



El Paso Community
Action Program
Project BRAVO, Inc.

Financial Statements
Years Ended December 31, 2015 and 2014
And Independent Auditors' Report

El Paso Community Action Program, Project BRAVO, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
El Paso Community Action Program, Project BRAVO, Inc.
El Paso, Texas

We have audited the accompanying financial statements of El Paso Community Action Program, Project BRAVO, Inc. (Project BRAVO), which comprise the statements of financial position as of December 31, 2015, and 2014, and the related statements of activities, cash flows, and functional expenses 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.

Auditors' 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. 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 auditors' 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 Project BRAVO as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

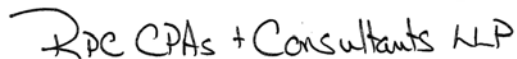
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Statement of Revenue and Expenditures and the Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, 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). Audits of States, Local Governments, and Non-Profit Organizations, are 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 29, 2016, on our consideration of Project BRAVO internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Project BRAVO internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP
El Paso, Texas
July 29, 2016

El Paso Community Action Program, Project BRAVO, Inc.
Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 429,833	\$ 438,735
Grants receivable	161,862	157,791
Prepaid expenses	20,216	17,172
Total current assets	<u>611,911</u>	<u>613,698</u>
Property and equipment		
Furniture, equipment and property	2,959,475	2,934,842
Construction in progress	-	6,357
Less: accumulated depreciation	<u>(1,470,506)</u>	<u>(1,369,957)</u>
Total property and equipment, net	<u>1,488,969</u>	<u>1,571,242</u>
Total assets	<u><u>\$ 2,100,880</u></u>	<u><u>\$ 2,184,940</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 81,977	\$ 244,428
Accrued expenses and other liabilities	198,347	46,916
Current portion of notes payable	37,545	43,285
Current portion of forgivable loans	67,060	70,772
Deferred revenue	38,490	25,678
Total current liabilities	<u>423,419</u>	<u>431,079</u>
Long-term liabilities		
Notes payable, net of current portion	223,975	258,651
Forgivable loans, net of current portion	347,598	414,657
Total long-term liabilities	<u>571,573</u>	<u>673,308</u>
Total liabilities	<u>994,992</u>	<u>1,104,387</u>
Net assets		
Unrestricted net assets	1,105,888	1,061,361
Temporarily restricted net assets	-	19,192
Total net assets	<u>1,105,888</u>	<u>1,080,553</u>
Total liabilities and net assets	<u><u>\$ 2,100,880</u></u>	<u><u>\$ 2,184,940</u></u>

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

El Paso Community Action Program, Project BRAVO, Inc.
Statements of Activities
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted net assets		
Public support, grants and other revenues		
Federal funds	\$ 7,429,847	\$ 8,231,542
State and local funds	-	327
Interest income	38	38
Rental income	193,974	192,101
Other grants, contributions and support	112,938	150,218
Net assets released from restriction	<u>19,192</u>	<u>48,689</u>
Total public support	<u>7,755,989</u>	<u>8,622,915</u>
Functional expenses		
Personnel	1,217,445	1,264,562
Fringe benefits	353,941	363,820
Travel	33,465	31,075
Equipment	41,668	77,949
Supplies	42,857	47,199
Contractual	21,238	25,970
Direct services	5,515,361	6,162,075
Other	384,935	445,349
Depreciation	<u>100,552</u>	<u>111,431</u>
Total functional expenses	<u>7,711,462</u>	<u>8,529,430</u>
Change in unrestricted net assets	44,527	93,485
Temporarily restricted net assets		
Grants released from restriction	<u>(19,192)</u>	<u>(48,689)</u>
Change in temporarily restricted net assets	<u>(19,192)</u>	<u>(48,689)</u>
Change in net assets	25,335	44,796
Net assets, beginning of the year	<u>1,080,553</u>	<u>1,035,757</u>
Net assets, end of the year	<u><u>\$ 1,105,888</u></u>	<u><u>\$ 1,080,553</u></u>

