MATER ECCLESIAE FUND FOR VOCATIONS, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

TABLE OF CONTENTS

MEMBER: AICPA
PICPA

ALFRED J. BAKER, INC.

Certified Public Accountants

1155 PHOENIXVILLE PIKE, STE 111
WEST CHESTER, PA 19380

www.bakersmileycpas.com

610-696-1881
FAX: 610-696-7770

INDEPENDENT AUDITORS' REPORT

May 12, 2026

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

Opinion

We have audited the accompanying financial statements of Mater Ecclesiae Fund for Vocations, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, 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 Mater Ecclesiae Fund for Vocations, Inc. as of December 31, 2025 and 2024 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 Mater Ecclesiae Fund for Vocations, Inc. and to meet our 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 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 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.

Auditors' 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 an 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mater Ecclesiae Fund for Vocations, Inc.'s ability to continue as a going concern for a reasonable period of time.

Other Matter

The financial statements of Mater Ecclesiae Fund for Vocations, Inc. as of December 31, 2024 and for the year then ended were audited by another auditor. That auditor expressed an unmodified opinion on those financial statements in their report dated June 20, 2025.

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.

Alfred J. Baker, Inc.

MATER ECCLESIAE FUND FOR VOCATIONS, INC.
Statement of Financial Position
December 31, 2025 and 2024

ASSETS	2025	2024
Current Assets:		
Cash and Cash Equivalents	$ 2,546,230	$ 1,832,886
Pledges Receivable	-	10,000
Prepaid Expenses	11,848	44,470
Total Current Assets	2,558,078	1,887,356
Property and Equipment:		
Furniture and Equipment	3,731	6,603
Less: Accumulated Depreciation	662	5,068
Property and Equipment - Net	3,069	1,535
TOTAL ASSETS	$ 2,561,147	$ 1,888,891
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 3,239	$ 30,798
Payroll Liabilities	-	14,530
Accrued Wages and Vacation	-	-
Total Liabilities	3,239	45,328
NET ASSETS		
Without Donor Restrictions		
Undesignated	691,503	1,781,184
Designated for Contingent Grant Liabilities	1,817,173	-
Net Investment in Property and Equipment	3,069	1,535
Total Without Donor Restrictions	2,511,745	1,782,719
With Donor Restrictions	46,163	60,844
Total Net Assets	2,557,908	1,843,563
TOTAL LIABILITIES AND NET ASSETS	$ 2,561,147	$ 1,888,891

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

MATER ECCLESIAE FUND FOR VOCATIONS, INC.
Statement of Activities
For the Year Ended December 31,

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Contributions	1,559,417	17,311	1,576,728
Investment Income	53,586	-	53,586
Other Income	342		342
Net Assets Released From Restrictions:	31,992	(31,992)	-
Total Support and Revenue	1,645,337	(14,681)	1,630,656
Expenses			
Program Services	707,776	-	707,776
Management	118,145	-	118,145
Fundraising	90,390	-	90,390
Total Expenses	916,311	-	916,311
Change in Net Assets	729,026	(14,681)	714,345
Net Assets, Beginning of Year	1,782,719	60,844	1,843,563
Net Assets, End of Year	$ 2,511,745	$ 46,163	$ 2,557,908

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
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 Support and Revenue	1,313,409	6,205	1,319,614
Expenses			
Program Services	624,866	-	624,866
Management	53,766	-	53,766
Fundraising	138,794	-	138,794
Total Expenses	817,426	-	817,426
Change in Net Assets	495,983	6,205	502,188
Net Assets, Beginning of Year	1,286,736	54,639	1,341,375
Net Assets, End of Year	$ 1,782,719	$ 60,844	$ 1,843,563

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

MATER ECCLESIAE FUND FOR VOCATIONS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2025

