

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

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Financial Statements	
Statements of Financial Position.....	4
Statements of Activities	5
Statement of Functional Expenses.....	6
Statements of Cash Flows.....	7
Notes to the Financial Statements.....	8-16
Single Audit Section	
Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Governmental Auditing Standards</i>	18-19
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	20-22
Schedule of Findings and Questioned Costs.....	23-24
Schedule of Expenditures of Federal Awards and Accompanying Notes	25-26



Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner

Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

INDEPENDENT AUDITOR'S REPORT

April 29, 2026

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, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Women's Shelter of South Texas, Inc. dba The Purple Door internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Supplementary 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, 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2025. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2024, 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 April 29, 2026, 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 & Company, LLC

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

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,758,322	\$ 1,507,374
Investments (Note 4)	1,200,586	772,988
Contributions and Grants Receivable (Note 5)	529,706	494,097
Inventory	137,180	110,902
Prepaid Expenses	21,910	15,744
Deposits	3,267	4,401
Total Current Assets	3,650,971	2,905,506
Noncurrent Assets:		
Property and Equipment, Net (Note 6)	1,174,601	1,163,213
Right-to-Use Assets Under Operating Leases (Note 9)	629,407	760,456
Total Noncurrent Assets	1,804,008	1,923,669
TOTAL ASSETS	\$ 5,454,979	\$ 4,829,175
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 54,755	\$ 43,093
Accrued Payroll and Payroll Liabilities	180,636	155,747
Deferred Revenue	163,069	24,848
Current Portion of Obligations Under Operating Leases (Note 9)	170,973	192,833
Total Current Liabilities	569,433	416,521
Noncurrent Liabilities:		
Long-Term Portion of Obligations Under Operating Leases (Note 9)	472,277	569,294
Total Liabilities	1,041,710	985,815
Net Assets:		
Without Donor Restrictions	4,013,016	3,476,559
With Donor Restrictions (Note 8)	400,253	366,801
Total Net Assets	4,413,269	3,843,360
TOTAL LIABILITIES AND NET ASSETS	\$ 5,454,979	\$ 4,829,175

See Notes to Financial Statements

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

STATEMENTS OF ACTIVITIES

	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Changes in Net Assets Without Donor Restrictions:</u>		
Support and Revenue:		
Government and Private Grant Agreements	\$ 2,132,747	\$ 2,251,530
Private Contributions	822,645	427,246
Gifts In-Kind	1,316,548	1,141,477
Thrift Store Sales	1,285,627	1,069,441
Investment Income (Note 4)	170,582	148,839
Fundraising Event, Net of Direct Expenses of \$18,799 and \$9,556, respectively	54,428	12,164
Other Income	4,673	7,475
	<hr/>	<hr/>
Total Support and Revenue	5,787,250	5,058,172
Net Assets Released from Restrictions:		
Expiration of Time and Purpose Restrictions		
United Way	177,898	--
Private Grants and Contributions	370,272	439,094
	<hr/>	<hr/>
Total Net Assets Released from Restrictions	548,170	439,094
Total Revenues, Gains and Other Support Without Donor Restrictions	6,335,420	5,497,266
Expenses:		
Program Services	5,427,493	4,986,346
Management and General	346,069	319,894
Fundraising	25,403	32,782
	<hr/>	<hr/>
Total Expenses	5,798,965	5,339,022
Increase in Net Assets Without Donor Restrictions	536,455	158,244
<u>Changes in Net Assets With Donor Restrictions:</u>		
Private Grants and Restricted Contributions	581,622	459,534
Fund Raising	--	87,129
Net Assets Released from Restrictions	(548,170)	(439,092)
	<hr/>	<hr/>
Increase in Net Assets With Donor Restrictions	33,452	107,571
INCREASE IN TOTAL NET ASSETS	569,907	265,815
Net Assets, Beginning of Year	3,843,360	3,577,545
Net Assets, End of Year:		
Without Donor Restrictions	4,013,014	3,476,559
With Donor Restrictions	400,253	366,801
	<hr/>	<hr/>
TOTAL NET ASSETS, END OF YEAR	\$ 4,413,267	\$ 3,843,360

