

***MATER ECCLESIAE* FUND FOR VOCATIONS, INC.**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

***MATER ECCLESIAE* FUND FOR VOCATIONS, INC.**

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Dunham, Aukamp & Rhodes, PLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mater Ecclesiae Fund for Vocations, Inc.
West Chester, PA

Opinion

We have audited the accompanying financial statements of the *Mater Ecclesiae* Fund for Vocations, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the *Mater Ecclesiae* Fund for Vocations, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 the *Mater Ecclesiae* Fund for Vocations, 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.

Management's Responsibility 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 the *Mater Ecclesiae* Fund for Vocations, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

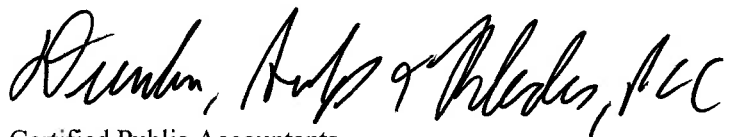
Auditor's Responsibilities for the Audit of the Financial Statements

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 judgement 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 of the effectiveness of the *Mater Ecclesiae* Fund for Vocations, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the *Mater Ecclesiae* Fund for Vocations, 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.



Certified Public Accountants
Chantilly, Virginia

June 20, 2025

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

ASSETS		2024	2023
Current Assets			
Cash and cash equivalents		\$ 1,832,886	\$ 1,324,625
Pledges receivable		10,000	20,000
Prepaid expenses		44,470	20,727
Total Current Assets		<u>1,887,356</u>	<u>1,365,352</u>
Property and Equipment			
Property and equipment		6,603	5,225
Less: Accumulated depreciation		(5,068)	(4,243)
Net Property and Equipment		<u>1,535</u>	<u>982</u>
Total Assets		<u><u>\$ 1,888,891</u></u>	<u><u>\$ 1,366,334</u></u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 30,798	\$ 18,075
Payroll liabilities		14,530	6,884
Contingent grant liability - See Note 2		<u>-</u>	<u>-</u>
Total Liabilities		<u>45,328</u>	<u>24,959</u>
Net Assets			
Without donor restrictions		1,782,719	1,286,736
With donor restrictions		<u>60,844</u>	<u>54,639</u>
Total Net Assets		<u>1,843,563</u>	<u>1,341,375</u>
Total Liabilities and Net Assets		<u><u>\$ 1,888,891</u></u>	<u><u>\$ 1,366,334</u></u>

See accompanying notes and independent auditor's report.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,**

	2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Contributions	\$ 1,228,820	\$ 54,216	\$ 1,283,036
Investment income	36,578	-	36,578
Net assets released from restrictions	48,011	(48,011)	-
Total Revenues and Support	<u>1,313,409</u>	<u>6,205</u>	<u>1,319,614</u>
Expenses			
Program	624,866	-	624,866
Management and general	53,766	-	53,766
Fundraising	138,794	-	138,794
Total Expenses	<u>817,426</u>	<u>-</u>	<u>817,426</u>
Change in Net Assets	495,983	6,205	502,188
Net Assets, Beginning of Year	<u>1,286,736</u>	<u>54,639</u>	<u>1,341,375</u>
Net Assets, End of Year	<u>\$ 1,782,719</u>	<u>\$ 60,844</u>	<u>\$ 1,843,563</u>

	2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Contributions	\$ 927,040	\$ 76,551	\$ 1,003,591
Investment income	11,065	-	11,065
Net assets released from restrictions	114,937	(114,937)	-
Total Revenues	<u>1,053,042</u>	<u>(38,386)</u>	<u>1,014,656</u>
Expenses			
Program	538,104	-	538,104
Management and general	39,317	-	39,317
Fundraising	110,380	-	110,380
Total Expenses	<u>687,801</u>	<u>-</u>	<u>687,801</u>
Change in Net Assets	365,241	(38,386)	326,855
Net Assets, Beginning of Year	<u>921,495</u>	<u>93,025</u>	<u>1,014,520</u>
Net Assets, End of Year	<u>\$ 1,286,736</u>	<u>\$ 54,639</u>	<u>\$ 1,341,375</u>

