



Montemayor Britton Bender Carey 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

TEXAS ADVOCACY PROJECT, INC.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

31 DECEMBER 2024

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Montemayor Britton Bender Carey PC

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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 2024, 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 2024 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, 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 Texas Grant Management Standards, 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 15-16 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 and the supplemental contract activity schedules 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 15 May 2025 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.

Montemayor Britton Bender Carey PC

15 May 2025
Austin, Texas

TEXAS ADVOCACY PROJECT, INC.

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

ASSETS

CURRENT ASSETS

Cash	\$1,074,115
Grants receivable	556,801
Pledges receivable	419,167
Prepaid expenses	<u>45,818</u>
	2,095,901

SECURITY DEPOSIT	8,312
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FIXED ASSETS	11,947
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LONG-TERM PLEDGE RECEIVABLE	500,000
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EMPLOYEE RETENTION CREDIT RECEIVABLE	381,270
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RIGHT OF USE ASSET-OPERATING LEASE	<u>291,534</u>
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\$3,288,964

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$33,854
Accrued payroll	96,019
Grant advance	73,866
Operating lease obligation	<u>94,155</u>
	297,894

OPERATING LEASE OBLIGATION, net of current portion	<u>205,092</u>
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502,986

NET ASSETS

Without donor restrictions	1,888,006
With donor restrictions	<u>897,972</u>
	<u>2,785,978</u>

\$3,288,964

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

TEXAS ADVOCACY PROJECT, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED 31 DECEMBER 2024

REVENUE	Without Donor Restrictions	With Donor Restrictions	Total
State government grants	\$1,570,900	\$0	\$1,570,900
Nongovernment and other grants	528,729	947,000	1,475,729
Federal government grants	1,352,424	0	1,352,424
Special events	1,192,814	0	1,192,814
Employee retention credit	381,270	0	381,270
Public support	321,414	0	321,414
Contributed services and other	183,594	0	183,594
Net assets released from restrictions	<u>179,995</u>	<u>(179,995)</u>	<u>0</u>
	<u>5,711,140</u>	<u>767,005</u>	<u>6,478,145</u>
EXPENSE			
Direct legal services department	2,557,463	0	2,557,463
Survivor support services and presentations department	<u>1,543,123</u>	<u>0</u>	<u>1,543,123</u>
	4,100,586	0	4,100,586
Administration	274,860	0	274,860
Fundraising	<u>701,386</u>	<u>0</u>	<u>701,386</u>
	<u>5,076,832</u>	<u>0</u>	<u>5,076,832</u>
CHANGE IN NET ASSETS	634,308	767,005	1,401,313
BEGINNING NET ASSETS	<u>1,253,698</u>	<u>130,967</u>	<u>1,384,665</u>
ENDING NET ASSETS	<u>\$1,888,006</u>	<u>\$897,972</u>	<u>\$2,785,978</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 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$1,401,313
Depreciation expense	17,527
Amortization expense on right of use asset	88,328
Change in grants receivable	(11,712)
Change in pledges and other receivables	(771,174)
Change in employee retention credit receivable	(381,270)
Change in prepaid expenses	(34,666)
Change in accounts payable	22,149
Change in accrued payroll	35,151
Change in grant advance	17,730
Change in operating lease liability	<u>(90,957)</u>
NET CHANGE IN CASH	292,419
BEGINNING CASH	<u>781,696</u>
ENDING CASH	<u><u>\$1,074,115</u></u>

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

TEXAS ADVOCACY PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

Established in 1982 as a nonprofit, 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 2024, no interest or penalties have been or required to be accrued.

FIXED ASSETS

Prior to March 2024, fixed asset purchases of \$1,000 and greater were 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.

Beginning March 2024, fixed asset purchases of \$5,000 and above per unit, and an estimated useful life greater than one year, are recorded at cost. Donated fixed assets valued at \$5,000 and above per unit are recorded as support at their estimated fair market 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, which neither materially add to the value of the asset nor appreciably prolong its life, are charged to expenses as incurred.

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.

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.

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.

FEDERAL AND STATE GRANTS

A significant portion of TAP's revenue is derived from cost-reimbursable federal and state grants, 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 \$2,547,476 for which qualifying expenditures have not been incurred and accordingly have not been recognized at 31 December 2024.

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, travel and other are allocated based on estimates of time and effort by personnel. Occupancy is allocated based on management's knowledge and review of individual transactions.

GRANTS 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.

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: RELATED PARTY TRANSACTIONS

TAP made a one time \$2,400 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 \$183,266.

NOTE 5: CONCENTRATIONS

At year end, Funding from two grantors accounted for 26% of TAP's total revenue, 22% of total receivables is due from one grantor and TAP had deposits in excess of FDIC coverage of \$707,724.