See Notes to Financial Statements

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

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL	
		MANAGEMENT & GENERAL	FUNDRAISING	2025	2024
Advertising	\$ 13,948	\$ --	\$ 1,950	\$ 15,898	\$ 8,213
Conferences and Meetings	16,188	--	315	16,503	22,860
Contract Services	507,500	62	--	507,562	444,456
Dues and Subscriptions	10,471	184	1,459	12,114	27,507
Eligible Assistance	56,153	--	--	56,153	134,006
Food	56,249	--	--	56,249	59,818
Insurance	56,899	1,635	588	59,122	53,989
Miscellaneous	98,234	3,902	648	102,784	50,990
Occupancy	299,051	1,559	--	300,610	279,876
Pension Expenses	43,978	7,640	572	52,190	36,027
Postage and Freight	148	16	--	164	264
Printing and Publications	9,555	140	--	9,695	11,790
Professional Fees	24,949	588	--	25,537	21,445
Repairs and Maintenance	60,015	--	--	60,015	50,674
Resale Store In-Kind Cost of Goods Sold	1,259,620	--	--	1,259,620	1,075,429
Resident Expenses	11,669	--	--	11,669	10,575
Salaries and Benefits	2,310,668	302,208	18,548	2,631,424	2,475,468
Supplies	120,706	1,515	8	122,229	104,008
Taxes - Payroll	165,796	21,439	1,315	188,550	181,473
Travel & Transportation	56,569	8	--	56,577	49,595
Utilities and Telephone	132,991	458	--	133,449	124,270
Total Functional Expenses Before Depreciation	5,311,357	341,354	25,403	5,678,114	5,222,733
Depreciation	116,136	4,715	--	120,851	116,289
Total Functional Expenses	\$ 5,427,493	\$ 346,069	\$ 25,403	\$ 5,798,965	\$ 5,339,022

See Notes to Financial Statements

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

STATEMENTS OF CASH FLOWS

	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Increase in Total Net Assets	\$ 569,907	\$ 265,815
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	120,851	116,289
Net Unrealized and Realized Gains on Investments	(251,866)	(84,911)
Loss on Sale of Property	2,066	--
Change in:		
Contributions and Grants Receivable	(109,865)	(68,473)
Accounts Receivable - Trade	74,266	76,710
Prepaid Expenses	(26,278)	(41,929)
Inventory	(6,166)	5,380
Deposits	1,134	4,523
Accounts Payable and Accrued Expenses	9,125	(21,395)
Accrued Payroll and Payroll Liabilities	24,889	10,753
Deferred Revenue	138,220	2,158
Accrued Expenses	2,537	(24,365)
Net Cash Provided by Operating Activities	548,820	240,555
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	12,547	4,266
Purchases of Investments	(188,279)	(29,049)
Purchases of Property and Equipment	(122,142)	(89,617)
Net Cash Used by Investing Activities	(297,874)	(114,400)
Increase in Cash and Cash Equivalents	250,946	126,155
Cash and Cash Equivalents, Beginning of Year	1,507,374	1,381,219
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,758,320	\$ 1,507,374
Supplemental Disclosures:		
Noncash Investing and Financing Activities:		
Lease Financing of Property Acquisitions	\$ 452,925	\$ 324,311
Operating Cash Flows from Operating Leases	180,893	\$ 217,979

See Notes to Financial Statements

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Women’s Shelter of South Texas, Inc. dba The Purple Door (Purple Door) 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 Purple Door provides ongoing 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 Purple Door also conducts numerous community education events and law enforcement training. The Purple Door provided life-saving and life-enhancing service to 2,107 adults and children in the Coastal Bend in 2025. The Purple Door provided life-saving and life-enhancing service to 2,101 adults and children in the Coastal Bend in 2024.

Organizational Support

The Purple Door 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 Purple Door's community support is realized in the contribution of volunteer hours to its various charitable programs and contributed nonfinancial assets such as food, used clothing, furniture, and appliances. For the years ended December 31, 2025 and 2024, volunteers donated hours valued at \$42,818 and \$18,717 respectively, to program and administrative services.

