

**EL PASO VILLA MARIA, INC.**  
**Financial Statements for the Year Ended**  
**December 31, 2024**  
**and Independent Auditor's Report**

# EL PASO VILLA MARIA, INC.

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# WATTS CPA, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
El Paso Villa Maria, Inc.

### Opinion

We have audited the accompanying financial statements of the El Paso Villa Maria, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses 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 El Paso Villa Maria, 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 of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 El Paso Villa Maria, 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 these 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 El Paso Villa Maria, 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 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, 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 El Paso Villa Maria, 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 El Paso Villa Maria, 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.

Watts CPA, P.C.

El Paso, Texas  
November 10, 2025

# EL PASO VILLA MARIA, INC.

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

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### ASSETS

#### CURRENTS ASSETS

Cash and cash equivalents	\$ 173,707
Other receivable	171,757
Prepaid expenses	<u>5,053</u>

Total current assets 350,517

#### FIXED ASSETS, net

710,142

#### BENEFICIAL INTEREST IN PERPETUAL ENDOWMENT

93,682

#### TOTAL ASSETS

\$ 1,154,341

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES

Accrued expenses	\$ 38,753
Payroll taxes payable	<u>8,822</u>

Total current liabilities 47,575

#### NET ASSETS

Without donor restrictions	803,392
With donor restrictions	<u>303,374</u>

Total net assets 1,106,766

#### TOTAL LIABILITIES AND NET ASSETS

\$ 1,154,341

See accompanying notes to financial statements and auditor's report.

# EL PASO VILLA MARIA, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, support, and gains			
Donations	\$ 44,276	\$ 1,290	\$ 45,566
Grants	196,180	-	196,180
Fundraising	73,477	-	73,477
In-kind donation	142,902	-	142,902
Other income	139,061	-	139,061
Interest income	34,638	-	34,638
Unrealized gain on beneficial interest in endowment	-	7,796	7,796
Net assets released from restrictions - purpose	<u>6,791</u>	<u>(6,791)</u>	<u>-</u>
Total revenues, support, and gains	<u>637,325</u>	<u>2,295</u>	<u>639,620</u>
Functional expenses:			
Program services	280,917	-	280,917
General and administrative	60,875	-	60,875
Fundraising	<u>35,143</u>	<u>-</u>	<u>35,143</u>
Total expenses and losses	<u>376,935</u>	<u>-</u>	<u>376,935</u>
Change in net assets	<u>260,390</u>	<u>2,295</u>	<u>262,685</u>
Net assets, Beginning of year	<u>543,002</u>	<u>301,079</u>	<u>844,081</u>
NET ASSETS, End of year	<u>\$ 803,392</u>	<u>\$ 303,374</u>	<u>\$ 1,106,766</u>

See accompanying notes to financial statements and auditor's report.

# EL PASO VILLA MARIA, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

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CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 262,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	26,760
Unrealized gains on beneficial interest in endowment	(7,796)
Change in assets and liabilities	
Grants and contributions receivable	(169,270)
Prepaid expenses	(5,053)
Accounts payable	34,444
Accrued expenses	4,309
Payroll taxes payable	<u>1,117</u>
Net cash provided by operating activities	<u>147,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Deposit to endowment	1,776
Purchase of fixed assets	<u>(131,850)</u>
Net cash used in investing activities	<u>(130,074)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,122
CASH AND CASH EQUIVALENTS - Beginning of year	<u>156,585</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 173,707</u>

See accompanying notes to financial statements and auditor's report.

# EL PASO VILLA MARIA, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

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	Program Services	General and Administrative	Fundraising	Total
Advertising	\$ 375	\$ 44	\$ 432	\$ 851
Bank and other fees	498	59	29	586
Depreciation	24,084	2,676	-	26,760
Client services	19,976	-	-	19,976
Membership fees	200	1,889	-	2,089
Office expense	3,918	461	230	4,609
Other expenses	3,130	429	177	3,736
Payroll expense	185,138	23,143	23,143	231,424
Professional services	9,959	27,750	3,550	41,259
Property insurance	1,492	176	88	1,756
Repair and maintenance	9,934	1,753	-	11,687
Special events	-	-	5,613	5,613
Travel	-	-	633	633
Utilities	21,213	2,495	1,248	24,956
Volunteer expense	1,000	-	-	1,000
Total	<u>\$ 280,917</u>	<u>\$ 60,875</u>	<u>\$ 35,143</u>	<u>\$ 376,935</u>

See accompanying notes to financial statements and auditor's report.