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

El Paso Community Action Program, Project BRAVO, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 25,334	\$ 44,796
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	100,552	111,431
Forgiveness of debt on forgivable loans	(70,772)	(73,423)
Loss on disposal of fixed assets	-	1,900
Donated capital assets	(11,858)	-
Decrease (increase) in operating assets:		
Grants receivable	(4,071)	220,493
Prepaid expenses	(3,044)	(1,688)
Accounts payable	(162,450)	(1,464,300)
Accrued expenses and other liabilities	151,431	(61,508)
Deferred revenue	12,810	13,397
Net cash provided by (used in) operating activities	<u>37,932</u>	<u>(1,208,902)</u>
Cash flows from investing activities		
Sale of fixed assets	-	2,000
Purchase of fixed assets	<u>(6,418)</u>	<u>(6,358)</u>
Net cash used in investing activities	<u>(6,418)</u>	<u>(4,358)</u>
Cash flow from financing activities		
Principal payments on notes payable	<u>(40,416)</u>	<u>(43,286)</u>
Net cash used in financing activities	<u>(40,416)</u>	<u>(43,286)</u>
Net change in cash and cash equivalents	(8,902)	(1,256,546)
Cash and cash equivalents, beginning of the year	<u>438,735</u>	<u>1,695,281</u>
Cash and cash equivalents, end of the year	<u><u>\$ 429,833</u></u>	<u><u>\$ 438,735</u></u>

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

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2015

	Client Assistance Program	Management and General	Total
Payroll and Related Expenses			
Personnel	\$ 895,467	\$ 321,978	\$ 1,217,445
Fringe benefits	261,850	92,091	353,941
Travel	20,455	13,010	33,465
Total payroll and related expenses	<u>1,177,772</u>	<u>427,080</u>	<u>1,604,852</u>
 Other Expenses			
Equipment	25,055	16,613	41,668
Supplies	27,816	15,041	42,857
Contractual	2,077	19,161	21,238
Direct services	5,515,361	-	5,515,361
Other	220,887	164,047	384,934
Depreciation	-	100,552	100,552
Total other expenses	<u>5,791,196</u>	<u>315,414</u>	<u>6,106,610</u>
Total functional expenses	<u><u>\$ 6,968,968</u></u>	<u><u>\$ 742,494</u></u>	<u><u>\$ 7,711,462</u></u>

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

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Client Assistance Program	Management and General	Total
Payroll and related expenses			
Personnel	\$ 875,290	\$ 389,272	\$ 1,264,562
Fringe benefits	247,096	116,724	363,820
Travel	16,017	15,058	31,075
Total payroll and related expenses	<u>1,138,403</u>	<u>521,054</u>	<u>1,659,457</u>
 Other expenses			
Equipment	38,368	39,581	77,949
Supplies	36,169	11,030	47,199
Contractual	(9,682)	35,652	25,970
Direct services	6,162,075	-	6,162,075
Other	370,803	74,546	445,349
Depreciation	-	111,431	111,431
Total other expenses	<u>6,597,733</u>	<u>272,240</u>	<u>6,869,973</u>
Total functional expenses	<u>\$ 7,736,136</u>	<u>\$ 793,294</u>	<u>\$ 8,529,430</u>

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

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 1: Nature of Operations

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 nonprofit Project BRAVO 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.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting. The financial statement presentation also follows the recommendations of the Financial Accounting Standards Board ASC 958. Under ASC 958, net assets, revenues, expenses and gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Financial Statement Presentation: In accordance with the limitations, designations and restrictions placed on the use of resources available to the Organization, the following classifications are utilized according to the nature and purpose of the resources:

Unrestricted net assets represent net assets that are not subject to grantor or donor-imposed restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or donor. Unrestricted net assets represent revenues and expenses related to the operations and management of Project BRAVO primary programs and supporting services.

