19,745
Inventory	(13,481)	1,545
Increase/(Decrease) in Liabilities		
Accounts Payable	(1,288,294)	1,626,264
Contingent Liabilities	(44,904)	356,346
Deferred Revenue	(224,853)	(113,802)
Accrued Payroll Related Liabilities	248,905	160,835
Other Accrued Liabilities	114,959	135,609
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,551,697	10,984,786
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of 457(b) Plan	(16,500)	(16,500)
Purchase of Certificates of Deposit	(335,000)	(407,000)
Sale of Certificates of Deposit	190,000	365,000
Purchase of Mutual Funds	(650,000)	(2,158,967)
Sale of Mutual Funds	800,000	-
Purchase of Bond Investments	(620,000)	(652,000)
Sale of Bond Investments	556,000	675,000
Purchase of property and equipment	(5,211,522)	(6,624,865)
NET CASH USED BY INVESTING ACTIVITIES	(5,287,022)	(8,819,332)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from notes payable	165,107	153,198
Payments on capital lease	(207,393)	(217,856)
Payments on bonds payable	(315,000)	(1,450,000)
NET CASH USED BY FINANCING ACTIVITIES	(357,286)	(1,514,658)
Net (decrease)/increase in cash	(1,092,611)	650,796
CASH, BEGINNING OF FISCAL YEAR	1,960,987	1,310,191
CASH, END OF FISCAL YEAR	\$ 868,376	\$ 1,960,987
<u>SUPPLEMENTAL DISCLOSURES</u>		
Interest Paid	\$ 673,694	\$ 736,306

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

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

El Centro del Barrio (the Agency) is a non-profit, community based, bilingual, bicultural human service organization established in 1971 to address the health and human service needs of Bexar County. The Agency's mission is to improve the health status of the community by providing comprehensive quality care with an emphasis on patients who are medically indigent.

The following is a description of the programs the Agency administered during the years:

Community Health Centers – These centers provide comprehensive primary care services including family medicine, pediatric care, obstetrics, gynecology and dental care. Ancillary services provided include laboratory, pharmacy and health education services.

Health Care for the Homeless – This program provides primary health care services to families, children and adults who are homeless or at high risk of becoming homeless. Other services include counseling, outreach, child development and case management services.

Elder Services – This program consists of daily activities, field trips and warm meals in a loving environment emphasizing recreation and socialization. The services are designed to delay or negate the need for long term care of the senior population and to provide respite for caregivers.

Family Resource Center – This program provides clinical counseling services addressing social, psychological and/or behavioral problems. The program focuses on families and children as its primary target group.

Women, Infants and Children (WIC) Nutritional Assistance Program – This program counteracts the high incidence of nutrition-related health problems such as anemia, low-birth weight and malnutrition by providing mothers with the knowledge and resources to prepare healthy, well-balanced meals. The program is available to infants and children under the age of five and pregnant and breastfeeding mothers.

HIV Early Intervention Program – This program provides primary care services to adults who have tested positive for the HIV virus. The program also provides confidential HIV testing, patient education and counseling services to reduce the risk and prevent an increase in the rate of infection.

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting following current standards applicable to non-profit organizations.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with *Not-for-Profit Entities* topic of Accounting Standards Codification (ASC), the Agency reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – Net assets that are the remaining part of the Agency’s net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Property and equipment are included in unrestricted net assets.

Temporarily Restricted Net Assets – Net assets that result from contributions and other inflow of assets that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor imposed restrictions that such assets be maintained permanently. Generally, the donor permits the organization to expend all or part of the income earned from the related assets for general or specific purposes. The Agency has no permanently restricted assets for the years ended March 31, 2012 and 2011, respectively.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets and reported in the Statement of Activity as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants, as they are conditional promises to give.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual expenses could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are presented at fair values based on quoted market prices.

In-Kind Contributions and Donated Services

In-kind contributions for leased space and utilities at seven clinical sites consisted of \$515,987 and \$515,987 for 2012 and 2011, respectively. Lease and utilities are valued at cost.

Pfizer, Inc, through their Share the Care program, contributed \$1,968,082 and \$1,624,196 in pharmaceutical supplies for 2012 and 2011, respectively. These drugs are valued at cost.

The Agency issued \$11,339,547 and \$11,047,888 in WIC vouchers received from the Texas Department of State Health Services for 2012 and 2011, respectively. The vouchers were valued at average redeemed value, however, they are not reflected on the financial statements.