# EL PASO VILLA MARIA, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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### 1. NATURE OF OPERATIONS

The El Paso Villa Maria, Inc. (the "Organization"), is a non-profit 501 (c) (3) shelter located in El Paso, Texas. Founded in 2007 by Sister Helena Santa Maria of the Sisters of Loretto, El Paso Villa Maria empowers women experiencing homelessness on their journey toward self-sufficiency. Their unique "hacienda-style" facility, offers a serene and comfortable living environment for 22 women. At Villa Maria, each resident can enjoy the privacy and security of their own room and bathroom. They also offer shared access to a fully equipped kitchen, a peaceful patio, a chapel for spiritual reflection, a comfortable lounge room, a library for learning and leisure, a computer lab for digital access, a utility room for essential needs, and a laundry room. Villa Maria is a home for unhoused women whose children are not with them, can transition from crisis to self-sufficiency while living within a safe, supportive, and spiritual community. The organization goes beyond providing basic needs to all residents, offering daily nutritious meals, reliable transportation, and valuable counseling resources.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*** - The financial statements of the Organization have been prepared on the accrual basis.

***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 Restriction*** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restriction*** - 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.

***Revenue Recognition*** - During 2019, the Organization adopted ASC Topic 606 with no significant impact to its financial position or results of operations. The Organization recognizes revenues when the performance obligation is satisfied, which is the point at which control of the promised goods or services are transferred to its customers, in an amount that reflects the consideration the Organization expects to be entitled to receive in exchange for those goods or services. For the majority of the Organization's customer arrangements, control transfers to customers at a point-in-time when goods have been delivered, as that is generally when legal title, physical possession and risks and rewards of goods/services transfers to the customer. The timing of satisfaction of the performance obligation is not subject to significant judgment. Most of the Organization's revenues are derived from contributions and grants, which are accounted

for under ASC 958-605 rather than ASC 606.

**Grants and Contributions Receivable** - Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increase in net assets without restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increase in net assets with restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions. All grants and contributions are considered current with collection expected within the year.

The Organization's management believes all grants and contributions receivable are fully collectible; therefore, no allowance for doubtful accounts has been recorded. Any grants and contributions receivable not collected are adjusted in the year they are considered uncollectible.

**Contributed Services** - The Organization has from time to time, volunteers to assist in clean-up of the yard as well as minor repairs and donations of goods. The organization is unable to estimate the value of these services and believes the amount would not be material to the financial statements.

**Management Estimates and Assumptions** – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**Contributions** - Contributions received are recorded as unrestricted, temporary restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

**Federal Income Taxes** – El Paso Villa Maria, Inc. is a not-for-profit organization exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no liability or provision for federal income taxes is included in the accompanying financial statements.

**Cash and Cash Equivalents** – For the purpose of the statement of cash flows, the Organization considers all instruments with an original maturity of three months or less to be cash equivalents.

**Investments** – Investments in marketable securities and debt securities are stated at their fair values in the statement of net position. Asset values are based upon quoted prices for identical assets in active markets, quoted prices for similar assets in active markets, or model-based valuations as described in Note 6. The market prices of equity and debt securities are subject to fluctuations based on market conditions such as changing interest rates and rising and falling stock values.

**Functional Allocation of Expenses** – The cost of program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited based on estimates of time and effort.

**Fixed Assets, net** - Property and equipment, net is stated at cost or at estimated fair market value at the date of the gift, if donated. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to

operations as incurred. Purchases over \$1,000 with a useful life greater than one year are capitalized. Major renewals and betterments that substantially extend the useful life of the property are capitalized. Upon the sale or disposition of the assets, the cost and related accumulated depreciation and amortization are removed from the accounts, and the resolution gain or loss, if any, reflected in current period operations.

**Concentration of Credit Risk**—The Organization maintains its cash balances in financial institutions in El Paso, Texas which at times may exceed federally insured limits. Management assesses the financial condition of these financial institutions and believes the possibility of any credit loss is immaterial.

**Analysis for Impairment** – Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management’s opinion, there is no impairment of such assets at December 31, 2024.

**Subsequent Events** - Management has evaluated subsequent events through November 10, 2025, the date the financial statements were available to be issued.

**3. CASH AND RESTRICTED CASH**

The Organization's cash and restricted cash accounts consisted of the following at December 31, 2024:

Cash	\$ 170,601
Restricted cash:	
Fund held for residents	<u>3,106</u>
Total cash and restricted cash	<u>\$ 173,707</u>

The only restricted cash category consists of funds held on behalf of residents. These funds are maintained in separate bank accounts and are returned to the residents upon their departure from El Paso Villa Maria, Inc. All resident accounts are federally insured by the Federal Deposit Insurance Corporation.

**4. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date are comprised of the cash and cash equivalents totaling \$173,707 at December 31, 2024.