Temporarily restricted net assets represent donations and awards received by Project BRAVO in which the grantor or donor has placed a time or purpose restriction on the donation. Included in temporarily restricted net assets are any gains or revenues earned on restricted assets where the donor has placed a restriction of time or purpose on such earnings. When the terms of the restrictions are met, the temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows, Project BRAVO considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Use of Estimates: 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 which affect certain reported amounts and disclosures. Project BRAVO estimates include the useful lives of depreciable assets which determine the amount of depreciation recorded in the Statement of Activities and functional expenses which have been allocated between program services and general administration in the Statement of Functional Expenses. Accordingly, actual results could differ from those estimates.

Revenue Recognition: Revenue from government grant and contract agreements is recognized as it is earned through expenditure or service delivery in accordance with the agreement.

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 2: Summary of Significant Accounting Policies (Continued)

Gifts of property and equipment are reported as unrestricted support unless donor stipulations specify how the assets are to be used. Gifts of long-lived assets with restrictions specifying how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted revenue. Project BRAVO reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Project BRAVO reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations limiting the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Donated services are reflected as contributions at their estimated values at date of receipt. In-kind services which are donated services that Project BRAVO would otherwise have to be purchased if the services weren't donated are recorded as revenue and expense at fair market value. Volunteer services which are not considered necessary for operations to continue are not reflected in the financial statements, as no objective basis is available to measure the value of such services.

Accounts and Grants Receivable: Accounts and grants receivable are stated at net realizable value. In determining whether or not to record an allowance for doubtful accounts, management makes a judgmental determination based on the evaluation of the facts and circumstances related to each account. As of December 31, 2015 and 2014, all accounts and grants receivable are deemed to be collectable.

Property and Equipment: Property and Equipment are carried at cost or, if donated, at the estimated market value at the time of donation. Depreciation is computed by using the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized as revenue or expense for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. All equipment over \$5,000 is capitalized.

Project BRAVO reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Functional Expenses Allocation: Functional expenses have been allocated between Program services in the Statement of Functional Expenses. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited.

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. In management's opinion, there are no impairments of such assets at December 31, 2015 and 2014.

Reclassifications: Certain reclassifications have been made to the 2014 balances to conform to the 2015 presentation.

Income Tax: The Internal Revenue Service has determined that Project BRAVO is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2015 and 2014 Project BRAVO did not receive any unrelated business income. Accordingly, no liability or provision for federal income taxes is included in the accompanying financial statements.

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 2: Summary of Significant Accounting Policies (Continued)

Project BRAVO files its Forms 990 in the U.S. federal jurisdiction. Project BRAVO is generally no longer subject to examination by the Internal Revenue Service for years before 2012.

Uncertain Tax Positions: The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, an organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Project BRAVO and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ended December 31, 2015.

Concentrations of Credit Risk: Project BRAVO maintains its cash account with a local financial institution in El Paso, Texas. Amounts held at the financial institution are insured up to \$250,000 by the Federal Depositary Insurance Corporation (FDIC). Management does not believe that it is exposed to any significant credit risk with respect to its cash balances.

Advertising Expense: Advertising costs are expensed in the year in which they are incurred and are included in the statements of functional expenses. Project BRAVO incurred \$597 and \$1,192 of advertising expenses for the years ended December 31, 2015 and 2014, respectively.

Note 3: Accounts and Grants Receivable

Grants receivable arise from amounts due to Project BRAVO by granting agencies for allowable expenditures not reimbursed at year-end. Accounts receivable and grants receivable consisted of the following at December 31:

	2015	2014
CEAP	\$ 62,758	\$ 63,567
CSBG	62,820	29,790
LIHEAP	17,647	39,366
Other	18,637	25,068
Total	<u>\$ 161,862</u>	<u>\$ 157,791</u>

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 4: Property and Equipment

Property and equipment is stated at cost or fair market value if donated and consisted of the following at December 31:

	Estimated Useful Life (Years)	2015	2014
Land	-	\$ 394,305	\$ 394,305
Construction in progress	-	-	6,357
Office building	27.5	2,252,987	2,235,958
Furniture and equipment	3	57,258	57,258
Vehicles	5	254,925	247,321
Total property and equipment		<u>2,959,475</u>	<u>2,941,199</u>
Less accumulated depreciation		<u>(1,470,506)</u>	<u>(1,369,957)</u>
Property and equipment, net		<u>\$ 1,488,969</u>	<u>\$ 1,571,242</u>

Depreciation expense for the years ended December 31, 2015 and 2014 was \$100,551 and \$111,431, respectively. 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. The balance under temporarily restricted net assets represents restricted fixed assets, at December 31, 2015 and 2014 the balance was \$0 and \$19,192, respectively.

Note 5: In-Kind Expenses

In-kind expenses and material donations are recorded at the estimated fair market value at the date of expense or donation. Project BRAVO allocates in-kind expenses to the programs and activities for which the services are used. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services, however, a substantial number of volunteers have donated significant amount of their time in the Organizations program services and its fund raising campaigns.

Note 6: Operating Lease

Project BRAVO currently leases office facilities month to month, with the exception of two facilities that have extended the lease terms four and five years. Total rent expense for the year ended December 31, 2015 and 2014 was \$104,703 and \$138,751, respectively. Project BRAVO also leases printers and postage machines month to month. The monthly lease payments are charged to expense as incurred. Lease equipment expense for the years ended December 31, 2015 and 2014 was \$6,675 and \$18,416, respectively.

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 6: Operating Lease (Continued)

These agreements provide for future minimum lease payments as follow:

Year Ending December 31	Ysleta Office	Main Office
2016	\$ 7,800	\$ 59,400
2017	7,800	64,800
2018	7,800	64,800
2019	7,800	64,800
2020	7,800	64,800
Thereafter		32,400
	\$ 39,000	\$ 351,000

Note 7: Concentrations

Project BRAVO is a not for profit organization which receives approximately 96% 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.

Note 8: Notes Payable and Forgivable Loans

Project BRAVO had the following notes payable as of December 31, 2015 and 2014:

	2015		2014	
	Notes Payable	Forgivable Loans	Notes Payable	Forgivable Loans
Notes 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.	\$ 41,850	\$ 62,766	\$ 53,262	\$ 79,884
Note payable to the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$86,000, payable in monthly installments of \$358, non-interest bearing and matures January 1, 2018. In connection with this note, a forgivable grant note in the original amount of \$344,000 is forgiven in the amount of \$1,433 per month as long as Project BRAVO complies with the requirements designated in the deeds of trust. The forgivable grant note matures on January 1, 2018. Both notes are secured by property.	8,242	34,401	12,542	51,601

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 8: Notes Payable and Forgivable Loans (Continued)

	Notes Payable	Forgivable Loans	Notes Payable	Forgivable Loans
Note payable with the City of El Paso that was subsequently sold to a mortgage provider in the original amount of \$114,800, payable in monthly installments of \$478, non-interest bearing and matures August 1, 2015. In connection with this note, a forgivable grant note in the original amount of \$172,200 is forgiven in the amount of \$718 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, 2015. Both notes are secured by property.	-	-	2,870	3,711
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.	109,719	165,428	121,227	182,690
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.	40,124	59,669	44,763	66,620

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Financial Statements
For the years Ended December 31, 2015 and 2014

Note 8: Notes Payable and Forgivable Loans (Continued)

	Notes Payable	Forgivable Loans	Notes Payable	Forgivable Loans
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.	61,585	92,394	67,272	100,923
Total long-term debt	261,520	414,658	301,936	485,429
Current maturities of long-term debt	(37,545)	(67,060)	(43,285)	(70,772)
Long-term debt, less current maturities	<u>\$ 223,975</u>	<u>\$ 347,598</u>	<u>\$ 258,651</u>	<u>\$ 414,657</u>

Maturities of notes payable for year ending December 31, 2015 are as follows:

	Notes Payable	Forgivable Loans
2016	\$ 37,545	\$ 67,060
2017	37,187	67,061
2018	33,245	49,860
2019	29,447	44,154
2020	21,833	32,742
Thereafter	<u>102,263</u>	<u>153,781</u>
Total	<u>\$ 261,520</u>	<u>\$ 414,658</u>

Note 9: Subsequent Events

Project BRAVO has evaluated events subsequent to December 31, 2015 that would possibly require adjustment or disclosure in these financial statements, through July 29, 2016, the date that these statements were available to be issued.