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 \$51,708 for 2024.

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 asset and lease liability, all of which arise from an 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 2024 was 1.55%. TAP leases office space under an operating lease that expires in February 2028, with a remaining lease term of 38 months. Total rent expense was \$99,623 for the year ended 31 December 2024. Future maturities of lease liabilities are presented in the following table, for the years ending 31 December:

2025	\$98,793
2026	95,854
2027	97,789
2028	<u>16,625</u>
	309,061
Less: present value discount	<u>(9,814)</u>
	<u>\$299,247</u>

As of year end, the ROU asset related to the operating lease was as follows:

Cost	\$552,480
Less: accumulated amortization	<u>(260,946)</u>
	<u>\$291,534</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>\$99,623</u>
Right of use asset upon ASC 842 implementation:	
Operating lease	<u>\$552,480</u>

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, are:

Cash	\$1,074,115
Grants receivable	556,801
Pledges and other receivables	<u>419,167</u>
	2,050,083
Less: amounts unavailable for general expenditure within one year	<u>(897,972)</u>
	<u>\$1,152,111</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>(242,225)</u>
	<u>\$11,947</u>

NOTE 10: 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 \$169,232 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 1,807 in nonprofessional volunteer hours from board members and interns valued at \$34,342 not recognized in the accompanying financial statements, because they do not meet the criteria for recognition.

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONSBalances of net assets with donor restrictions at year end:

Purpose restricted:

Supporting mental health and legal needs of domestic violence survivors	\$98,677
Legal education and training videos	29,732
Handbags for Hope and other	<u>19,564</u>
	<u>147,973</u>

Time restricted:

2025	250,000
2026	250,000
2027	<u>250,000</u>
	<u>750,000</u>
	<u>\$897,973</u>

Net assets released from donor restriction during the year

Satisfaction of purpose restrictions during the year:

Mental health and legal needs	\$115,139
Social work program	19,500
Coordinating volunteers to assist survivors	15,968
Laptops and equipment	8,333
Legal education and training videos	5,268
Caring for children and other	<u>15,786</u>
	<u>\$179,994</u>

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 2024:

Performance obligations satisfied at a point in time	<u>\$215,366</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 special events 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: FAIR VALUE DISCLOSURES

<u>Item</u>	<u>Amount</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Current year contributions of long-term receivables	<u>\$500,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$0</u>

U.S. generally accepted accounting principles require that contributions of long-term contributions receivable be recorded at their estimate fair value when received. Contributions of long-term receivables were valued by management based on expected future cash flows discounted at a market interest rate.

NOTE 14: PLEDGES RECEIVABLE

Due in:	
Less than one year	\$419,167
One to five years	<u>500,000</u>
	<u>\$919,167</u>

NOTE 15: FUNCTIONAL EXPENSES

	Survivor Support Services and <u>presentations</u>	Direct Legal <u>Services</u>	Total Program	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs	\$1,314,741	\$2,176,566	\$3,491,307	\$155,001	\$228,727	\$3,875,035
Fundraising	0	0	0	0	371,652	371,652
Professional fees	113,314	98,206	211,520	86,874	79,320	377,714
Occupancy	0	86,672	86,672	3,985	8,966	99,623
Travel	29,082	22,995	52,077	8,116	7,440	67,633
Technology	11,579	48,891	60,470	2,573	1,287	64,330
Telecommunications	25,729	12,864	38,593	1,774	3,994	44,361
Depreciation	8,939	0	8,939	8,588	0	17,527
Other	<u>39,739</u>	<u>111,269</u>	<u>151,008</u>	<u>7,949</u>	<u>0</u>	<u>158,957</u>
	<u>\$1,543,123</u>	<u>\$2,557,463</u>	<u>\$4,100,586</u>	<u>\$274,860</u>	<u>\$701,386</u>	<u>\$5,076,832</u>

Texas Advocacy Project, Inc.
Schedule of Contract Activity
Sep 1 2023 through Dec 31 2024

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

				Cumulative Total Since Inception
	Sep 23 - Aug 25 Budget	Jan - Dec 23 Actual	Jan - Dec 24 Actual	Sep 23 - Dec 24 Actual
Revenue				
Contract	\$188,958	\$31,493	\$94,481	\$125,974
	188,958	31,493	94,481	125,974
Expenses				
Personnel	168,590	25,315	86,615	111,930
Space	4,057	677	2,566	3,243
Equipment Rental	0	0	0	0
Supplies	2,983	115	611	726
Telephone	2,422	335	1,126	1,461
Travel	3,149	482	2,457	2,939
Training	582	42	452	494
Library	364	49	197	246
Insurance	411	0	462	462
Audit	882	0	493	493
Litigation	60	12	25	37
Capital Additions	463	0	0	0
Contractual Services	2,217	197	1,629	1,826
Other	2,778	289	1,722	2,011
Total Expenses	188,958	27,515	98,355	125,870
Excess Revenues	\$-	\$3,978	\$(3,874)	\$104

See independent auditor's report.

