

**SOUTHEASTERN ARIZONA  
COMMUNITY ACTION PROGRAM**

Annual Financial Statements  
and  
Independent Auditors' Reports

June 30, 2016



## TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT .....	1
------------------------------------	---

### *Financial Statements*

Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements.....	7

### *Single Audit Act Reports Section*

Schedule of Expenditures of Federal Awards.....	12
Notes to Schedule of Expenditures of Federal Awards .....	13
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 <i>Government Auditing Standards</i> .....	14
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.....	16
Schedule of Findings and Questioned Costs.....	18
Summary Schedule of Prior Audit Findings .....	19

*This page left blank intentionally*



1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Southeastern Arizona Community Action Program  
Safford, Arizona

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

We have audited the accompanying financial statements of Southeastern Arizona Community Action Program (SEACAP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEACAP as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

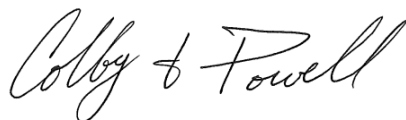
## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2016, on our consideration of SEACAP'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 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 SEACAP's internal control over financial reporting and compliance.



October 18, 2016

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Statement of Financial Position**  
**June 30, 2016**

**ASSETS**

**Current Assets**

Cash	\$ 154,431
Grant and contract receivables	<u>305,470</u>

**TOTAL ASSETS** \$ 459,901

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 195,484
Accrued liabilities	<u>54,801</u>

**Total current liabilities** 250,285

**Net Assets**

Unrestricted	<u>209,616</u>
--------------	----------------

**TOTAL LIABILITIES AND NET ASSETS** \$ 459,901

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

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**

**Statement of Activities**

**For the Year Ended June 30, 2016**

<b>Revenues</b>		
Grant and contract revenue		\$ 2,036,401
Program donations		<u>46,262</u>
<b>Total revenues</b>		2,082,663
<b>Expenses</b>		
Program services		
Community services	330,435	
Food, housing, and utilities assistance	976,324	
Weatherization	<u>739,025</u>	
<b>Total program services</b>	<u>2,045,784</u>	
Supporting activities		
Management and general	<u>171,456</u>	
<b>Total supporting activities</b>	<u>171,456</u>	
<b>Total expenses</b>		<u>2,217,240</u>
<b>Decrease in unrestricted net assets</b>		(134,577)
Unrestricted net assets - beginning of year		<u>344,193</u>
<b>UNRESTRICTED NET ASSETS - END OF YEAR</b>		<u><u>\$ 209,616</u></u>

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



**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2016**

	Program Services			Total Program Services	Supporting Activities	Total Expenses
	Community Services	Food, Housing, and Utilities Assistance	Weatherization		Management and General	
Salaries	\$ 172,199	\$ 117,817	\$ 140,372	\$ 430,388	\$ 86,091	\$ 516,479
Payroll taxes and benefits	62,251	40,286	51,270	153,807	39,662	193,469
<b>Total personnel costs</b>	234,450	158,103	191,642	584,195	125,753	709,948
Professional services and subcontractors	4,410	6,073	13,856	24,339	4,783	29,122
Travel	13,753	21,882	23,251	58,886	7,264	66,150
Facility rent/utilities	28,844	24,956	26,613	80,413	13,766	94,179
Equipment	27,230	10,408	24,854	62,492	10,162	72,654
Supplies	5,129	13,221	4,691	23,041	7,863	30,904
Insurance	13,483	1,939	11,647	27,069	1,865	28,934
Other	3,136	3,316	3,744	10,196	-	10,196
Direct assistance	-	736,426	438,727	1,175,153	-	1,175,153
<b>Total expenses</b>	<b>\$ 330,435</b>	<b>\$ 976,324</b>	<b>\$ 739,025</b>	<b>\$ 2,045,784</b>	<b>\$ 171,456</b>	<b>\$ 2,217,240</b>