Supplementary Information

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
Community Service Block Grant
For the Year Ended December 31, 2015

Federal Financial Assistance
Federal Grantor: U.S. Department of Health and Human Services
Pass-through Grantor: Texas Department of Housing and Community Affairs
CFDA Number : 93.569
Project Number: 61150002181
Contract Period: January 4, 2015 Through May 31, 2016

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 1,222,376	\$ -	\$ 785,488	\$ 785,488
Total revenues	1,222,376	-	785,488	785,488
Expenditures				
Personnel	645,370	-	427,973	427,973
Fringe benefits	188,763	-	134,963	134,963
Travel	13,000	-	13,263	13,263
Equipment	21,602	-	10,051	10,051
Supplies	26,196	-	10,520	10,520
Contractual	15,514	-	9,000	9,000
Other	311,931	-	179,718	179,718
Total expenditures	1,222,376	-	785,488	785,488
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
Community Service Block Grant
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.569

Project Number: 61140001846

Contract Period: January 1, 2014 Through April 30, 2015

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 1,208,714	\$ 838,850	\$ 369,864	\$ 1,208,714
Total revenues	1,208,714	838,850	369,864	1,208,714
Expenditures				
Personnel	674,553	503,388	241,407	744,795
Fringe benefits	223,566	146,796	60,684	207,480
Travel	10,384	15,447	2,335	17,782
Equipment	28,740	20,743	1,414	22,157
Supplies	26,007	20,598	7,034	27,632
Contractual	39,699	12,518	2,493	15,011
Other	205,765	119,360	54,497	173,857
Total expenditures	1,208,714	838,850	369,864	1,208,714
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
Comprehensive Energy Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.568

Project Number: 58150002112

Contract Period: January 1, 2015 Through a July 31, 2016

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 4,477,506	\$ -	\$ 4,166,219	\$ 4,166,219
Total revenues	4,477,506	-	4,166,219	4,166,219
Expenditures				
Administration	279,844	-	183,723	183,723
Program services	335,717	-	282,927	282,927
Household crisis	1,930,372	-	680,294	680,294
Utility assistance	1,930,373	-	3,018,075	3,018,075
Dept. req. travel/T&TA	1,200	-	1,200	1,200
Total expenditures	4,477,506	-	4,166,219	4,166,219
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
Comprehensive Energy Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.568

Project Number: 58140002233

Contract Period: May 1, 2015 Through September 30, 2015

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 931,472	\$ -	\$ 931,472	\$ 931,472
Total revenues	931,472	-	931,472	931,472
Expenditures				
Administration	58,217	-	58,217	58,217
Program services	69,860	-	69,860	69,860
Household crisis	401,698	-	545,351	545,351
Utility assistance	401,697	-	258,044	258,044
Total expenditures	931,472	-	931,472	931,472
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
Comprehensive Energy Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.568

Project Number: 58140001803

Contract Period: January 1, 2014 Through December 31, 2014

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 4,576,629	\$ 4,529,734	\$ 26,439	\$ 4,556,173
Total revenues	<u>4,576,629</u>	<u>4,529,734</u>	<u>26,439</u>	<u>4,556,173</u>
Expenditures				
Administration	263,339	261,812	(1,053)	260,759
Program services	298,007	293,822	-	293,822
Household crisis	2,007,042	1,247,191	-	1,247,191
Utility assistance	2,007,041	2,725,709	27,492	2,753,201
Dept. req. travel/T&TA	1,200	1,200	-	1,200
Total expenditures	<u>4,576,629</u>	<u>4,529,734</u>	<u>26,439</u>	<u>4,556,173</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
LIHEAP Weatherization Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.568

