

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

Financial Statements and Supplementary Information
for the Years ended December 31, 2023 and 2022
and Independent Auditor's Report

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of El Paso Community Action Program Project BRAVO, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, Inc. as of December 31, 2023 and 2022, and the changes in its nets assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of El Paso Community Action Program Project BRAVO, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about El Paso Community Action Program Project BRAVO, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of El Paso Community Action Program Project BRAVO, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about El Paso Community Action Program Project BRAVO, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying selected statements of revenues and expenditures and 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 selected statements of revenues and expenditures and schedule of expenditures of federal awards 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 August 30, 2024, 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 & Prieto, LLP

El Paso, Texas
August 30, 2024

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS:		
Cash and cash equivalents	\$ 957,004	\$ 982,571
Grants and tenant receivable	252,992	204,696
Prepaid expenses	46,408	21,536
Total current assets	1,256,404	1,208,803
Property and equipment-Net	824,499	906,544
Right of use assets-operating lease	223,749	322,591
Total noncurrent assets	1,048,248	1,229,135
Total assets	\$ 2,304,652	\$ 2,437,938
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 262,775	\$ 348,876
Accrued expenses and other liabilities	411,894	73,494
Current portion of notes payable	19,818	21,833
Current portion of forgivable loans	29,847	32,742
Current portion of operating lease liability	94,622	99,096
Total current liabilities	818,956	576,041
LONG TERM LIABILITIES:		
Notes payable, net of current portion	15,128	34,946
Forgivable loans, net of current portion	26,448	56,295
Operating lease liability, net of current portion	129,127	223,495
Total long term liabilities	170,703	314,736
Total liabilities	989,659	890,777
NET ASSETS:		
Without donor restrictions	1,005,998	1,321,636
With donor restrictions	308,995	225,525
Total net assets	1,314,993	1,547,161
TOTAL LIABILITIES AND NET ASSETS	\$ 2,304,652	\$ 2,437,938

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Federal funds	\$ 13,926,781	\$ 216,997	\$ 14,143,778
State and local funds	43,788	163,143	206,931
Interest income	37	-	37
In-kind contributions	101,391	-	101,391
Rental income	243,779	-	243,779
Other grants, contributions, and support	66,674	-	66,674
Net assets released from restrictions	<u>296,670</u>	<u>(296,670)</u>	<u>-</u>
Total revenue and other support	<u>14,679,120</u>	<u>83,470</u>	<u>14,762,590</u>
EXPENSES:			
Client assistance	14,786,175	-	14,786,175
Management and general	<u>208,583</u>	<u>-</u>	<u>208,583</u>
Total expenses	<u>14,994,758</u>	<u>-</u>	<u>14,994,758</u>
Change in net assets	(315,638)	83,470	(232,168)
Net assets, beginning of year	<u>1,321,636</u>	<u>225,525</u>	<u>1,547,161</u>
Net assets, end of year	<u>\$ 1,005,998</u>	<u>\$ 308,995</u>	<u>\$ 1,314,993</u>

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:			
Federal funds	\$ 16,322,678	\$ 225,072	\$ 16,547,750
State and local funds	19,795	25,000	44,795
Interest income	10	-	10
In-kind contributions	24,177	-	24,177
Rental income	235,673	-	235,673
Other grants, contributions, and support	55,601	113,469	169,070
Net assets released from restrictions	<u>299,514</u>	<u>(299,514)</u>	<u>-</u>
Total revenue and other support	<u>16,957,448</u>	<u>64,027</u>	<u>17,021,475</u>
EXPENSES:			
Client assistance	16,769,655	-	16,769,655
Management and general	<u>168,623</u>	<u>-</u>	<u>168,623</u>
Total expenses	<u>16,938,278</u>	<u>-</u>	<u>16,938,278</u>
Change in net assets	19,170	64,027	83,197
Net assets, beginning of year	<u>1,302,466</u>	<u>161,498</u>	<u>1,463,964</u>
Net assets, end of year	<u>\$ 1,321,636</u>	<u>\$ 225,525</u>	<u>\$ 1,547,161</u>

