

**MAGDALENA MINISTRIES, INC.**

**FINANCIAL STATEMENTS WITH  
COMPLIANCE REPORTING**

**December 31, 2024 and 2023**

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## **INDEPENDENT AUDITOR’S REPORT**

To the Board of Directors  
Magdalena Ministries, Inc.  
San Antonio, Texas

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Magdalena Ministries, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Magdalena Ministries, Inc. as of December 31, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Magdalena Ministries, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Magdalena Ministries, Inc.’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 Magdalena Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Magdalena Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2025 on pages 14-15 on our consideration of Magdalena Ministries, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Magdalena Ministries, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Magdalena Ministries, Inc.'s internal control over financial reporting and compliance.

#### **Report on Summarized Comparative Information**

We have previously audited Magdalena Ministries, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Randy Walker & Co.*

San Antonio, Texas  
July 13, 2025

## **FINANCIAL STATEMENTS**

**MAGDALENA MINISTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2024 and 2023**

	2024	2023
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash and Cash Equivalents	\$ 2,835,496	\$ 3,168,309
Grants Receivable	130,187	120,149
Pledges Receivable	-	19,125
Other Receivable	1,595	-
Prepaid Expenses	23,807	16,750
Total Current Assets	2,991,085	3,324,333
<b><u>LONG-TERM ASSETS</u></b>		
Investments	707,223	642,274
Property and Equipment - net	3,360,403	2,425,041
Total Long-Term Assets	4,067,626	3,067,315
<b>TOTAL ASSETS</b>	<b>\$ 7,058,711</b>	<b>\$ 6,391,648</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable	\$ 15,427	-
Accrued Expenses	21,786	15,821
Note Payable - current	25,207	24,250
Total Current Liabilities	62,420	40,071
<b><u>LONG-TERM LIABILITIES</u></b>		
Note Payable - long-term	263,694	288,901
Total Long-Term Liabilities	263,694	288,901
<b>TOTAL LIABILITIES</b>	<b>326,114</b>	<b>328,972</b>
<b><u>NET ASSETS</u></b>		
Without Donor Restrictions	6,394,844	4,523,491
With Donor Restrictions	337,753	1,539,185
<b>TOTAL NET ASSETS</b>	<b>6,732,597</b>	<b>6,062,676</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,058,711</b>	<b>\$ 6,391,648</b>

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

**MAGDALENA MINISTRIES, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**  
**(summarized for 2023)**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Total</b>	<b>2023 Total</b>
<b><u>OPERATING SUPPORT AND REVENUE</u></b>				
Grants	\$ 84,800	\$ 825,699	\$ 910,499	\$ 868,231
General Contributions	512,533	-	512,533	152,236
Fundraising Revenue - net of direct expenses of \$217,586 and \$173,638, respectively	443,224	-	443,224	374,903
In-Kind Contributions	37,360	-	37,360	76,638
Net Assets Released from Restrictions	2,177,770	(2,177,770)	-	-
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<b>3,255,687</b>	<b>(1,352,071)</b>	<b>1,903,616</b>	<b>1,472,008</b>
 <b><u>OPERATING EXPENSES</u></b>				
Program	1,064,613	-	1,064,613	1,083,135
General and Administrative	208,752	-	208,752	109,532
Fundraising	226,008	-	226,008	208,979
<b>TOTAL OPERATING EXPENSES</b>	<b>1,499,373</b>	<b>-</b>	<b>1,499,373</b>	<b>1,401,646</b>
 <b>CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY</b>				
	<b>1,756,314</b>	<b>(1,352,071)</b>	<b>404,243</b>	<b>70,362</b>
 <b><u>NON-OPERATING ACTIVITY</u></b>				
Capital Campaign Contributions	-	150,639	150,639	1,169,838
Interest and Investment Income - net	115,039	-	115,039	91,267
<b>TOTAL NON-OPERATING ACTIVITY</b>	<b>115,039</b>	<b>150,639</b>	<b>265,678</b>	<b>1,261,105</b>
 <b>CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY</b>				
	<b>1,871,353</b>	<b>(1,201,432)</b>	<b>669,921</b>	<b>1,331,467</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,523,491</b>	<b>1,539,185</b>	<b>6,062,676</b>	<b>4,731,209</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 6,394,844</b>	<b>\$ 337,753</b>	<b>\$ 6,732,597</b>	<b>\$ 6,062,676</b>

