



## **Financial Statements**

**December 31, 2024 and 2023**



**Wallace Plese + Dreher**  
CERTIFIED PUBLIC ACCOUNTANTS + CONSULTANTS

# Diocesan Fiscal Management Conference

## Contents

December 31, 2024 and 2023

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## Independent Auditor's Report

Board of Directors  
Diocesan Fiscal Management Conference

### Opinion

We have audited the financial statements of Diocesan Fiscal Management Conference (a nonprofit corporation), 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 accompanying financial statements present fairly, in all material respects, the financial position of Diocesan Fiscal Management Conference 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Diocesan Fiscal Management Conference and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Diocesan Fiscal Management Conference's ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Diocesan Fiscal Management Conference'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 Diocesan Fiscal Management Conference'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.

*Wallace, Plese + Dreher, A.C.P.*

Scottsdale, Arizona  
June 30, 2025

# Diocesan Fiscal Management Conference

## Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Current assets		
Cash	\$ 319,018	\$ 297,433
Accounts receivable	6,000	4,900
Investments	819,068	728,348
Prepaid expenses	4,100	15,908
Total current assets	1,148,186	1,046,589
Hotel deposits	10,000	-
Total assets	<u>\$ 1,158,186</u>	<u>\$ 1,046,589</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 263	\$ 3,448
Accrued expenses	22,670	12,305
Deferred income	57,650	17,975
Total liabilities	80,583	33,728
Commitments and contingencies ( <i>Note 7</i> )		
Net assets		
Without donor restrictions	1,071,922	1,002,757
With donor restrictions	5,681	10,104
Total net assets	1,077,603	1,012,861
Total liabilities and net assets	<u>\$ 1,158,186</u>	<u>\$ 1,046,589</u>

See Notes to Financial Statements

# Diocesan Fiscal Management Conference

## Statement of Activities

Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenues, support and gains			
Conference and programs	\$ 268,447	\$ -	\$ 268,447
Less: scholarships	(6,198)	-	(6,198)
Net conference and programs	262,249	-	262,249
Conference sponsors and exhibitors	637,715	-	637,715
Membership dues	145,525	-	145,525
Contributions	1,775	-	1,775
Investment return, net	115,757	-	115,757
Other income	150	-	150
Net assets released from restrictions	4,423	(4,423)	-
Total revenues, support and gains	1,167,594	(4,423)	1,163,171
Expenses			
Program services	750,491	-	750,491
General and administrative	347,938	-	347,938
Total expenses	1,098,429	-	1,098,429
Change in net assets	69,165	(4,423)	64,742
Net assets, beginning of year	1,002,757	10,104	1,012,861
Net assets, end of year	\$ 1,071,922	\$ 5,681	\$ 1,077,603

See Notes to Financial Statements

# Diocesan Fiscal Management Conference

## Statement of Activities

Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues, support and gains			
Conference and programs	\$ 252,741	\$ -	\$ 252,741
Less: scholarships	(1,217)	-	(1,217)
Net conference and programs	251,524	-	251,524
Conference sponsors and exhibitors	655,100	-	655,100
Membership dues	147,950	-	147,950
Contributions	1,217	1,483	2,700
Investment return, net	121,112	-	121,112
Other income	1,457	-	1,457
Total revenues, support and gains	1,178,360	1,483	1,179,843
Expenses			
Program services	651,980	-	651,980
General and administrative	300,238	-	300,238
Total expenses	952,218	-	952,218
Change in net assets	226,142	1,483	227,625
Net assets, beginning of year	776,615	8,621	785,236
Net assets, end of year	\$ 1,002,757	\$ 10,104	\$ 1,012,861

See Notes to Financial Statements

# Diocesan Fiscal Management Conference

## Statement of Functional Expenses

Year Ended December 31, 2024

	Program services	General and administrative	Total expenses
Accounting services	\$ -	\$ 21,550	\$ 21,550
Audio and visual	128,145	-	128,145
Awards	4,421	-	4,421
Banking and credit card fees	-	6,210	6,210
Brochures and program mailings	32,703	7,393	40,096
Conference center services	19,356	-	19,356
Conference venue and hospitality	334,200	-	334,200
Conference support	28,671	-	28,671
Continuing education and certification	11,743	-	11,743
Contract labor	66,028	-	66,028
Insurance and legal	4,586	4,586	9,172
Office supplies	-	5,521	5,521
Shipping and postage	-	5,100	5,100
Speaker expenses	27,511	-	27,511
Staff salaries and benefits	65,757	214,228	279,985
Travel	3,556	71,159	74,715
Telephone	-	1,985	1,985
Website and IT support	23,814	10,206	34,020
	<u>\$ 750,491</u>	<u>\$ 347,938</u>	<u>\$ 1,098,429</u>

See Notes to Financial Statements



# Diocesan Fiscal Management Conference

## Statement of Functional Expenses

Year Ended December 31, 2023

	Program services	General and administrative	Total expenses
Accounting services	\$ -	\$ 16,900	\$ 16,900
Audio and visual	130,119	-	130,119
Awards	1,168	-	1,168
Banking and credit card fees	-	2,946	2,946
Brochures and program mailings	30,933	5,553	36,486
Conference venue and hospitality	286,812	-	286,812
Conference support	24,022	-	24,022
Continuing education and certification	11,974	-	11,974
Contract labor	50,280	-	50,280
Insurance and legal	4,024	4,025	8,049
Office supplies	-	2,833	2,833
Shipping and postage	-	3,923	3,923
Speaker expenses	22,704	-	22,704
Staff salaries and benefits	65,822	186,822	252,644
Travel	3,000	66,921	69,921
Telephone	-	1,263	1,263
Website and IT support	21,122	9,052	30,174
	<u>\$ 651,980</u>	<u>\$ 300,238</u>	<u>\$ 952,218</u>

See Notes to Financial Statements

# Diocesan Fiscal Management Conference

## Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 64,742	\$ 227,625
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(66,792)	(85,263)
Changes in assets and liabilities:		
Accounts receivable	(1,100)	(4,900)
Prepaid expenses	11,808	(2,347)
Hotel deposits	(10,000)	-
Accounts payable	(3,185)	3,448
Accrued expenses	10,365	-
Deferred income	39,675	(8,850)
Net cash provided by operating activities	45,513	129,713
<b>Cash flows from investing activities</b>		
Purchase of investments	(23,928)	(16,467)
Net increase in cash	21,585	113,246
Cash, beginning of year	297,433	184,187
Cash, end of year	\$ 319,018	\$ 297,433

See Notes to Financial Statements

# Diocesan Fiscal Management Conference

## Notes to Financial Statements

December 31, 2024 and 2023

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### Note 1 – Nature of Operations and Significant Accounting Policies

#### **Nature of operations:**

Diocesan Fiscal Management Conference (DFMC) is a nonprofit corporation that promotes the spiritual growth of its members, provides financial and administrative expertise and professional services to the local and national Roman Catholic Church, encourages the development of professional relationships among its members, and facilitates the free exchange of ideas and information. These goals are principally achieved through a quarterly newsletter, website, and an annual conference. DFMC's revenue is derived primarily from members of the local and national Roman Catholic Church located in the United States, in addition to some members located in Canada, the Caribbean and Pacific.

#### **A summary of significant accounting policies follows:**

##### **Basis of presentation:**

The financial statements of DFMC have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") which require DFMC to report information regarding financial position and activities according to the following net asset classifications:

##### **Net assets without donor restrictions:**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of DFMC's management and the board of directors.

##### **Net assets with donor restrictions:**

Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of DFMC or by the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted explicitly by donor stipulation or by law.

##### **Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### **Cash:**

Cash includes amounts on hand and on deposit at a financial institution.

##### **Investments:**

Investments are carried at fair value. Fair values are based on quoted market prices. Realized and unrealized gains and losses are included in investment return, along with interest and dividends, in the statements of activities. Investment return is presented net of investment fees. See *Note 2* regarding fair value measurements. Investment securities are exposed to various risks, such as interest rate, market fluctuation, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statements of financial position and the statements of activities.

# Diocesan Fiscal Management Conference

## Notes to Financial Statements

December 31, 2024 and 2023

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### Note 1 – Nature of Operations and Significant Accounting Policies (Continued)

#### Revenue recognition:

Membership dues are on a calendar year basis and are recognized ratably over the membership period since there are no distinct performance obligations and the general membership benefits are considered a bundled group of performance obligations that are delivered to members throughout the membership period. Unearned membership revenue is reflected as deferred income on the statements of financial position.

Conference and programs revenue and conference sponsors and exhibitors revenue are recognized at a point in time when the conference occurs. Unearned revenue related to conferences is reflected as deferred income on the statements of financial position.

The following table provides information about significant changes in deferred income for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Deferred income, beginning of year	\$ 17,975	\$ 26,825
Additions	58,375	18,500
Income recognized, end of year	<u>(18,700)</u>	<u>(27,350)</u>
	<u>\$ 57,650</u>	<u>\$ 17,975</u>

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

#### Functional expenses:

DFMC's activities are focused primarily in fiscal management program service activities for the benefit of its members. Supporting services include general and administrative activities. Staff salaries and benefits and certain office related expenses are allocated to program service activities and general and administrative activities based on management's estimates of time spent and the nature of activity.