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2023

	CLIENT ASSISTANCE	MANAGEMENT & GENERAL	TOTAL
SALARIES AND RELATED EXPENSES:			
Personnel	\$ 1,993,702	\$ 25,382	\$ 2,019,084
Fringe benefits	677,794	6,610	684,404
Travel	<u>95,174</u>	<u>9,768</u>	<u>104,942</u>
TOTAL SALARIES AND RELATED EXPENSES	<u>2,766,670</u>	<u>41,760</u>	<u>2,808,430</u>
OTHER EXPENSES			
Equipment	98,542	2,104	100,646
Supplies	33,864	986	34,850
Contractual	187,471	46,049	233,520
Direct services	10,861,922	45,114	10,907,036
Other	666,506	62,883	729,389
Depreciation and amortization	<u>171,200</u>	<u>9,687</u>	<u>180,887</u>
TOTAL OTHER EXPENSES	<u>12,019,505</u>	<u>166,823</u>	<u>12,186,328</u>
TOTAL EXPENSES	<u>\$ 14,786,175</u>	<u>\$ 208,583</u>	<u>\$ 14,994,758</u>

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2022

	CLIENT ASSISTANCE	MANAGEMENT & GENERAL	TOTAL
SALARIES AND RELATED EXPENSES:			
Personnel	\$ 1,933,516	\$ 65,097	\$ 1,998,613
Fringe benefits	567,851	16,781	584,632
Travel	<u>68,752</u>	<u>10,375</u>	<u>79,127</u>
TOTAL SALARIES AND RELATED EXPENSES	<u>2,570,119</u>	<u>92,253</u>	<u>2,662,372</u>
OTHER EXPENSES			
Equipment	153,438	8,257	161,695
Supplies	20,696	344	21,040
Contractual	171,744	43,277	215,021
Direct services	13,328,471	-	13,328,471
Other	355,288	14,874	370,162
Depreciation	<u>169,899</u>	<u>9,618</u>	<u>179,517</u>
TOTAL OTHER EXPENSES	<u>14,199,536</u>	<u>76,370</u>	<u>14,275,906</u>
TOTAL EXPENSES	<u>\$ 16,769,655</u>	<u>\$ 168,623</u>	<u>\$ 16,938,278</u>

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (232,168)	\$ 83,197
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	82,045	82,045
Amortization of right-of-use asset	98,842	97,472
Cash payments for operating leases	(98,842)	(97,472)
Forgiveness of debt on forgivable grant loans	(32,742)	(32,743)
Changes in assets and liabilities:		
Accounts and grants receivable	(48,296)	(164,166)
Prepaid expenses	(24,872)	573
Accounts payable	(86,101)	(301,163)
Accrued expenses	338,400	(45,461)
Net cash used in operating activities	<u>(3,734)</u>	<u>(377,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	<u>(21,833)</u>	<u>(21,832)</u>
Net cash used in financing activities	<u>(21,833)</u>	<u>(21,832)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(25,567)	(399,550)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>982,571</u>	<u>1,382,121</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 957,004</u>	<u>\$ 982,571</u>
NON-CASH TRANSACTIONS:		
Right of use assets acquired through operating lease liability	\$ -	420,063

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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 12 members, four appointed by various local governmental units, four appointed by designated private interest groups and four 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.

Grant awards without substantial conditions are recognized in the period in which they are approved by the governing bodies. Grants with substantial conditions are not recognized until the conditions on which they depend are met. The grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2023 and 2022, conditional contributions of approximately \$1,630,413 and \$2,720,380, respectively, have not been recognized in the accompanying financial statements.

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, 2023 and 2022, 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.