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

**MAGDALENA MINISTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2024**  
**(summarized for 2023)**

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b><u>OPERATING EXPENSES</u></b>					
Salaries and Wages	\$ 525,826	\$ 125,171	\$ 197,894	\$ <b>848,891</b>	\$ 856,246
Employee Benefits	50,882	9,424	11,316	<b>71,622</b>	35,204
Payroll Taxes	39,631	9,352	14,806	<b>63,789</b>	68,636
Total Payroll Expenses	<u>616,339</u>	<u>143,947</u>	<u>224,016</u>	<u><b>984,302</b></u>	<u>960,086</u>
Supplies	129,455	1,279	-	<b>130,734</b>	114,715
Professional Services	41,779	40,698	-	<b>82,477</b>	41,383
Depreciation Expense	70,989	-	-	<b>70,989</b>	47,862
Maintenance and Repair	38,582	-	-	<b>38,582</b>	51,697
Utilities and Telephone	31,634	832	832	<b>33,299</b>	33,855
Children's Services	33,187	-	-	<b>33,187</b>	26,794
Insurance	22,574	698	-	<b>23,272</b>	18,379
Volunteer/Staff Development	20,769	-	-	<b>20,769</b>	18,688
Office Expenses	-	18,988	-	<b>18,988</b>	8,496
Resident Education	17,243	-	-	<b>17,243</b>	22,434
Interest Expense	11,715	-	-	<b>11,715</b>	12,556
Security	6,808	-	-	<b>6,808</b>	6,747
Software	5,902	-	-	<b>5,902</b>	5,599
Bank Charges	2,310	2,310	1,160	<b>5,779</b>	3,166
Health Services	5,521	-	-	<b>5,521</b>	6,681
Transportation	5,062	-	-	<b>5,062</b>	7,313
Special Events - Families	2,719	-	-	<b>2,719</b>	10,752
Transitional Assistance	1,353	-	-	<b>1,353</b>	30
Miscellaneous	438	-	-	<b>438</b>	4,382
Travel	234	-	-	<b>234</b>	31
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 1,064,613</u>	<u>\$ 208,752</u>	<u>\$ 226,008</u>	<u>\$ <b>1,499,373</b></u>	<u>\$ 1,401,646</u>

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

**MAGDALENA MINISTRIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2024 and 2023**

	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in Net Assets	\$ 669,921	\$ 1,331,467
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	70,989	47,862
Realized/Unrealized Gain on Investments	(47,769)	(41,904)
(Increase) Decrease in Assets:		
Grants Receivable	(10,038)	(25,322)
Pledges Receivable	19,125	(19,125)
Other Receivable	(1,595)	-
Prepaid Expenses	(7,057)	11,250
Increase in Liabilities:		
Accounts Payable	15,427	-
Accrued Expenses	5,965	264
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>714,968</b>	<b>1,304,492</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Property and Equipment	(1,006,351)	(281,400)
Purchase of Investments	(17,180)	(13,937)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,023,531)</b>	<b>(295,337)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Principal Payments on Long-Term Debt	(24,250)	(23,408)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>(24,250)</b>	<b>(23,408)</b>
<b>NET (DECREASE) INCREASE IN CASH FLOWS</b>	<b>(332,813)</b>	<b>985,747</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,168,309</b>	<b>2,182,562</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,835,496</b>	<b>\$ 3,168,309</b>
<b><u>SUPPLEMENTAL DISCLOSURE</u></b>		
Interest Paid	\$ 11,715	\$ 12,556

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

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

*Basis of Accounting*

The accompanying statements of Magdalena Ministries, Inc. (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

*Nature of Activities*

Magdalena Ministries, Inc. is a Texas 501(c)(3) non-profit corporation. The Organization is a neighborhood of transitional homes in San Antonio that serves mothers and their children who have fled dangerous and abusive lives. Utilizing a dual generation approach, the Organization provides safe shelter, basic needs, educational programming, and therapeutic services to the families it serves.

*Basis of Presentation*

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization’s mission and purpose. 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. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

*Estimates*

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

*Income Taxes*

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, as such, qualifies for the maximum charitable contributions deduction by donors. As of December 31, 2024, the tax years that remain subject to examination by taxing authorities begin with 2021.

*Cash and Cash Equivalents*

For purposes of the statements of cash flows, the Organization considers all highly liquid savings and securities with a maturity of three months or less to be cash equivalents.

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

Investments

Purchased securities are reported at market value. Donated securities are recorded at market value at date of donation. All realized and unrealized gains and losses, dividends, interest, and fees are reported as investment income (loss) in the accompanying statement of activities along with earned interest from the Organization's other operational accounts.

Grants Receivable

Grants receivable consists of cost-reimbursement funds due from grantors. They are recorded as receivables upon expenditure of funds. These receivables are due in less than one year and are deemed to be fully collectible by management; therefore, no allowance for uncollectible accounts is considered necessary.