		Support Services			
	Program	Management	Fundraising	Total	Total
Grants	$ 349,108	$ -	$ -	$ -	$ 349,108
Salaries and Benefits	191,759	16,184	62,061	78,245	270,004
Payroll Taxes	14,411	641	4,519	5,160	19,571
Consultants	33,150	35,903	5,750	41,653	74,803
Printing and Reproduction	19,210	331	3,715	4,046	23,256
Postage and Delivery	6,168	3,245	1,083	4,328	10,496
Travel and Conferences	17,008	6,786	325	7,111	24,119
Events	39,471	-	-	-	39,471
Professional Fees	-	16,783	-	16,783	16,783
Mailing List Rental	-	-	-	-	-
Website and Database	5,370	722	1,446	2,168	7,538
Bank Service Charges	-	-	8,145	8,145	8,145
Rent	7,640	1,091	2,182	3,273	10,913
Supplies	1,109	6,707	139	6,846	7,955
License and Permits	-	4,398	-	4,398	4,398
Mail Processing	-	16,496	-	16,496	16,496
Donor Appreciation	609	3,401	416	3,817	4,426
Dues and Subscriptions	1,965	1,069	509	1,578	3,543
Telephone and Internet	798	236	95	331	1,129
Publicity	20,000	-	-	-	20,000
Insurance	-	2,430	-	2,430	2,430
Depreciation	-	723	-	723	723
Charitable Contributions	-	350	-	350	350
Miscellaneous	-	649	5	654	654
Total Functional Expenses	$ 707,776	$ 118,145	$ 90,390	$ 208,535	$ 916,311

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

MATER ECCLESIAE FUND FOR VOCATIONS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2024

		Support Services			
	Program	Management	Fundraising	Total	Total
Grants	$ 253,375	$ -	$ -	$ -	$ 253,375
Salaries and Benefits	210,799	8,119	59,239	67,358	278,157
Payroll Taxes	16,112	600	4,104	4,704	20,816
Consultants	14,950	-	14,950	14,950	29,900
Printing and Reproduction	48,341	130	34,016	34,146	82,487
Postage and Delivery	17,865	2,941	12,577	15,518	33,383
Travel and Conferences	17,197	5,895	2,316	8,211	25,408
Events	24,976	-	-	-	24,976
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 Functional Expenses	$ 624,866	$ 53,766	$ 138,794	$ 192,560	$ 817,426

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

MATER ECCLESIAE FUND FOR VOCATIONS, INC.
Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 714,345	$ 502,188
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	723	825
Gain on Sale of Investments	(342)	(701)
Contributed Securities	(80,521)	(32,235)
(Increase)/Decrease in Current Assets:		
Pledges Receivable	10,000	10,000
Prepaid Expenses	32,621	(23,743)
Increase/(Decrease) in Current Liabilities:		
Accounts Payable	(27,558)	12,723
Payroll Liabilites	(14,529)	7,646
Net Cash Provided by Operating Activities	634,739	476,703
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Equipment	(2,353)	(1,378)
Sale of Equipment	95	-
Proceeds from Sale of Investments	80,863	32,936
Net Cash Used in Investing Activities	78,605	31,558
NET CHANGE IN CASH AND CASH EQUIVALENTS	713,344	508,261
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,832,886	1,324,625
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,546,230	$ 1,832,886
SUPPLEMENTAL DISCLOSURES:		
Cash Paid During the Year for:		
Interest	$ -	$ -
Taxes	$ -	$ -

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

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Mater Ecclesiae Fund for Vocations, Inc. ("the Fund") is a 501(c)(3) 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 also supports certain costs associated with vocation discernment. The Fund's support comes primarily from contributions and grants.

Description of Programs

St. Joseph Grant Program
The St. Joseph grant program provides assistance to men and women who are prevented by their pre-existing student loans from beginning or continuing their formation for Catholic religious life.

Public Awareness
An ongoing public awareness program about the burden of student debt and the Fund's solution for those seeking to enter religious life. The goal of the awareness program is twofold: 1) increase the public's understanding of the burden and its impact on the unique vows and circumstances of religious life and 2) increase awareness of the fund's solution for Catholics who may wish to apply for assistance in order to pursue a vocation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the Unites States of America (GAAP).

Financial Statement Presentation

The Fund presents its financial statements according to Financial Accounting Standards Board ("FASB") Accounting Codification 958. Under these standards, The Fund is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, The Fund is required to present a statement of cash flows. The Fund also follows the Accounting Standards Codification incorporation of SFAS No. 116, "Accounting for

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Received and Made". This requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires that the Fund distinguish between contributions made for each net asset category in accordance with donor imposed restrictions.

Net Assets Without Donor Restrictions

Unrestricted net assets include support raised from contributions for general operating purposes. The net investment in property and equipment consists of property and equipment, net of accumulated depreciation, and any other resources dedicated to property and equipment, net of related liabilities.

Net Assets With Donor Restrictions

Net assets with restrictions include support designated for future periods or restricted by the donor for specified purposes which limit the use of the donated Funds.

