

**EL PASO COMMUNITY  
ACTION PROGRAM  
PROJECT BRAVO, INC.**

Financial Statements and Supplementary Information  
for the Year Ended December 31, 2017 and  
Independent Auditor's Report

# **EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.**

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### **INDEPENDENT AUDITOR'S REPORT**

El Paso Community Action Program Project Bravo, Inc.  
El Paso, Texas

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of El Paso Community Action Program Project Bravo, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Paso Community Action Program Project Bravo as of December 31, 2017, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The selected statements of revenues and expenditures is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 July 10, 2018, on our consideration of El Paso Community Action Program Project Bravo, Inc.'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 El Paso Community Action Program Project Bravo, Inc.'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 El Paso Community Action Program Project Bravo, Inc.'s internal control over financial reporting and compliance.

STRICKLER & TRIGGS, LLP

July 10, 2018

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2017

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### ASSETS:

#### CURRENT ASSETS:

Cash and cash equivalents	\$ 520,137
Grants and tenant receivable	194,446
Prepaid expenses	<u>42,651</u>

Total current assets 757,234

PROPERTY AND EQUIPMENT-NET 1,324,602

Total assets \$ 2,081,836

### LIABILITIES AND NET ASSETS:

#### CURRENT LIABILITIES:

Accounts payable	\$ 258,614
Accrued expenses and other liabilities	71,019
Deferred revenue	134,693
Current portion of notes payable	33,245
Current portion of forgivable loans	<u>49,860</u>

Total current liabilities 547,431

#### LONG TERM LIABILITIES:

Notes payable, net of current portion	150,773
Forgivable loans, net of current portion	<u>231,420</u>

Total long term liabilities 382,193

Total liabilities 929,624

#### NET ASSETS

Unrestricted 1,152,212

Total net assets 1,152,212

TOTAL LIABILITIES AND NET ASSETS \$ 2,081,836

See accompanying notes to financial statements

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

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REVENUES AND OTHER SUPPORT	
Federal funds	\$ 6,329,005
State and local funds	54,613
Interest income	38
Rental income	195,213
Other grants, contributions, and support	<u>291,073</u>
TOTAL REVENUES AND OTHER SUPPORT	6,869,942
EXPENSES	
Program services	6,068,166
Management and general	<u>789,072</u>
TOTAL EXPENSES	<u>6,857,238</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>12,704</u>
UNRESTRICTED NET ASSETS, Beginning of year	<u>1,139,508</u>
UNRESTRICTED NET ASSETS, End of year	<u>\$ 1,152,212</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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	CLIENT ASSISTANCE	MANAGEMENT & GENERAL	TOTAL
SALARIES AND RELATED EXPENSES:			
Personnel	\$ 951,744	\$ 407,525	\$ 1,359,269
Fringe benefits	263,711	94,670	358,381
Travel	<u>25,151</u>	<u>20,714</u>	<u>45,865</u>
 TOTAL SALARIES AND RELATED EXPENSES	 <u>1,240,606</u>	 <u>522,909</u>	 <u>1,763,515</u>
OTHER EXPENSES			
Equipment	37,074	21,872	58,946
Supplies	12,682	12,194	24,876
Contractual	137,777	32,500	170,277
Direct services	4,303,316	-	4,303,316
Other	336,711	113,213	449,924
Depreciation	<u>-</u>	<u>86,384</u>	<u>86,384</u>
 TOTAL OTHER EXPENSES	 <u>4,827,560</u>	 <u>266,163</u>	 <u>5,093,723</u>
 TOTAL EXPENSES	 <u>\$ 6,068,166</u>	 <u>\$ 789,072</u>	 <u>\$ 6,857,238</u>

See accompanying notes to financial statements

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

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CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 12,704
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	86,384
Forgiveness of debt on forgivable grant loans	(66,315)
Changes in assets and liabilities:	
Accounts and grants receivable	553,590
Prepaid expenses	(23,967)
Accounts payable	(240,610)
Accrued expenses	(209,538)
Deferred revenue	64,709
	<hr/>
Net cash provided by operating activities	176,957
	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on notes payable	(39,957)
	<hr/>
Net cash used in financing activities	(39,957)
	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	137,000
CASH AND CASH EQUIVALENTS, Beginning of year	<hr/> 383,137
CASH AND CASH EQUIVALENTS, End of year	<hr/> <u>\$ 520,137</u>
NON-CASH TRANSACTIONS:	
Disposal of donated vehicles	\$ 63,769
See accompanying notes to financial statements	



# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### 1. ORGANIZATION AND NATURE OF ACTIVITIES

The El Paso Community Action Program Project Bravo, Inc. ("Project Bravo") was organized in August of 1965 to implement and carry out the provisions and spirit of the Economic Opportunity Act of 1964. Project Bravo is a private nonprofit corporation that is primarily funded by the federal government through the Texas Department of Housing and Community Affairs.

Project Bravo is responsible for the administration of various community service grants throughout El Paso County. Project Bravo is governed by a board of directors consisting of 15 members, five appointed by various local governmental units, five appointed by designated private interest groups and five elected area representatives.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting Presentation***—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues and expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Project Bravo and changes therein are classified and reported as follows:

***Unrestricted Net Assets***—Unrestricted net assets are those net assets not subject to donor-imposed stipulations. Net assets received and expended within the reporting period are reported in the statement of activities as unrestricted support or revenue.

***Management's Estimates and Assumptions***—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Restricted and Unrestricted Support and Revenue***—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 restricted net assets or permanently restricted net assets. When a restriction expires, (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Revenue Recognition**—Contributions and grants received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature or any donor restrictions.

**Grants Receivable and Tenant Rent Receivable**—Receivables consist primarily of amounts due from grantor agencies and tenant rent receivables. Accounts receivable are evaluated by management throughout the year. Project Bravo maintains an allowance for doubtful accounts based upon the credit risk of the grantors and tenants, historical trends and other information. At December 31, 2017, all grant and tenant receivables are deemed to be fully collectible, therefore an allowance for doubtful accounts has not been established.

**Property and Equipment**—Property and equipment are recorded at cost or at estimated fair market value at the date of the gift, if donated, less an allowance for accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and improvements at or exceeding \$5,000 are capitalized, while expenditures for maintenance and repairs are charged to operations as incurred. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in current period income.

**Compensated Absences**—Employees of Project Bravo are entitled to annual leave accrual upon hire. Employees may use annual leave after completion of 6 months of continuous employment. Full-time employees accrue eight hours of annual leave for each full calendar month in pay status, while certain members of upper management accrue twelve hours of annual leave for the same period. Annual leave may be carried over to the next funded year to a maximum of 40 hours for full-time employees and 80 hours for upper management.

**Analysis for Impairment**—Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is determined based upon a comparison of future cash flows to the recorded value of the assets. Impairment losses are measured based upon the fair value of impaired assets. No such impairment losses were recorded during the year ended December 31, 2017.

**Cash and Cash Equivalents**—Project Bravo considers, for purposes of the statement of cash flows, all cash accounts, money market accounts, certificates of deposit and other short-term highly liquid investment instruments purchased with original maturities of three months or less to be cash equivalents.

**Concentration of Credit Risk**—Financial instruments which potentially subject Project Bravo to a concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. Project Bravo places its cash in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, however, at various times throughout the organization has had significant amounts of cash equivalents that are not federally insured. The risk is managed by maintaining all deposits in high quality financial institutions. Management assesses the financial condition of these financial institutions and believes that the possibility of any credit loss is minimal.

**Allocation of Expenses**—The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

**Income Taxes**—Project Bravo is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Project Bravo has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Organization files a Return of Organization Exempt from Income Tax under Section 501 (c)(3) of the Internal Revenue Code. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for year before December 31, 2014. There are no examinations in progress at December 31, 2017.

**Advertising**—Advertising costs are expensed as incurred. Advertising costs were \$1,189 for the year ended December 31, 2017.