Texas Advocacy Project, Inc.
Schedule of Contract Activity
Sep 1 2023 through Dec 31 2024

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

				Cumulative Total Since Inception
	Sep 23 - Aug 25 Budget	Jan - Dec 23 Actual	Jan - Dec 24 Actual	Sep 23 - Dec 24 Actual
Revenue				
Contract	\$330,992	\$55,165	\$165,496	\$220,661
	330,992	55,165	165,496	220,661
Expenses				
Personnel	302,858	39,870	150,278	190,148
Space	5,605	927	3,674	4,601
Equipment Rental	0	0	0	0
Supplies	4,121	111	1363	1474
Telephone	3,345	414	1,598	2,012
Travel	4,350	646	1,177	1,823
Training	804	46	191	237
Library	503	154	362	516
Insurance	567	0	617	617
Audit	1218	0	848	848
Litigation	78	14	52	66
Capital Additions	640	0	0	0
Contractual Services	3,063	263	2,264	2,527
Other	3,840	348	2,438	2,786
Total Expenses	330,992	42,793	164,863	207,656
Excess Revenues	\$-	\$12,372	\$633	\$13,005

See independent auditor's report.



Montemayor Britton Bender Carey PC

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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 2024, 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 15 May 2025.

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.

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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 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.

Montemayor Britton Bender Carey PC

15 May 2025
Austin, Texas



Montemayor Britton Bender Carey 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 TEXAS GRANT MANAGEMENT STANDARDS

A. Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State 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 Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of TAP's major federal and state programs for the year ended 31 December 2024. 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 2024.

Basis for Opinion on Each Major Federal and State 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 TxGMS. Our responsibilities under those standards the Uniform Guidance and the TxGMS 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 and state 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 and state 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*, Uniform Guidance, and TxGMS 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 program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and TxGMS 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 TxGMS, 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 TxGMS. Accordingly, this report is not suitable for any other purpose.

Montemayor Britton Bender Carey PC

15 May 2025
Austin, Texas

TEXAS ADVOCACY PROJECT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED 31 DECEMBER 2024

<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	\$285,317
Victims Services Admin and Training	16.588	2355115	<u>131,603</u>
			<u>416,920</u>
General Victims Assistance Grant Program	16.575	1407523	300,294
Passed through the Office on Violence Against Women			
		15JOVW-23-GG-00	
Legal Assistance for Victims	16.524	550-LEGA	221,645
Passed through Office of Justice Programs			
		15POVC-23-GG-04	
Services for Victims of Human Trafficking	16.320	078-HT	<u>153,321</u>
			<u>1,092,180</u>
U.S. Department of Health and Human Services			
Passed through Texas Health and Human Services Commission			
Special Nonresidential Project (SNRP)	93.671	HHS001108000011	87,221
Special Nonresidential Project (SNRP)	93.671	HHS001108000011	<u>25,388</u>
			<u>112,609</u>
Passed through Office of the Texas Attorney General			
Safe Access for Victims' Economic Security (SAVES)	93.564	C-01242	104,540
Safe Access for Victims' Economic Security (SAVES)	93.564	C-01242	<u>43,095</u>
			<u>147,635</u>
			<u>\$1,352,424</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 2024

<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	HHS001108000011	\$34,840
HHSC Enhanced Services	HHS001108000011	<u>7,309</u>
		<u>42,149</u>
Passed through the Office of the Attorney General		
Other Victim Assistance Grant Program	C-00909	107,683
Safe Access for Victims' Economic Security (SAVES)	C-02020	<u>50,737</u>
		<u>158,420</u>
Passed through the Office of the Governor		
General Victim Assistance grant program	1407522	<u>979,637</u>
Passed through Texas Access to Justice Foundation		
Legal Aid for Survivors of Sexual Assault	26175	164,863
Interest on Lawyers Trust Accounts	27477	21,336
Basic Civil Legal Services	26171	98,355
Legal Aid for Children's Health and Security	26893	<u>106,140</u>
		<u>390,694</u>
		<u>\$1,570,900</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 2024

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:

Victims Services Admin and Training- Assistance Listing Number 16.588

State Major Program:

Texas Office of the Governor-General Victims Assistance Grant Program

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 AND STATE FINDINGS AND QUESTIONED COSTS

Current year: None noted

Prior year: None noted