



Houston Volunteer Lawyers Program, Inc.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Houston Volunteer Lawyers Program, Inc.
Houston, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Houston Volunteer Lawyers Program, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Houston Volunteer Lawyers Program, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Houston Volunteer Lawyers Program, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Houston Volunteer Lawyers Program, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Houston Volunteer Lawyers Program, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Houston Volunteer Lawyers Program, Inc.'s ability to continue as a going concern for a reasonable period of time.

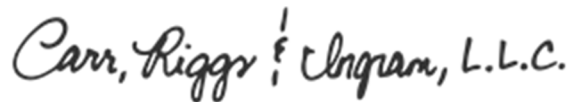
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of State of Texas awards, as required by Texas Grant Management Standards is also 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 supplementary schedules and the schedule of expenditures of State of Texas awards are 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 April 16, 2024, on our consideration of Houston Volunteer Lawyers Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Houston Volunteer Lawyers Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Houston Volunteer Lawyers Program, Inc.'s internal control over financial reporting and compliance.



Houston, Texas
April 16, 2024

Houston Volunteer Lawyers Program, Inc.
Statements of Financial Position

<i>December 31,</i>	2023	2022
Assets		
Current assets		
Cash	\$ 1,644,131	\$ 1,648,260
Contributions receivable	1,508,606	1,305,161
Prepaid expenses and other assets	84,004	86,777
Total current assets	3,236,741	3,040,198
Property and equipment, net	63,047	126,987
Operating lease right of use assets, net	144,607	251,691
Total assets	\$ 3,444,395	\$ 3,418,876
Liabilities and Net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 90,877	\$ 113,370
Refundable advances	321,497	308,791
IOLTA Trust account payable	362	2,214
Current portion of operating lease liabilities	149,227	153,125
Total current liabilities	561,963	577,500
Long-term operating lease liabilities, net of current maturities	47,466	196,693
Total liabilities	609,429	774,193
Net assets		
Without donor restrictions	1,438,245	1,314,963
With donor restrictions	1,396,721	1,329,720
Total net assets	2,834,966	2,644,683
Total liabilities and net assets	\$ 3,444,395	\$ 3,418,876

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

Houston Volunteer Lawyers Program, Inc.
Statement of Activities

<i>For the year ended December 31,</i>	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions of non-financial assets - donated legal services	\$ 14,609,421	\$ -	\$ 14,609,421
Government grants - cost reimbursement	-	1,950,668	1,950,668
Other contributions and grants	39,647	1,509,991	1,549,638
Net assets released from restrictions			
Expenditure for program purposes	2,143,658	(2,143,658)	-
Expenditure of time restrictions	1,250,000	(1,250,000)	-
Total support and revenue	18,042,726	67,001	18,109,727
Expenses			
Legal services program	17,389,649	-	17,389,649
Management and general	483,951	-	483,951
Fundraising	45,844	-	45,844
Total expenses	17,919,444	-	17,919,444
Changes in net assets	123,282	67,001	190,283
Net assets, beginning of year	1,314,963	1,329,720	2,644,683
Net assets, end of year	\$ 1,438,245	\$ 1,396,721	\$ 2,834,966

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

Houston Volunteer Lawyers Program, Inc.
Statement of Activities

<i>For the year ended December 31,</i>	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions of non-financial assets - donated			
legal services	\$ 12,688,217	\$ -	\$ 12,688,217
Government grants - cost reimbursement	-	1,783,428	1,783,428
Other contributions and grants	64,431	1,606,630	1,671,061
Net assets released from restrictions			
Expenditure for program purposes	1,983,326	(1,983,326)	-
Expenditure of time restrictions	1,250,000	(1,250,000)	-
Total support and revenue	15,985,974	156,732	16,142,706
Expenses			
Legal services program	15,248,003	-	15,248,003
Management and general	451,791	-	451,791
Fundraising	31,681	-	31,681
Total expenses	15,731,475	-	15,731,475
Changes in net assets	254,499	156,732	411,231
Net assets, beginning of year	1,060,464	1,172,988	2,233,452
Net assets, end of year	\$ 1,314,963	\$ 1,329,720	\$ 2,644,683