**Subsequent Pronouncements**—In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides clarification in the evaluation of whether a transfer of assets (or reduction, settlement, or cancellation of liabilities) is a contribution (nonreciprocal transaction) or an exchange transaction (reciprocal). For contributions received, the amendments become effective for fiscal years beginning after December 15, 2018. For contributions made, the amendments become effective for fiscal years beginning after December 15, 2019. Early adoption is permitted and is to be applied using a modified prospective transition approach. Project Bravo has not yet evaluated the impact this standard will have on its financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments provide guidance on eight specific cash flow classification issues: debt prepayment or debt extinguishments costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, corporate and bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is to be applied retrospectively and is effective for years beginning after December 15, 2018, with early adoption permitted. Project Bravo has not yet evaluated the impact this standard will have on its financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which provides more relevant information about available resources (and the changes in those resources) to donors, grantors, creditors, and other users. The most significant aspects of the ASU are as follows: (1) the ASU replaces the current presentation of three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets – net assets with donor restrictions and net assets without donor restrictions, (2) the ASU expands the disclosures about the nature and amount of any donor restrictions, board designations of net assets without donor restrictions, as well as any underwater endowment funds, (3) the ASU requires expenses to be presented by nature and function, as well as an analysis of the allocation of these expenses, and (4) the ASU requires specific quantitative and qualitative disclosures to improve the ability of financial statement users to assess the entity's available financial resources and the methods by which it manages liquidity and liquidity risk. ASU 2016-14 is to be applied retrospectively, and is effective for years beginning after December 15, 2017, with early adoption permitted. Project Bravo will be evaluating the impact this standard will have on its financial statements and related disclosures.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires entities to recognize all leased assets as assets on the statement of financial position with a corresponding liability, resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. As updated by ASU 2018-11, the standard provides the option to apply the transition provisions as of an entity's adoption date or at the earliest comparative period presented in its financial statements. Project Bravo has not yet evaluated the impact this standard will have on its financial statements and related disclosures, including the selection of a transition method.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The update provides guidance concerning the recognition and measurement of revenue from contracts with customers. Its objective is to increase the usefulness of information in the financial statements regarding the nature, time, and uncertainty of revenues. As deferred by ASU 2015-14, the update is effective for the years beginning after December 15, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. Project Bravo has not yet evaluated the impact this standard will have on its financial statements and related disclosures.

**Subsequent Events**—Management has evaluated subsequent events through July 10, 2018, the date the financial statements were available to be issued.

### 3. GRANTS AND TENANT RECEIVABLE

Grants receivable arise from amounts due to Project Bravo by granting agencies for allowable, reimbursable expenditures at year-end. Grants and tenant receivables consisted of the following at December 31, 2017:

Community Services Block Grant	\$ 105,546
Comprehensive Energy Assistance Program	41,439
LIHEAP Weatherization Assistance Program	45,111
Tenant receivables	<u>2,350</u>
<b>TOTAL</b>	<b><u>\$ 194,446</u></b>

### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2017:

	<b>Estimated Lives (Years)</b>	
Building and improvements	27.5	\$ 2,252,987
Vehicles	5	191,156
Furniture and equipment	3	59,417
Land		<u>394,305</u>
		2,897,865
Less accumulated depreciation and amortization		<u>(1,573,263)</u>
<b>TOTAL</b>		<b><u>\$ 1,324,602</u></b>

Depreciation expense for the year ended December 31, 2017 was \$86,384.

In April 2017, Project Bravo donated three vehicles with an original book value of \$63,769 to another local non-profit organization.

Certain vehicles and equipment were acquired with funds received under grant contracts with the Texas Department of Housing and Community Affairs. Under the terms of the grant agreements, title of the equipment may be transferred, upon termination or non-renewal of the agreements, to a third party named by the granting agency. There were no balances in temporarily restricted net assets at December 31, 2017.

**5. DEFERRED REVENUES**

Deferred revenues consisted of the following as of December 31, 2017:

El Paso LIFT Grant	\$	80,003
Department of Energy		10,802
Weatherization Assistance Program		31,738
Share the Warmth		10,739
Rents received in advance		<u>1,411</u>
	\$	<u>134,693</u>

**6. DONATED MATERIALS AND SERVICES**

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt. Project Bravo allocates in-kind expenses to program and activities for which the services are used. Materials and other noncash donations are recorded at cost or estimated fair value at the date of donation. For the year ended December 31, 2017, the Organization recorded volunteer hours and other donated goods that totaled \$144,383, which is included in other grants, contributions, and support in the statement of activities.