Leases—Effective January 1, 2022, Project Bravo adopted Accounting Standards Update ("ASU") No. 2016-02, Leases, codified in Accounting Standards Codification ("ASC") 842 (the "New Lease Standard"). All amounts and disclosures for the year ended December 31, 2022, reflect the adoption of this ASU. See note 6 for further information.

Project Bravo determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. Project Bravo determines these assets are leased because Project Bravo has the right to obtain substantially all of the economic benefit and from the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because Project Bravo determines it does not have the right to control and direct the use of the identified asset. Project Bravo lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, Project Bravo separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right of use assets and lease liabilities for its office building and equipment. Project Bravo has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of right of use assets and lease liabilities on the balance sheet. Right of use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. Project Bravo determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right of use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Project Bravo uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, Project Bravo has elected to use the risk-free rate as a practical expedient for all office leases and equipment.

The lease term may include options to extend or to terminate the lease that Project Bravo is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

Project Bravo has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Compensated Absences—Employees of Project BRAVO are entitled to annual leave accrual upon hire. Employees may use annual leave after completion of 60 days of continuous employment. Employees accrue leave at a rate determined by their classification as exempt, non-exempt, full-time or part-time. Annual leave may be carried over to the next funded year to a maximum of 480 hours and employees who voluntarily resign and provide two weeks notice or furloughed employees are eligible for payment of unused leave up to 240 hours.

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, 2023 and 2022.

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, 2020. There are no examinations in progress at December 31, 2023.

Advertising—Advertising costs are expensed as incurred. Advertising costs were \$3,381 and \$4,474 for the years ended December 31, 2023 and 2022, respectively.

Subsequent Events—Management has evaluated subsequent events through August 30, 2024, 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, 2023 and 2022 that are readily available within one year of the balance sheet date to meet general expenditures.

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 957,004	\$ 982,571
Grants and contributions receivable	<u>252,992</u>	<u>204,696</u>
Total	1,209,996	1,187,267
Less net assets with purpose restrictions to be met in less than a year	<u>(308,995)</u>	<u>(225,525)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 901,001</u>	<u>\$ 961,742</u>

Project BRAVO has \$1,209,996 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 \$957,004 and grants and contributions receivable of \$252,992. The financial assets are subject to donor or other contractual restrictions, amounting to \$308,995, 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 10, Project BRAVO also has a line of credit in the amount of \$800,000, 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, 2023 and 2022:

	2023	2022
Community Services Block Grant	\$ 197,085	\$ 45,907
Comprehensive Energy Assistance Program	-	44,273
DOE Weatherization Assistance Program	4,758	-
LIHWAP Water Assistance Program	-	64,301
LIHEAP Weatherization Assistance Program	-	6,147
Unidos US Counseling Award	415	40,000
Tenant receivables	734	338
Other receivables	50,000	3,730
	<hr/>	<hr/>
Total	\$ 252,992	\$ 204,696
	<hr/>	<hr/>

5. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following at December 31, 2023 and 2022:

	Estimated Lives (Years)	2023	2022
Building and improvements	27.5	\$ 2,252,987	\$ 2,252,987
Vehicles	5	153,347	153,347
Furniture and equipment	3	59,417	59,417
Land		394,305	394,305
		<hr/>	<hr/>
		2,860,056	2,860,056
Less accumulated depreciation		(2,035,557)	(1,953,512)
		<hr/>	<hr/>
		\$ 824,499	\$ 906,544
		<hr/>	<hr/>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$82,045 for both years, 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. There were no balances in net assets with donor restrictions at December 31, 2023 and 2022.

6. LEASES

Project BRAVO has entered into the following lease arrangements:

Operating leases

Project BRAVO has two facilities leases and one equipment lease expiring on April 30, 2024, March 20, 2026 and May 31, 2026, respectively. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Short-Term Leases

Project BRAVO has certain leases that are for a period of 12 months or less or contain renewals for periods of 12 months or less. Project BRAVO has elected the short-term lease recognition exemption for all applicable classes of underlying assets and does not include short-term leases within the balance sheet.

