

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

Comparative Audited Financial Statements

December 31, 2023 and 2022



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

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INDEPENDENT AUDITOR'S REPORT

May 1, 2024

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 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 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, 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 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.⁴
- 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 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*; is 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.

Report on Summarized Comparative Information

We have previously audited Women’s Shelter of South Texas, Inc. dba The Purple Door’s December 31, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 8, 2023. In our opinion, the summarized comparative 2022 information presented in the statement of functional expenses for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, 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

	December 31,	
	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,381,219	\$ 979,139
Investments (Note 2)	663,294	591,631
Contributions and Grants Receivable (Note 3)	425,624	525,317
Accounts Receivable - Trade	76,710	-
Inventory	68,973	33,146
Prepaid Expenses	21,124	17,233
Deposits	8,924	7,115
	2,645,868	2,153,581
Noncurrent Assets		
Property and Equipment (Note 4)	2,927,016	3,072,118
Less: Accumulated Depreciation	(1,742,607)	(1,809,881)
	1,184,409	1,262,237
Right-to-Use Assets Under Operating Leases (Note 8)	634,453	-
	1,818,862	1,262,237
	\$ 4,464,730	\$ 3,415,818
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	88,853	71,289
Accrued Payroll and Payroll Liabilities	144,994	114,135
Deferred Revenue	22,690	102,976
Current Portion of Obligations Under Operating Leases (Note 8)	129,273	-
	385,810	288,400
Noncurrent Liabilities		
Long-Term Portion of Obligations Under Operating Leases (Note 8)	501,376	-
	887,186	288,400
Net Assets		
Without Donor Restrictions	3,318,315	2,935,457
With Donor Restrictions (Note 5)	259,230	191,961
	3,577,545	3,127,418
	\$ 4,464,731	\$ 3,415,818

See accompanying notes to financial statements

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

Comparative Statements of Activities

	Year Ended December 31,	
	2023	2022
<u>Changes in Net Assets Without Donor Restrictions:</u>		
Support and Revenue:		
Government and Private Grant Agreements	\$ 2,060,291	\$ 2,125,343
Private Contributions	592,942	293,441
Gifts In-Kind	388,034	-
Thrift Store Sales	353,676	-
Gain on Sale of Property	310,140	-
Bequests	163,000	2,210
Fund Raising	16,500	130,201
Investment Income (Loss) (Note 2)	100,483	(161,183)
Other Income	8,618	5,280
Total Revenues and Gains Without Donor Restrictions	3,993,684	2,395,292
Net Assets Released from Restrictions:		
Expiration of Time and Purpose Restrictions		
United Way	185,166	236,784
Private Grants and Contributions	160,459	124,863
Total Net Assets Released from Restrictions	345,625	361,647
Total Revenues, Gains and Other Support Without Donor Restrictions	4,339,309	2,756,939
Expenses		
Program Services	3,573,920	2,761,100
Management and General	285,011	231,890
Fund Raising	97,520	111,262
Total Expenses	3,956,451	3,104,252
Increase (Decrease) in Net Assets Without Donor Restrictions	382,858	(347,313)
<u>Changes in Net Assets With Donor Restrictions:</u>		
Private Grants and Restricted Contributions	412,894	284,737
Fund Raising	-	61,350
Net Assets Released from Restrictions	(345,625)	(361,647)
Increase (Decrease) in Net Assets With Donor Restrictions	67,269	(15,560)
Increase (Decrease) in Total Net Assets	450,127	(362,873)
Net Assets, Beginning of Year		
Without Donor Restrictions	2,935,457	3,282,770
With Donor Restrictions	191,961	207,521
Total Net Assets, Beginning of Year	3,127,418	3,490,291
Net Assets, End of Year		
Without Donor Restrictions	3,318,315	2,935,457
With Donor Restrictions	259,230	191,961
Total Net Assets, End of Year	\$ 3,577,545	\$ 3,127,418

