

WOMEN'S SHELTER OF SOUTH TEXAS, INC.  
dba THE PURPLE DOOR

Comparative Audited Financial Statements

December 31, 2021 and 2020



WOMEN’S SHELTER OF SOUTH TEXAS, INC.  
dba THE PURPLE DOOR

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## INDEPENDENT AUDITOR'S REPORT

April 13, 2022

To the Board of Directors  
Women's Shelter of South Texas, Inc.  
dba The Purple Door  
Corpus Christi, Texas

### **Opinion**

We have audited the accompanying financial statements of the Women's Shelter of South Texas, Inc. dba The Purple Door which comprise the statement of financial position as of December 31, 2021 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 accompanying financial statements present fairly, in all material respects, the financial position of the Women's Shelter of South Texas, Inc. dba The Purple Door as of December 31, 2021, 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 for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Women's Shelter of South Texas, Inc. dba The Purple Door 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 opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Shelter of South Texas, Inc. dba The Purple Door's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 the Women's Shelter of South Texas, Inc. dba The Purple Door internal control. Accordingly, no such opinion is expressed.<sup>4</sup>
- 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 the Women's Shelter of South Texas, Inc. dba The Purple Door'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.

### **Other Matters**

The financial statements of the Women's Shelter of South Texas, Inc. dba The Purple Door presented for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion in a report dated April 2, 2021.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the accompanying schedule of expenditures of state awards, as required by the State of Texas *Single Audit Circular* are presented for purposes of additional analysis and are not required parts 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 awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Requirements by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2022, on our consideration of Women's Shelter of South Texas, Inc. dba The Purple Door 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Women's Shelter of South Texas, Inc. dba The Purple Door 's internal control over financial reporting and compliance.



Adamson and Company, LLC

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba PURPLE DOOR**

**Comparative Statements of Financial Position**

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,286,451	\$ 1,320,299
Investments (Note 2)	756,330	635,639
Accounts Receivable - Trade	211,128	223,471
Promises to Give (Note 3)	98,539	81,779
Prepaid Expenses	17,191	14,473
Supplies Inventory	12,786	-
Deposits	5,571	4,336
	2,387,996	2,279,997
<b>Total Current Assets</b>	<b>2,387,996</b>	<b>2,279,997</b>
<b>Property and Equipment (Note 4)</b>	<b>2,994,242</b>	<b>2,907,141</b>
Less: Accumulated Depreciation	(1,704,582)	(1,634,028)
	1,289,660	1,273,113
<b>Net Property and Equipment</b>	<b>1,289,660</b>	<b>1,273,113</b>
	<b>\$ 3,677,656</b>	<b>\$ 3,553,110</b>
<b>Total Assets</b>	<b>\$ 3,677,656</b>	<b>\$ 3,553,110</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 35,647	\$ 38,727
Accrued Payroll and Payroll Liabilities	100,525	110,801
Deferred Revenue	40,095	85,058
Accrued Expenses	11,098	9,084
Note Payable - PPP Loan (Note 5)	-	91,400
	187,365	335,070
<b>Total Current Liabilities</b>	<b>187,365</b>	<b>335,070</b>
<b>Net Assets</b>		
Without Donor Restrictions	3,282,770	3,024,642
With Donor Restrictions (Note 6)	207,521	193,398
	3,490,291	3,218,040
<b>Total Net Assets</b>	<b>3,490,291</b>	<b>3,218,040</b>
	<b>\$ 3,677,656</b>	<b>\$ 3,553,110</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,677,656</b>	<b>\$ 3,553,110</b>