The lease cost and other required information for the year ended December 31, 2023 and 2022, are:

	2023	2022
Lease expense		
Operating lease expense	\$ 102,469	\$ 102,469
Short-term lease expense	<u>65,582</u>	<u>96,781</u>
Total	<u>\$ 168,051</u>	<u>\$ 199,250</u>
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	\$ 98,842	\$ 97,472
Right of Use assets obtained in exchange for new operating lease liabilities	\$ -	\$ 420,063
Weighted-average remaining lease term in years for operating leases	2.36	3.32
Weighted-average discount rate for operating lease	1.36%	1.35%

Future minimum lease payments and reconciliation to the balance sheet at December 31, 2023, are as follows.

	Operating Leases
2024	\$ 96,823
2025	93,980
2026	36,455
2027	<u>-</u>
Total undiscounted cash flows	227,258
Less present value discount	<u>(3,509)</u>
Present value of lease liabilities	223,749
Less: current portion of lease liabilities	<u>94,622</u>
Total long-term lease liabilities	<u>\$ 129,127</u>

7. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Specific purpose:		
Department of Energy	\$ -	\$ 32,718
Community Services Block Grant Program	15,405	
Counseling Award	-	10,457
Trellis Foundation	99,603	-
El Paso Community Foundation	52,173	96,908
UNIDOS US Private Foundation Match	73,185	23,150
Paint-a-Thon	12,458	12,458
Share the Warmth Program	22,581	16,244
Weatherization Assessment Project	<u>33,590</u>	<u>33,590</u>
	<u>\$ 308,995</u>	<u>\$ 225,525</u>

Net assets released from net assets with donor restrictions were as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Satisfaction of purpose restrictions:		
Community Services Block Grant Program	\$ 15,463	\$ -
Comprehensive Energy Assistance Program	-	141,744
Counseling Award	48,957	39,565
DOE Weatherization Assistance Program	32,719	26,248
UNIDOS US Private Foundation Match	136,094	49,107
Trellis Foundation	397	-
El Paso Community Foundation Awards	44,735	14,952
Share the Warmth Program	18,305	25,947
Weatherization Assessment Project	-	1,951
	<u>\$ 296,670</u>	<u>\$ 299,514</u>

8. IN-KIND CONTRIBUTIONS

In-Kind contributions included in the statement of activities for the years ended December 31, 2023 and 2022 are comprised of the following:

Volunteer time	\$ 89,103	\$ 11,889
Rent	<u>12,288</u>	<u>12,288</u>
	<u>\$ 101,391</u>	<u>\$ 24,177</u>

Fair value techniques - Volunteer time is valued based on the national average of the value of an hour for volunteer time plus an increase for the value of fringe benefits. Office space is valued at the estimated fair market value per square foot of the occupied space.

Donor restrictions and use - Volunteer time and rent in-kind contributions are not restricted. Project BRAVO does not sell in-kind contributions and allocates in-kind expenses to program and activities for which the services are used.

9. GOVERNMENT FUNDING

Project BRAVO is a not for profit organization which received approximately 97% and 97% of its revenues from federal, state and local governments for the years ended December 31, 2023 and 2022, respectively. In the event the funding was to be discontinued, Project BRAVO would have difficulty continuing operations without the receipt of these governmental funds.

10. 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, 2023 and 2022 were limited to a maximum of \$800,000. Interest on outstanding funds is payable monthly at the bank's prime rate with a floor of 5%. The maturity date of the line of credit is December 17, 2023 and is secured by grants and tenant receivables. The outstanding balance as of December 31, 2023 and 2022 was \$0 for both years.