Additionally, in-kind contributions for supplies at one clinical site consisted of \$175,206 and \$-0- for 2012 and 2011, respectively. These supplies are valued at cost.

A substantial number of unpaid volunteers have made significant contributions of their time and service. Since it is difficult to place a value on their service, these contributions are not included in these financial statements.

Receivables and Patient Fee Income

Receivables primarily represent balances due from the various grantees for funds billed under the terms of the contract or amounts due from patients for services rendered. Fees for services are due from the patient, the patient's insurance company, the patient's subsidy program, or the Federal government under Medicare, Medicaid, Title V or Title XX programs.

Patient fees and Medicaid Federally Qualified Health Center (FQHC) receivables are reported net of allowances for uncollectible amounts. The allowance for uncollectible patient fee amounts for the years ended March 31, 2012 and 2011 were \$132,353 and \$123,025, with bad debt expense of \$1,093,847 and \$1,005,343, respectively.

Comparative Totals

Comparative amounts for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in El Centro del Barrio's financial position and operations. In certain cases, the amounts previously reported in 2011 have been reclassified in order to conform to the 2012 presentation.

Uncompensated Care

The Agency reports patient fee income net of discounts allowed to patients eligible for reduced cost medical care. For the years ended March 31, 2012 and 2011, the Agency provided \$19,197,268 and \$14,198,104, respectively, in reduced or non-billable primary care service.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment is valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Expenses for betterments that materially extend the useful life of an asset are capitalized at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Property and equipment is capitalized if the cost is in excess of \$5,000.

Compensated Absences

Employees of the Agency earn annual leave on a bi-weekly basis. Each employee is entitled to receive as compensation a maximum of 160 hours of earned but unused annual leave upon termination of employment. The total compensated absences accrued liability for the years ended March 31, 2012 and 2011 was \$633,614 and \$537,149, respectively, and is included in Other Accrued Liabilities.

Federal Income Taxes

El Centro del Barrio, a nonprofit corporation operating under Section 501(c) (3) of the Internal Revenue Code, is exempt from federal income taxes and, accordingly, no provision for income taxes is included in the financial statements.

Functional Expense Allocation

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

NOTE 2: INVESTMENTS

At March 31, 2012 and 2011, the Agency's investments consisted of the following:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of Deposit	\$2,159,000	\$2,177,689	\$2,074,000	\$2,095,421
Government and Corporate Securities	1,488,616	1,572,517	1,442,879	1,442,105
Other	73,382	73,382	54,888	54,888
Mutual Funds	3,197,053	3,185,513	3,165,352	3,164,911
Total	<u>\$6,918,051</u>	<u>\$6,949,101</u>	<u>\$6,737,119</u>	<u>\$6,757,325</u>

Certificate of Deposits are insured by the FDIC which protects investments up to \$250,000, and were all purchased below \$250,000.

The Agency maintains an IRS 457 deferred compensation plan as supplement to an executive compensation program. The fair values of these investments were \$73,382 and \$54,888 as of March 31, 2012 and 2011, respectively, and are included in Other in the table above.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 2: INVESTMENTS (Continued)

The Agency also maintains investment accounts with Bank of New York for funds designated for a capital project. The tax-exempt private placement bond funds were issued by the Bexar County Health Facilities Development Corporation on December 13, 2007 and are held by Bank of New York serving as trustee. The investment firm of Lancaster Pollard, LLP serves as investment advisor and fund manager. Investments in 2010, included government bonds, corporate bonds and tax-free municipal bonds. As of 2012, these bonds were used to finance the completion of the construction projects.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment held by the Agency as of March 31, 2012 and 2011 consists of the following:

	<u>2012</u>	<u>2011</u>
Land	\$ 2,164,364	\$ 1,720,328
Building	27,579,847	21,254,301
Leasehold Improvements	4,341,372	933,880
Office Furniture and Equipment	3,163,009	2,732,390
Medical Equipment	369,848	314,969
Dental Equipment	1,267,015	568,871
Kitchen Equipment	580	580
Sign	194,347	97,724
Fitness Equipment	60,305	60,305
Ballroom Equipment	8,042	8,042
Construction in Progress	176,275	6,422,092
Less: Accumulated Depreciation	<u>(6,526,336)</u>	<u>(5,038,023)</u>
Total	<u>\$ 32,798,668</u>	<u>\$ 29,075,459</u>

Depreciation expense for the years ended March 31, 2012 and 2011 is \$1,488,313 and \$1,184,396, respectively.