The Purple Door records the value of donated goods or services when required by U.S. generally accepted accounting principles. For the years ended December 31, 2025 and 2024, no contributed services met the criteria for recognition in the financial statements. Contributed nonfinancial assets with a readily determinable value that pass through the Purple Door are recognized as support and expense in the accompanying financial statements.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continuation)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in conformity with accounting principles generally accepted in the United States of America. Support, revenue and expenses are recognized under the accrual method of accounting. Support and revenue are considered to be available for unrestricted use, unless specifically restricted by the donor.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Purple Door considers all highly liquid financial instruments purchased with initial maturities of three months or less to be cash equivalents.

Accounts Receivable

The Purple Door estimates an allowance for credit losses based on management's evaluation of current expected credit losses for accounts receivable. The estimate is based on historical experience, current conditions and reasonable and supportable forecasts affecting the collectability of receivables.

Investments

Investments in marketable securities with readily determinable fair values are carried at fair value based upon quoted market prices, when available, or estimates of fair value in the statements of financial position. Unrealized gains and losses are reported in the statements of activities.

Inventories

Inventory consists primarily of contributed nonfinancial assets held for sale in the Purple Door's thrift store. Contributed inventory is initially recorded at fair value at the date of the donation and subsequently is carried at the lower of donated fair value or net realizable value.

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.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continuation)

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 Purple Door reclassifies temporarily restricted net assets to unrestricted net assets when these restrictions expire.

Contributed Materials and Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recorded at the estimated fair market value in the period received. Donated materials are valued based on their estimated fair market value on the date of the contribution.

Functional Allocation of Expenses

The cost of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Revenue Recognition

Revenue from government contracts consist of cost reimbursable federal and state contracts and grants, which are generally conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the organization has incurred expenses in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. Fees for program services are earned and recorded when the organization's performance obligations are satisfied as related services are provided. The Purple Door recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contribution Revenue

Contributions and grants are reported as without or with donor restrictions, depending on the existence and/or nature of any restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restriction. Non-cash contributions are recorded at their fair market value at the date of contribution.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continuation)

Gifts of land, building, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 Purple Door's financial statement for the year ended December 31, 2024, from which the summarized information was derived.

Income Taxes

The Purple Door 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 Purple Door currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continuation)

Date of Management’s Review

Subsequent events have been evaluated by management through the date of the independent auditor’s report, the date the financial statements were available to be issued. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Note 2 – CONCENTRATIONS

The Purple Door maintains bank accounts 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, 2025 and 2024, cash balances exceeded the FDIC coverage amount by \$226,160 and \$256,820, respectively. Management believes that the Purple Door is not exposed to any significant credit risk related to these accounts.

Note 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Purple Door regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Purple Door considers all expenditures related to ongoing activities. The Purple Door has a policy to structure its financial assets to be available as its general 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. The Purple Door 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 following table illustrates the total financial assets held by the Purple Door that could readily be made available within one year of the balance sheet date to meet general expenditures as of December 31, 2025 and 2024:

	DECEMBER 31,	
	2025	2024
Financial assets at December 31,:		
Cash and Cash Equivalents	1,758,322	1,507,374
Investments	1,200,586	772,988
Accounts Receivable	529,706	494,097
	<hr/>	<hr/>
Total Financial Assets	3,488,614	2,774,459
Less Net Assets with Donor Restrictions	(400,253)	(366,801)
	<hr/>	<hr/>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>3,088,361</u>	<u>2,407,658</u>

Note 4 – FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820-10 and Subsections: Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value 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 Fair Value Measurement – defined as observable inputs such as quoted prices for identical instruments in active markets

Level 2 Fair Value Measurement – 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 Fair Value Measurement – 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 following table sets forth by level within the fair value hierarchy, the Purple Door 's assets measured at fair value on a recurring basis as of December 31, 2025 and 2024:

	FAIR VALUE MEASUREMENTS USING QUOTED PRICES IN ACTIVE MARKET FOR IDENTICAL ASSETS (LEVEL 1)	
	<u>FAIR VALUE</u>	<u>FAIR VALUE</u>
<u>December 31, 2025</u>		
Equity Mutual Funds	1,076,865	1,076,865
Exchange Traded Funds	123,721	123,721
	<hr/>	<hr/>
TOTAL INVESTMENTS	1,200,586	1,200,586
	<hr/> <hr/>	<hr/> <hr/>
<u>December 31, 2024</u>		
Equity Mutual Funds	732,096	732,096
Exchange Traded Funds	40,892	40,892
	<hr/>	<hr/>
TOTAL INVESTMENTS	772,988	772,988
	<hr/> <hr/>	<hr/> <hr/>

