

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

Financial Statements and Supplementary Information  
for the Years ended December 31, 2018 and 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 statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 opinions.

## 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years 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 June 28, 2019, 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 & PRISTO, LLP

June 28, 2019

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

**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018 AND 2017**

<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 615,758	\$ 520,137
Grants and tenant receivable	137,103	194,446
Prepaid expenses	46,841	42,651
	<hr/>	<hr/>
Total current assets	799,702	757,234
<b>PROPERTY AND EQUIPMENT-NET</b>	<hr/>	<hr/>
	1,238,218	1,324,602
	<hr/>	<hr/>
Total assets	<u>\$ 2,037,920</u>	<u>\$ 2,081,836</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 260,849	\$ 258,614
Accrued expenses and other liabilities	81,197	72,430
Current portion of notes payable	28,496	33,245
Current portion of forgivable loans	44,154	49,860
	<hr/>	<hr/>
Total current liabilities	414,696	414,149
 <b>LONG TERM LIABILITIES:</b>		
Notes payable, net of current portion	122,277	150,773
Forgivable loans, net of current portion	187,265	231,420
	<hr/>	<hr/>
Total long term liabilities	309,542	382,193
	<hr/>	<hr/>
Total liabilities	724,238	796,342
 <b>NET ASSETS:</b>		
Without donor restrictions	1,175,663	1,152,212
With donor restrictions	138,019	133,282
	<hr/>	<hr/>
Total net assets	1,313,682	1,285,494
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,037,920</u>	<u>\$ 2,081,836</u>

See accompanying notes to financial statements

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

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT:			
Federal funds	\$ 8,221,269	\$ 90,884	\$ 8,312,153
Interest income	41	-	41
Rental income	194,098	-	194,098
Other grants, contributions, and support	189,878	51,443	241,321
Net assets released from restrictions	<u>137,590</u>	<u>(137,590)</u>	<u>-</u>
Total revenue and other support	<u>8,742,876</u>	<u>4,737</u>	<u>8,747,613</u>
EXPENSES:			
Client assistance	7,903,763	-	7,903,763
Management and general	<u>815,662</u>	<u>-</u>	<u>815,662</u>
Total expenses	<u>8,719,425</u>	<u>-</u>	<u>8,719,425</u>
Change in net assets	23,451	4,737	28,188
Net assets, beginning of year	<u>1,152,212</u>	<u>133,282</u>	<u>1,285,494</u>
Net assets, end of year	<u>\$ 1,175,663</u>	<u>\$ 138,019</u>	<u>\$ 1,313,682</u>

See accompanying notes to financial statements

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

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT:</b>			
Federal funds	\$ 6,270,233	\$ 10,802	\$ 6,281,035
State and local funds	4,551	125,000	129,551
Interest income	38	-	38
Rental income	195,213	-	195,213
Other grants, contributions, and support	290,299	38,316	328,615
Net assets released from restrictions	<u>109,608</u>	<u>(109,608)</u>	<u>-</u>
Total revenue and other support	<u>6,869,942</u>	<u>64,510</u>	<u>6,934,452</u>
<b>EXPENSES:</b>			
Client assistance	6,068,166	-	6,068,166
Management and general	<u>789,072</u>	<u>-</u>	<u>789,072</u>
Total expenses	<u>6,857,238</u>	<u>-</u>	<u>6,857,238</u>
Change in net assets	12,704	64,510	77,214
Net assets, beginning of year	<u>1,139,508</u>	<u>68,772</u>	<u>1,208,280</u>
Net assets, end of year	<u>\$ 1,152,212</u>	<u>\$ 133,282</u>	<u>\$ 1,285,494</u>