11. NOTES PAYABLE AND FORGIVABLE LOANS

Notes payable and forgivable loans consisted of the following at December 31, 2023 and 2022:

	<u>Notes Payable</u>		<u>Forgivable Loans</u>	
	2023	2022	2023	2022
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.	16,696	28,204	30,208	47,471
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.	2,624	7,263	4,056	11,007
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.	15,626	21,312	22,031	30,559
Total	34,946	56,779	56,295	89,037
Less: Current portion	19,818	21,833	29,847	32,742
Noncurrent portion	<u>\$ 15,128</u>	<u>\$ 34,946</u>	<u>\$ 26,448</u>	<u>\$ 56,295</u>

Maturities of long-term debt are as follows:

Year Ending December 31,	Notes Payable	Forgivable Loans
2024	\$ 19,818	\$ 29,847
2025	10,875	21,475
2026	4,253	4,973
	<hr/>	<hr/>
	\$ 34,946	\$ 56,295
	<hr/>	<hr/>

12. 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.

13. DEFINED CONTRIBUTION PENSION PLAN

Effective March 1, 2020, Project Bravo adopted a 403(b) Thrift Plan (the "Plan"). The Plan provides for employer matching contributions to all employees age 18 and over that have been employed at least one year. Employees are fully vesting in employer matching contributions after five years of service. Employer matching contributions to the Plan were \$45,532 and \$42,636 for the years ended December 31, 2023 and 2022.

14. SUBSEQUENT EVENTS

On February 27, 2024, Project Bravo renewed the existing line of credit to a maximum borrowing amount of \$500,000 at a rate of prime plus 1% with a floor of 7%, maturing on February 17, 2025.

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, 2023

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 : 61220003644

CONTRACT PERIOD: JANUARY 1, 2022 - MARCH 31, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,267,699	\$ 1,107,087	\$ 160,612	\$ 1,267,699
TOTAL REVENUES	<u>1,267,699</u>	<u>1,107,087</u>	<u>160,612</u>	<u>1,267,699</u>
EXPENDITURES				
Personnel	548,829	306,149	80,177	386,326
Fringe benefits	165,592	77,206	24,869	102,075
Travel	21,383	13,752	1,563	15,315
Equipment	40,953	16,750	4,417	21,167
Supplies	10,879	1,900	204	2,104
Contractual	93,452	14,718	11,118	25,836
Other	386,611	676,612	38,264	714,876
TOTAL EXPENDITURES	<u>1,267,699</u>	<u>1,107,087</u>	<u>160,612</u>	<u>1,267,699</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, 2023

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 : 61230003798

CONTRACT PERIOD: JANUARY 1, 2023 - MARCH 31, 2024

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,267,699	\$ -	\$ 1,204,297	\$ 1,204,297
TOTAL REVENUES	<u>1,267,699</u>	<u>-</u>	<u>1,204,297</u>	<u>1,204,297</u>
EXPENDITURES				
Personnel	548,829	-	443,022	443,022
Fringe benefits	165,592	-	117,322	117,322
Travel	21,383	-	31,964	31,964
Equipment	40,953	-	28,931	28,931
Supplies	10,879	-	10,170	10,170
Contractual	93,452	-	104,611	104,611
Other	386,611	-	468,277	468,277
TOTAL EXPENDITURES	<u>1,267,699</u>	<u>-</u>	<u>1,204,297</u>	<u>1,204,297</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, 2023

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 : 61220003950

CONTRACT PERIOD: JANUARY 1, 2023 - SEPTEMBER 30, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 5,714	\$ -	\$ 5,714	\$ 5,714
TOTAL REVENUES	<u>5,714</u>	<u>-</u>	<u>5,714</u>	<u>5,714</u>
EXPENDITURES				
Personnel	-	-	-	-
Fringe benefits	-	-	-	-
Travel	4,064	-	4,064	4,064
Equipment	-	-	-	-
Supplies	-	-	-	-
Contractual	1,000	-	1,000	1,000
Other	650	-	650	650
TOTAL EXPENDITURES	<u>5,714</u>	<u>-</u>	<u>5,714</u>	<u>5,714</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 STATE DISCRETIONARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