Note 4 – FAIR VALUE MEASUREMENTS (Continuation)

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 5 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist of the following:

	DECEMBER 31,	
	2025	2024
United Way of the Coastal Bend	99,209	122,934
Texas Department of Human Services	215,839	178,128
Office of the Governor	128,302	56,398
Office of the Attorney General of Texas	70,604	42,809
Other	15,752	93,828
	<hr/>	<hr/>
TOTAL	529,706	494,097

At December 31, 2025 and 2024, all contributions and grants receivable are expected to be collected within one year. Management believes all promises are fully collectible; accordingly, no allowance for credit losses has been recorded.

Note 6 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025 and 2024, consisted of the following:

	DECEMBER 31,	
	2025	2024
Land, Buildings and Improvements	2,624,293	2,487,094
Equipment	345,392	335,393
Vehicles	54,579	54,579
Furniture and Fixtures	81,543	81,543
Construction in Progress	11,859	35,702
Total Property and Equipment	<hr/> 3,117,666	<hr/> 2,994,311
Less Accumulated Depreciation	<hr/> 1,943,065	<hr/> 1,831,098
NET PROPERTY AND EQUIPMENT	<hr/> <hr/> 1,174,601	<hr/> <hr/> 1,163,213

Depreciation expense for the years ended December 31, 2025 and 2024, was \$120,851 and \$116,289, respectively.

Note 7 – RETIREMENT PLAN

The Purple Door has established a 403(b) retirement plan for the benefit of all eligible employees. Employees are eligible to make elective deferrals upon hire. Employer matching and nonelective contributions are available to eligible employees who have attained age 21 and completed one year of service. The Plan provides for a stepped vesting of employer contributions beginning after two years of service, with participants becoming fully vested after six years of service. Employer matching contributions are discretionary in nature.

The Purple Door made matching contributions of \$52,190 and \$36,027 for the years ended December 31, 2025 and 2024, respectively.

Note 8 – NET ASSETS WITH DONOR RESTRICTIONS

The Purple Door receives contributions that are restricted by donors for specific purposes related to domestic violence and sexual assault services. Net assets with donor restrictions consist primarily of amounts restricted for shelter and support services, outreach program services, shelter improvements and client assistance as of December 31, 2025 and 2024. Net assets with donor restrictions consisted of the following at December 31, 2025 and 2024:

	<u>DECEMBER 31,</u>	
	<u>2025</u>	<u>2024</u>
Foundations	194,802	115,576
United Way of the Coastal Bend	143,303	124,476
Other Grants and Contributions	62,148	126,749
	<hr/>	<hr/>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>400,253</u>	<u>366,801</u>

Note 9 – LEASES

The Purple Door leases an office suite at the Park Green Atrium Plaza in Corpus Christi, Texas. The Purple Door also leases a resale store located at 4202 S. Alameda St. in Corpus Christi, Texas. The Purple Door also leases offices for branch operations in Beeville, Kingsville, Sinton, and Alice, Texas, all of which operate on one-year leases with a provision for annual renewal. The Purple Door is not substantially certain that options to extend these leases will be exercised. Accordingly, the costs associated with these options are not included in the lease measurement beyond December 31, 2026. A risk-free discount rate of 3% has been elected to measure the lease liabilities at the present value of the lease payments not yet paid. During the years ended December 31, 2025 and 2024, rent expense for leases in the amounts of \$300,610 and \$279,875, respectively, was all substantially charged to program activities.