NOTE 4: CAPITAL LEASE

In 2009, the Agency entered into a capital lease agreement for software and expects to purchase the software at the end of the lease term. The lease requires 37 monthly installments of \$19,231, with interest at 4.986%.

The capitalized costs, accumulated depreciation, and depreciation expense relating to this equipment at March 31 is as follows:

	<u>2012</u>	<u>2011</u>
Capitalized Cost	\$ 668,899	\$ 668,899
Accumulated Depreciation	<u>(668,899)</u>	<u>(538,835)</u>
Total	<u>\$ -</u>	<u>\$ 130,064</u>

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 4: CAPITAL LEASE (Continued)

The capital lease was paid in full as of March 31, 2012.

NOTE 5: OPERATING LEASES

The agency leases office facilities and equipment under operating leases expiring in various years through December 3, 2015. In addition, the Agency also has incurred rental expenses for equipment which expire in various years.

Minimum future rental payments under non-cancelable operating leases, which have remained in excess of one (1) year from March 31, 2012, are in aggregate as follows:

<u>Year Ended March 31,</u>	<u>Amount</u>
2013	\$ 855,540
2014	823,654
2015	417,195
2016	<u>142,234</u>
Total	<u>\$ 2,238,623</u>

Rental expense under these operating leases for the years ended March 31, 2012 and 2011 are \$1,576,546 and \$886,065, respectively.

NOTE 6: NOTES PAYABLE

The Agency's obligations under notes payable consist of the following:

	<u>2012</u>	<u>2011</u>
Note payable to Christus Santa Rosa Health Care at Prime +1 for up to \$194,295. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan matures October 1, 2014 and contains a principal forgiveness provision up to the loan amount. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.	\$ 167,310	\$ 87,468
Note payable to Christus Santa Rosa Health Care at Prime +1 for up to \$33,649. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan matures July 1, 2014 and contains a principal forgiveness provision up to the loan amount. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.	26,171	33,649
Note payable to Christus Santa Rosa Health Care at Prime + 1% for up to \$55,395. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan contains a principal forgiveness provision up to the loan amount. Forgiveness of the loan begins August 31, 2007 and matures July 30, 2011. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.	-	26,907

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 6: NOTES PAYABLE (Continued)

	2012	2011
<p>Note payable to Christus Santa Rosa Health Care at Prime +1 for up to \$46,210 as of March 31, 2012. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan matures April 1, 2015 and contains a principal forgiveness provision up to the loan amount. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.</p>	\$ 46,210	\$ -
<p>Note payable to Christus Santa Rosa Health Care at Prime +1 for up to \$89,376. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan matures December 1, 2014 and contains a principal forgiveness provision up to the loan amount. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.</p>	81,928	35,395
<p>Note payable to Methodist Healthcare System at Prime + 1% for up to \$75,409. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan contains a principal forgiveness provision up to the loan amount. Forgiveness of the loan begins September 1, 2010 and matures September 1, 2013. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.</p>	37,705	62,841
<p>Note payable to Christus Santa Rosa Health Care at Prime + 1% for up to \$53,460. The loan is a Physician Recruitment Agreement and is interest free and payment free unless the Agency defaults on the terms of the note. The loan contains a principal forgiveness provision up to the loan amount. Forgiveness of the loan begins March 31, 2010 and matures August 15, 2014. The loan is secured with a pledge of accounts receivable and payments are forgiven monthly.</p>	26,730	44,550
Total	\$ 386,054	\$ 290,810

Future minimum principal payments on these notes are as follows:

Year Ended March 31,	Amount
2013	\$ 190,731
2014	131,460
2015	63,863
Total	\$ 386,054

Total interest incurred in 2012 and 2011 is related to the Agency's financial arrangements for the construction of its facilities. Interest expense for the years ended March 31, 2012 and 2011, was \$673,694 and \$736,306, respectively (see Note 5 and 7).