*See accompanying notes to financial statements*

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba PURPLE DOOR**

**Comparative Statements of Activities**

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b><u>Changes in Net Assets Without Donor Restrictions:</u></b>		
<b>Support and Revenue:</b>		
Contributions Received	\$ 442,101	\$ 497,064
Fees	19,425	63,375
Grants and Government Contract Fees	1,924,388	1,911,762
Fund Raising	55,270	84,615
Investment Income (Note 2)	125,277	110,340
Other Income	6,729	4,370
	<hr/>	<hr/>
Total Revenues and Gains Without Donor Restrictions	2,573,190	2,671,526
<b>Net Assets Released from Restrictions:</b>		
Expiration of Time and Purpose Restrictions		
United Way	174,866	173,059
Private Grants and Restricted Contributions	310,652	141,401
	<hr/>	<hr/>
Total Net Assets Released from Restrictions	485,518	314,460
Total Revenues, Gains and Other Support Without Donor Restrictions	3,058,708	2,985,986
<b>Expenses</b>		
Program Services	2,513,077	2,546,029
Management and General	228,244	292,662
Fund Raising	59,259	72,782
	<hr/>	<hr/>
Total Expenses	2,800,580	2,911,473
<b>Increase in Net Assets Without Donor Restrictions</b>	258,128	74,513
<b><u>Changes in Net Assets With Donor Restrictions:</u></b>		
Private Grants and Restricted Contributions	499,641	402,499
Net Assets Released from Restrictions	(485,518)	(314,460)
	<hr/>	<hr/>
<b>Increase in Net Assets With Donor Restrictions</b>	14,123	88,039
<b>Increase in Total Net Assets</b>	272,251	162,552
<b>Net Assets, Beginning of Year</b>		
Without Donor Restrictions	3,024,642	2,950,129
With Donor Restrictions	193,398	105,359
	<hr/>	<hr/>
Total Net Assets, Beginning of Year	3,218,040	3,055,488
<b>Net Assets, End of Year</b>		
Without Donor Restrictions	3,282,770	3,024,642
With Donor Restrictions	207,521	193,398
	<hr/>	<hr/>
<b>Total Net Assets, End of Year</b>	<u>\$ 3,490,291</u>	<u>\$ 3,218,040</u>

*See accompanying notes to financial statements*

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba PURPLE DOOR**

**Statements of Functional Expenses**

**Year Ended December 31, 2021 with Summarized December 31, 2020**

	Program Services	Management and General	Fund Raising	2021 Totals	2020 Totals
Advertising	\$ 7,552	\$ -	\$ -	\$ 7,552	\$ 11,271
Cellular Phones	6,024	366	-	6,390	9,306
Conferences and Meetings	8,154	1,172	-	9,326	3,010
Contract Services	144,839	837	3,946	149,622	100,597
Dues and Subscriptions	9,966	4,347	-	14,313	14,667
Eligible Assistance	209,200	-	-	209,200	132,005
Food	27,184	-	-	27,184	30,771
Insurance	42,575	1,445	64	44,084	41,518
Miscellaneous	21,982	687	800	23,469	16,350
Occupancy	41,854	-	-	41,854	40,229
Pension Expenses	32,235	6,467	979	39,681	43,049
Postage and Freight	542	67	123	732	983
Printing and Publications	5,166	104	-	5,270	2,295
Professional Fees	15,209	1,950	-	17,159	18,081
Repairs and Maintenance	48,275	6,401	-	54,676	20,241
Resident Expenses	5,540	-	-	5,540	4,710
Salaries and Benefits	1,476,967	180,610	49,619	1,707,196	1,945,522
Supplies	100,455	2,802	-	103,257	120,025
Taxes - Payroll	100,455	12,985	3,728	117,168	150,386
Transportation	19,949	-	-	19,949	21,062
Utilities and Telephone	91,339	4,531	-	95,870	90,027
Total Functional Expenses Before Depreciation	2,415,462	224,771	59,259	2,699,492	2,816,105
Depreciation	97,615	3,473	-	101,088	95,368
Total Functional Expenses	<u>\$ 2,513,077</u>	<u>\$ 228,244</u>	<u>\$ 59,259</u>	<u>\$ 2,800,580</u>	<u>\$ 2,911,473</u>

*See accompanying notes to financial statements*



**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba PURPLE DOOR**

**Comparative Statements of Cash Flows**

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Increase in Net Assets	\$ 272,251	\$ 162,552
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	101,088	95,376
Realized (Gain) Loss on Sale of Investments	(4,701)	5,792
Unrealized (Gain) Loss on Investments	(103,151)	(110,455)
Forgiveness of PPP Loan	(91,400)	-
Change in:		
Accounts Receivable	12,343	(101,188)
Promises to Give	(16,760)	57,538
Prepaid Expenses	(2,718)	(1,149)
Supplies Inventory	(12,786)	-
Deposits	(1,235)	179
Accounts Payable	(3,081)	3,035
Accrued Payroll and Payroll Liabilities	(10,276)	10,245
Deferred Revenue	(44,963)	50,986
Accrued Expenses	2,014	(2,024)
	96,625	170,887
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	(53,291)	(119,616)
Proceeds from Sale of Investments	40,453	119,617
Purchase of Property and Equipment	(117,635)	(16,771)
	(130,473)	(16,770)
<b>Cash Flows from Financing Activities</b>		
Proceeds from PPP Loan	-	91,400
	-	91,400
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(33,848)	245,517
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,320,299	1,074,782
<b>Cash and Cash Equivalents, End of Year</b>	\$ 1,286,451	\$ 1,320,299

*See accompanying notes to financial statements*

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba THE PURPLE DOOR**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 1 - Summary Of Significant Accounting Policies

This summary of significant accounting policies of The Women's Shelter of South Texas, Inc. d.b.a. The Purple Door (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's directors and management who are responsible for their integrity and objectivity.