**7. GOVERNMENT FUNDING**

Project Bravo is a not for profit organization which receives approximately 92% of its revenues from federal, state and local governments. In the event the funding was to be discontinued, Project Bravo would have difficulty continuing operations without the receipt of these governmental funds.

**8. LINE OF CREDIT**

Project Bravo maintains a revolving line of credit with a financial institution to meet short-term working capital borrowing needs. Borrowings under the line of credit for the year ended December 31, 2017 were limited to a maximum of \$500,000. Interest on outstanding funds is payable monthly at the bank's prime rate with a floor of 4.75%. The maturity date of the line of credit is October 17, 2018 and is secured by grants and tenant receivables. There was no outstanding balance or related interest expense as of December 31, 2017.

**9. NOTES PAYABLE AND FORGIVABLE LOANS**

Notes payable and forgivable loans consisted of the following at December 31, 2017:

	<b>Note Payable</b>	<b>Forgivable Loan</b>
<p>Note payable to the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$228,420, payable in monthly installments of \$951, non interest bearing and matures September 1, 2019. In connection with this note, a forgivable grant note in the original amount of \$342,360 is forgiven in the amount of \$1,427 per month as long as Project Bravo complies with the requirements designated in the deeds of trust. The forgivable grant note matures on September 1, 2019. Both notes are secured by property.</p>	\$ 18,075	\$ 28,530
<p>Note payable to the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$230,161, payable in monthly installments of \$959, non interest bearing and matures October 1, 2025. In connection with this note, a forgivable grant note in the original amount of \$345,242 is forgiven in the amount of \$1,439 per month as long as Project Bravo complies with the requirements designated in the deeds of trust. The forgivable grant note matures on October 1, 2025. Both notes are secured by property.</p>	85,744	133,781
<p>Note payable to the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$92,688, payable in monthly installments of \$387, non interest bearing and matures August 1, 2024. In connection with this note, a forgivable grant note in the original amount of \$139,033 is forgiven in the amount of \$580 per month as long as Project Bravo complies with the requirements designated in the deeds of trust. The forgivable grant note matures on August 1, 2024. Both notes are secured by property.</p>	30,458	45,765
<p>Note payable to the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$113,716, payable in monthly installments of \$474, non interest bearing and matures August 1, 2026. In connection with this note, a forgivable grant note in the original amount of \$170,574 is forgiven in the amount of \$711 per month as long as Project Bravo complies with the requirements designated in the deeds of trust. The forgivable grant note matures on August 1, 2026. Both notes are secured by property.</p>	49,741	73,204
Total	184,018	281,280
Less: Current portion	33,245	49,860
Noncurrent portion	\$ 150,773	\$ 231,420

Maturities of long-term debt are as follows:

<b>Year Ending December 31,</b>	<b>Note Payable</b>	<b>Forgivable Loan</b>
2018	\$ 33,245	\$ 49,860
2019	28,496	44,156
2020	21,833	32,743
2021	21,833	32,743
2022	21,833	32,743
Thereafter	<u>56,778</u>	<u>89,035</u>
	<u>\$ 184,018</u>	<u>\$ 281,280</u>

## 10. COMMITMENTS AND CONTINGENCIES

**Grants**—Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although Project Bravo expects such amounts, if any, to be immaterial.

**Litigation**—Project Bravo is subject to litigation, related to employment matters, in the normal course of business. Management, after consulting with its legal counsel, believes the effect, if any, resulting from the disposition of these matters will not have a material adverse effect on the financial position of Project Bravo.

**Operating lease**—Project Bravo currently leases office facilities month to month, with the exception of two facilities that have extended the terms four and five years. Total rent expense for the year ended December 31, 2017 was \$117,956. Project Bravo also leases various equipment with lease terms of three years. The monthly lease payments are charged to expense as incurred. Lease equipment expense for the year ended December 31, 2017 was \$15,421.