Project Number: 81130002146

Contract Period: January 4, 2015 Through July 31, 2016

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 828,981	\$ -	\$ 828,979	\$ 828,979
Total revenues	828,981	-	828,979	828,979
Expenditures				
Administration	51,811	-	51,811	51,811
Materials/labor/support	620,136	-	620,136	620,136
Health & safety	155,034	-	155,032	155,032
Dept. req. travel/T&TA	2,000	-	2,000	2,000
Total expenditures	828,981	-	828,979	828,979
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
LIHEAP Weatherization Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance

Federal Grantor: U.S. Department of Health and Human Services

Pass-through Grantor: Texas Department of Housing and Community Affairs

CFDA Number : 93.568

Project Number: 81140001879

Contract Period: January 1, 2014 Through December 31, 2014

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 1,029,540	\$ 972,563	\$ 55,386	\$ 1,027,949
Total revenues	1,029,540	972,563	55,386	1,027,949
Expenditures				
Administration	64,346	53,240	9,554	62,794
Materials/labor/support	826,155	732,497	39,645	772,142
Health & safety	139,039	186,826	6,187	193,013
Dept. req. travel/T&TA	-	-	-	-
Total expenditures	1,029,540	972,563	55,386	1,027,949
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
DOE Weatherization Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance
Federal Grantor: U.S. Department of Energy
Pass-through Grantor: Texas Department of Housing and Community Affairs
CFDA Number : 81.042
Project Number: 56150002269
Contract Period: July 21, 2015 Through June 30, 2016

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 293,298	\$ -	\$ 95,887	\$ 95,887
Total revenues	293,298	-	95,887	95,887
Expenditures				
Administration	29,330	-	2,675	2,675
Materials/labor/support	197,986	-	75,302	75,302
Health & safety	49,496	-	14,530	14,530
Insurance	5,686	-	330	330
Audit	800	-	-	-
Dept. req. travel/T&TA	10,000	-	3,050	3,050
Total expenditures	293,298	-	95,887	95,887
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
DOE Weatherization Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance
Federal Grantor: U.S. Department of Energy
Pass-through Grantor: Texas Department of Housing and Community Affairs
CFDA Number : 81.042
Project Number: 56140002001
Contract Period: September 8, 2014 Through June 30, 2015

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 171,625	\$ 12,868	\$ 156,999	\$ 169,867
Total revenues	171,625	12,868	156,999	169,867
Expenditures				
Administration	8,659	-	7,175	7,175
Materials/labor/support	130,229	12,868	117,361	130,229
Health & safety	25,344	-	25,337	25,337
Insurance	1,140	-	873	873
Audit	-	-	-	-
Dept. req. travel/T&TA	6,253	-	6,253	6,253
Total expenditures	171,625	12,868	156,999	169,867
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

El Paso Community Action Program, Project BRAVO, Inc.
Statement of Revenue and Expenditures
DOE Weatherization Assistance Program
For the Year Ended December 31, 2015

Federal Financial Assistance
Federal Grantor: U.S. Department of Energy
Pass-through Grantor: Texas Department of Housing and Community Affairs
CFDA Number : 81.042
Project Number: 56130001929
Contract Period: September 1, 2013 Through March 31, 2015

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
Revenues				
Grant	\$ 180,710	\$ 172,226	\$ 8,135	\$ 180,361
Total revenues	180,710	172,226	8,135	180,361
Expenditures				
Administration	17,187	16,371	472	16,843
Materials/labor/support	123,259	121,984	5,101	127,085
Health & safety	29,381	27,506	1,875	29,381
Insurance	1,452	1,407	42	1,449
Audit	586	585	-	585
Dept. req. travel/T&TA	8,845	4,373	645	5,018
Total expenditures	180,710	172,226	8,135	180,361
Revenues under expenditures	\$ -	\$ -	\$ -	\$ -

Federal Financial Assistance

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of Directors
El Paso Community Action Program, Project BRAVO, Inc.
El Paso, Texas

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), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2016.