Nature of Activities

The Organization is a Texas nonprofit corporation chartered November 8, 1977, to provide safe refuge and supportive services to victims of domestic violence and sexual assault throughout a twelve county region of South Texas. During the provision of safe shelter, both adult and child victims receive immediate crisis intervention, short-term counseling, support group counseling, legal advocacy, assistance in filing victim's compensation, clothing, food, and access to medical care. In addition, referrals to community resources and assistance in locating such life necessities as affordable housing, financial assistance, employment assistance, and child care are provided as appropriate. The Organization provides on-going services and follow-up for all clients after they leave the residential program. All victims receive their services free of charge.

In accordance with its mission to end family violence in the community, the agency also provided services to perpetrators of domestic violence on a fee waiver schedule and conducts numerous community education events and law enforcement training. The Organization provided life-saving and life-enhancing service to 1,849 adults and children in the Coastal Bend in 2021. The Organization provided life-saving and life-enhancing service to 1,854 adults and children in the Coastal Bend in 2020.

Organizational Support

The Organization is supported by contributions from businesses and individuals in the service area and by other gifts and grants from the United Way of the Coastal Bend, Inc., charitable foundations, and various government agencies.

A significant measure of the Organization's community support is realized in the contribution of volunteer hours to its various charitable programs and in-kind donations of items such as food, used clothing, furniture, and appliances. For the years ended December 31, 2021 and 2020, volunteers donated hours valued at \$20,921 and \$33,878 respectively, to program and administrative services.

The organization records the value of donated goods or services when required by U.S. generally accepted accounting principles. For the years ended December 31, 2021 and 2020, no amounts are reflected in the statements for donated services. Recognition of revenue and expense is reflected for in-kind contributions of goods with a material determinable value, which pass through the Organization.

Financial Statement Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
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**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 1 - Summary Of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Agency and/or the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statement for the year ended December 31, 2020, from which the summarized information was derived.

Basis of Accounting

The financial statements are prepared under the accrual basis of accounting in accordance with FASB Accounting Standards Codification (ASC) 958-205 applicable to not-for-profit organizations.

Income Taxes

The Organization is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in restricted net assets. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Donations of property and equipment, when material, are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Contributions of cash earmarked to acquire property and equipment and assets donated with explicit restrictions regarding their use are reported as temporarily restricted support. The Organization reclassifies temporarily restricted net assets to unrestricted net assets when these restrictions expire.

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba THE PURPLE DOOR**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 1 - Summary Of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains bank accounts and certificates of deposits with various financial institutions. At year end, the Federal Depository Insurance on these accounts amounted to \$250,000 at each financial institution. At December 31, 2021, the organization maintained two certificates of deposit at two financial institutions and checking accounts at another that exceeded the FDIC coverage amount. The total exposure at December 31, 2021 above the FDIC coverage amounted to \$109,734.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investments consist primarily of assets invested in mutual funds and money-market accounts. The Organization accounts for investment in accordance with FASB ASC 958- 320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Subsequent events have been evaluated through April 13, 2022 which is the date the financial statements were available to be issued..

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
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**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 2 -Investments

The Shelter adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification for financial instruments measured at fair value on a recurring basis. The standard defines the fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;

Level 2, defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant value drivers are observable.

The cost of securities and their approximate fair values as of December 31, 2021 are as follows:

<u>Description</u>	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value</u>
Mutual Funds	\$445,407	\$206,510	\$651,917
Exchange Traded Products	<u>66,573</u>	<u>37,840</u>	<u>104,413</u>
Total	<u>\$511,980</u>	<u>\$244,350</u>	<u>\$756,330</u>

Investment income is comprised of the following:

Realized and Unrealized Gains on Investments	\$127,130
Interest and Dividend Income	4,724
Investment Fees	<u>(6,577)</u>
	<u>\$125,277</u>

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
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**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 2 - Investments (continued)

The cost of securities and their approximate fair values as of December 31, 2020 are as follows:

<u>Description</u>	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value</u>
Mutual Funds	\$487,429	100,127	587,556
Exchange Traded Products	18,317	23,531	41,848
Liquid Insured Deposits	<u>6,235</u>	<u>-</u>	<u>6,235</u>
<b>Total</b>	<b><u>\$511,981</u></b>	<b><u>\$123,658</u></b>	<b><u>\$635,639</u></b>

Investment income is comprised of the following:

Realized and Unrealized Gains on Investments	\$111,887
Interest and Dividend Income	3,433
Investment Fees	<u>(4,980)</u>
	<b><u>\$110,340</u></b>

The carrying amounts of cash, receivables, other current assets, accounts payable and accrued expenses approximate fair value because of the relatively short maturity of those instruments and the variable rate of interest on most of the Organization's debt.

Note 3 - Promises to Give

Unconditional promises to give consist of the following:

	<u>2021</u>	<u>2020</u>
United Way of the Coastal Bend	\$97,789	\$73,029
Other	<u>750</u>	<u>8,750</u>
<b>Total Unconditional Promises to Give</b>	<b><u>\$98,539</u></b>	<b><u>\$81,779</u></b>

Amounts Due in:	<u>2021</u>	<u>2020</u>
Less than one year	\$98,539	\$81,779
One to five years	<u>-</u>	<u>-</u>
<b>Total Unconditional Promises to Give</b>	<b><u>\$98,539</u></b>	<b><u>\$81,779</u></b>

Management believes all promises to be collectible at December 31, 2021 and 2020. At both December 31, 2021 and 2020, the discount to present value was not material.

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
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**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 4 - Property and Equipment

Property and equipment with a cost of \$1,000 or more are depreciated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years. Repairs and maintenance which do not extend the useful life of an asset are expensed as incurred.

A summary of major property and equipment categories (at cost) and related accumulated depreciation is presented below.

	<u>2021</u>	<u>2020</u>
Land, Buildings, and Improvements	\$2,597,037	\$2,563,734
Equipment	313,605	299,730
Vehicles	54,579	14,656
Furniture and Fixtures	<u>29,021</u>	<u>29,021</u>
	2,994,242	2,907,141
Accumulated Depreciation	<u>(1,704,582)</u>	<u>(1,634,028)</u>
Net Depreciable Assets	<u>\$1,289,660</u>	<u>\$1,273,113</u>

Note 5 - Note Payable

During 2020, the Organization applied for and received \$91,400 from the Small Business Administration (SBA) under provisions of the Covid-19 Payroll Protection Program. Under the terms of the loan, if the Organization could demonstrate that the loan proceeds were spent in accordance with certain spending provisions of the loan, the loan can be forgiven by the SBA. After year-end, the Organization's financial institution notified the Organization that the SBA stipulated spending provisions had been met and the loan was formally forgiven on January 12, 2021.

Note 6 - Restrictions on Net Assets

Net assets with Donor Restrictions are available for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Foundations	\$ 69,252	\$ 52,000
United Way of the Coastal Bend	89,864	68,103
Other Grants and Contributions	<u>48,405</u>	<u>73,295</u>
	<u>\$207,521</u>	<u>\$193,398</u>

Note 7 — Pension Plan

Effective January 1, 2004, Women's Shelter of South Texas, Inc. d.b.a. The Purple Door established a 403(b) plan for the benefit of all eligible employees. The employees may elect to make contributions pursuant to a salary reduction agreement upon meeting age and length of service requirements. The plan provides for stepped-vesting at 20% per year after the completion of two years' service, and term-of-service based employer-matching contributions ranging from two to ten percent of employee compensation. Starting January 1, 2010 the employer-matching contributions changed to one to five percent matching. The Organization made matching contributions of \$39,681 and \$43,049 in the year ended December 31, 2021 and 2020, respectively.

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba THE PURPLE DOOR**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

Note 8 – Availability and Liquidity

The Organization has \$2,352,448 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,286,451, investments of \$756,330, Accounts Receivable - Trade \$211,128, and Promises to Give of \$98,539. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and investment, on hand to meet four (4) months of normal operating expenses, which are, on average, approximately \$97,000. The Organization has a policy to structure its financial assets to be available as its general expenses expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term investments.