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 7: BONDS PAYABLE

The Agency's obligations under bonds payable consist of the following:

Bexar County Health Development Corporation (the Issuer) issued Variable Rate Demand Health Care Revenue Bonds (El Centro del Barrio Project) Series 2007A and Series 2007B dated December 1, 2007 through the Bexar County Housing Finance Corporation. The bonds closed and funded on December 13, 2007 with proceeds initially held by the Bank of New York. The bonds' proceeds were used to construct and equip a 71,222 square foot health and wellness center located at 3750 and 3800 Commercial Avenue and were underwritten by JP Morgan Chase Bank through a Letter of Credit and Reimbursement Agreement dated December 1, 2007. The letter of credit agreement is secured by property and improvements located at 6315 S. Zarzamora, 910 Wagner and property and improvements located at 3750 & 3800 Commercial Avenue. The interest rate is variable based on the Securities Industry and Financial Markets Association (SIFMA) Municipal SWAP Index rate. As of March 31, 2012 and 2011, the outstanding balance on the bond payables were \$14,145,000 and \$14,460,000, respectively.

Total issuance cost paid for these bonds at date of issuance was \$555,802. The total issuance cost amortized during the fiscal year ended March 31, 2012 and 2011 was \$22,232 and \$22,232, respectively.

Effective January 17, 2008, El Centro del Barrio entered into a SWAP agreement with Lehman Brothers to fix a portion of the variable rate associated with the bond issue. The SWAP agreement notional amount is \$13,500,000 with scheduled reductions to begin December 1, 2013 and annually thereafter until termination. The termination date of the SWAP is December 1, 2027. The SWAP fixed rate of 3.247% is payable by El Centro del Barrio and the SWAP floating rate of 67% of USD-LIBOR-BBA is payable by Lehman Brothers.

On September 15, 2008 Lehman Brothers Holding filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court Southern District of New York. On October 3, 2008 Lehman Brothers Special Financing Inc., the counterparty to the agreement, also filed for Chapter 11 bankruptcy protection. Both bankruptcies are Events of Default under the Interest Rate Agreement. On October 16, 2008 the Agency notified Lehman Brothers of the Event of Default and designated an Early Termination Date of October 17, 2008, effectively dissolving the SWAP agreement with Lehman Brothers.

Effective December 1, 2008, the Agency entered into a new SWAP agreement with Morgan Stanley Capital Services Inc. The SWAP agreement notional amount is \$13,500,000 with scheduled reductions to begin December 1, 2013 and annually thereafter until termination. The SWAP fixed rate of 2.87% is payable by the Agency and the SWAP floating rate of 67% of USD-LIBOR-BBA is payable by Morgan Stanley Capital Services Inc.

The Agency's purpose in entering into the SWAP was to hedge against the risk of interest rate increases on the related variable rate debt. Accordingly, the SWAP arrangement is classified as a fair value hedging activity and represents a derivative financial instrument. This derivative financial instrument is not held for trading purposes.

The Agency accounts for this derivative financial instrument in accordance with ASC 815. Accordingly, the derivative financial instrument is reflected on the balance sheet at its fair value. Since this instrument is classified as a hedging activity the changes in the fair value of this instrument are recognized as changes in net assets in the Statement of Activities. Unrealized loss on the bond obligations was \$1,218,311 and \$563,144 for the years ended March 31, 2012 and 2011, respectively.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 7: BONDS PAYABLE (Continued)

The Agency also incurred a Letter of Credit fee of \$366,346 and \$314,810 during the fiscal years ending March 31, 2012 and 2011, respectively, which is reported as interest expense.

Future minimum principal payments on the bond payable are as follows:

<u>Year Ended March 31,</u>	<u>Amount</u>
2013	\$ 335,000
2014	355,000
2015	380,000
2016	405,000
2017	430,000
Thereafter	<u>12,240,000</u>
Total	<u>\$14,145,000</u>

NOTE 8: CONTINGENCIES

The Agency receives various grants to cover costs of specified programs. The grantor will make final determination of the eligibility of costs. Should any costs be found ineligible, the Agency will be responsible for reimbursing the grantor for these amounts. The Agency's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

The State of Texas Medicaid Plan, administered by the Texas Medicaid Healthcare Partnership (TMHP), remits quarterly settlements on Medicaid HMO encounters for the difference between the amount paid by the HMO provider and the total amount due under the Prospective Payment System (PPS) reimbursement model.

The Federal Medicare plan, administered by National Government Services (NGS) requires that each FQHC submit an annual cost report using audited financial statements wherein the actual cost to provide medical services is compared to the payment received for the service. The result could be a settlement payment by NGS to the FQHC if the costs exceed payments or a reimbursement to NGS if payments exceed costs.

Management has projected settlements for the fiscal years 2012 and 2011. Actual settlements could differ from management's estimates. Estimated settlements are reflected in the financial statements.