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.

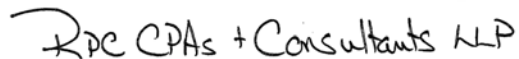
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Project BRAVO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



RPC CPAs + Consultants, LLP
El Paso, TX
July 29, 2016

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Circular A-133 and the Uniform Guidance

To the Board of Directors
El Paso Community Action Program, Project BRAVO, Inc.
El Paso, Texas

Report on Compliance for the Major Federal Program

We have audited El Paso Community Action Program, Project BRAVO, Inc. (Project BRAVO) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Project BRAVO's major federal program for the year ended December 31, 2015. Project BRAVO major federal program is identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Project BRAVO major federal program 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 the 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 and state program. However, our audit does not provide a legal determination of Project BRAVO compliance.

Opinion on the 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 its major federal program for the year ended December 31, 2015.

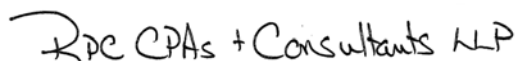
Report on Internal Control over Compliance

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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 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.



RPC CPAs + Consultants, LLP
El Paso, TX
July 29, 2016

El Paso Community Action Program, Project BRAVO, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Agency or Pass Through Number	Federal Expenditures
DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed though the Texas Department of Housing and Community Affairs			
Community Services Block Grant-2014-16	93.569	61150002181	\$ 785,488
Community Services Block Grant-2014-15	93.569	61140001846	369,864
Total Community Services Block Grant			<u>1,155,352</u>
Comprehensive Energy Assistance Program 2015	93.568*	58150002112	4,166,219
Comprehensive Energy Assistance Program 2015	93.568*	58140002233	931,472
Comprehensive Energy Assistance Program 2014	93.568*	58140001803	26,439
Total Comprehensive Energy Assistance Program			<u>5,124,130</u>
LIHEAP Weatherization Assistance Program 2015-16	93.568*	81150002146	828,979
LIHEAP Weatherization Assistance Program 2014	93.568*	81140001879	55,386
Total LIHEAP Weatherizaion Assistance Program			<u>884,366</u>
Total Department of Health & Human Services			<u>7,163,848</u>
DEPARTMENT OF ENERGY			
Passed though the Texas Department of Housing and Community Affairs			
DOE Weatherization Assistance Program 2015-16	81.042	56150002269	95,887
DOE Weatherization Assistance Program 2014-15	81.042	56140002001	156,999
DOE Weatherization Assistance Program 2013-15	81.042	56130001929	8,135
Total Department of Energy			<u>261,021</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Housing Counseling Grant	14.169	HC140821022	3,926
Total Department of Housing and Urban Development			<u>3,926</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 7,428,795</u></u>

* Denotes Major Federal Program

El Paso Community Action Program, Project BRAVO, Inc.
Notes to Schedule of Expenditures of Federal Awards
December 31, 2015

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Project BRAVO under programs of the federal government for the year ended December 31, 2015. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Project BRAVO

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.

Note 2: Oversight Agency

The U.S. Department of Health and Human Services is the Board's oversight agency for the single audit.

Note 3: Subrecipients

Project BRAVO did not provide funds to subrecipients for the fiscal year ended December 31, 2015.

Note 4: Federally Funded Insurance and Federally Funded Loans

Project BRAVO has no federally funded insurance, and no federally funded loans or loan guarantees for the fiscal year ended December 31, 2015.

Note 5: Non-Cash Federal Assistance

Project BRAVO did not receive any non-cash federal assistance for the fiscal year ended December 31, 2015.

EL Paso Community Action Program, Project BRAVO, Inc.
Schedule of Findings and Questioned Costs
December 31, 2015

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards:

- | | |
|--|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
93.568	Low-Income Home Energy Assistance / Comprehensive Energy Assistance Program

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |