



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

TEXAS ADVOCACY PROJECT, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

31 DECEMBER 2023



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Directors and Management
Texas Advocacy Project, Inc.

INDEPENDENT AUDITOR'S REPORT

A. Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Texas Advocacy Project, Inc. (TAP), a nonprofit organization, which comprise the statement of financial position as of 31 December 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TAP as of 31 December 2023 and 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.

Basis for Opinion

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. 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 TAP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, 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 TAP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibility 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 and *Government 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 and *Government 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 TAP'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 TAP'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 schedules of expenditures of federal and state awards (page 24-25), 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*, and the *State of Texas Single Audit Circular*, are presented for purposes of additional analysis and are not a required part of the financial statements.

Similarly, the supplemental contract activity schedules on pages 15-18 are presented for purposes of additional analysis and are 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 schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

B. Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated 23 April 2024 on our consideration of TAP'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 TAP'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 TAP's internal control over financial reporting and compliance.

23 April 2024
Austin, Texas

TEXAS ADVOCACY PROJECT, INC.

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2023

ASSETS

CURRENT ASSETS

Cash	\$781,696
Grants receivable	545,089
Pledges and other receivables	147,993
Prepaid expenses	<u>11,152</u>
	1,485,930

SECURITY DEPOSIT

8,312

FIXED ASSETS

29,473

RIGHT OF USE ASSET-OPERATING LEASE

379,862

\$1,903,577

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$11,705
Accrued payroll	60,867
Grant advance	56,136
Operating lease obligation	<u>90,957</u>
	219,665

OPERATING LEASE OBLIGATION, net of current portion

299,247

518,912

NET ASSETS

Without donor restrictions	1,253,698
With donor restrictions	<u>130,967</u>
	<u>1,384,665</u>

\$1,903,577

The accompanying notes are an integral part of this financial statement presentation.

TEXAS ADVOCACY PROJECT, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED 31 DECEMBER 2023

REVENUE	Without Donor Restrictions	With Donor Restrictions	Total
Federal government grants	\$1,728,875	\$0	\$1,728,875
Public support	1,539,676	0	1,539,676
State government grants	845,744	0	845,744
Nongovernment and other grants	233,586	141,183	374,769
Contributed services	121,020	0	121,020
Net assets released from restrictions	<u>232,971</u>	<u>(232,971)</u>	<u>0</u>
	<u>4,701,872</u>	<u>(91,788)</u>	<u>4,610,084</u>
EXPENSE			
Program: Direct legal services	2,471,185	0	2,471,185
Program: Survivor support services	<u>1,445,499</u>	<u>0</u>	<u>1,445,499</u>
	3,916,684	0	3,916,684
Administration	238,241	0	238,241
Fundraising	<u>703,359</u>	<u>0</u>	<u>703,359</u>
	<u>4,858,284</u>	<u>0</u>	<u>4,858,284</u>
CHANGE IN NET ASSETS	(156,412)	(91,788)	(248,200)
BEGINNING NET ASSETS	<u>1,410,110</u>	<u>222,755</u>	<u>1,632,865</u>
ENDING NET ASSETS	<u>\$1,253,698</u>	<u>\$130,967</u>	<u>\$1,384,665</u>

The accompanying notes are an integral part of this financial statement presentation.

TEXAS ADVOCACY PROJECT, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	(\$248,200)
Depreciation	34,801
Amortization of right of use asset	86,966
Change in grant receivable	141,224
Change in pledges and other receivables	(143,743)
Change in prepaid expenses	35,624
Change in accounts payable	(12,575)
Change in accrued liabilities	(45,924)
Change in grant advance	28,552
Change in operating lease liability	<u>(87,832)</u>
	(211,107)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of fixed assets	<u>(8,482)</u>
NET CHANGE IN CASH	(219,589)
BEGINNING CASH	<u>1,001,285</u>
ENDING CASH	<u>\$781,696</u>

The accompanying notes are an integral part of this financial statement presentation.

NOTE 1: ORGANIZATION

Established in 1982 as a non-profit, Texas Advocacy Project, Inc.'s (TAP) mission is to prevent domestic and dating violence, sexual assault, and stalking throughout Texas through free legal services, access to the justice system, and education. Our attorneys, staff, volunteers, and Board of Directors are committed to advancing our vision that all Texans live safely in hope, not fear. TAP is principally funded through federal cost reimbursement grants from the Office of the Governor and contributions.

Historically, TAP has described its services as programs; however, in 2016 management has determined it is better to categorize services into departments: Direct Legal Services (DLS) department and the Survivors Support Services and Presentations (SSSP) department. DLS encompasses the former Protective Orders Program, Justice Initiative Program, Emergency Protective Order Program, and Legal Hotlines Program. SSSP now accounts for the Legal Access Initiative.

Direct Legal Services Department

The Project works directly with victims, shelters, law enforcement agencies, and courts across Texas to deliver effective legal services such as advice and counsel through our legal lines and video conference equipment assistance with protective orders including MOEP's, assistance in pro-se matters, direct representation, and impact litigation.

Survivors Support Services and Presentations Department

TAP provides free training, technical support, and consulting for judges, prosecutors, law enforcement, family and sexual violence victim advocates, universities, and allied professionals in communities throughout Texas in order to identify and implement best practices and strategies in responding to the needs of victims of domestic and dating violence, sexual assault, and stalking. The department provides targeted outreach to at-risk communities with the intent of bringing victims to service. In addition, staff from this department provide survivors with a range of services such as safety planning, help in accessing Crime Victims' Compensation and Texas Victim Information and Notification Everyday (VINE) funds.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ESTIMATES

The preparation of financial statements in conformity with U.S. 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.

FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of TAP and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are

perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

INCOME TAXES

TAP is an organization other than a private foundation exempt from Federal income taxes under IRS Code Section 501(c)(3). Therefore, no provision has been made for Federal income taxes in the accompanying financial statements.

TAP's policy is to record interest and penalty expense related to income taxes as interest and other expense, respectively. At 31 December 2023, no interest or penalties have been or required to be accrued.

FIXED ASSETS

Fixed asset purchases of \$1,000 and greater are recorded at cost. Contributions of fixed assets, other than software, valued at \$1,000 and greater and contributed software with estimated useful lives greater than one year are recorded as support at their estimated fair value.

Depreciation on fixed assets is provided using the straight-line method over estimated useful lives of the respective assets, ranging from 3 to 5 years. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected as an increase or decrease in net assets without donor restrictions. Maintenance and repairs are charged to expense and expenditures for improvements that extend the useful life of the assets are capitalized.

CONTRIBUTIONS

TAP recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are recognized when the conditions on which they depend have been met.

FEDERAL AWARDS RECEIVABLE

TAP has not recorded an allowance for uncollectible accounts because the receivables are considered to be 100% collectible. All receivables on the statement of financial position are due within the next fiscal year. TAP estimates allowances for uncollectible accounts by evaluating the creditworthiness, the historical collections, and the aging of the accounts. Once an account is deemed uncollectible, it is written off. Receivables are considered delinquent based on how recently payments have been received.

FEDERAL AND STATE AWARDS

A significant portion of TAP's revenue is derived from cost-reimbursable federal grants and state, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when TAP has incurred expenditures in compliance with specific contract or grant provisions. TAP has contracts for cost-reimbursable grants of \$3,323,111 for which qualifying expenditures have not been incurred and accordingly have not been recognized at 31 December 2023.

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. Personnel costs, technology, professional fees, telecommunications, depreciation, insurance, office supplies and other are allocated based on estimates of time and effort by personnel. Occupancy are allocated based on management's knowledge and review of individual transactions.

SUBSEQUENT EVENTS

TAP has evaluated subsequent events for disclosure through the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

LEASES

TAP determines if an arrangement is or contains a lease at inception. Leases are included in right of use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. TAP does not report ROU assets and leases liabilities obligations for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

NOTE 3: CONTINGENCY

TAP receives grants for specific purposes that are subject to grantor review. Such reviews could result in a request for reimbursement by the grantor if unallowable costs are identified. TAP's management believes that any liability for reimbursement which could arise as the result of these audits would not be material to the financial position of TAP.

NOTE 4: CONCENTRATIONS

Funding from two federal and state grantors accounted for 76% of TAP's total revenue at year end. At year end, 57% of total receivables is due from one grantor. At 31 December 2023, TAP had deposits in excess of FDIC coverage of \$409,180.

NOTE 5: RELATED PARTY TRANSACTIONS

During the year ended 31 December 2023, TAP paid \$9,000 in fees to Crosswind Media Public Relations whose President & CEO Thomas Graham is a member of TAP's Board of Directors. TAP made a one time \$2,549 payment to a partner of a TAP employee. All Board members and external committee members make monetary donations to TAP in the normal course of their volunteer terms. These are typically Board dues, Advocates for Hope donations, or participating in event fundraising. Total board and staff donations during the year were \$222,604.

NOTE 6: EMPLOYEE BENEFIT PLAN

TAP provides a retirement benefit plan to its employees. Employees may elect to contribute to the plan via payroll deductions and TAP matches the employees' contributions up to 2% of the employee's annual compensation. Contributions to the plan by TAP were \$45,454 for 2023.

NOTE 7: LEASES

TAP evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent TAP's right to use underlying assets for the lease term, and the lease liabilities represent TAP's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating lease, were calculated based on the present value of future lease payments over the lease terms. TAP elected to use the risk-free rate to discount future lease payments. The discount rate applied to calculate lease liabilities as of 31 December 2023 was 1.55%. TAP leases office space under an operating lease that expires in February 2028, the remaining lease term is 50 months. Total rent expense was \$93,703 for the year ended 31 December 2023. Future maturities of lease liabilities are presented in the following table, for the years ending 31 December:

2024	\$97,005
2025	98,793
2026	95,854
2027	97,789
2028	<u>16,625</u>
	406,066
Less: present value discount	<u>(15,862)</u>
	<u>\$390,204</u>

As of 31 December 2023, ROU assets related to operating leases were as follows:

Cost	\$552,480
Less: accumulated amortization	<u>(172,618)</u>
	<u>\$379,862</u>

Supplemental cash flow information related to leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating lease	<u>\$87,832</u>
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Right of use assets upon ASC 842 implementation:

Operating lease	<u>\$552,480</u>
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NOTE 8: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year from the statement of financial position date, comprise the following:

Cash	\$781,696
Grants receivable	545,089
Pledges and other receivables	<u>147,993</u>
	1,474,778
Less: amounts unavailable for general expenditure within one year	<u>(130,967)</u>
	<u>\$1,343,811</u>

As a part of TAP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The policy is that monthly revenues are to cover monthly expenses. Monthly revenues and expenditures are deposited in and deducted from TAP's operating account.

See Note 10 for additional details regarding the nature of donor imposed restrictions on assets that are not available for general expenditures within one year of the statement of financial position date.

NOTE 9: FIXED ASSETS

Computer equipment	\$201,897
Website	51,425
Leasehold improvements	850
Accumulated depreciation	<u>(224,699)</u>
	<u>\$29,473</u>

NOTE 10: NET ASSETS WITH DONOR RESTRICTIONS

Balances of net assets with donor restrictions at year end:

Purpose restricted:

Social work program	23,818
Supporting mental health and legal needs of domestic violence survivors	98,816
Electronics and equipment for program	<u>8,333</u>
	<u>\$130,967</u>

Net assets released from donor restriction during the year

Satisfaction of purpose restrictions during the year:

Time restricted for 2023	\$100,000
Social work program	70,471
Time restricted for 2023	100,000
Supporting mental health and legal needs of domestic violence survivors	20,485
Human trafficking initiative	20,217
Addressing mental health and legal needs of family violence survivors	<u>21,798</u>
	<u>\$232,971</u>

NOTE 11: CONTRIBUTED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require special skills, are performed by people with those skills, and would otherwise be purchased by TAP. TAP recognized \$121,020 in contributed services for the use of specialized attorneys, law clerks, and other specialized services. These contributed services did not have donor-imposed restrictions. Contributed professional services are used for program activities and valued and reported at the estimated fair value in the financial statements based on current rates for similar services. TAP received 1,370 in nonprofessional volunteer hours from board members and interns valued at \$26,694 not recognized in the accompanying financial statements, because they do not meet the criteria for recognition.

NOTE 12: REVENUE FROM CONTRACTS WITH CUSTOMERS

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates TAP's revenue based on the timing of satisfaction of performance obligations for the year ended 31 December 2023:

Performance obligations at a point in time	<u>\$277,683</u>
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Revenue recognized at a point of time primarily includes revenues related to sponsorships, ticket sales, raffle sales, live auction sales, food and beverages, and advertising for the spring and fall events, included in public support revenue on the statement of activities.

PERFORMANCE OBLIGATIONS

Special events revenue is recognized at a point in time, when control of the goods transfers to the customer in an amount that reflects the consideration TAP expects to be entitled to in exchange for those goods. Typically, control is deemed to transfer at the date at which the customer received the benefit from the event. Payments are received either in advance or on the day of the event. The advance payments received before the event are accounted for as deferred revenue until the date of the event. As of year end, there was no deferred revenue or contract balances related to event revenues.

NOTE 13: FUNCTIONAL EXPENSES

	<u>Survivor Support Services</u>	<u>Direct Legal Services</u>	<u>Total Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs	\$1,273,910	\$2,119,201	\$3,393,111	\$150,627	\$221,934	\$3,765,672
Fundraising	0	0	0	0	426,448	426,448
Professional fees	55,620	48,204	103,824	42,642	38,934	185,400
Technology	16,880	71,271	88,151	3,751	1,876	93,778
Occupancy	0	81,522	81,522	3,748	8,433	93,703
Telecommunications	30,460	15,230	45,690	2,101	4,727	52,518
Depreciation	17,749	0	17,749	17,052	0	34,801
Insurance	7,093	4,433	11,526	10,640	0	22,166
Postage and delivery	0	18,962	18,962	0	0	18,962
Office supplies	5,378	4,818	10,196	0	1,007	11,203
Other	<u>38,409</u>	<u>107,544</u>	<u>145,953</u>	<u>7,680</u>	<u>0</u>	<u>153,633</u>
	<u>\$1,445,499</u>	<u>\$2,471,185</u>	<u>\$3,916,684</u>	<u>\$238,241</u>	<u>\$703,359</u>	<u>\$4,858,284</u>

Contract Name: Basic Civil Legal Services (BCLS)
 Funder Name: Texas Access to Justice Foundation
 Grant Name: BCLS Discretionary - 2021 - 2023
 Grant Number: 10087654
 Contract Term: 2021 - 2023

	<u>Budget</u>	<u>Actual</u>
Revenue		
Contract	188,958	62,987
	<u>188,958</u>	<u>62,987</u>
Expenses		
Personnel	170,599	65,481
Space	6,546	2,070
Equipment Rental	195	8
Supplies	2,723	1,250
Telephone	1,621	1,274
Travel	1,296	904
Training	713	190
Library	292	215
Insurance	97	0
Audit	1,167	876
Litigation	130	45
Capital Additions	0	0
Contractual Services	3,579	1,443
Other	0	951
Total Expenses	<u>188,958</u>	<u>74,706</u>
Excess Revenues	<u>0</u>	<u>-11,719</u>

Contract Name: Basic Civil Legal Services (BCLS)
 Funder Name: Texas Access to Justice Foundation
 Grant Name: BCLS Discretionary - 2023 - 2025
 Grant Number: 26171
 Contract Term: 2023 - 2025

	<u>Budget</u>	<u>Actual</u>
Revenue		
Contract	188,958	31,493
	<u>188,958</u>	<u>31,493</u>
Expenses		
Personnel	170,599	25,315
Space	6,546	677
Equipment Rental	195	
Supplies	2,723	115
Telephone	1,621	335
Travel	1,296	482
Training	713	42
Library	292	49
Insurance	97	0
Audit	1,167	0
Litigation	130	12
Capital Additions	0	
Contractual Services	3,579	197
Other	0	289
Total Expenses	<u>188,958</u>	<u>27,515</u>
Excess Revenues	<u>0</u>	<u>3,977</u>

Contract Name: Special Project Funding for Civil Legal Aid
 Funder Name: Texas Access to Justice Foundation
 Grant Name: Legal Aid for Survivors of Sexual Assault
 Grant Number: 10087655
 Contract Term: 2021 - 2023

	<u>Budget</u>	<u>Actual</u>
Revenue		
Contract	330,992	110,331
	<u>330,992</u>	<u>110,331</u>
Expenses		
Personnel	303,509	102,697
Space	10,039	2,384
Equipment Rental	287	10
Supplies	4,022	1,423
Telephone	2,394	1,435
Travel	1,916	1,865
Training	1,053	178
Library	431	260
Insurance	145	0
Audit	1,724	1,008
Litigation	192	39
Capital Additions	0	0
Contractual Services	5,280	1,556
Other	0	1,133
Total Expenses	<u>330,992</u>	<u>113,989</u>
Excess Revenues	<u>0</u>	<u>-3,658</u>

Contract Name: Special Project Funding for Civil Legal Aid
 Funder Name: Texas Access to Justice Foundation
 Grant Name: Legal Aid for Survivors of Sexual Assault
 Grant Number: 26171
 Contract Term: 2023 - 2025

	<u>Budget</u>	<u>Actual</u>
Revenue		
Contract	330,992	55,165
	<u>330,992</u>	<u>55,165</u>
Expenses		
Personnel	303,509	39,870
Space	10,039	927
Equipment Rental	287	0
Supplies	4,022	111
Telephone	2,394	414
Travel	1,916	646
Training	1,053	46
Library	431	154
Insurance	145	0
Audit	1,724	0
Litigation	192	14
Capital Additions	0	0
Contractual Services	5,280	263
Other	0	348
Total Expenses	<u>330,992</u>	<u>42,793</u>
Excess Revenues	<u>0</u>	<u>12,372</u>



Montemayor Britton Bender PC

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Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Directors and Management
Texas Advocacy Project, Inc.

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*

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 Texas Advocacy Project, Inc. (TAP), which comprise the statement of financial position as of 31 December 2023, and the related statements of activities, and cash flows for the year then ended, and the notes to the financial statements, and have issued our report thereon dated 23 April 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TAP's internal control over financial reporting (internal control) as a basis for designing 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 TAP's internal control. Accordingly, we do not express an opinion on the effectiveness of TAP'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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TAP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant

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agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 TAP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TAP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Montgomery Britton Bender PC

23 April 2024
Austin, Texas



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Directors and Management
Texas Advocacy Project, Inc.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE OF TEXAS SINGLE AUDIT CIRCULAR*

A. Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Texas Advocacy Project, Inc.'s (TAP) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of TAP's major federal program for the year ended 31 December 2023. TAP's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, TAP 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 and state programs for the year ended 31 December 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; 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), and the *State of Texas Single Audit Circular*. 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 TAP 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 TAP's compliance with the compliance requirements referred to above.

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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 TAP'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 TAP'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, and the *State of Texas Single Audit Circular* 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 TAP's compliance with the requirements of each major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and the *State of Texas Single Audit Circular* 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 TAP'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 TAP'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 and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of TAP'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.