See accompanying notes and independent auditor's report.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 502,188	\$ 326,855
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	825	1,019
Gain on sale of investments	(701)	(124)
Contributed securities	(32,235)	(31,698)
Changes in assets and liabilities:		
Decrease (Increase) in pledges receivable	10,000	(20,000)
Decrease in accounts receivable	-	1,887
Increase in prepaid expense	(23,743)	(14,522)
Increase in accounts payable	12,723	7,896
Increase (Decrease) in payroll liabilities	7,646	(616)
Net cash provided by operating activities	<u>476,703</u>	<u>270,697</u>
Cash Flows from Investing Activities		
Proceeds on sales of investments	32,936	31,822
Purchases of property and equipment	(1,378)	-
Net cash provided by investing activities	<u>31,558</u>	<u>31,822</u>
Net change in cash and cash equivalents	508,261	302,519
Cash and Cash Equivalents		
Beginning of year	<u>1,324,625</u>	<u>1,022,106</u>
End of year	<u>\$ 1,832,886</u>	<u>\$ 1,324,625</u>

See accompanying notes and independent auditor's report.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

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

	Program	Support Services			Total
		Management and General	Fund- raising	Total Support Services	
Grants	\$ 253,375	\$ -	\$ -	\$ -	\$ 253,375
Salaries and benefits	210,799	8,119	59,239	67,358	278,157
Printing and reproduction	48,341	130	34,016	34,146	82,487
Postage	17,865	2,941	12,577	15,518	33,383
Consultants	14,950	-	14,950	14,950	29,900
Travel and conferences	17,197	5,895	2,316	8,211	25,408
Events	24,976	-	-	-	24,976
Payroll taxes	16,112	600	4,104	4,704	20,816
Professional fees	-	15,186	-	15,186	15,186
Mailing list rental	7,142	-	4,762	4,762	11,904
Website and database	5,130	42	2,795	2,837	7,967
Bank service charges	-	6,513	-	6,513	6,513
Rent	3,360	598	1,200	1,798	5,158
Supplies	1,302	3,822	-	3,822	5,124
License and permits	-	3,606	-	3,606	3,606
Mail processing	-	2,841	-	2,841	2,841
Donor appreciation	73	40	2,569	2,609	2,682
Dues and subscriptions	1,638	439	136	575	2,213
Telephone and internet	1,156	752	130	882	2,038
Publicity	1,450	25	-	25	1,475
Insurance	-	1,013	-	1,013	1,013
Depreciation	-	825	-	825	825
Staff development	-	350	-	350	350
Miscellaneous	-	29	-	29	29
Total Expenses	<u>\$ 624,866</u>	<u>\$ 53,766</u>	<u>\$ 138,794</u>	<u>\$ 192,560</u>	<u>\$ 817,426</u>

See accompanying notes and independent auditor's report.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program	Support Services			Total
		Management and General	Fund- raising	Total Support Services	
Grants	\$ 199,659	\$ -	\$ -	\$ -	\$ 199,659
Salaries and benefits	155,262	8,258	41,148	49,406	204,668
Communications consultant	54,636	-	13,364	13,364	68,000
Printing and reproduction	42,425	312	24,290	24,602	67,027
Travel and conferences	37,049	1,124	2,760	3,884	40,933
Postage	16,814	2,066	10,770	12,836	29,650
Payroll taxes	11,325	590	2,952	3,542	14,867
Professional fees	-	14,777	-	14,777	14,777
Mailing list rental	8,695	-	5,797	5,797	14,492
Website and database	5,375	-	1,359	1,359	6,734
Supplies	2,776	1,890	156	2,046	4,822
Bank service charges	-	4,466	-	4,466	4,466
Publicity	-	-	4,320	4,320	4,320
Licenses and permits	-	3,187	-	3,187	3,187
Rent	1,960	140	700	840	2,800
Telephone and internet	1,064	639	120	759	1,823
Donor appreciation	319	-	1,279	1,279	1,598
Dues and subscriptions	685	380	370	750	1,435
Depreciation	-	1,019	-	1,019	1,019
Staff development	-	-	995	995	995
Miscellaneous	60	469	-	469	529
Total Expenses	<u>\$ 538,104</u>	<u>\$ 39,317</u>	<u>\$ 110,380</u>	<u>\$ 149,697</u>	<u>\$ 687,801</u>