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 : 61220003915

CONTRACT PERIOD: JANUARY 1, 2023 - SEPTEMBER 30, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	<u>\$ 17,187</u>	<u>\$ -</u>	<u>\$ 17,187</u>	<u>\$ 17,187</u>
TOTAL REVENUES	<u> 17,187</u>	<u> -</u>	<u> 17,187</u>	<u> 17,187</u>
EXPENDITURES				
Other	<u> 17,187</u>	<u> -</u>	<u> 17,187</u>	<u> 17,187</u>
TOTAL EXPENDITURES	<u> 17,187</u>	<u> -</u>	<u> 17,187</u>	<u> 17,187</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

STATEMENT OF REVENUE AND EXPENDITURES COMPREHENSIVE ENERGY ASSISTANCE PROGRAM FOR THE YEAR ENDED DECEMBER 31, 2023

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 : 58230003834

CONTRACT PERIOD: JANUARY 1, 2023 - MARCH 31, 2024

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 7,618,211	\$ -	\$ 7,544,788	\$ 7,544,788
TOTAL REVENUES	<u>7,618,211</u>	<u>-</u>	<u>7,544,788</u>	<u>7,544,788</u>
EXPENDITURES				
Administration	550,035	-	550,035	550,035
Household crisis	1,465,843	-	1,265,119	1,265,119
Program services	939,028	-	886,455	886,455
Utility assistance	4,660,805	-	4,843,179	4,843,179
Travel	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,618,211</u>	<u>-</u>	<u>7,544,788</u>	<u>7,544,788</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, 2023

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 : 58930003987

CONTRACT PERIOD: JANUARY 1, 2023 - MARCH 31, 2024

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,863,840	\$ -	\$ 1,835,216	\$ 1,835,216
TOTAL REVENUES	<u>1,863,840</u>	<u>-</u>	<u>1,835,216</u>	<u>1,835,216</u>
EXPENDITURES				
Administration	134,569	-	116,297	116,297
Household Crisis	435,225	-	686,712	686,712
Program services	229,820	-	178,678	178,678
Utility assistance	1,064,226	-	853,529	853,529
Travel	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,863,840</u>	<u>-</u>	<u>1,835,216</u>	<u>1,835,216</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 THE CONSOLIDATED APPROPRIATIONS ACT FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL FINANCIAL ASSISTANCE

FEDERAL GRANTOR: U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

PASS-THROUGH GRANTOR: TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

CFDA NUMBER: 93.499

PROJECT NUMBER : 34210003682

CONTRACT PERIOD: JANUARY 1, 2022 - DECEMBER 31, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 3,437,466	\$ 1,475,853	\$ 1,961,613	\$ 3,437,466
TOTAL REVENUES	<u>3,437,466</u>	<u>1,475,853</u>	<u>1,961,613</u>	<u>3,437,466</u>
EXPENDITURES				
Administration	332,803	196,793	134,462	331,255
Outreach/Eligibility	316,986	189,458	128,112	317,570
Program services	-	-	-	-
Utility assistance	2,787,677	1,089,602	1,699,039	2,788,641
Travel	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,437,466</u>	<u>1,475,853</u>	<u>1,961,613</u>	<u>3,437,466</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, 2023

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 : 81220003613

CONTRACT PERIOD: JANUARY 1, 2022 - MARCH 31, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 710,924	\$ 701,443	\$ 9,481	\$ 710,924
TOTAL REVENUES	<u>710,924</u>	<u>701,443</u>	<u>9,481</u>	<u>710,924</u>
EXPENDITURES				
Administration	51,258	51,258	-	51,258
Material	301,903	302,958	3,380	306,338
Program support	104,647	101,599	3,048	104,647
Labor	119,583	113,168	1,980	115,148
Health and safety	131,533	130,460	1,073	131,533
Travel	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
TOTAL EXPENDITURES	<u>710,924</u>	<u>701,443</u>	<u>9,481</u>	<u>710,924</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, 2023

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 : 81230003881

CONTRACT PERIOD: JANUARY 1, 2023 - MARCH 31, 2024

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 729,747	\$ -	\$ 729,747	\$ 729,747
TOTAL REVENUES	<u>729,747</u>	<u>-</u>	<u>729,747</u>	<u>729,747</u>
EXPENDITURES				
Administration	52,615	-	52,615	52,615
Material	540,106	-	280,456	280,456
Program support	-	-	131,954	131,954
Labor	-	-	129,469	129,469
Health and safety	135,026	-	135,027	135,027
Travel	<u>2,000</u>	<u>-</u>	<u>226</u>	<u>226</u>
TOTAL EXPENDITURES	<u>729,747</u>	<u>-</u>	<u>729,747</u>	<u>729,747</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, 2023

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 : 56220003763
CONTRACT PERIOD: JULY 1, 2022 - JUNE 30, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 326,023	\$ 109,892	\$ 210,306	\$ 320,198
TOTAL REVENUES	<u>326,023</u>	<u>109,892</u>	<u>210,306</u>	<u>320,198</u>
EXPENDITURES				
Salaries	48,837	16,888	45,558	62,446
Fringe benefits	13,107	3,726	10,795	14,521
Equipment	4,291	1,117	3,120	4,237
Supplies	7,522	226	400	626
Contractual	3,295	725	6,428	7,153
Travel	25,417	2,113	9,303	11,416
Other	<u>223,554</u>	<u>85,097</u>	<u>134,702</u>	<u>219,799</u>
TOTAL EXPENDITURES	<u>326,023</u>	<u>109,892</u>	<u>210,306</u>	<u>320,198</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, 2023

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 : 56230004080
CONTRACT PERIOD: JULY 1, 2023 - JUNE 30, 2024

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 465,784	\$ -	\$ 182,225	\$ 182,225
TOTAL REVENUES	<u>465,784</u>	<u>-</u>	<u>182,225</u>	<u>182,225</u>
EXPENDITURES				
Salaries	53,304	-	28,924	28,924
Fringe benefits	13,364	-	7,051	7,051
Travel	25,308	-	1,407	1,407
Supplies	9,038	-	1,122	1,122
Equipment	3,940	-	1,339	1,339
Contractual	4,081	-	9,786	9,786
Other	356,749	-	132,596	132,596
TOTAL EXPENDITURES	<u>465,784</u>	<u>-</u>	<u>182,225</u>	<u>182,225</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, 2023

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 : 5220004058
CONTRACT PERIOD: JULY 15, 2023 - JUNE 30, 2025

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 1,385,610	\$ -	\$ 268,096	\$ 268,096
TOTAL REVENUES	<u>1,385,610</u>	<u>-</u>	<u>268,096</u>	<u>268,096</u>
EXPENDITURES				
Salaries	161,952	-	15,497	15,497
Benefits	44,007	-	3,262	3,262
Contractual	15,591	-	-	-
Equipment	13,741	-	647	647
Supplies	27,353	-	419	419
Health and safety	1,122,966	-	41,383	41,383
Other expenses	<u>-</u>	<u>-</u>	<u>206,888</u>	<u>206,888</u>
TOTAL EXPENDITURES	<u>1,385,610</u>	<u>-</u>	<u>268,096</u>	<u>268,096</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. HOUSING STABILITY COUNSELING PROGRAM FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL FINANCIAL ASSISTANCE
FEDERAL GRANTOR: NEIGHBORWORKS AMERICA
PASS-THROUGH GRANTOR: UNIDOS U.S.
CFDA NUMBER: 99.U19
PROJECT NUMBER : 1A965CF3-AFAB-4E07-9CCD-2F65976BDDABB
CONTRACT PERIOD: SEPTEMBER 8, 2021 - FEBRUARY 28, 2023