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

Houston Volunteer Lawyers Program, Inc. Statements of Functional Expenses

<i>For the year ended December 31, 2023</i>	Legal Services Program	Management and General	Fundraising	Total
Donated professional services	\$ 14,609,421	\$ -	\$ -	\$ 14,609,421
Salaries and related expenses	2,217,371	341,674	25,849	2,584,894
Office rent and parking	310,061	47,777	3,615	361,453
Professional fees	59,077	69,331	376	128,784
Supplies	79,125	11,650	881	91,656
Depreciation expense	54,849	8,452	639	63,940
Equipment rental	13,902	2,142	162	16,206
Insurance	8,901	1,371	104	10,376
Professional development training and seminars	11,035	83	6	11,124
Travel and meetings	12,373	953	72	13,398
Other	13,534	518	14,140	28,192
Total expenses	\$ 17,389,649	\$ 483,951	\$ 45,844	\$ 17,919,444

<i>For the year ended December 31, 2022</i>	Legal Services Program	Management and General	Fundraising	Total
Donated professional services	\$ 12,688,217	\$ -	\$ -	\$ 12,688,217
Salaries and related expenses	1,959,561	301,948	22,844	2,284,353
Office rent and parking	314,027	48,388	3,661	366,076
Professional fees	76,659	71,440	503	148,602
Supplies	88,072	12,996	983	102,051
Depreciation expense	68,164	10,503	795	79,462
Equipment rental	12,991	2,002	151	15,144
Insurance	7,790	1,200	91	9,081
Professional development training and seminars	10,458	319	24	10,801
Travel and meetings	7,665	948	72	8,685
Other	14,399	2,047	2,557	19,003
Total expenses	\$ 15,248,003	\$ 451,791	\$ 31,681	\$ 15,731,475

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

Houston Volunteer Lawyers Program, Inc.
Statements of Cash Flows

<i>For the years ended December 31,</i>	2023	2022
Operating activities		
Change in net assets	\$ 190,283	\$ 411,231
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation of property and equipment	63,940	79,462
Amortization of right of use assets	107,084	96,019
Changes in operating assets and liabilities:		
Contributions receivable	(203,445)	(95,318)
Prepaid expenses and other assets	2,773	5,534
Accounts payable and accrued expenses	(22,493)	(16,729)
Operating lease liabilities	(153,125)	(151,360)
Refundable advances	12,706	(297,018)
IOLTA Trust account payable	(1,852)	(30)
Net cash (used in) provided by operating activities	(4,129)	31,791
Net change in cash	(4,129)	31,791
Cash, beginning of year	1,648,260	1,616,469
Cash, end of year	\$ 1,644,131	\$ 1,648,260

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

Houston Volunteer Lawyers Program, Inc. Notes to Financial Statements

NOTE 1: ORGANIZATION

Houston Volunteer Lawyers Program, Inc. (HVL) is a nonprofit corporation organized in 1983 under the laws of the State of Texas. HVL's primary purpose is to promote access to justice for individuals in Houston, Texas, and the surrounding area, by assisting those who cannot afford legal representation in civil matters. A majority of HVL's Board of Directors is appointed by an officer of the Houston Bar Association.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to donated services, collectability of receivables and functional allocation of expenses.

Cash

Cash includes cash restricted by Interest on Lawyer Trust Accounts (IOLTA) to pay client fees which are held in a separate bank account. As of December 31, 2023 and 2022, restricted cash totaled \$362 and \$2,214, respectively.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted, if material, to estimate the present value of future cash flows. Amortization of discounts is included in contribution revenue. At December 31, 2023, all contributions receivable are due to be collected within one year.

Houston Volunteer Lawyers Program, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment with a value of more than \$5,000 is recorded at cost if purchased or at fair value at the date of gift if donated. Depreciation is provided on a straight-line basis over estimated useful lives. Maintenance and repairs are charged to expense while expenditures for improvements that extend the useful life of the assets are capitalized.

Leases

HVL leases office space and copiers. HVL determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use (ROU) assets and operating lease liabilities in the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the leases do not provide an implicit rate, HVL has made the accounting policy election to apply the risk-free rate as the discount rate at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that HVL will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

HVL's lease agreements may contain lease and non-lease components, which are generally accounted for separately. HVL has accounted for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of certain non-lease components is typically revised from one period to the next. The variable lease payments, which are primarily comprised of common area maintenance, utilities and real estate taxes, are recognized in office rent in the period in which the obligation for those payments was incurred.

HVL lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

HVL reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of HVL, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Houston Volunteer Lawyers Program, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

HVL recognizes contributions when cash, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met or the donor has explicitly removed the conditions.

A portion of HVL's revenue is derived from government agencies, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Amounts received are recognized as revenue when HVL has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. HVL recorded refundable advance as of December 31, 2023 and 2022 totaling \$321,497 and \$308,791, respectively.

Donated Services and Materials

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by HVL.

Donated materials and use of facilities are recognized as contributions at fair value when an unconditional commitment is received from the donor.

Functional Allocation of Expenses

Donated professional services, travel and meetings and certain supplies expenses, professional development training and seminars and professional fees can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated on the basis of estimated time and effort expended.

Houston Volunteer Lawyers Program, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

HVL is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi) of the IRC. Therefore, no provision for Federal income tax has been made in these financial statements.

HVL accounts for uncertain tax positions, when it is more likely than not, that such an asset or a liability will be realized. As of December 31, 2023 and 2022, management believes there are no uncertain tax positions.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued on April 16, 2024 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Adopted Accounting Pronouncements

In February 2016, the FASB issued guidance ASC 842, Leases to increase transparency and comparability among organizations by requiring the recognition of right of use (ROU) assets and lease liabilities on the statements of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

HVL adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

HVL elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, HVL recognized on January 1, 2022, a lease liability of \$501,178, which represents the present value of the remaining operating lease payments, discounted using the applicable risk-free rate, and right of use assets of \$347,710, which represents the operating lease liability of \$501,178 adjusted for accrued rent of \$11,909 and unamortized deferred rent and tenant improvement allowance of \$44,737 and \$120,640, respectively.

Houston Volunteer Lawyers Program, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The standard had a material impact on 2022 HVL’s statement of financial position, but did not have an impact on the 2022 statement of activities, nor statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

NOTE 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

<i>December 31,</i>	2023	2022
Cash	\$ 1,644,131	\$ 1,648,260
Contributions receivable	1,508,606	1,305,161
Total financial assets	3,152,737	2,953,421
Less:		
Donor-restricted assets subject to satisfaction of restriction	(61,368)	(18,223)
IOLTA Trust	(362)	(2,214)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,091,007	\$ 2,932,984

For purposes of analyzing resources available to meet general expenditures over a 12-month period, HVL considers all expenditures related to its ongoing activities to assist indigent individuals with obtaining needed legal assistance, as well as the conduct of services undertaken to support those activities, to be general expenditures.

HVL regularly monitors liquidity required to meet its operating needs and other contractual commitments. HVL is substantially supported by contributions and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Houston Volunteer Lawyers Program, Inc.
Notes to Financial Statements

NOTE 4: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following:

<i>December 31,</i>	<u>Life (Years)</u>	2023	2022
Leasehold improvements	11	\$ 517,106	\$ 517,106
Furniture and equipment	3-7	257,639	257,639
		774,745	774,745
 Less: accumulated depreciation		 (711,698)	 (647,758)
 Total property and equipment, net		 \$ 63,047	 \$ 126,987

Depreciation expense for the years ended December 31, 2023 and 2022 totaled \$63,940 and \$79,462, respectively.

Note 5: LEASES

In 2014, HVL entered into a non-cancelable operating lease for office space that expires in April 2025, with options to renew for another five to ten years. The options to renew were not included in the measurement of the lease liability as HVL believes the lease options are not reasonably certain to be exercised. Monthly payment includes base rent plus a proportionate share of building operating expenses (variable non-lease component).

In December 2018 and July 2019, HVL entered into non-cancelable operating leases for two copiers that expire in May 2024 and September 2024, respectively, with options to automatically renew for another 12 months. The option to renew was not included in the measurement of the lease liabilities as HVL believes the lease options are not reasonably certain to be exercised. The combined base monthly payment of \$1,228 also includes maintenance services (non-lease component).

Lease cost for the years ended December 31, 2023 and 2022 includes \$111,603 and \$102,303 in fixed costs and approximately \$215,000 and \$211,500 in variable costs, respectively, which have been reported as office rent and parking (office space) and equipment rental (copiers) in the accompanying statements of functional expenses.

Houston Volunteer Lawyers Program, Inc.
Notes to Financial Statements

Note 5: LEASES (Continued)

Future minimum lease payments under non-cancellable operating leases were as follows:

For the years ending December 31,

2024	\$	151,280
2025		47,635
Total future minimum lease payments		198,915
Less: imputed interest		(2,222)
Present value of lease liabilities		\$ 196,693

Other information related to leases is as follows:

For the year ended December 31,

2023

Cash flow information:

Cash paid for amounts included in the measurement of operating lease liabilities \$ 157,644

Lease term and discount rate:

Weighted average remaining lease term 1.38 years
Weighted average discount rate 1.61%

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

<i>December 31,</i>	2023	2022
Net assets subject to expenditure for specific purpose		
Veteran services	\$ 917	\$ 1,152
Other	2,749	2,749
Legal services	7,415	7,415
Translation services	10,950	13,144
Program salaries	174,690	55,260
Total subject to expenditure for specific purpose	196,721	79,720
Net assets subject to passage of time - usage in future years	1,200,000	1,250,000
Total net assets with donor restrictions	\$ 1,396,721	\$ 1,329,720

Houston Volunteer Lawyers Program, Inc. Notes to Financial Statements

NOTE 7: DONATED LEGAL SERVICES

Contributed nonfinancial assets recognized within the statements of activities included \$14,609,421 and \$12,688,217 of donated legal services consisting of approximately 22,200 and 26,600 hours of legal services for the years ended December 31, 2023 and 2022, respectively. The per hour valuation for the years ended December 31, 2023 and 2022 was based on the hourly rate if provided by the volunteer attorneys. When the hourly rate was not provided, HVL used the estimated average rate of \$260 per hour. There were no donor imposed restrictions on donated services and all donated services were able to be used by HVL.

NOTE 8: CONTRIBUTIONS – GOVERNMENT GRANTS AND OTHER

HVL recognized contributions from the following sources:

<i>December 31,</i>	2023	2022
Texas Access to Justice Foundation	\$ 1,397,187	\$ 1,300,465
Houston Bar Foundation	1,200,000	1,100,000
Legal Service Corporation (under contract with Lone Star Legal Aid)	250,000	250,000
Houston Endowment	-	300,000
Other	653,119	504,024
	\$ 3,500,306	\$ 3,454,489

At December 31, 2023, HVL has conditional contribution awards of approximately \$2,147,000 that will be recognized as revenue when the services are provided and qualifying expenses are incurred.

Grants from federal and state funding sources require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of noncompliance by HVL with the terms of the contracts. Management believes such disallowances, if any, would not be material to HVL's financial position or changes in net assets.

NOTE 9: DEFINED CONTRIBUTION PLAN

HVL sponsors a defined contribution plan for all employees over the age of 21. HVL provides a match of 100% of employee contributions up to 5%.

Contributions to this plan were approximately \$82,100 and \$66,500 in 2023 and 2022, respectively.

Houston Volunteer Lawyers Program, Inc.
Notes to Financial Statements

NOTE 10: CONCENTRATION OF CREDIT RISK

Cash is maintained at one financial institution in Houston, Texas. The balances, at times, may exceed federally insured limits, but this risk has been mitigated by the financial strength of the institution in which the deposits are held.

For the years ended December 31, 2023 and 2022, two donors accounted for approximately 75% and 70% of total contributions, respectively.

At December 31, 2023 and 2022, approximately 80% and 96% of contributions receivable was from one donor and two donors, respectively.

Supplemental Information

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation – Basic Civil Legal Services
Grant Contribution Revenue and Expenses – Grant ID #26229

	BUDGET	ACTUAL	DIFFERENCE
	9/1/23 - 8/31/25	9/1/23 - 12/31/23	
Contributions and grant revenue	\$ 1,932,460	\$ 269,304	\$ 1,663,156
Expenses:			
Salaries and benefits	1,653,300	192,509	1,460,791
Space	165,198	60,867	104,331
Contractual services	45,412	8,199	37,213
Supplies	9,500	462	9,038
Audit	26,000	964	25,036
Travel	10,000	314	9,686
Equipment rental	4,400	107	4,293
Telephone	2,000	2,384	(384)
Other expenses	16,650	3,498	13,152
Total expenses	1,932,460	269,304	1,663,156
Change in net assets	\$ -	\$ -	\$ -

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant for the periods indicated.

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation – Basic Civil Legal Services
Grant Contribution Revenue and Expenses – Grant ID #10083344

	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	DIFFERENCE
	9/1/21-2/29/24	9/1/21-12/31/21	1/1/22-12/31/22	1/1/23-8/31/23	9/1/23 - 12/31/23	
Contributions and grant revenue	\$ 1,932,460	\$ 103,936	\$ 908,417	\$ 781,865	\$ 138,242	\$ -
Expenses:						
Salaries and benefits	1,653,300	40,540	772,774	715,208	138,242	(13,464)
Space	165,198	50,995	81,503	33,700	-	(1,000)
Contractual services	45,412	6,067	21,738	8,588	-	9,019
Supplies	9,500	273	4,180	1,832	-	3,215
Audit	26,000	817	16,519	17,164	-	(8,500)
Travel	10,000	-	391	1,069	-	8,540
Equipment rental	4,400	1,236	2,800	156	-	208
Telephone	2,000	2,252	-	248	-	(500)
Other expenses	16,650	1,756	8,512	3,900	-	2,482
Total expenses	1,932,460	103,936	908,417	781,865	138,242	-
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant during the periods indicated. The original grant period was September 1, 2021 through August 31, 2023. However, HVL was unable to fully utilize the grant funds by August 31, 2023 and TAJF extended the grant period to February 29, 2024. All grant carryover funds were spent as of December 31, 2023.

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation – Legal Aid to Veterans (LAV)
Grant Contribution Revenue and Expenses – Grant ID #26230

	BUDGET	ACTUAL	DIFFERENCE
	9/1/23-8/31/25	9/1/23-12/31/23	
Contributions and grant revenue	\$ 234,566	\$ 10,197	\$ 224,369
Expenses:			
Salaries and benefits	215,100	5,188	209,912
Space	9,100	3,019	6,081
Contractual services	900	844	56
Supplies	1,366	34	1,332
Audit	600	78	522
Travel	5,000	94	4,906
Telephone	300	137	163
Other expenses	2,200	803	1,397
Total expenses	234,566	10,197	224,369
Change in net assets	\$ -	\$ -	-

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant during the periods indicated.

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation – Legal Aid to Veterans (LAV)
Grant Contribution Revenue and Expenses – Grant ID #10087675

	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	DIFFERENCE
	9/1/21-2/29/24	9/1/21-12/31/21	1/1/22-12/31/22	1/1/23-8/31/23	9/1/23-12/31/23	
Contributions and grant revenue	\$ 234,566	\$ 15,848	\$ 108,044	\$ 66,875	\$ 28,589	\$ 15,210
Expenses:						
Salaries and benefits	204,557	8,568	104,488	57,437	23,616	10,448
Space	11,400	5,400	-	3,766	-	2,234
Contractual services	900	985	52	495	-	(632)
Supplies	3,200	30	2,588	430	-	152
Audit	600	108	466	25	-	1
Travel	2,566	-	401	354	-	1,811
Equipment rental	300	305	-	4	-	(9)
Telephone	300	253	47	73	-	(73)
Other expenses	10,743	199	2	4,291	4,973	1,278
Total expenses	234,566	15,848	108,044	66,875	28,589	15,210
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -	-

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant during the periods indicated. The original grant period was September 1, 2021 through August 31, 2023. However, HVL was unable to fully utilize the grant funds by August 31, 2023 and TAJF extended the grant period to February 29, 2024.

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation –
Emergency Rental Assistance Program
Grant Contribution Revenue and Expenses – Grant ID #10089576

	BUDGET		ACTUAL		DIFFERENCE
	9/1/22-8/31/24		1/1/23-12/31/23		
Contributions and grant revenue	\$ 75,000	\$	43,544	\$	31,456
Expenses:					
Salaries and benefits	70,815		40,088		30,727
Space	2,711		2,711		-
Contractual services	724		724		-
Supplies	500		17		483
Travel	250		4		246
Total expenses	75,000		43,544		31,456
Change in net assets	\$ -	\$	-	\$	-

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant during the periods indicated.

Houston Volunteer Lawyers Program, Inc.
Schedule of Texas Access to Justice Foundation –
Opioid Use Disorder Basic Civil Legal Services Program
Grant Contribution Revenue and Expenses – Grant ID #25103

	BUDGET		ACTUAL		
	1/1/23-8/31/24		1/1/23-12/31/23		DIFFERENCE
Contributions and grant revenue	\$	250,000	\$	58,571	\$ 191,429
Expenses:					
Salaries and benefits		225,000		49,579	175,421
Space		13,750		7,145	6,605
Contractual services		3,420		1,301	2,119
Supplies		1,750		-	1,750
Audit		3,000		370	2,630
Travel		1,750		176	1,574
Other expenses		1,330		-	1,330
Total expenses		250,000		58,571	191,429
Change in net assets	\$	-	\$	-	\$ -

Note: Grants received from TAJF are conditioned upon HVL incurring qualifying grant expenses while performing allowable activities. Expenses are recognized in the period incurred and include only those expenses funded by the grant during the periods indicated.

**Houston Volunteer Lawyers Program, Inc.
Schedule of Legal Services Corporation –
Private Attorney Involvement Expenses**

<i>For the year ended December 31,</i>	2023
Salaries and related expenses	\$ 204,518
Rent	33,905
Audit	3,101
Professional fees	4,826
Other	3,650
Total	\$ 250,000

Houston Volunteer Lawyers Program, Inc.
Schedule of Expenditures of State of Texas Awards
For the Year Ended December 31, 2023

State Grantor/Program or Cluster Title	Assistance Listing	Grant #	2023 Expenditures	Transfers to Subrecipients
<i>Supreme Court of Texas</i>				
Passed-through Texas Access to Justice Foundation Basic Civil Legal Services Program	n/a	10083344 / 26229	\$ 1,189,412	\$ -
Legal Aid to Veterans (LAV)	n/a	10087675 / 26230	105,660	-
Total Texas Access to Justice Foundation			1,295,072	
Pass-through Texas Veterans Commission Funds for Veterans Assistance	n/a	GT-FVA22-011 / R-2022-151693	152,036	-
<i>Total expenditures of State of Texas Awards</i>			\$ 1,447,108	\$ -

Houston Volunteer Lawyers Program, Inc.
Notes to Schedule of Expenditures of State of Texas Awards
For the Year Ended December 31, 2023

Note 1: BASIS OF PRESENTATION OF SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS

The accompanying Schedule of Expenditures of State of Texas Awards (the Schedule) presents the State of Texas program fund expenditures of Houston Volunteer Lawyers Program, Inc. (HVL) for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Texas Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of HVL's financial statements.

In December 2021, the Texas Comptroller published the Texas Grant Management Standards (TxGMS) which replaces Uniform Grant Management Standards (UGMS). TxGMS applies to state grants or contracts that begin on or after January 1, 2022.

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 as found in the UGMS or TxGMS, depending on grant award date.

HVL did not receive any noncash assistance, state loans, or state funded insurance during the year ended December 31, 2023.