See accompanying notes and independent auditor's report.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Significant Accounting Policies

The *Mater Ecclesiae* Fund for Vocations, Inc. (the Fund) is a nonprofit organization incorporated under the laws of the Commonwealth of Virginia in November 2006. The purpose of the Fund is to relieve individuals with vocations to the priesthood or religious life of the Roman Catholic Church of the burden of their pre-existing student loans, and enable them to begin their formation immediately, rather than after the many years it would take them to repay the loans on their own. The Fund accomplishes its purpose by making the required payments on its grant recipients' student debts throughout their period of formation with the agreement that the debts will be fully paid by the fifth anniversary of ordination or final vows. The Fund's support comes primarily from contributions and grants.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) **Basis of Presentation** – The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expense is recognized when the obligation is incurred.
- (b) **Financial Statement Presentation** – The Fund is required to report information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions.

Without donor restrictions – includes unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the general operation of the Fund.

With donor restrictions – includes revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Fund and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

- (c) **Support and Expenses** – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Fund reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported in the statement of activity as net assets released from restrictions.
- (d) **Statements of Cash Flows** – The Fund considers substantially all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.
- (e) **Investments** – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (f) Pledges Receivable – Pledges receivable are presented at net realizable value. Management periodically reviews the status of receivable balances for collectability. Each receivable balance is assessed based on management’s knowledge of and relationship with the donor and the age of the receivable balance. No allowance for doubtful accounts was deemed necessary for the years ended December 31, 2024 and 2023.
- (g) Property and Equipment – Property and equipment in excess of \$500 are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally five years. Expenditures for maintenance and repairs are charged against income as incurred; betterments that increase the value or materially extend the life of the related assets are capitalized.
- (h) Income Taxes – The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code on all income other than unrelated business income. Accordingly, no provision for income tax has been provided in the accompanying financial statements. The Fund has been determined not to be a private foundation as defined under Section 509(a).
- (i) Uncertain Tax Positions – As of December 31, 2024, the Fund had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended December 31, 2021 through 2023.
- (j) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (k) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Fund to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. The Fund occasionally maintains bank balances in excess of Federal Depositary Insurance Corporation limits. The Fund has not experienced any losses on its cash equivalents. The Fund’s investments do not represent a significant concentration of market risk.
- (l) Advertising Costs – Advertising costs are expensed as incurred.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

NOTES TO FINANCIAL STATEMENTS **(Continued)**

NOTE 2 – Grants and Contingent Payables

Payment on grants awarded by the Fund is contingent on the grant recipients remaining in formation for the priesthood or religious life. If the recipient leaves formation, grant payments cease immediately. It is not possible to determine if an individual grant recipient will persevere in formation or when he or she might leave. Therefore, no liability is recognized in the financial statements for future grant payments. Grant payments totaling \$253,375 and \$199,659 were made in the years ended December 31, 2024 and 2023, respectively.

The Fund awarded new grants in 2024 with an outstanding principal balance of \$1,081,848. Cumulatively, the Fund has awarded and is contingently liable for grants with a combined principal balance of \$1,878,698 as of December 31, 2024. Interest rates on the grants vary from approximately 3% to 12%. These grants are payable over the next ten to thirteen years.