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

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**

**Statement of Cash Flows  
For the Year Ended June 30, 2016**

**Cash Flows from Operating Activities**

Decrease in unrestricted net assets	\$ (134,577)
Adjustments to reconcile decrease in net assets to cash used by operating activities:	
(Increase) decrease in:	
Grant and contract receivables	76,796
Increase (decrease) in:	
Accounts payable	(28,927)
Accrued liabilities	4,648
Deferred revenue	(13,345)
	<hr/>
<b>Net cash used by operating activities</b>	<b>(95,405)</b>
	<hr/>
Cash - beginning of year	249,836
	<hr/>
<b>CASH - END OF YEAR</b>	<b>\$ 154,431</b>
	<hr/> <hr/>

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

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**

**Notes to Financial Statements**

**June 30, 2016**

***NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

***Nature of Activities*** – Southeastern Arizona Community Action Program (SEACAP), an Arizona nonprofit corporation, administers various grants which provide individual assistance such as food, housing, utilities, weatherization, and housing rehabilitation to low income families living in Cochise, Graham, Greenlee, and Santa Cruz Counties in Arizona. The Program is supported primarily by grants administered by the State of Arizona and contracts / grants with governmental entities and private grantors.

The accounting policies of Southeastern Arizona Community Action Program conform to generally accepted accounting principles of the United States of America as applicable to nonprofit organizations. The following is a summary of the more significant accounting policies:

***Estimates*** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Basis of Accounting*** – The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

***Cash and Cash Equivalents*** – For purposes of its statement of cash flows, SEACAP considers only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

***Property and Equipment*** – Property and equipment acquired by Southeastern Arizona Community Action Program are considered to be owned by the funding program with whose funds the assets were purchased and, therefore, are not capitalized when acquired. Instead, capital acquisitions are reflected as expenditures in the year purchased. Funding sources may have a reversionary interest in the property as well as the determination of use of any proceeds from the sale of the assets. Those assets remain the property of the grantor until ownership is transferred to the Program. The Program maintains detailed records for all property and equipment reflecting its ownership and value.

***Compensated Absences*** – Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expense and a liability. In accordance with FASB ASC 710, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**

**Notes to Financial Statements**

**June 30, 2016**

***NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

***Grant and Contract Support*** – The Program recognizes grant revenue as services are rendered under unit-of-service contracts and as expenses are incurred under cost reimbursement contracts. A receivable is recognized to the extent grant revenue earned exceeds cash advances. Conversely, deferred revenue is recorded when cash advances exceed grant and contract revenue earned. Grantors may, at their discretion, request reimbursement for expenses or return of funds, or both, by the Program as a result of noncompliance with the terms of grants or contracts. In addition, if the Program terminates its activities, all unexpended funds are to be returned to the funding sources.

***Contributed Services*** – During the year ended June 30, 2016, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Program which do not meet the requirements for financial statement recognition.

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

***Income Taxes*** – Income taxes are not provided for in the financial statements since Southeastern Arizona Community Action Program is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state statutes. Furthermore, the Program has been classified by the Internal Revenue Service as a publicly supported organization, and not as a private foundation.

***Management's Review*** – Management has evaluated all of the Program's events or transactions for subsequent events that would require disclosure in the financial statements through the financial issuance date of October 18, 2016.

***NOTE 2 – CONCENTRATIONS OF CASH DEPOSITS***

At June 30, 2016, the total amount of cash in the bank totaled \$176,831. The entire bank balance was covered by US Government Federal Depository Insurance (FDIC).

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**

**Notes to Financial Statements**

**June 30, 2016**

***NOTE 3 – GRANT FUNDS RECEIVABLE***

A summary of grant funds receivable at June 30, 2016, consisted of the following:

Arizona Department of Economic Security	\$ 122,117
Arizona Governor's Office of Energy Policy	83,899
Arizona Community Action Association	47,979
Arizona Department of Transportation	35,000
Southeastern Arizona Governments Organization	10,692
Arizona Public Service	2,348
Other	2,116
Southwest Gas	1,319
	<hr/>
	\$ 305,470
	<hr/> <hr/>

***NOTE 4 – OPERATING LEASES***

Southeastern Arizona Community Action Program leases office space under month-to-month contracts with monthly rental expenses of \$300, \$350, and \$2,500 per month. Miscellaneous equipment is also leased on a month-to-month basis. Total rent expense for the year ended June 30, 2016 was \$36,647.