**SINGLE AUDIT SECTION**

**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***

April 13, 2022

To the Board of Directors  
Women's Shelter of South Texas, Inc.  
dba The Purple Door  
Corpus Christi, Texas

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 Women's Shelter of South Texas, Inc. dba The Purple Door (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated April 13, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Women's Shelter of South Texas, Inc. dba The Purple Door 's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Women's Shelter of South Texas, Inc. dba The Purple Door 's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Adamson & Company, LLC

**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance  
and by the State of Texas Single Audit Circular**

April 13, 2022

To the Board of Directors  
Women's Shelter of South Texas, Inc.  
dba The Purple Door  
Corpus Christi, Texas

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

We have audited Women's Shelter of South Texas, Inc. dba The Purple Door 's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Women's Shelter of South Texas, Inc. dba The Purple Door 's major federal programs for the year ended December 31, 2021. Women's Shelter of South Texas, Inc. dba The Purple Door 's major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on Women's Shelter of South Texas, Inc. dba The Purple Door 's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Women's Shelter of South Texas, Inc. dba The Purple Door 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 December 31, 2021.

## Report on Internal Control Over Compliance

Management of Women's Shelter of South Texas, Inc. dba The Purple Door is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Women's Shelter of South Texas, Inc. dba The Purple Door's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Women's Shelter of South Texas, Inc. dba The Purple Door's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Adamson & Company, LLC

WOMEN'S SHELTER OF SOUTH TEXAS, INC. dba THE PURPLE DOOR  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  Yes  No

One or more significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Section 516(a)?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u> 16.575	<u>Name of Federal Program or Cluster</u> Victim of Crime Act Formula Grant
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NONE

WOMEN'S SHELTER OF SOUTH TEXAS, INC. dba THE PURPLE DOOR  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
N/A - No Prior Findings	N/A	N/A

WOMEN'S SHELTER OF SOUTH TEXAS, INC. dba THE PURPLE DOOR  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2021

Program

Corrective Action Plan

N/A

No Corrective Action Required



**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba THE PURPLE DOOR**

**Schedule of Expenditures of Federal Awards**

**Year Ended December 31, 2021**

Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Justice			
Office of the Governor of Texas			
VA - Victim of Crime Act Formula Grant	16.575	1750713	\$ 459,685
VA - Victim of Crime Act Formula Grant	16.575	1750714	150,180
Texas Association Against Sexual Assault			
KF - Sexual Assault Services Program	16.017	WS-45654	37,754
KF - Sexual Assault Services Program	16.017	WS-0036	9,946
			<u>657,565</u>
Center for Disease Control			
Office of the Attorney General of Texas			
Injury Prevention & Control Research	93.136	OAG-SAPCSF 2005239	8,613
Injury Prevention & Control Research	93.136	OAG-SAPCSF 2112902	69,890
			<u>78,503</u>
U.S. Department of Health and Human Services			
Texas Health and Human Services Commission			
Temporary Assistance for Needy Families	93.558	HHS000380000072 2001	66,905
Temporary Assistance for Needy Families	93.558	HHS000380000072 Amendment 1	175,185
			<u>242,090</u>
Social Security Block Grant	93.667	HHS000380000072 2001	6,425
Social Security Block Grant	93.667	HHS000380000072 Amendment 1	18,575
			<u>25,000</u>
Texas Health and Human Services Commission			
Family Violence Prevention and Services Act			
Domestic Violence Shelter and Supportive Service	93.671	HHS000380000072 2001	32,109
Domestic Violence Shelter and Supportive Service	93.671	HHS000380000072 Amendment 1	90,666
CARES Act Supplemental Amendment, FVPSA	93.671	HHS000380000072 Amendment 1	36,388
American Rescue Plan amendment, FVPSA	93.671	HHS000380000072 2001	4,193
Pandemic Emergency Assistance Fund, FVPSA	93.671	HHS000380000072 2001	0
			<u>163,356</u>
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program			
United Way of the Coastal Bend	97.024	PHASE 38 828400-006	21,732
			<u>21,732</u>
Total Federal Expenditures			<u><u>\$1,188,246</u></u>

**WOMEN'S SHELTER OF SOUTH TEXAS, INC.**  
**dba THE PURPLE DOOR**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**December 31, 2021**

Note 1 - Summary Of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of The Women's Shelter of South Texas, Inc. dba The Purple Door's federal award programs presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform guidance). Because the Schedule presents only a selected portion of the operations of Women's Shelter of South Texas, Inc. dba The Purple Door it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Women's Shelter of South Texas, Inc. dba The Purple Door.

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-Through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 2 – Indirect Cost Rate

The Women's Shelter of South Texas, Inc. dba The Purple Door has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.