See accompanying notes to financial statements

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

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018**

	CLIENT ASSISTANCE	MANAGEMENT & GENERAL	TOTAL
SALARIES AND RELATED EXPENSES:			
Personnel	\$ 1,032,206	\$ 428,525	\$ 1,460,731
Fringe benefits	289,084	95,989	385,073
Travel	<u>20,081</u>	<u>19,627</u>	<u>39,708</u>
 TOTAL SALARIES AND RELATED EXPENSES	 <u>1,341,371</u>	 <u>544,141</u>	 <u>1,885,512</u>
OTHER EXPENSES			
Equipment	34,426	32,380	66,806
Supplies	20,438	4,695	25,133
Contractual	114,247	25,365	139,612
Direct services	6,066,640	-	6,066,640
Other	326,641	122,697	449,338
Depreciation	<u>-</u>	<u>86,384</u>	<u>86,384</u>
 TOTAL OTHER EXPENSES	 <u>6,562,392</u>	 <u>271,521</u>	 <u>6,833,913</u>
 TOTAL EXPENSES	 <u>\$ 7,903,763</u>	 <u>\$ 815,662</u>	 <u>\$ 8,719,425</u>

See accompanying notes to financial statements

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

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

	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.**

**STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 28,188	\$ 77,214
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	86,384	86,384
Forgiveness of debt on forgivable grant loans	(49,861)	(66,315)
Changes in assets and liabilities:		
Accounts and grants receivable	57,343	553,590
Prepaid expenses	(4,190)	(23,967)
Accounts payable	2,235	(240,610)
Accrued expenses	8,767	(209,339)
	<u>128,866</u>	<u>176,957</u>
Net cash provided by operating activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable	<u>(33,245)</u>	<u>(39,957)</u>
Net cash used in financing activities	<u>(33,245)</u>	<u>(39,957)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>95,621</b>	<b>137,000</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<b><u>520,137</u></b>	<b><u>383,137</u></b>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<b><u>\$ 615,758</u></b>	<b><u>\$ 520,137</u></b>
<b>NON-CASH TRANSACTIONS:</b>		
Disposal of donated vehicles	\$ -	63,769
See accompanying notes to financial statements		

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2018 AND 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 Presentation***—The financial statements of the Project BRAVO have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions***—Net assets without donor restrictions are those net assets not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Project BRAVO. Net assets received and expended within the reporting period are reported in the statement of activities as without donor restrictions.

***Net assets with donor restrictions***—Net assets with donor restrictions are those net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Project BRAVO or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

***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.

***Support and Revenue***—All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Project BRAVO reports the support as net assets without 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, 2018 and 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 3 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 years ended December 31, 2018 and 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 financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expense, fringe benefits, travel, equipment, supplies, contractual expenses, direct services, and other expenses, which are allocated on the basis of estimates of time and effort.

***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, 2015. There are no examinations in progress at December 31, 2018.

**Advertising**—Advertising costs are expensed as incurred. Advertising costs were \$3,079 and \$1,189 for the years ended December 31, 2018 and 2017, respectively.

**New Accounting Pronouncement**—On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Project BRAVO has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Reclassification**—Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported change in net assets.

**Subsequent Pronouncements**—In March 2019, the FASB issued ASU 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*. The ASU specifically addresses the use of proceeds from sales of collections and related disclosures. Collections include groupings of art, historical treasures, or similar assets that are 1) held for public use, 2) preserved and protected; and, 3) when sold, the proceeds are reserved for specific uses. Under the clarified definition, proceeds from the sale of collection items can be used either to acquire new items or directly care for existing items already in possession. Previous guidance required proceeds to be used only for the acquisition of additional collections. This change aligns the definition of “collections” with that currently used by the American Alliance of Museums. ASU 2019-03 is effective for financial statements issued for fiscal years beginning after December 15, 2019. Early application of the amendments is permitted. The amendments in ASU 2019-03 should be applied on a prospective basis.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard is intended to address questions stemming from ASU 2014-09, *Revenue from Contracts with Customers*, regarding its implications on the grants and contracts of not-for-profit organizations. ASU 2018-08 includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. All grants, contracts, and/or agreements must be analyzed under the new framework to determine if it will be recorded as a contribution, an exchange transaction, or both. For any agreements identified as conditional contributions, the organizations will also need to identify and track the specific conditions of the contract and record the contributions as the conditions are met. ASU 2018-08 will be applied using the modified prospective basis and is effective for years beginning after December 15, 2018. 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 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. Further, updated by ASU 2019-01, the standard aims to increase transparency and comparability among organizations by recognizing assets and lease liabilities on the statement of financial position and disclosing key information about leasing transactions. 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.