Note 9 – LEASES (Continuation)

During 2025, the Purple Door entered into a new operating lease arrangement resulting in the recognition of a right-of-use asset and corresponding lease liability of approximately \$452,925. At December 31, 2025 and 2024, operating lease right-of-use assets totaled \$629,407 and \$760,456, respectively, and related operating lease liabilities, totaled \$643,250 and \$762,127, respectively. At December 31, 2025, maturities for the operating lease liabilities are as follows:

Year Ending December 31,:

2026	187,944
2027	192,722
2028	130,528
2029	85,652
2030	87,016
TOTAL PAYMENTS	<u>683,862</u>
Less: Interest	<u>40,612</u>
PRESENT VALUE OF LEASE LIABILITY	<u><u>643,250</u></u>

As of December 31, 2025 and 2024, the weighted-average remaining lease term of operating leases was 3.98 and 3.89 years.

Note 10 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, the Purple Door recognized contributed nonfinancial assets consisting primarily of donated clothing, household goods, furniture and other resale items utilized in the Purple Door's thrift store operations and client assistance programs.

Contributed nonfinancial assets are recorded at estimated fair value at the date of donation based on estimated sales value for similar items and are either utilized in operations or sold through the Purple Door's resale store. Contributed inventory is subsequently carried at the lower of donated fair value or net realizable value.

The organization did not receive contributed nonfinancial assets with donor-imposed restrictions during the years ended December 31, 2025 and 2024.

SINGLE AUDIT SECTION



Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner

Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

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 29, 2026

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, 2025, 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 29, 2026.

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.

Report on 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



Craig A. Adamson, CPA CFF-Partner
Austin Adamson, CPA MAcc-Partner
Jennifer M. Perales, CPA MBA-Partner
Trevor R. Prewett, MAcc-Partner

Caitlin J. Chupe, CPA MAcc-Partner
Adam R. Miller, CPA MBA-Partner
Jeremy C. Moore, CPA MAcc-Partner
Priyanka B. Desai, CPA MAcc-Partner

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

April 29, 2026

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, 2025. 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, 2025.

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, 2025

Summary of Auditor's Results

1. The auditor's report expressed an unmodified opinion on the basic financial statements of Women's Shelter of South Texas, Inc. dba The Purple Door.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the Women's Shelter of South Texas, Inc. dba the Purple Door, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance".
5. The auditor's report on compliance for major Federal award programs for the Women's Shelter of South Texas, Inc. dba the Purple Door expresses an unmodified opinion on all major programs.
6. There were no audit findings required to be reported in accordance with the Uniform Guidance.
7. The programs tested as major programs include:

16.575 Victim of Crime Act Formula Grant
8. The threshold for distinguishing between Type A and Type B programs: \$1,000,000
9. The Women's Shelter of South Texas, Inc. dba The Purple Door did qualify as a low-risk auditee.

Financial Statement Findings

The audit disclosed no findings required to be reported.

Federal Award Findings and Questioned Costs

The audit disclosed no findings required to be reported.

Prior Year Findings

The audit disclosed no findings required to be reported.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2025

<u>DESCRIPTION</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
Department of Justice			
Office of the Governor of Texas			
VA - Victim of Crime Act Formula Grant	16.575	1750717	\$ 620,179
VA - Victim of Crime Act Formula Grant	16.575	1750718	170,724
			<u>790,903</u>
Department of State Health Services			
Office of the Attorney General of Texas			
Injury Prevention & Control Research	93.136	OAG-SAPCS-F23 C-02205	136,130
Injury Prevention & Control Research	93.136	OAG-SAPCS-F24 C-01309	10,326
			<u>146,456</u>
U.S. Department of Health and Human Services			
Texas Health and Human Services Commission			
Temporary Assistance for Needy Families	93.558	HHS000380000072	258,098
Temporary Assistance for Needy Families	93.558	HHS001520200004	135,771
			<u>393,869</u>
Social Security Block Grant	93.667	HHS000380000072	15,548
			<u>15,548</u>
Texas Health and Human Services Commission			
Family Violence Prevention and Services Act			
Family Violence Prevention Services ACT, FVPSA	93.671	HHS000380000072	111,169
Family Violence Prevention Services ACT, FVPSA	93.671	HHS000380000072	28,489
ARP Administration for Children and Families	93.671.119	HHS000380000072	36,950
ARP Administration for Children and Families	93.671.119	HHS000380000072	130,390
			<u>306,998</u>
Total Federal Expenditures			<u>\$ 1,653,774</u>

See Independent Auditor's Report.

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

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

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.