B. 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 or state 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 or state 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 the 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 the testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

23 April 2024
Austin, Texas

TEXAS ADVOCACY PROJECT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED 31 DECEMBER 2023

<u>Federal Agency/Pass-Through/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract</u>	<u>Expenditures</u>
U.S. Department of Justice			
Passed through the Texas Office of the Governor			
Victims services admin and training	16.588	2355114	\$117,307
Passed through the Office on Violence against women			
Legal Assistance for victims	16.524	15JOVW-23-GG-00 550-LEGA	44,961
Passed through Office of Justice Programs			
Services for Victims of Human Trafficking	16.320	15POVC-23-GG-04 078-HT	<u>37,017</u>
			<u>199,285</u>
U.S. Department of Treasury			
COVID 19 VC- Coronavirus State Fiscal Recovery Fund	21.027	2355113	328,112
COVID 19 VC- Coronavirus State Fiscal Recovery Fund	21.027	1407521	<u>993,091</u>
			<u>1,321,203</u>
U.S. Department of Health and Human Services			
Passed through Texas Health and Human Services Commission			
Special Nonresidential Project (SNRP)	93.671	HHS001108000011	29,683
Special Nonresidential Project (SNRP)	93.671	HHS001108000011	87,685
Enhanced Services RFA	93.667	HHS001102100034	<u>91,019</u>
			<u>208,387</u>
			<u>\$1,728,875</u>

NOTE: This schedule is prepared using the same accounting policies as the financial statements. See the notes to the financial statements on pages 7-14. TAP did not elect to use the 10% de minimus indirect cost rate.

TEXAS ADVOCACY PROJECT, INC.

SCHEDULE OF EXPENDITURES OF STATE AWARDS

YEAR ENDED 31 DECEMBER 2023

<u>State Agency/Pass-Through/Program Title</u>	<u>Contract</u>	<u>Expenditures</u>
Passed through Texas Health and Human Services Commission		
HHSC Enhanced Services	HHS001102100034	<u>\$126,562</u>
Passed through the Office of the Attorney General		
Other Victim Assistance Grant Program	C-00446	125,201
Other Victim Assistance Grant Program	C-00909	42,353
Safe access for victims' economic security (SAVES)	C-01242	<u>10,460</u>
		<u>178,014</u>
Passed through the Office of the Governor		
General Victim Assistance grant program	1407522	<u>268,838</u>
Passed through Texas Access to Justice Foundation		
Legal Aid for Survivors of Sexual Assault	10087655	108,005
Legal Aid for Survivors of Sexual Assault	26175	42,793
Basic Civil Legal Services	10087654	63,217
Basic Civil Legal Services	26171	27,515
Legal aid for Children's Health and Security	26893	<u>8,691</u>
		<u>250,221</u>
		<u><u>\$823,635</u></u>

NOTE: This schedule is prepared using the same accounting policies as the financial statements. See the notes to the financial statements on pages 7-14. TAP did not elect to use the 10% de minimus indirect cost rate.

TEXAS ADVOCACY PROJECT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
31 DECEMBER 2023

A. SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None noted

Significant deficiency(ies) identified that are not considered material weakness(es)? None noted

Noncompliance material to financial statements noted? None noted

FEDERAL AND STATE AWARDS

Internal controls over major programs:

Material weakness(es) identified? None noted

Significant deficiency (ies) identified that are not considered material weakness(es)? None noted

Type of auditor’s report issued on compliance with major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? None noted

Federal Major Program:

COVID 19 VC- Coronavirus State Fiscal Recovery Fund- Assistance Listing Number 21.027

State Major Program:

Basic Civil Legal Services and Texas Office of the Governor General Victim Assistance grant

Threshold used to distinguish between Type A and B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes

B. FINANCIAL STATEMENT FINDINGS

Current year: None noted

Prior year: None noted

C. FEDERAL FINDINGS AND QUESTIONED COSTS

Current year: None noted

Prior year: None noted