**Subsequent Events**—Management has evaluated subsequent events through June 28, 2019, the date the financial statements were available to be issued.

### 3. AVAILABILITY AND LIQUIDITY

Project BRAVO regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The following represents Project BRAVO's financial assets at December 31, 2018 and 2017 that are readily available within one year of the balance sheet date to meet general expenditures.

	<b>2018</b>	<b>2017</b>
Financial assets at year end:		
Cash and cash equivalents	\$ 615,758	\$ 520,137
Grants and contributions receivable	137,103	194,446
	<u>752,861</u>	<u>714,583</u>
Total	752,861	714,583
Less net assets with purpose restrictions to be met in less than a year	<u>(138,019)</u>	<u>(133,282)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 614,842</u>	<u>\$ 581,301</u>

Project BRAVO has \$752,861 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of a cash balance of \$615,758 and grants and contributions receivable of \$137,103. The financial assets are subject to donor or other contractual restrictions, amounting to \$138,019, that are unavailable for general expenditures within one year of the statement of financial position. Project BRAVO has a goal to maintain financial assets, which consists of cash on hand to meet 45 days of normal operating expense, which are, on average, approximately \$300,000. Project BRAVO has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, Project BRAVO invests cash in excess of daily requirements in short-term investments, primarily money markets. As described in Note 9, Project BRAVO also has a line of credit in the amount of \$500,000, which it could draw upon in

the event of an unanticipated liquidity need.

#### 4. 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, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Community Development Block Grant	\$ 6,420	\$ -
Community Services Block Grant	24,204	105,546
Comprehensive Energy Assistance Program	13,587	41,439
DOE Weatherization Assistance Program	21,855	-
LIHEAP Weatherization Assistance Program	69,203	45,111
Tenant receivables	881	2,350
Other receivables	953	-
	<u>          </u>	<u>          </u>
TOTAL	<u>\$ 137,103</u>	<u>\$ 194,446</u>

#### 5. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following at December 31, 2018 and 2017:

	<b>Estimated Lives (Years)</b>	<b>2018</b>	<b>2017</b>
Building and improvements	27.5	\$ 2,252,987	\$ 2,252,987
Vehicles	5	191,156	191,156
Furniture and equipment	3	59,417	59,417
Land		394,305	394,305
		<u>          </u>	<u>          </u>
		2,897,865	2,897,865
Less accumulated depreciation		<u>(1,659,647)</u>	<u>(1,573,263)</u>
		<u>\$ 1,238,218</u>	<u>\$ 1,324,602</u>

Depreciation expense for both the years ended December 31, 2018 and 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 net assets with donor restrictions at December 31, 2018 and 2017.

## 6. NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2018 and 2017:

	2018	2017
Specific purpose:		
Community Services Block Grant Program	\$ 5,497	\$ -
Comprehensive Energy Assistance Program	47,630	-
Counseling Award	2,584	-
DOE Weatherization Assistance Program	18,132	10,802
Low-Income Home Energy Assistance Program	19,625	-
Local Initiatives Grant Program (LIFT)	-	80,003
Paint-a-Thon	3,602	-
Share the Warmth Program	576	10,739
Weatherization Assessment Project	40,373	31,738
	<u>\$ 138,019</u>	<u>\$ 133,282</u>

Net assets released from net assets with donor restrictions were as follows for the year ended December 31, 2018 and 2017:

	2018	2017
Satisfaction of purpose restrictions:		
Community Services Block Grant Program	\$ -	\$ 47,959
Counseling Award	2,416	-
DOE Weatherization Assistance Program	10,802	10,813
Local Initiatives Grant Program (LIFT)	80,003	44,997
Paint-a-Thon	16,398	-
Share the Warmth Program	26,606	5,065
Weatherization Assessment Project	1,365	774
	<u>\$ 137,590</u>	<u>\$ 109,608</u>

## 7. 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 years ended December 31, 2018 and 2017, Project BRAVO recorded volunteer hours and other donated goods that totaled \$133,853 and \$144,383, respectively, which is included in other grants, contributions, and support in the statement of activities.