Future minimum payments under the operating leases are:

<b>Year Ending December 31,</b>	
2018	\$ 115,855
2019	71,451
2020	64,800
2021	<u>27,000</u>
Total	<u>\$ 279,106</u>

**SUPPLEMENTARY INFORMATION**



**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMMUNITY SERVICES BLOCK GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.569  
PROJECT NUMBER : 61170002632  
CONTRACT PERIOD: JANUARY 1, 2017 - MAY 31, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,291,030	\$ -	\$ 957,059	\$ 957,059
TOTAL REVENUES	<u>1,291,030</u>	<u>-</u>	<u>957,059</u>	<u>957,059</u>
EXPENDITURES				
Personnel	695,415	-	586,356	586,356
Fringe benefits	247,847	-	152,751	152,751
Travel	21,260	-	16,220	16,220
Equipment	29,130	-	19,388	19,388
Supplies	17,100	-	11,837	11,837
Contractual	15,750	-	15,665	15,665
Other	264,528	-	154,842	154,842
TOTAL EXPENDITURES	<u>1,291,030</u>	<u>-</u>	<u>957,059</u>	<u>957,059</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMMUNITY SERVICES BLOCK GRANT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.569  
PROJECT NUMBER : 61160002382  
CONTRACT PERIOD: JANUARY 1, 2016 - MARCH 31, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,303,317	\$ 1,126,758	\$ 176,559	\$ 1,303,317
TOTAL REVENUES	<u>1,303,317</u>	<u>1,126,758</u>	<u>176,559</u>	<u>1,303,317</u>
EXPENDITURES				
Personnel	532,599	442,865	114,860	557,725
Fringe benefits	177,226	130,322	26,831	157,153
Travel	15,625	12,084	2,000	14,084
Equipment	22,770	16,883	1,183	18,066
Supplies	20,000	10,902	1,213	12,115
Contractual	10,950	10,789	552	11,341
Other	524,147	502,913	29,920	532,833
TOTAL EXPENDITURES	<u>1,303,317</u>	<u>1,126,758</u>	<u>176,559</u>	<u>1,303,317</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMMUNITY SERVICES BLOCK GRANT - DISCRETIONARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.569  
PROJECT NUMBER : 61170002695  
CONTRACT PERIOD: MARCH 1, 2017 - DECEMBER 31, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 16,250	\$ -	\$ 16,240	\$ 16,240
TOTAL REVENUES	<u>16,250</u>	<u>-</u>	<u>16,240</u>	<u>16,240</u>
EXPENDITURES				
Other	<u>16,250</u>	<u>-</u>	<u>16,240</u>	<u>16,240</u>
TOTAL EXPENDITURES	<u>16,250</u>	<u>-</u>	<u>16,240</u>	<u>16,240</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMMUNITY SERVICES BLOCK GRANT - DEMONSTRATION FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.569  
PROJECT NUMBER : 61160002513  
CONTRACT PERIOD: SEPTEMBER 1, 2016 - FEBRUARY 28, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 12,000	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Contractual	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.568  
PROJECT NUMBER : 58170002591  
CONTRACT PERIOD: JANUARY 1, 2017 - JUNE 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 4,425,751	\$ -	\$ 3,960,463	\$ 3,960,463
TOTAL REVENUES	<u>4,425,751</u>	<u>-</u>	<u>3,960,463</u>	<u>3,960,463</u>
EXPENDITURES				
Administration	319,539	-	204,843	204,843
Household Crisis	1,122,430	-	903,829	903,829
Program services	545,556	-	364,668	364,668
Utility assistance	2,437,026	-	2,485,923	2,485,923
Travel	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
TOTAL EXPENDITURES	<u>4,425,751</u>	<u>-</u>	<u>3,960,463</u>	<u>3,960,463</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMPREHENSIVE ENERGY ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.568  
PROJECT NUMBER : 58160002342  
CONTRACT PERIOD: JANUARY 1, 2016 - MARCH 31, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 4,307,382	\$ 4,120,104	\$ 187,278	\$ 4,307,382
TOTAL REVENUES	<u>4,307,382</u>	<u>4,120,104</u>	<u>187,278</u>	<u>4,307,382</u>
EXPENDITURES				
Administration	269,211	216,072	53,139	269,211
Assurance 16	266,535	221,121	45,414	266,535
Household crisis	1,750,148	763,360	5,396	768,756
Program services	268,326	207,807	46,183	253,990
Utility assistance	1,752,001	2,710,584	37,145	2,747,729
Travel	<u>1,161</u>	<u>1,160</u>	<u>1</u>	<u>1,161</u>
TOTAL EXPENDITURES	<u>4,307,382</u>	<u>4,120,104</u>	<u>187,278</u>	<u>4,307,382</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
LIHEAP WEATHERIZATION ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.568  
PROJECT NUMBER : 81170002662  
CONTRACT PERIOD: JANUARY 1, 2017 - JUNE 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 855,084	\$ -	\$ 766,850	\$ 766,850
TOTAL REVENUES	<u>855,084</u>	<u>-</u>	<u>766,850</u>	<u>766,850</u>
EXPENDITURES				
Administration	61,652	-	43,292	43,292
Material	330,000	-	309,037	309,037
Program support	160,361	-	122,798	122,798
Labor	142,785	-	138,757	138,757
Health and safety	158,286	-	151,809	151,809
Travel	2,000	-	1,157	1,157
TOTAL EXPENDITURES	<u>855,084</u>	<u>-</u>	<u>766,850</u>	<u>766,850</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
LIHEAP WEATHERIZATION ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 93.568  
PROJECT NUMBER : 81160002413  
CONTRACT PERIOD: JANUARY 1, 2016 - JUNE 30, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 857,563	\$ 781,730	\$ 75,833	\$ 857,563
TOTAL REVENUES	<u>857,563</u>	<u>781,730</u>	<u>75,833</u>	<u>857,563</u>
EXPENDITURES				
Administration	43,613	39,139	4,474	43,613
Material	377,016	336,612	33,829	370,441
Program support	130,975	112,233	12,423	124,656
Labor	143,570	143,850	12,614	156,464
Health and safety	160,389	148,534	11,855	160,389
Travel	2,000	1,362	638	2,000
TOTAL EXPENDITURES	<u>857,563</u>	<u>781,730</u>	<u>75,833</u>	<u>857,563</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements



**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
DOE WEATHERIZATION ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF ENERGY  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 81.042  
PROJECT NUMBER : 56170002728  
CONTRACT PERIOD: JULY 1, 2017 - JUNE 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 222,347	\$ -	\$ 47,081	\$ 47,081
TOTAL REVENUES	<u>222,347</u>	<u>-</u>	<u>47,081</u>	<u>47,081</u>
EXPENDITURES				
Administration	12,300	-	3,678	3,678
Insurance	1,200	-	146	146
Fiscal audit	800	-	-	-
Material	70,379	-	18,233	18,233
Program support	50,594	-	4,142	4,142
Labor	35,000	-	9,127	9,127
Health and safety	34,163	-	5,411	5,411
Travel	17,911	-	6,344	6,344
TOTAL EXPENDITURES	<u>222,347</u>	<u>-</u>	<u>47,081</u>	<u>47,081</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
DOE WEATHERIZATION ASSISTANCE PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF ENERGY  
PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
CFDA NUMBER: 81.042  
PROJECT NUMBER : 56160002487  
CONTRACT PERIOD: JULY 1, 2016 - JUNE 30, 2017**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 220,676	\$ 78,689	\$ 141,643	\$ 220,332
TOTAL REVENUES	<u>220,676</u>	<u>78,689</u>	<u>141,643</u>	<u>220,332</u>
EXPENDITURES				
Administration	15,188	4,588	10,515	15,103
Insurance	2,493	673	1,602	2,275
Fiscal audit	800	102	698	800
Material	78,010	42,762	36,110	78,872
Program support	35,000	1,643	31,628	33,271
Labor	32,328	17,398	15,756	33,154
Health and safety	33,832	9,196	24,636	33,832
Travel	<u>23,025</u>	<u>2,327</u>	<u>20,698</u>	<u>23,025</u>
TOTAL EXPENDITURES	<u>220,676</u>	<u>78,689</u>	<u>141,643</u>	<u>220,332</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**EL PASO COMMUNITY ACTION PROGRAM  
PROJECT BRAVO, INC.**