See accompanying notes to financial statements

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

Statements of Functional Expenses

Year Ended December 31, 2023 with Summarized December 31, 2022

	Program Services	Management and General	Fund Raising	2023 Totals	2022 Totals
Advertising	\$ 6,541	\$ -	\$ 1,975	\$ 8,516	\$ 3,922
Cellular Phones	-	-	-	-	5,850
Conferences and Meetings	15,856	-	-	15,856	16,734
Contract Services	317,437	24,042	10,000	351,479	140,474
Dues and Subscriptions	19,805	472	1,910	22,187	33,906
Eligible Assistance	53,639	-	-	53,639	290,315
Events	-	-	45,408	45,408	-
Food	67,708	-	-	67,708	41,685
Insurance	53,194	1,388	44	54,626	50,400
Miscellaneous	63,187	673	182	64,042	72,748
Occupancy	166,242	1	-	166,243	40,307
Pension Expenses	38,092	8,607	659	47,358	40,690
Postage and Freight	45	5	56	106	144
Printing and Publications	6,616	199	397	7,212	6,013
Professional Fees	23,616	314	-	23,930	18,375
Repairs and Maintenance	41,616	2,260	-	43,876	46,229
Resale Store In-Kind Cost of Goods Sold	353,517	-	-	353,517	-
Resident Expenses	6,795	-	-	6,795	8,145
Salaries and Benefits	1,811,685	226,485	34,277	2,072,447	1,793,749
Supplies	119,846	1,553	11	121,410	104,608
Taxes - Payroll	132,647	15,469	2,601	150,717	129,145
Transportation	45,222	200	-	45,422	37,947
Utilities and Telephone	119,899	1,207	-	121,106	112,577
Total Functional Expenses Before Depreciation	3,463,205	282,875	97,520	3,843,600	2,993,963
Depreciation	110,715	2,136	-	112,851	110,289
Total Functional Expenses	<u>\$ 3,573,920</u>	<u>\$ 285,011</u>	<u>\$ 97,520</u>	<u>\$ 3,956,451</u>	<u>\$ 3,104,252</u>

See accompanying notes to financial statements

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

Comparative Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 450,127	\$ (362,873)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	112,851	110,289
Unrealized and Realized (Gain) Loss on Investments	(71,663)	165,427
Gain on Sale of Property	(310,140)	-
Change in:		
Contributions and Grants Receivable	99,693	(215,650)
Accounts Receivable - Trade	(76,710)	-
Prepaid Expenses	(2,733)	(42)
Inventory	(35,827)	(20,360)
Deposits	(2,967)	(1,544)
Accounts Payable and Accrued Expenses	(5,313)	18,964
Accrued Payroll and Payroll Liabilities	30,859	13,610
Deferred Revenue	(80,286)	62,881
Accrued Expenses	22,877	5,581
	130,768	(223,717)
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	70,771	105,157
Purchases of Investments	(74,143)	(105,886)
Proceeds from Sale of Property	527,785	-
Purchases of Property and Equipment	(253,101)	(82,866)
	271,312	(83,595)
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	402,080	(307,312)
Cash and Cash Equivalents, Beginning of Year	979,139	1,286,451
Cash and Cash Equivalents, End of Year	\$ 1,381,219	\$ 979,139

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
dba THE PURPLE DOOR
Notes to the Financial Statements
December 31, 2023 and 2022

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 organization 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 1,752 adults and children in the Coastal Bend in 2023. The organization provided life-saving and life-enhancing service to 1,757 adults and children in the Coastal Bend in 2022.

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, 2023 and 2022, volunteers donated hours valued at \$23,824 and \$28,675 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, 2023 and 2022, 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.
dba THE PURPLE DOOR
Notes to the Financial Statements
December 31, 2023 and 2022

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, 2022, 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.

Inventory

Inventory consists primarily of donated items for sale in the organization's thrift store valued at estimated net realizable value.

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, 2023 and 2022

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, 2023, cash balances exceeded the FDIC coverage amount by \$75,202.

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.

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.

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.

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
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Notes to the Financial Statements
December 31, 2023 and 2022

Note 1 - Summary Of Significant Accounting Policies (continued)

Subsequent Events

Subsequent events have been evaluated through May 1, 2024 which is the date the financial statements were available to be issued..

New Accounting Standard - Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* intended to improve financial reporting regarding leasing transactions. The new standard affects all organizations that lease assets. The standard will require organizations to recognize on the statement of financial condition the assets and liabilities for the rights and obligations created by those leases if the lease terms are more than 12 months. The guidance also will require qualitative and quantitative disclosures providing additional information about the amounts recorded in the financial statements. This standard was implemented effective fiscal years beginning after December 15, 2021. The effect of implementation was to establish right-to-use assets of \$634,453 and related lease obligations of \$630,649. The Organization has elected to use a risk-free discount rate of 3% to measure the lease liability at the present value of the lease payment not yet incurred on the leased facilities.