## 8. GOVERNMENT FUNDING

Project BRAVO is a not for profit organization which received approximately 95% and 92% of its revenues from federal, state and local governments for the years ended December 31, 2018 and 2017, respectively. In the event the funding was to be discontinued, Project BRAVO would have difficulty continuing operations without the receipt of these governmental funds.

**9. 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 years ended December 31, 2018 and 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, 2019 and is secured by grants and tenant receivables. There was no outstanding balance or related interest expense as of December 31, 2018 and 2017.

**10. NOTES PAYABLE AND FORGIVABLE LOANS**

Notes payable and forgivable loans consisted of the following at December 31, 2018 and 2017:

	<u>Notes Payable</u>		<u>Forgivable Loans</u>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
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.	\$6,663	\$18,075	\$11,412	\$28,530
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.	74,236	85,744	116,519	133,781

	<u>Notes Payable</u>		<u>Forgivable Loans</u>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
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.	25,819	30,458	38,814	45,765
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.	44,055	49,741	64,674	73,204
Total	150,773	184,018	231,419	281,280
Less: Current portion	28,496	33,245	44,154	49,860
Noncurrent portion	<u>\$ 122,277</u>	<u>\$ 150,773</u>	<u>\$ 187,265</u>	<u>\$ 231,420</u>

Maturities of long-term debt are as follows:

<b>Year Ending December 31,</b>	<b>Notes Payable</b>	<b>Forgivable Loans</b>
2019	\$ 28,496	\$ 44,154
2020	21,833	32,743
2021	21,833	32,743
2022	21,833	32,743
2023	21,833	32,743
Thereafter	34,945	56,293
	<u>\$ 150,773</u>	<u>\$ 231,419</u>

## 11. 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 years ended December 31, 2018 and 2017 was \$120,434 and \$117,956, respectively. 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 years ended December 31, 2018 and 2017 was \$15,826 and \$15,421, respectively.

Future minimum payments under the operating leases are:

### Year Ending December 31,

2019	\$	123,117
2020		78,974
2021		74,855
2022		37,137
2023		<u>10,221</u>
Total	\$	<u>324,304</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, 2018**

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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 : 61180002857  
CONTRACT PERIOD: JANUARY 1, 2018 - MAY 31, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,220,168	\$ -	\$ 594,139	\$ 594,139
TOTAL REVENUES	<u>1,220,168</u>	<u>-</u>	<u>594,139</u>	<u>594,139</u>
EXPENDITURES				
Personnel	627,831	-	343,299	343,299
Fringe benefits	185,898	-	77,891	77,891
Travel	17,974	-	11,447	11,447
Equipment	28,592	-	12,686	12,686
Supplies	15,000	-	5,119	5,119
Contractual	18,508	-	12,580	12,580
Other	326,365	-	131,117	131,117
TOTAL EXPENDITURES	<u>1,220,168</u>	<u>-</u>	<u>594,139</u>	<u>594,139</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, 2018**

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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	\$ 333,971	\$ 1,291,030
TOTAL REVENUES	<u>1,291,030</u>	<u>957,059</u>	<u>333,971</u>	<u>1,291,030</u>
EXPENDITURES				
Personnel	695,415	586,356	191,577	777,933
Fringe benefits	247,847	152,751	62,885	215,636
Travel	21,260	16,220	4,198	20,418
Equipment	29,130	19,388	4,306	23,694
Supplies	17,100	11,837	4,363	16,200
Contractual	15,750	15,665	3,180	18,845
Other	264,528	154,842	63,462	218,304
TOTAL EXPENDITURES	<u>1,291,030</u>	<u>957,059</u>	<u>333,971</u>	<u>1,291,030</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  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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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 : 61180002932  
CONTRACT PERIOD: FEBRUARY 1, 2018 - JANUARY 31, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 21,558	\$ -	\$ 21,558	\$ 21,558
TOTAL REVENUES	<u>21,558</u>	<u>-</u>	<u>21,558</u>	<u>21,558</u>
EXPENDITURES				
Program support	<u>21,558</u>	<u>-</u>	<u>21,558</u>	<u>21,558</u>
TOTAL EXPENDITURES	<u>21,558</u>	<u>-</u>	<u>21,558</u>	<u>21,558</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, 2018**