**STATEMENT OF REVENUE AND EXPENDITURES  
COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING COUNSELING  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**FEDERAL FINANCIAL ASSISTANCE  
FEDERAL GRANTOR: U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT  
PASS-THROUGH GRANTOR: CITY OF EL PASO, TEXAS  
CFDA NUMBER: 14.218  
PROJECT NUMBER : 18-1039-1500/761605-OAR  
CONTRACT PERIOD: SEPTEMBER 1, 2017 - AUGUST 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 40,000	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Salaries	24,074	-	-	-
Benefits	7,230	-	-	-
Contractual	993	-	-	-
Occupancy equipment	4,137	-	-	-
Other expenses	3,566	-	-	-
TOTAL EXPENDITURES	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

## **COMPLIANCE SECTION**



## Strickler & Prieto, LLP

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors  
of El Paso Community Action Program Project Bravo, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of El Paso Community Action Program Project Bravo, Inc. ("Project Bravo") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 10, 2018.

#### Internal Control over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

STRICKLER & PRIETO, LLP

El Paso, Texas  
July 10, 2018



## **Strickler & Prieto, LLP**

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

The Board of Directors  
of El Paso Community Action Program Project Bravo, Inc.

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

We have audited El Paso Community Action Program Project Bravo, Inc.'s ("Project Bravo") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Project Bravo's major federal programs for the year ended December 31, 2017. Project Bravo's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

### Opinion on Each Major Federal Program

In our opinion, Project Bravo complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### Report on Internal Control Over Compliance

Management of Project Bravo is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Project Bravo's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Project Bravo'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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Strickler & Prieto, LLP

El Paso, Texas  
July 10, 2018



# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA No.</u>	<u>Contract/Grant Project</u>	<u>Award Amount</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Texas Department of Housing and Community Affairs				
Community Services Block Grant 2017	93.569	61170002632	\$ 1,291,030	\$ 957,059
Community Services Block Grant 2016	93.569	61160002382	1,303,317	176,559
Community Services Block Grant Discretionary	93.569	61170002695	16,250	16,240
Community Services Block Grant Demonstration	93.569	61160002513	12,000	-
Total 93.569				<u>1,149,858</u>
Comprehensive Energy Assistance Program 2017	93.568	58170002591	4,425,751	3,960,463
Comprehensive Energy Assistance Program 2016	93.568	58160002342	4,307,382	187,277
LIHEAP Weatherization Assistance Program 2017	93.568	81170002662	855,084	766,850
LIHEAP Weatherization Assistance Program 2016	93.568	81160002413	857,563	75,833
Total 93.568				<u>4,990,423</u>
Total Department of Health and Human Services				<u>6,140,281</u>
<b>U.S. Department of Energy</b>				
Passed Through Texas Department of Housing and Community Affairs				
DOE Weatherization Assistance Program 2017	81.042	56170002728	222,347	47,081
DOE Weatherization Assistance Program 2016	81.042	56160002487	220,676	141,643
Total Department of Energy				<u>188,724</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed Through the City of El Paso, Texas				
Community Development Block Grant Housing Counseling	14.218	18-10391500/761605	40,000	-
Total Department of Housing and Urban Development				<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 6,329,005</u>

# EL PASO COMMUNITY ACTION PROGRAM

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

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### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of El Paso Community Action Program Project Bravo, Inc. ("Project Bravo") under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Project Bravo, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Project Bravo.

### 2. BASIS OF PRESENTATION

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. INDIRECT COST RATE

Project Bravo has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### 4. LOANS OR LOAN GUARANTEES

Project Bravo did not expend federal awards related to loans or loan guarantees during the year ended December 31, 2017.

### 5. NON-CASH ASSISTANCE

During the current fiscal year, Project Bravo did not expend any federal non-cash assistance.

### 6. INSURANCE REQUIREMENTS

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards.

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR YEAR ENDED DECEMBER 31, 2017

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### I. SUMMARY OF INDEPENDENT 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 deficiencies identified that are 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 deficiencies identified that are 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 2 CFR section 200.516(a)?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.568	Comprehensive Energy Assistance Program
93.568	LIHEAP Weatherization Assistance Program

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee?   X   Yes        No

**II. FINDINGS - FINANCIAL STATEMENT AUDIT:**

None reported.

**III. FINDINGS - FEDERAL AWARDS**

None reported.

**IV. STATUS OF PRIOR YEAR FINDINGS**

None reported.