Support and Revenue

Contributions are recognized as revenue when they are received or unconditionally pledged. All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in interest and non-interest bearing depository accounts. The Fund considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment in excess of $500 are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, generally 5 to 7 years for furniture and equipment.

The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of are removed from the accounts and the resulting gain or loss is included in current year income.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Concentrations of Credit Risk

Financial instruments that potentially expose the Fund to concentrations of market risk consist primarily of cash equivalents. 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 Depository Insurance Corporation Limits.

Income Taxes

The Fund is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax pursuant to Section 501(a) of the Internal Revenue Code. The Fund is also exempt from Pennsylvania taxation under the applicable provisions of the Commonwealth's non-profit organization statutes. The Fund has been determined not to be a private foundation as defined under Section 509A.

Pursuant to ASC 740-10, Accounting for Income Taxes, management has reviewed its current and past federal and state tax positions and has determined that the tax positions taken are certain and there is no likelihood that a material tax assessment would be made if the respective government agencies examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded, nor have any related interest and penalties been accrued.

The Internal Revenue Service and state taxing authorities retain the right to review filed tax returns, generally for three years after they were filed. However, the organization is not currently under audit nor has the organization been contacted by any of these tax jurisdictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 year. Accordingly, actual results could differ from those estimates

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and detailed in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as occupancy, office, insurance and depreciation which are allocated based upon an estimate of functional benefits, as needed.

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 12, 2026, the date that the financial statements were available to be issued.

NOTE 2 GRANTS AND CONTINGENT LIABILITIES

Payment on grants awarded by the Fund is contingent upon the grant recipient 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 if he or she might leave. Therefore, no liability is recognized in the financial statements for future grant payments. Grant payments totaling $349,108 and $253,375 were made during the years ended December 31, 2025 and 2024, respectively.

The Fund awarded new grants in 2025 with an outstanding principal balance of $677,247. Cumulatively, the Fund has awarded and is contingently liable for grants with a combined principal balance of approximately $1,817,173 as of December 31, 2025. Interest rates on the grants vary from approximately 3% to 12%. These grants are payable over the next ten to thirteen years.

The Board has designated a portion of net assets without restriction equal to the contingent liability to be used solely to service any future grant payments required under existing agreements.

NOTE 3 NET ASSETS

Net assets with donor imposed restrictions as of December 31, 2025 and 2024 are available for the following purposes:

	2025	2024
Purpose Restrictions:		
A Midwest Teaching Sister	$ 44,818	$ 49,149
Advertising and Promotion	-	10,350
A Trappistine Novice	1,345	1,345
Total	$ 46,163	$ 60,844

Net assets restricted for the following program and support services were released from restrictions during the years ended December 31, 2025 and 2024.

	2025	2024
Donor Acquisition	$ -	$ 25,000
Advertising and Promotion	13,550	14,150
Members of the Following Communities		
A Midwest Teacher Sister	4,331	3,570
Carmel of Port Tobacco		1,200
Abbey of St. Walburga		575
Priestly Fraternity of St. Peter		540
Franciscan Friars of the Renewal		20
Board Expenses		2,700
Vita Consecrata Event	3,571	256
Priestly Formation	10,540	-
Total	$ 31,992	48,011

NOTE 4 INVESTMENT INCOME

Investment income for the years ended December 31, 2025 and 2024 consisted of the following:

	2025	2024
Interest and Dividends	$ 53,586	$ 35,877
Gain on Sale of Donated Investments	342	701
	$ 53,928	$ 36,578

NOTE 5 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 2025 and 2024, the FFF contributed $0 and $25,256, respectively, to the Fund.

During the years ended December 31, 2025 and 2024, members of the Fund's Board of directors made contributions totaling $277,385 and $277,815, respectively.

NOTE 6 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:

	2025	2024
Public Education	$ 15,894	$ 55,058
Fundraising	4,529	38,381
Total	$ 20,423	$ 93,439

NOTE 7 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Fund had $2,500,067 and $1,782,042 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, 2025 and 2024, 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 $225,000. 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.

	2025	2024
Cash and Cash Equivalents	$ 2,546,230	$ 1,832,886
Accounts and Pledges Receivable		10,000
Less: Amounts with Donor Restrictions	(46,163)	(60,844)
Total	$ 2,500,067	$ 1,782,042

NOTE 8 LEASES

Beginning in March 2025, the Fund leased office space under a month to month lease calling for monthly payments of $1,050. Total payments under the lease totaled $9,713.