NOTE 9: CONCENTRATIONS

Management is of the opinion that concentrations of credit risk in trade receivables is limited, as they are from contracts with state government agencies and other non-governmental customers which management believes are credit worthy. Additionally, the Agency maintains its cash in bank accounts at several financial institutions. The balances, at times, may exceed the federally insured limits. As of March 31, 2012 and 2011, respectively, management believes it is not exposed to a significant credit risk on its trade receivables or its bank accounts. Approximately 29% and 34% of total support and revenue comes from funding and grants from the U.S. Department of Health and Human Services as of March 31, 2012 and 2011, respectively.

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2012	2011
Primary Care Services Program	\$ 100,000	\$ 106,923
Optometry Equipment	151,000	-
Total	\$ 251,000	\$ 106,923

NOTE 11: PENSION PLANS

The Agency has a voluntary, contributory annuity pension plan that is offered to all permanent employees. Effective December 31, 2005, the plan converted from an IRS Section 403(b) Thrift Plan to an IRS Section 403(b) Safe Harbor Thrift Plan. The plan is a money purchase plan and accordingly, no past service cost is included in the funding. The Agency's policy is to match the amount of all qualified employees' contributions up to 4% as of January 1, 2010. The total pension expense consisted of employer matching. For the years ended March 31, 2012 and 2011, employer matching expenses were \$460,363 and \$426,733, respectively.

On January 1, 2006, in conjunction with revisions to the executive compensation arrangement, the Agency entered into a 457 Deferred Compensation agreement with the President and Chief Executive Officer. The plan provides benefits payable should the employee remain employed for five years or within two years upon satisfaction of a non-compete agreement. The benefits are subject to forfeiture if employment is terminated on or before the second anniversary of the initial plan election as defined in the agreement. For the years ended March 31, 2012 and 2011, the 457 invested plan values were \$73,382 and \$54,888, respectively. Effective, January 1, 2009 the 457(f) plan was terminated; on December 1, 2009, a new 457(b) Deferred Compensation plan was activated with similar provisions as the previous plan.

NOTE 12: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Agency in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents, receivables, and notes payable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Investments and derivative financial instruments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values (Level 1) of the Agency's financial instruments are as follows:

	Fair Value	
	2012	2011
Financial assets:		
Investments	\$ 6,949,101	\$ 6,757,325
Financial liabilities:		
Derivative financial instruments	\$ 1,768,127	\$ 549,816

EL CENTRO DEL BARRIO
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and 2011

NOTE 13: PROMISES TO GIVE

The fair value of unconditional promises to give at March 31, 2012 and 2011 are as follows:

	2012	2011
Less Than One Year	\$ 60,000	\$ 158,662
One to Five Years	150,000	160,000
Total	\$ 210,000	\$ 318,662

The Agency believes the amount is fully collectible, therefore no allowance for uncollectible amounts has been provided.

NOTE 14: SUBSEQUENT EVENTS

The Agency evaluates subsequent events in accordance with ASC Topic No. 855, “*Subsequent Events*” (formally SFAS No. 165). The guidance requires an entity to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. In preparing these financial statements, the Agency has evaluated events and transactions for potential recognition or disclosure through June 27, 2012 the date the financial statements were available to be issued. The Agency has determined there are no subsequent events requiring disclosure.

NOTE 15: PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION

During the 2011 fiscal year, the Agency determined that an in-kind contribution of \$515,987 for leased space and utilities were excluded from the financial statements. This correction has no effect on total net assets at March 31, 2011, or on total change in net assets for the year ended March 31, 2011.

Additionally, certain amounts in prior-year financial statements have been reclassified for comparative purposes to conform with presentation in the current-year financial statements.

**FEDERAL AND STATE FINANCIAL AWARDS
SECTION**

EL CENTRO DEL BARRIO
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended March 31, 2012