Note 3: RELATIONSHIP TO FINANCIAL REPORTS SUBMITTED TO GRANTOR AGENCIES

Amounts reflected in the financial reports filed with grantor agencies for the programs and the supplementary schedules may not agree because of accruals included in the next report filed with the agencies, matching requirements not included in the Schedule of Expenditures of State of Texas Awards and different program year ends.



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Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Houston Volunteer Lawyers Program, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Houston Volunteer Lawyers Program, Inc. (HVL), which comprise the statement of financial position as of December 31, 2023 and the related statements of activities, functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HVL’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 HVL’s internal control. Accordingly, we do not express an opinion on the effectiveness of HVL’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HVL'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 HVL'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.

Carr, Riggs & Ingram, L.L.C.

April 16, 2024
Houston, Texas



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Independent Auditor’s Report on Compliance for the Major State of Texas Program and on Internal Control over Compliance Required by Texas Grant Management Standards and the *BCLS Program Compliance Supplement*

To the Board of Directors of
Houston Volunteer Lawyers Program, Inc.

Report on Compliance for the Major State of Texas Program

Opinion on the Major State of Texas Program

We have audited Houston Volunteer Lawyers Program, Inc.’s (HVL) compliance with the types of compliance requirements described in the *BCLS Program Compliance Supplement* that could have a direct and material effect on HVL’s major state of Texas program for the year ended December 31, 2023. HVL’s major state of Texas program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, HVL complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state of Texas program for the year ended December 31, 2023.

Basis for Opinion on the Major State of Texas 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; Texas Grant Management Standards; and the suggested audit procedures included in the *BCLS Program Compliance Supplement*. Our responsibilities under those standards, Texas Grant Management Standards, and the *BCLS Program Compliance Supplement* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HVL 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 the major state of Texas program. Our audit does not provide a legal determination of HVL’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to HVL’s state of Texas 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 HVL'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 suggested auditing procedures included in the *BCLS Program Compliance Supplement* 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 HVL's compliance with the requirements of the major state of Texas program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Texas Grant Management Standards, and the *BCLS Program Compliance Supplement*, 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 HVL'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 HVL'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 Texas Grant Management Standards and *the BCLS Program Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of HVL's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Texas Grant Management Standards and the *BCLS Program Compliance Supplement*. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
April 16, 2024

Independent Auditor's Report on Compliance for the Private Attorney Involvement Program (PAI) and on Internal Control Over Compliance Required by the Legal Services Corporation (LSC) Compliance Supplement for Audits of LSC Recipients

To the Board of Directors of
Houston Volunteer Lawyers Program, Inc.

Report on Compliance for the PAI Program

Opinion on PAI Program

We have audited Houston Volunteer Lawyers Program, Inc.'s (HVL) compliance with the types of compliance requirements described in the *Legal Services Corporation (LSC) Compliance Supplement for Audits of LSC Recipients* that could have a direct and material effect on HVL's PAI Program for the year ended December 31, 2023.

In our opinion, HVL complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the PAI Program for the year ended December 31, 2023.

Basis for Opinion on PAI 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 suggested auditing procedures included in the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients*. Our responsibilities under those standards and the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of HVL 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 the PAI Program. Our audit does not provide a legal determination of HVL's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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 HVL'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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the suggested auditing procedures included in the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients* 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 HVL's compliance with the requirements of the PAI Program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients*, 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 HVL'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 HVL'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 *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients*, but not for the purpose of expressing an opinion on the effectiveness of HVL's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Legal Services Corporation Compliance Supplement for Audits of LSC Recipients*. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
April 16, 2024

**Houston Volunteer Lawyers Program, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

State of Texas Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for the major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Texas Grant Management Standards?	No

Identification of the major programs:

State Contract Number
10083344 / 26229

Name of State Programs
Basic Civil Legal Services Grant

Dollar threshold used to distinguish between Type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**Houston Volunteer Lawyers Program, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023**

SECTION II: FINANCIAL STATEMENT FINDINGS

None for the year ended December 31, 2023.

SECTION III: STATE OF TEXAS AWARD FINDINGS AND QUESTIONED COSTS

None for the year ended December 31, 2023.

SCHEDULE OF PRIOR YEAR FINDINGS

No prior year findings reported.