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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 : 58180002788  
CONTRACT PERIOD: JANUARY 1, 2018 - MARCH 31, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 5,782,751	\$ -	\$ 5,439,013	\$ 5,439,013
TOTAL REVENUES	<u>5,782,751</u>	<u>-</u>	<u>5,439,013</u>	<u>5,439,013</u>
EXPENDITURES				
Administration	330,515	-	279,248	279,248
Household crisis	1,525,278	-	1,247,899	1,247,899
Program services	712,880	-	574,243	574,243
Utility assistance	3,212,878	-	3,336,423	3,336,423
Travel	1,200	-	1,200	1,200
TOTAL EXPENDITURES	<u>5,782,751</u>	<u>-</u>	<u>5,439,013</u>	<u>5,439,013</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, 2018**

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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	\$ 465,288	\$ 4,425,751
TOTAL REVENUES	<u>4,425,751</u>	<u>3,960,463</u>	<u>465,288</u>	<u>4,425,751</u>
EXPENDITURES				
Administration	319,539	204,843	114,696	319,539
Household Crisis	1,122,430	903,829	49,273	953,102
Program services	545,556	364,668	138,969	503,637
Utility assistance	2,437,026	2,485,923	162,350	2,648,273
Travel	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
TOTAL EXPENDITURES	<u>4,425,751</u>	<u>3,960,463</u>	<u>465,288</u>	<u>4,425,751</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, 2018**

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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 : 81180002888  
CONTRACT PERIOD: JANUARY 1, 2018 - MARCH 31, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,089,796	\$ -	\$ 971,251	\$ 971,251
TOTAL REVENUES	<u>1,089,796</u>	<u>-</u>	<u>971,251</u>	<u>971,251</u>
EXPENDITURES				
Administration	42,940	-	33,313	33,313
Material	405,000	-	447,763	447,763
Program support	201,877	-	99,154	99,154
Labor	236,501	-	209,882	209,882
Health and safety	201,844	-	179,505	179,505
Travel	1,634	-	1,634	1,634
TOTAL EXPENDITURES	<u>1,089,796</u>	<u>-</u>	<u>971,251</u>	<u>971,251</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, 2018**

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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	\$ 88,234	\$ 855,084
TOTAL REVENUES	<u>855,084</u>	<u>766,850</u>	<u>88,234</u>	<u>855,084</u>
EXPENDITURES				
Administration	61,652	43,292	18,360	61,652
Material	330,000	309,037	27,392	336,429
Program support	160,361	122,798	25,367	148,165
Labor	142,785	138,757	9,795	148,552
Health and safety	158,286	151,809	6,477	158,286
Travel	2,000	1,157	843	2,000
TOTAL EXPENDITURES	<u>855,084</u>	<u>766,850</u>	<u>88,234</u>	<u>855,084</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, 2018**

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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 : 56180002958  
CONTRACT PERIOD: JULY 1, 2018 - JUNE 30, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 246,910	\$ -	\$ 99,372	\$ 99,372
TOTAL REVENUES	<u>246,910</u>	<u>-</u>	<u>99,372</u>	<u>99,372</u>
EXPENDITURES				
Administration	24,691	-	5,065	5,065
Insurance	5,615	-	479	479
Fiscal audit	800	-	30	30
Material	91,763	-	45,180	45,180
Program support	32,772	-	8,301	8,301
Labor	39,327	-	16,619	16,619
Health and safety	28,917	-	13,350	13,350
Travel	23,025	-	10,348	10,348
TOTAL EXPENDITURES	<u>246,910</u>	<u>-</u>	<u>99,372</u>	<u>99,372</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, 2018**

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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	\$ 173,069	\$ 220,150
TOTAL REVENUES	<u>222,347</u>	<u>47,081</u>	<u>173,069</u>	<u>220,150</u>
EXPENDITURES				
Administration	12,300	3,678	7,327	11,005
Insurance	1,200	146	972	1,118
Fiscal audit	800	-	199	199
Material	70,379	18,233	73,517	91,750
Program support	50,594	4,142	17,113	21,255
Labor	35,000	9,127	33,674	42,801
Health and safety	34,163	5,411	28,700	34,111
Travel	17,911	6,344	11,567	17,911
TOTAL EXPENDITURES	<u>222,347</u>	<u>47,081</u>	<u>173,069</u>	<u>220,150</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, 2018**

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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 : 18-1039-1658/840534-OAR  
CONTRACT PERIOD: SEPTEMBER 1, 2018 - AUGUST 30, 2019**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 40,000	\$ -	\$ 6,344	\$ 6,344
TOTAL REVENUES	<u>40,000</u>	<u>-</u>	<u>6,344</u>	<u>6,344</u>
EXPENDITURES				
Program support	40,000	-	6,344	6,344
TOTAL EXPENDITURES	<u>40,000</u>	<u>-</u>	<u>6,344</u>	<u>6,344</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 30, 2017 - NOVEMBER 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 40,000	\$ -	\$ 39,832	\$ 39,832
TOTAL REVENUES	<u>40,000</u>	<u>-</u>	<u>39,832</u>	<u>39,832</u>
EXPENDITURES				
Salaries	26,973	-	26,967	26,967
Benefits	5,385	-	5,192	5,192
Contractual	242	-	281	281
Occupancy equipment	1,458	-	1,460	1,460
Other expenses	5,942	-	5,932	5,932
TOTAL EXPENDITURES	<u>40,000</u>	<u>-</u>	<u>39,832</u>	<u>39,832</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  
UNIDOS U.S. COMPREHENSIVE COUNSELING GRANT  
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: 14.169  
PROJECT NUMBER : HC180011001  
CONTRACT PERIOD: OCTOBER 1, 2017 - SEPTEMBER 30, 2018**

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 12,500	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Program support	12,500	-	-	-
TOTAL EXPENDITURES	<u>12,500</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, 2018, 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 June 28, 2019.

#### 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 & PRISTO, LLP

El Paso, Texas  
June 28, 2019



## **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, 2018. 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, 2018.

### 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  
June 28, 2019

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<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 2018	93.569	61180002857	\$ 1,220,168	\$ 594,139
Community Services Block Grant 2017	93.569	61170002632	1,291,030	333,971
Community Services Block Grant Discretionary	93.569	61180002932	21,558	21,558
Total 93.569				<u>949,668</u>
Comprehensive Energy Assistance Program 2018	93.568	58180002788	5,782,751	5,439,013
Comprehensive Energy Assistance Program 2017	93.568	58170002591	4,425,751	465,288
LIHEAP Weatherization Assistance Program 2018	93.568	81180002888	1,089,796	971,251
LIHEAP Weatherization Assistance Program 2017	93.568	81170002662	855,084	88,234
Total 93.568				<u>6,963,786</u>
Total Department of Health and Human Services				<u>7,913,454</u>
<b>U.S. Department of Energy</b>				
Passed Through Texas Department of Housing and Community Affairs				
DOE Weatherization Assistance Program 2018	81.042	56180002958	246,910	99,372
DOE Weatherization Assistance Program 2017	81.042	56170002728	222,347	173,069
Total Department of Energy				<u>272,441</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 2018	14.218	18-10391658/840534	40,000	6,344
Community Development Block Grant Housing Counseling 2017	14.218	18-10391500/761605	40,000	39,832
Total 14.218				<u>46,176</u>
Unidos U.S. Comprehensive Counseling Grant 2018	14.169	HC180011001	12,500	-
Total Department of Housing and Urban Development				<u>46,176</u>
Total Expenditures of Federal Awards				<u>\$ 8,232,071</u>

# EL PASO COMMUNITY ACTION PROGRAM

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

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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, 2018. 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, 2018.

### 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.

### 7. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 8,232,071
Federal grants and contracts	8,232,071
Federal grant revenue with time restrictions at December 31, 2018	90,884
Release of prior year time restrictions	<u>(10,802)</u>
Total	<u>\$ 8,312,153</u>

# EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR YEAR ENDED DECEMBER 31, 2018

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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
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Auditee qualified as low-risk auditee?	___X___ Yes	_____ No
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**II. FINDINGS - FINANCIAL STATEMENT AUDIT:**

None reported.

**III. FINDINGS - FEDERAL AWARDS**

None reported.

**IV. STATUS OF PRIOR YEAR FINDINGS**

None reported.