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Federal Disbursements/ Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Consolidated Health Centers (Community Health Center)	93.224	\$ 5,143,130
Consolidated Health Centers (Healthcare for the Homeless)	93.224	1,666,440
		<u>6,809,570</u>
OP Early Intervention Svcs w/ Respect to HIV Disease	93.918	623,161
ARRA - Grants to Health Center Programs - Capital Improvements	93.703	592,491
ARRA - Grants to Health Center Programs - Facility Investment Program	93.703	5,489,325
		<u>6,081,816</u>
Pass-Through Alamo Area Council of Governments:		
HIV Emergency Relief Project Grants - Ryan White Part A	93.914	356,799
HIV Emergency Relief Project Grants - Ryan White Part A Minority AIDS Initiative	93.914	(645)
HIV Emergency Relief Project Grants - Ryan White Part B	93.914	5,423
		<u>361,577</u>
Pass-Through Texas Department of State Health Services:		
Immunization Grants	93.268	33,353
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	217,734
Social Services Block Grant	93.667	342,674
Maternal and Child Health Services Block Grant to the States	93.994	239,577
		<u>833,338</u>
		<u>14,709,462</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Pass-Through Office of Community Planning and Development:		
Community Development Block Grants/Entitlement Grants (ACFE)	14.218	130,880
		<u>130,880</u>
U.S. DEPARTMENT OF AGRICULTURE		
Pass-Through Texas Department of State Health Services:		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1,830,048

-Continued-

See accompanying notes to schedule of expenditures of federal awards.

EL CENTRO DEL BARRIO
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended March 31, 2012

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Disbursements/ Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE (continued)		
Pass-Through Texas Department of State Health Services: Child and Adult Care Food Program	10.558	12,627
<i>Total U.S. Department of Agriculture</i>		<u>1,842,675</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>16,683,017</u>
TEXAS DEPARTMENT OF STATE HEALTH SERVICES		
HIV Rapid Testing		95,723
Incubator Program		241,765
<i>Total Texas Department of State Health Services</i>		<u>337,488</u>
TEXAS DEPARTMENT OF HUMAN SERVICES		
Day Activity and Health Services		11,964
<i>Total Texas Department of Human Services</i>		<u>11,964</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>349,452</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		<u><u>\$ 17,032,469</u></u>

See accompanying notes to schedule of expenditures of federal awards.

EL CENTRO DEL BARRIO
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
March 31, 2012

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents expenditures for all federal assistance awards that were in effect for the year ended March 31, 2012 for El Centro del Barrio (the Agency). The Agency's reporting entity is described in Note 1 of the basic financial statements.

NOTE 2: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Agency and is presented on the accrual basis of accounting. 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."

NOTE 3: WIC VOUCHERS

The Agency has issued WIC vouchers valued at \$11,339,547 for the year ended March 31, 2012 based on an average redeemed value. This amount of federal noncash support is not included in the Schedule of Federal Awards. The CFDA No. is 10.577.

Gonzalez & Walker

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Rinaldo J. Gonzalez, P.C., CPA

Randy Walker & Co., P.C.

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 the Board of Directors
El Centro del Barrio

We have audited the financial statements of El Centro del Barrio (the Agency), a nonprofit organization, as of and for the year ended March 31, 2012, and have issued our report thereon dated June 27, 2012. 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.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures 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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

This report is intended solely for the information and use of management, others within the Agency, the Board of Directors, the federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

A handwritten signature in black ink, appearing to read "Douglas & Walker". The signature is written in a cursive, flowing style.

June 27, 2012

Gonzalez & Walker

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Rinaldo J. Gonzalez, P.C., CPA

Randy Walker & Co., P.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
El Centro del Barrio
San Antonio, Texas

Compliance

We have audited El Centro del Barrio (the Agency), a nonprofit organization, 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 the Agency's major federal programs for the year ended March 31, 2012. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

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 the Agency'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. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency 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 March 31, 2012.

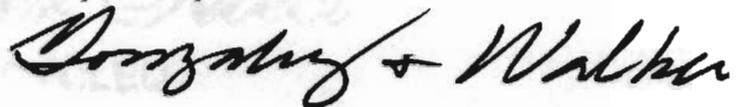
Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 the Agency'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the Agency, the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



June 27, 2012

EL CENTRO DEL BARRIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2012

Section I— Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified that are
 not considered to be material weakness(es)? _____ Yes X None Reported

Noncompliance material to the financial statements
 noted? _____ Yes X No

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified that are
 not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditors' report issued on compliance
 for major programs: Unqualified

Any audit findings disclosed that are required to
 be reported in accordance with Section 510(a)
 of OMB Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.703	U.S. Department of Health and Human Services – ARRA Grants to Health Center Programs: Capital Improvements/ Facility Investment Program
93.918	U.S. Department of Health and Human Services – OP Early Intervention Svcs w/ Respect to HIV Disease

Dollar threshold used to distinguish between Type
 A and Type B programs: \$500,491

Auditee qualified as low-risk auditee? X Yes _____ No

EL CENTRO DEL BARRIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2012

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

No matters noted.