Pledges Receivable

Pledges receivable consists of contribution pledges for the Organization's capital campaign. These pledges are recognized when the donor makes a promise to give. All pledges receivable are due in less than one year and are deemed to be fully collectible by management; therefore, no allowance for uncollectible accounts or discount is considered necessary.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Depreciation on the assets owned by the Organization has been computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	15-27 years
Furniture and Equipment	5-7 years
Vehicles	5 years

Functional Allocation of Expenses

The costs of providing the various programs and general and administrative expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses, which are allocated on the basis of estimates of time and effort, as well as utilities and telephone, insurance, and other operating expenses, which are allocated on the basis of square footage or some other reasonable basis.

Revenue - Exchange Transactions

The Organization receives revenue through exchange transactions related to fundraising events. The Organization records revenue from exchange transactions as increases in net assets without donor restrictions to the extent that the earnings process is complete. Performance obligations are satisfied when the event occurs, at which time the revenue is recognized. Any amount received in excess of the benefit provided to the attendees is recorded as a contribution. There were no contract assets, receivables, or contract liabilities related to these exchange transactions at December 31, 2024, December 31, 2023 or January 1, 2023. Disaggregation of revenue is presented on the face of the statement of activities.

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

*Contributions and Grants*

The Organization records contributions and grants in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Contributions and grants are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets or funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If balances have not been expended by the end of the project period, grantors sometimes require a refund of all or part of the unused amount.

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

The Organization maintains cash and investment accounts at financial institutions and investment companies. The Federal Deposit Insurance Corporation (FDIC) insures the balances in the cash accounts up to \$250,000, while the Securities Investor Protection Corporation insures the balances in investment accounts up to \$500,000. During the year ended December 31, 2024, the Organization took steps to fully insure the cash balances by setting up IntraFi accounts with its financial institution. These accounts allocate the funds across multiple financial institutions via the IntraFi network at an amount under the \$250,000 FDIC limit. At December 31, 2024 and 2023, the Organization's uninsured cash balances totaled \$-0- and \$2,895,607, respectively, without regard to reconciling items. At December 31, 2024 and 2023, the Organization's uninsured investment balances totaled \$207,223 and \$142,274, respectively.

**NOTE 3 - LINE OF CREDIT**

The Organization has an agreement with Frost Bank for a line of credit of \$500,000 for operational purposes. This line of credit is renewed annually, bears interest at 1.250 percentage points over the prime rate as quoted in the Wall Street Journal (US Edition) in the "Money Rates" section, and has a maturity date of March 6, 2025. The line is secured by the accounts and property of the Organization. There were no outstanding borrowings on the line of credit at December 31, 2024 and 2023.

**NOTE 4 - EMPLOYEE BENEFIT PLAN**

The Organization began offering a 401k Plan for eligible employees in fiscal year 2022. Employees are eligible to participate after completing 3 months of employment. On January 1, 2024, the Organization began a match program whereby the Organization will match up to 3% of each participating employee's salary. Employees are eligible for the match program after one year of employment. The Organization had retirement benefit expense of \$12,282 and \$364 for the years ended December 31, 2024 and 2023, respectively.

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment, less accumulated depreciation, were as follows at December 31:

		<u>2024</u>		<u>2023</u>
Land and Buildings	\$	3,544,204	\$	2,193,027
Construction in Progress		-		413,760
Furniture and Equipment		138,181		69,247
Vehicles		26,715		26,715
		<u>3,709,100</u>		<u>2,702,749</u>
Less Accumulated Depreciation		<u>(348,697)</u>		<u>(277,708)</u>
Property and Equipment - net	\$	<u>3,360,403</u>	\$	<u>2,425,041</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$70,989 and \$47,862, respectively.

**NOTE 6 - NOTE PAYABLE**

The Organization has a note payable with monthly principal and interest payments of \$2,997.07 due until the maturity date of July 15, 2034. The note bears an interest rate of 3.875% and is secured by one of the Organization's buildings. The note payable balance at December 31, 2024 and 2023 was \$288,901 and \$313,151, respectively.

Principal maturities of the note payable are as follows:

Years Ending December 31,		
2025	\$	25,207
2026		26,201
2027		27,235
2028		28,309
2029		29,426
Thereafter		<u>152,523</u>
Total	\$	<u>288,901</u>

Interest expense for the years ended December 31, 2024 and 2023 was \$11,715 and \$12,556, respectively.

**NOTE 7 - FUNDRAISING EVENTS**

The Organization holds fundraising events each year. As discussed in Note 1, fundraising events are considered exchange transactions. For the years ended December 31, 2024 and 2023, the exchange portion of fundraising events income was \$116,060 and \$98,966, respectively, and is included in fundraising revenue in the statement of activities. The amount in excess of this exchange portion is considered contribution income.