**5. BENEFICIAL INTEREST IN PERPETUAL ENDOWMENT**

In May 2016, El Paso Villa Maria, Inc. entered into an agreement with the Foundation for the Diocese of El Paso (the "Foundation"). The Foundation has been established to receive donations and engage in fundraising to support the ministries, parishes, and schools of the Catholic Diocese of El Paso, (the "Fund"). El Paso Villa Maria, Inc. has donated to the Foundation the sum of \$20,000. The donation will be held as a donor restricted fund for the exclusive benefit of El Paso Villa Maria, Inc. The Fund will be invested and managed in accordance with the Foundation's investment policy. Any appreciation of and income earned by the endowment will be allocated to the Fund at least annually. El Paso Villa Maria, Inc. as named itself as the beneficiary of the investment transferred to the Foundation. The Director of El Paso Villa Maria, Inc. will make all decisions concerning the use, timing, and amount of distributions from the Fund.

Amounts reported in the statement of financial position as beneficial interest in perpetual endowment represent the net cumulative transfers to the Foundation as well as earnings thereon. These amounts totaled \$93,682 at December 31, 2024. The Foundation holds and invests the funds on behalf of El Paso Villa Maria, Inc. The Foundation holds variance power over the funds. To promote the long-term growth of the Foundation's asset base, the Foundation's annual distributions established by the Board of Directors, will be 4% of the investment asset based on the value of the asset as of December 31, of the previous year.

Below are schedules of change in endowment assets for the year ended December 31, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets, beginning of year	\$ -	\$ 87,663	\$ 87,663
Contributions	-	1,290	1,290
Net realized and unrealized loss	-	7,796	7,796
Appropriation of assets for expenditures	-	(3,067)	(3,067)
Change in net assets	-	6,019	6,019
Endowment net assets, end of year	\$ -	\$ 93,682	\$ 93,682

## 6. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board Codification (the "Codification") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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). The three levels of the fair value hierarchy under the Codification are described below:

*Level 1* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2* Inputs to the valuation methodology include:  
 Quoted prices for similar assets or liabilities in active markets;  
 Quoted prices for identical or similar assets or liabilities in inactive markets;  
 Inputs other than quoted prices that are observable for the asset or liability;  
 Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of the estimated contributions receivable from the beneficial interest in the perpetual endowment is based on the fair value of the underlying assets held in the endowment, as reported by the Foundation as of December 31, 2024. The Organization classifies the measurement of its beneficial interest in the perpetual endowment as a Level 3 measurement within the fair value hierarchy. Although the valuation is derived from the unadjusted fair values of the endowment assets reported by the Foundation, the Organization does not have the ability to access or direct the redemption of those assets in the near term.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as follows:

	Level 1	Level 2	Level 3	Total
Certificate of deposit	\$ -	\$ 30,820	\$ -	\$ 30,820
Beneficial interest in assets held by the Foundation for the Diocese of El Paso	<u>-</u>	<u>-</u>	<u>93,682</u>	<u>93,682</u>
Total	<u>\$ -</u>	<u>\$ 30,820</u>	<u>\$ 93,682</u>	<u>\$ 124,502</u>

## 7. FIXED ASSETS, NET

Fixed assets, net consisted of the following at December 31, 2024:

	Estimated Useful Life (Years)	
Building	15-27.5	\$ 186,200
Building improvements	5-7	677,050
Land		79,800
Furniture and fixtures	5	65,254
Computers	5	<u>8,427</u>
		1,016,731
Less accumulated depreciation		<u>306,589</u>
Total		<u>\$ 710,142</u>

Depreciation expense for the year ended December 31, 2024 was \$26,760.

## 8. IN-KIND DONATIONS

The Organization received in-kind donations composed of the following for the year ended December 31, 2024:

Materials and supplies	\$ 17,102
Asset acquisitions	123,400
Repairs	<u>2,400</u>
Total	<u>\$ 142,902</u>

**9. MAJOR DONORS**

During the year ended December 31, 2024 Daughters of Charity Ministries, Inc. contributions totaled \$75,000, which is 31% of the total contributions for the year.

**10. FUNDRAISING**

El Paso Villa Maria, Inc. held a wine and tapas event as its major fundraiser. Net proceeds from fundraising events consisted of the following for the year ended December 31, 2024:

Gross proceeds	\$ 73,961
Less direct expenses	<u>5,613</u>
Net income from special events and fundraising	<u>\$ 68,348</u>

**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted follows:

Purpose restrictions:	
Building	\$ 129,892
Land	79,800
Perpetual:	
Beneficial interest in perpetual endowment	<u>93,682</u>
Total	<u>\$ 303,374</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024:

Satisfaction of purpose restrictions	
Building depreciation	\$ 3,724
Endowment distribution	<u>3,067</u>
Total	<u>\$ 6,791</u>