#### Income tax status:

DFMC qualifies as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code (the Code), and accordingly, there is no provision for federal or state corporate income taxes in the accompanying financial statements. Although DFMC is exempt from filing income tax returns, income determined to be unrelated business taxable income (UBTI) would be taxable.

#### Subsequent events:

Management has evaluated subsequent events through June 30, 2025, which is the date the financial statements were available to be issued.

# Diocesan Fiscal Management Conference

## Notes to Financial Statements December 31, 2024 and 2023

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### Note 2 – Investments and Fair Value Measurement

Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded which are Level 1 fair value measurements.

Investments are comprised of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ <u>819,068</u>	\$ <u>728,348</u>

### Note 3 – Investment Return

Net investment return consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 48,965	\$ 35,849
Unrealized gains	<u>66,792</u>	<u>85,263</u>
Investment return, net	\$ <u>115,757</u>	\$ <u>121,112</u>

### Note 4 – Net Assets

Net assets without donor restrictions that are board-designated are as follows as of December 31:

	<u>2024</u>	<u>2023</u>
Strategic plan	\$ -	\$ 12,607
Scholarships	<u>2,050</u>	<u>2,050</u>
	\$ <u>2,050</u>	\$ <u>14,657</u>

Net assets with donor restrictions are restricted for the following purpose as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purposes:		
Scholarships	\$ <u>5,681</u>	\$ <u>10,104</u>

# Diocesan Fiscal Management Conference

## Notes to Financial Statements

December 31, 2024 and 2023

### Note 5 – Liquidity and Availability

DFMC manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to the budgets. Adjustments are made to plan as needed to ensure adequate liquidity. As part of its liquidity management plan, DFMC maintains investment funds to cover the cost of its annual conference. The investment funds are accessible for operations, if needed.

In addition to financial assets available to meet general expenditures over the next 12 months, DFMC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

As of December 31, 2024 and 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Cash	\$ 319,018	\$ 297,433
Accounts receivable	6,000	4,900
Investments	<u>819,068</u>	<u>728,348</u>
Total financial assets	1,144,086	1,030,681
Less: Board designated funds	2,050	14,657
Less: Restricted by donors for specified purposes	<u>5,681</u>	<u>10,104</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,136,355</u>	<u>\$ 1,005,920</u>

### Note 6 – Concentrations and Credit Risk

DFMC maintains cash at various financial institutions, which, at times, may exceed federally insured amounts. At December 31, 2024, DFMC had approximately \$69,000 in excess of FDIC-insured limits. DFMC has not incurred any losses on such accounts and believes it is not exposed to any significant custodial credit risk on cash balances.

DFMC received 37% of its total revenue and support for each of the years ended December 31, 2024 and 2023 from members of the local and national Roman Catholic Church located in the United States, in addition to some members located in Canada, the Caribbean and Pacific for annual dues and for attendance at the annual conference.

# Diocesan Fiscal Management Conference

## Notes to Financial Statements December 31, 2024 and 2023

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### Note 7 – Commitments and Contingencies

**Hotel contracts:**

DFMC has contractual agreements with various hotels to secure facilities for future annual fiscal management conferences. These agreements contain cancellation penalties should DFMC decide to cancel the event. Generally, these cancellation fees escalate as the conference date nears. However, each annual agreement is exclusive of one another and cancellation of one annual fiscal management conference does not necessarily mean cancellation of another.

The cancellation penalties for outstanding contractual commitments as of December 31, 2024 are:

2025	\$ 1,336,471
2026	868,196
2027	<u>721,550</u>
	<u>\$ 2,926,217</u>

**Event planner contract:**

DFMC has a contractual agreement with an event planner to assist in planning the 2025 annual conference event. The agreement contains a maximum cancellation penalty of approximately \$44,000 that varies depending on the reason DFMC would cancel the event in 2025.

### Note 8 – Retirement Plan

DFMC has a SEP IRA plan covering employees who meet certain service and age requirements. DFMC contributed \$9,007 and \$8,537 to the plan during the years ended December 31, 2024 and 2023, respectively.

### Note 9 – Related Party Transactions

During the year ended December 31, 2024, DFMC paid \$15,800 to a company owned by a board member for rosaries and accompanying rosary pouches to be distributed to members as gifts at the annual conference.