***NOTE 5 – CONTINGENT LIABILITY***

Southeastern Arizona Community Action Program participates in several federal and state-funded programs administered by oversight agencies. The programs included in these financial statements may be subject to program compliance and/or financial monitoring by the granting agencies or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time.

***NOTE 6 – CONCENTRATIONS***

For the year ending June 30, 2016, the Program received 63% of its support from the Arizona Department of Economic Security. Decreases in the funding of or discontinuance of these programs in future years may have an effect upon the operations of the Program.

*This page left blank intentionally*

**SINGLE AUDIT ACT REPORTS SECTION**

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>			
<b>Passed through the Arizona Department of Economic Security</b>			
Community Services Block Grant	93.569	ADES15-089122	\$ 222,463
<b>TANF Cluster</b>			
Temporary Assistance for Needy Families	93.558	ADES15-089122	160,941
Low-Income Home Energy Assistance	93.568	ADES15-089122	771,088
<b>Passed through the Arizona Governor's Office of Energy Policy</b>			
Low-Income Home Energy Assistance	93.568	LW-ESA-12-2182-08	264,729
<b>Passed through the SouthEastern Arizona Governments Organization</b>			
<b>Aging Cluster</b>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	122-16/126-16/127-16	26,291
National Family Caregiver Support, Title III, Part E	93.052	122-16/126-16/127-16	2,869
Social Services Block Grant	93.667	122-16/126-16/127-16	3,058
<b>Total U.S. Department of Health and Human Services</b>			<u>1,451,439</u>
<b><u>U.S. Department of Energy</u></b>			
<b>Passed through the Arizona Governor's Office of Energy Policy</b>			
Weatherization Assistance for Low-Income Persons	81.042	EW-ESA-14-4181-08	80,433
<b>Total U.S. Department of Energy</b>			<u>80,433</u>
<b>Total Federal Assistance</b>			<u>\$ 1,531,872</u>

*The accompanying notes are an integral part of this schedule.*



**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

***NOTE 1 – BASIS OF PRESENTATION***

The accompanying schedule of expenditures of federal awards includes the federal award activity of Southeastern Arizona Community Action Program under programs of the federal government for the year ended June 30, 2016. 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 Southeastern Arizona Community Action Program, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southeastern Arizona Community Action Program.

***NOTE 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. Southeastern Arizona Community Action Program has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

**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  
Southeastern Arizona Community Action Program  
Safford, Arizona

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 Southeastern Arizona Community Action Program (SEACAP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements 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 October 18, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SEACAP'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 SEACAP's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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


not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SEACAP'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.



October 18, 2016



1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Directors  
Southeastern Arizona Community Action Program  
Safford, Arizona

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

We have audited Southeastern Arizona Community Action Program's (SEACAP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SEACAP's major federal programs for the year ended June 30, 2016. SEACAP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program

In our opinion, SEACAP 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 June 30, 2016.

## Report on Internal Control Over Compliance

Management of SEACAP 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 SEACAP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SEACAP'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.



October 18, 2016

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2016**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued		Unmodified	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> No	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No	

**Federal Awards**

Internal control over major federal programs:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> No	
Type of auditor's report issued on compliance for major federal programs:			
		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?			
		_____ Yes	_____ <u>X</u> No
Identification of major federal programs:			
CFDA			
<u>Number</u>	<u>Name of Federal Program</u>		
93.568	Low-Income Home Energy Assistance		
Dollar threshold used to distinguish between type A and type B programs:			
		\$750,000	
Auditee qualified as low-risk auditee?			
		_____ <u>X</u> Yes	_____ No

**SOUTHEASTERN ARIZONA COMMUNITY ACTION PROGRAM**  
**Summary Schedule of Prior Year Audit Findings**  
**June 30, 2016**

**Federal Award Program Findings**

None