Note 2 -Investments

The organization 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.

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
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Notes to the Financial Statements
December 31, 2023 and 2022

Note 2 - Investments (continued)

The following table sets forth by level within the fair value hierarchy, the organization 's assets measured at fair value on a recurring basis as of December 31, 2023:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Mutual Funds	\$612,664	-	-	\$612,664
Exchange Traded Funds	<u>50,630</u>	<u>-</u>	<u>-</u>	<u>50,630</u>
Total Investments	<u>\$663,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$663,294</u>

The following table sets forth by level within the fair value hierarchy, the organization 's assets measured at fair value on a recurring basis as of December 31, 2022:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 68,943	\$ -	\$ -	\$ 68,943
Mutual Funds	499,729	-	-	499,729
Exchange Traded Funds	<u>22,959</u>	<u>-</u>	<u>-</u>	<u>22,959</u>
Total Investments	<u>\$591,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$591,631</u>

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 – Contributions and Grants Receivable

Contributions and grants receivable consist of the following:

	<u>2023</u>	<u>2022</u>
United Way of the Coastal Bend	\$110,660	\$ 98,264
Texas Department of Human Services	133,605	170,657
Office of the Governor	62,529	111,634
Office of Attorney General of Texas	57,973	70,439
Other	<u>60,857</u>	<u>74,323</u>
Total Unconditional Promises to Give	<u>\$425,624</u>	<u>\$525,317</u>
<u>Amounts Due in</u>	<u>2023</u>	<u>2022</u>
Less than one year	\$425,624	\$525,317
One to five years	<u>-</u>	<u>-</u>
Total Unconditional Promises to Give	<u>\$425,624</u>	<u>\$525,317</u>

Management believes all promises to be collectible at December 31, 2023 and 2022.

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
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Notes to the Financial Statements
December 31, 2023 and 2022

Note 4 – Property and Equipment

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

	<u>2023</u>	<u>2022</u>
Land, Buildings, and Improvements	\$2,460,722	\$2,640,724
Equipment	322,712	335,330
Vehicles	54,579	54,579
Furniture and Fixtures	89,003	29,021
Construction in Progress	<u>-</u>	<u>12,463</u>
	2,927,016	3,072,117
Accumulated Depreciation	<u>(1,742,607)</u>	<u>(1,809,880)</u>
Net Depreciable Assets	<u>\$1,184,409</u>	<u>\$1,262,237</u>

The organization sold a building in April 2023 that formerly served primarily as administrative offices. The sales price was \$550,000 with the transaction resulting in net proceeds of \$527,785 and a gain of \$384,350. The organization began leasing space for administrative offices and a resale store commencing in 2023. See Note 8 for terms of those leasing arrangements.

Note 5 - Restrictions on Net Assets

Net assets with donor restrictions from the following organizations are available for specifically funding domestic violence and sexual assault services:

	<u>2023</u>	<u>2022</u>
Foundations	\$105,051	\$ 84,564
United Way of the Coastal Bend	111,662	99,397
Other Grants and Contributions	<u>43,513</u>	<u>8,000</u>
	<u>\$260,226</u>	<u>\$191,961</u>

Note 6 — Pension Plan

Effective January 1, 2004, the organization 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 \$47,359 and \$40,690 in the year ended December 31, 2023 and 2022, respectively.

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
dba THE PURPLE DOOR
Notes to the Financial Statements
December 31, 2023 and 2022

Note 7 – Availability and Liquidity

The organization has \$2,546,848 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,278,706, investments of \$765,807, contributions and grants receivable of \$425,624 and Accounts Receivable - Trade of \$76,710. These financial assets are subject to donor or other contractual restrictions of \$260,226. 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. 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.

Note 8 - Leasing Arrangements

The Organization leases office suites at the Atrium Plaza and Park Green Plaza in Corpus Christi, Texas as well as offices in Beeville, Texas and Alice, Texas. The Organization also leases a resale store located at 4202 S. Alameda St. in Corpus Christi, Texas.