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization follows the provisions of Accounting Standards Codification (ASC) 820, “*Fair Value Measurements and Disclosures*”. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Organization’s current assets and liabilities as presented in the statements of financial position are Level 1. The Organization has no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

The Organization’s financial instruments also includes investments. The fair value of investments is based upon quoted market prices for those or similar investments.

The following table represents investments measured at fair value on a recurring basis as reported in the statement of financial position as of December 31, 2024 by level within the fair value measurement hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial Assets:				
Exchange Traded Funds	\$ 325,811	\$ -	\$ -	\$ 325,811
Equities	57,541	-	-	57,541
Cash and Money Market Funds	320,618	-	-	320,618
Other Assets	<u>3,253</u>	<u>-</u>	<u>-</u>	<u>3,253</u>
Total	\$ <u>707,223</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>707,223</u>

The following table represents investments measured at fair value on a recurring basis as reported in the statement of financial position as of December 31, 2023 by level within the fair value measurement hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial Assets:				
Exchange Traded Funds	\$ 282,134	\$ -	\$ -	\$ 282,134
Stock Funds	54,807	-	-	54,807
Cash and Money Market Funds	<u>305,333</u>	<u>-</u>	<u>-</u>	<u>305,333</u>
Total	\$ <u>642,274</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>642,274</u>

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following schedule summarizes interest and investment income for the years ended December 31:

	2024	2023
Interest and Dividend Income	\$ 72,471	\$ 55,319
Realized/Unrealized Gain	47,769	41,904
Investment Fees	(5,201)	(5,956)
Total	\$ 115,039	\$ 91,267

**NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The following reflects the Organization's financial assets as of December 31, reduced by amounts not available for general use because of donor-stipulated restrictions.

	2024	2023
Cash and Cash Equivalents	\$ 2,835,496	\$ 3,168,309
Investments	707,223	642,274
Grants Receivable	130,187	120,149
Pledges Receivable	-	19,125
Other Receivable	1,595	-
Total Financial Assets	3,674,501	3,949,857
Donor Restrictions	(337,753)	(1,539,185)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 3,336,748	\$ 2,410,672

The Organization's primary sources of cash flows during the year are grants, contributions from individuals and corporations, and fundraising revenue. These revenue sources provide a consistent inflow of cash throughout the year to cover normal operating expenses.

**NOTE 10 - CONTRIBUTED GOODS AND SERVICES**

The Organization reports contributed goods and services in accordance with ASU 2020-07, *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. The Organization receives various forms of contributed goods and services, including event auction items, household items, and donated services from individuals and businesses for operations and programmatic activities. Contributed goods are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Contributed goods are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Contributions of donated services that create or enhance non-financial assets, or that require specialized skills, or are provided by individuals possessing those skills, which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**MAGDALENA MINISTRIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 10 - CONTRIBUTED GOODS AND SERVICES (continued)**

Contributed goods and services were as follows for the years ended December 31:

	2024	2023
Event Auction Items	\$ 66,557	\$ 51,981
Household Items	23,339	51,531
Gift Cards and Other	206	6,064
Professional Services	13,815	19,043
Total	\$ 103,917	\$ 128,619

In-kind contributions of \$37,360 and \$76,638 are reflected in total in the statement of activities and did not have donor restrictions for the years ended December 31, 2024 and 2023, respectively. Additionally, donated auction items of \$66,557 and \$51,981 related to fundraising activities are included in fundraising revenue, net of direct expenses, in the statement of activities and did not have donor restrictions for the years ended December 31, 2024 and 2023, respectively.

The value for other donated services is not reflected in the financial statements since they do not meet the specified criteria as determined by GAAP (performed by professionals and tradesmen with specialized skill in the service).

**NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31:

	2024	2023
Capital Campaign	\$ 107,156	\$ 1,305,249
Fiscal Year 2025 Operations	74,302	-
Staff Salaries	58,100	77,914
Shelter	40,000	10,000
Program Supplies	29,704	12,866
Launch and Other Programs	17,200	-
Legal	5,000	-
Education and Tuition	4,875	8,156
Playground	1,416	60,000
Generator	-	45,000
Capacity Building	-	10,000
Food, Clothing, and Transportation	-	10,000
Total Net Assets With Donor Restrictions	\$ 337,753	\$ 1,539,185

**NOTE 12 - SUBSEQUENT EVENTS**

The Organization evaluates subsequent events in accordance with ASC Topic No. 855, “*Subsequent Events*”. The guidance requires an entity to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 13, 2025, the date the financial statements were available to be issued.

## **OTHER REPORTING REQUIRED**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Magdalena Ministries, Inc.  
San Antonio, 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 Magdalena Ministries, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 13, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Randy Walker & Co.*

San Antonio, Texas  
July 13, 2025