NOTE 3 – Net Assets with Donor Restrictions

Net assets were restricted for the following specific program services as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
A Midwest Teaching Sister	\$49,149	\$52,719
Advertising and Promotion	10,350	-
A Trappistine Novice	1,345	1,345
Abbey of St. Walburga	-	575
Total	<u>\$60,844</u>	<u>\$54,639</u>

The Deo Gratias Fund was established in 2020 for the purposes of awarding new grants and helping to pay off the balances of grant recipients who have made their final vows.

Funds have also been received to support the grant of an individual recipient, for her formation as a Trappistine nun. These contributions are not considered deductible for individual income tax.

Net assets restricted for the following specific program and support services were released from restrictions during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Donor Acquisition	\$25,000	\$ 14,733
Advertising and Promotion	14,150	3,500
Members of the Following Communities		
A Midwest Teacher Sister	3,570	1,300
Carmel of Port Tobacco	1,200	1,200
Abbey of St. Walburga	575	967
Priestly Fraternity of St. Peter	540	640
Franciscan Friars of the Renewal	20	-
Board Expenses	2,700	-
Vita Consecrata Event	256	2,459
Deo Gratias Fund	-	90,138
Total	<u>\$48,011</u>	<u>\$114,937</u>

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 – Related Party Transactions

The Fund was established to continue the work of the *Mater Ecclesiae* Debt Relief Grant Program of the Fraser Family Foundation (FFF). In 2024 and 2023, the FFF contributed \$25,256 and \$27,192, respectively, to the Fund.

During the years ended December 31, 2024 and 2023, members of the Fund's Board of Directors made contributions totaling \$277,815 and \$162,700, respectively.

NOTE 5 – Investment Income

Investment income for the years ended December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$35,877	\$10,941
Gain on sale of donated investments	<u>701</u>	<u>124</u>
Total	<u>\$36,578</u>	<u>\$11,065</u>

NOTE 6 – Functional Allocation of Expenses

The Fund's operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Allocation of expenditures is done on a personnel-cost basis or on an estimate of functional benefits, as needed.

NOTE 7 – Lease Commitments

The Fund rents office space under a month-to-month operating agreement. No formal lease agreement has been signed, but rent is payable monthly in the amount of \$400. Rent expense was \$4,800 and \$2,800 for the years ended December 31, 2024 and 2023, respectively.

NOTE 8 – Allocation of Joint Costs

The Fund had a direct mailing campaign that included appeals for contributions, as well as program components. These activities included joint costs which have been allocated as follows:

	<u>2024</u>	<u>2023</u>
Public Education	\$55,058	\$34,287
Fundraising	<u>38,381</u>	<u>24,299</u>
Total	<u>\$93,439</u>	<u>\$58,577</u>

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

NOTES TO FINANCIAL STATEMENTS (Concluded)

NOTE 9 – Liquidity and Availability of Financial Assets

The Fund has \$1,782,042 and \$1,289,986 of financial assets available within 90 days of the statement of financial position date to meet cash needs for general expenditures as of December 31, 2024 and 2023, respectively. The Fund monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Fund has a goal to maintain financial assets on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$204,000. The Fund has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$1,832,886	\$1,324,625
Accounts and pledges receivable	10,000	20,000
Less: Amounts with donor restrictions	<u>(60,844)</u>	<u>(54,639)</u>
Total	<u>\$1,782,042</u>	<u>\$1,289,986</u>

NOTE 10 – Evaluation of Subsequent Events

The Fund has evaluated subsequent events through June 20, 2025 the date on which the financial statements were available to be issued.

During January 2025, the Fund awarded new grants to four individuals with an aggregate balance of \$213,412 and estimated 2025 payment obligations of \$29,366. During May 2025, the Fund awarded new grants to eleven individuals with an aggregate balance of \$265,740 and estimated 2025 payment obligations of \$46,193.