	BUDGET	PRIOR YEAR	CURRENT YEAR	CUMULATIVE TO DATE
REVENUES				
Grant	\$ 105,316	\$ 35,313	\$ 14,496	\$ 49,809
TOTAL REVENUES	105,316	35,313	14,496	49,809
EXPENDITURES				
Salaries	52,422	8,646	6,748	15,394
Benefits	15,308	1,938	1,028	2,966
Contractual	20,791	20,146	5,838	25,984
Equipment	6,223	2,878	101	2,979
Supplies	804	36	6	42
Travel	569	283	39	322
Other	9,199	1,386	736	2,122
TOTAL EXPENDITURES	105,316	35,313	14,496	49,809
REVENUES UNDER EXPENDITURES	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

COMPLIANCE SECTION



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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, 2023, 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 August 30, 2024.

Report on 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Strickler & Prieto, LLP

El Paso, Texas
August 30, 2024



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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**

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

Report on Compliance for Each Major Program

Opinion on Each Major Federal 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States;ⁱ and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Project BRAVO's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Project BRAVO's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Project BRAVO's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Project BRAVO's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Strickler & Prieto, LLP

El Paso, Texas
August 30, 2024

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Grantor/Pass Through Grantor/Program Title	Federal CFDA No.	Contract/Grant Project	Federal Expenditures
CSBG Cluster			
U.S. Department of Health and Human Services			
Passed Through Texas Department of Housing and Community Affairs			
Community Services Block Grant 2023	93.569	61230003798	\$ 1,204,297
Community Services Block Grant 2022	93.569	61220003644	160,612
Community Services Block Grant 2022	93.569	61220003950	5,714
Community Services Block Grant State Discretionary Funds	93.569	61220003915	17,187
Total CSBG Cluster			1,387,810
Other Programs			
U.S. Department of Health and Human Services			
Comprehensive Energy Assistance Program 2023	93.568	58230003834	7,544,788
Comprehensive Energy Assistance Program 2023	93.568	58930003987	1,835,216
LIHEAP Weatherization Assistance Program 2023	93.568	81230003881	729,747
LIHEAP Weatherization Assistance Program 2022	93.568	81220003613	9,481
Total Low-Income Energy Assistance			10,119,232
Low-Income Household Water Assistance Program	93.499	34210003682	1,961,613
Total Low-Income Household Water Assistance Program			1,961,613
Total Department of Health and Human Services			12,080,845
U.S. Department of Energy			
Passed Through Texas Department of Housing and Community Affairs			
DOE Weatherization Assistance Program 2023	81.042	56230004080	182,225
DOE Weatherization Assistance Program 2023	81.042	55220004058	268,096
DOE Weatherization Assistance Program 2022	81.042	56220003763	210,306
Total Department of Energy			660,627
Neighborworks America			
Passed Through UnidosUS			
UnidosUS Housing Stability Counseling Program	99.U19	1A965CF3-AFAB-4E07- 9CCD-2F65976BDDABB	14,496
Total Housing Stability Counseling Program			14,496
Total Other Programs			12,755,968
Total Expenditures of Federal Awards			\$ 14,143,778

EL PASO COMMUNITY ACTION PROGRAM

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2023.

5. NON-CASH ASSISTANCE

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

6. INSURANCE REQUIREMENTS

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

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR YEAR ENDED DECEMBER 31, 2023

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:

CFDA Number(s)

Name of Federal Program or Cluster

93.568

Comprehensive Energy Assistance Program

93.568

LIHEAP Weatherization Assistance Program

93.569

Community Services Block Grant

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

_____Yes

___X___No

II. FINDINGS - FINANCIAL STATEMENT AUDIT:

None reported.

III. FINDINGS - FEDERAL AWARDS

None reported.

IV. STATUS OF PRIOR YEAR FINDINGS

None reported.