Monthly Payments, lease term, and end date for each location are as follows:

<u>Location</u>	<u>Monthly Payment</u>	<u>Lease Term</u>	<u>Increases</u>	<u>End Date</u>
Atrium Plaza	\$ 966	2 years	-	2/1/2024
Park Green Plaza	3,088	5 years	2% annual	4/29/2028
Beeville – CBC	325	2 years	-	3/31/2024
Alice Office	1	10 years	-	11/28/2033
Resale Store	<u>8,836</u>	5 years	3% after 2 years	6/18/2028

Total Monthly

Lease Payments \$13,216

At December 31, 2023, maturities for the operating lease liabilities are as follows:

<u>Year Ending</u>	
<u>December 31</u>	
2024	\$146,381
2025	145,084
2026	148,940
2027	152,890
2028	63,619
Thereafter	<u>20,709</u>
Total Payments	677,623
Less: Interest	<u>46,974</u>
Present Value of Lease Liability	<u>\$630,649</u>

Rent expense for real property for the years ended August 31, 2023 is \$166,243.

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***

May 1, 2024

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, 2023, 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 May 1, 2024.

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 Women's Shelter of South Texas, Inc. dba The Purple Door '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**

May 1, 2024

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 Program

Opinion on Each Major Federal Program

We have audited Women's Shelter of South Texas, Inc. dba The Purple Door's compliance with the types of compliance requirements identified as subject to audit 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, 2023. Women's Shelter of South Texas, Inc. dba The Purple Door's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Women's Shelter of South Texas, Inc. dba The Purple Door complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Women's Shelter of South Texas, Inc. dba The Purple Door and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Women's Shelter of South Texas, Inc. dba The Purple Door'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 Women's Shelter of South Texas, Inc. dba The Purple Door's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Women's Shelter of South Texas, Inc. dba The Purple Door'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 Women's Shelter of South Texas, Inc. dba The Purple Door's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Women's Shelter of South Texas, Inc. dba The Purple Door'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 Women's Shelter of South Texas, Inc. dba The Purple Door's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 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, 2023

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:

CFDA Number(s)
21.027

Name of Federal Program or Cluster
VC-Coronavirus State Fiscal Recovery Fund

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 AND CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2023

<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
<u>Program</u>	<u>Corrective Action Plan</u>	
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, 2023

Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Treasury			
Office of the Governor of Texas			
VC - Coronavirus State Fiscal Recovery Fund (Victim of Crime - SB 8)	21.027	1750715	\$ 577,017 <u>577,017</u>
Department of Justice			
Office of the Governor of Texas			
VA - Victim of Crime Act Formula Grant	16.575	1750716	178,935
Texas Association Against Sexual Assault			
KF - Sexual Assault Services Program	16.017	SA-0037	41,374 <u>41,374</u>
Center for Disease Control			
Office of the Attorney General of Texas			
Injury Prevention & Control Research	93.136	OAG-SAPCS-F23 C-00610	89,257
Injury Prevention & Control Research	93.136	OAG-SAPCS-F22 221430	12,243 <u>101,500</u>
U.S. Department of Health and Human Services			
Texas Health and Human Services Commission			
Temporary Assistance for Needy Families	93.558	HHS000380000072	181,499
Temporary Assistance for Needy Families	93.558	HHS000380000072	87,783 <u>269,282</u>
Social Security Block Grant	93.667	HHS000380000072	17,453
Social Security Block Grant	93.667	HHS000380000072	5,288
TANF to Title XX (SSBG)	93.667	HHS000380000072	9,901
TANF to Title XX (SSBG)	93.667	HHS000380000072	24,120 <u>56,762</u>
Texas Health and Human Services Commission			
Family Violence Prevention and Services Act			
ARP Administration for Children and Families	93.671	HHS000380000072	153,427
ARP Administration for Children and Families	93.671	HHS000380000072	44,726
ARP Administration for Children and Families	93.671	HHS000380000072	11,828
Family Violence Prevention Services ACT, FVPSA	93.671	HHS000380000072	87,103
Family Violence Prevention Services ACT, FVPSA	93.671	HHS000380000072	37,810
American Rescue Plan amendment, FVPSA	93.671	HHS000380000072	8,242 <u>343,136</u>
Emergency Food and Shelter National Board Program			
United Way of the Coastal Bend	97.024	FEMA Phase 40	15,000 <u>15,000</u>
Total Federal Expenditures			<u><u>\$1,583,006</u></u>

WOMEN'S SHELTER OF SOUTH TEXAS, INC.
dba THE PURPLE DOOR
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2023

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.