

# **The Home Missioners of America**

**Financial Statements with Supplementary Information  
June 30, 2018 and 2017, and  
Independent Auditors' Report**

# THE HOME MISSIONERS OF AMERICA

June 30, 2018 and 2017

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## Independent Auditors' Report

To the Members  
The Home Missioners of America  
Fairfield, Ohio

We have audited the accompanying financial statements of The Home Missioners of America (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### 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; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Home Missioners of America as of June 30, 2018 and 2017 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.

### Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules included on pages 21 - 32 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

**Independent Auditors' Report  
(Continued)**

**Report on Supplementary Information (Continued)**

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Barnes, Dennig & Co., Ltd.*

October 8, 2018  
Cincinnati, Ohio

**THE HOME MISSIONERS OF AMERICA**

**Statement of Financial Position  
June 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Assets</b>				
Cash	\$ 975,801	\$ -	\$ -	\$ 975,801
Cash working funds - houses and missions	23,320	-	-	23,320
Notes receivable, net	332,816	-	152,190	485,006
Other receivables	78,502	-	-	78,502
Accrued interest receivable	45,775	18,758	2,479	67,012
Bequests receivable	-	109,000	-	109,000
Investments	17,728,007	7,493,613	2,916,337	28,137,957
Prepaid expenses and deposits	68,749	-	-	68,749
Property and equipment, net	1,709,209	-	-	1,709,209
Beneficial interest in remainder trusts	-	1,881,997	-	1,881,997
Beneficial interest in perpetual trusts	-	-	1,728,388	1,728,388
Interfund receivable (payable)	756,227	(431,212)	(325,015)	-
	<u>21,718,406</u>	<u>9,072,156</u>	<u>4,474,379</u>	<u>35,264,941</u>
<b>Total assets</b>	<b>\$ 21,718,406</b>	<b>\$ 9,072,156</b>	<b>\$ 4,474,379</b>	<b>\$ 35,264,941</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 380,458	\$ 5,380	\$ 33	\$ 385,871
Annuities payable	-	2,309,053	-	2,309,053
Post retirement benefit obligation	17,920	-	-	17,920
Revocable charitable gift agreements	-	670,200	-	670,200
	<u>398,378</u>	<u>2,984,633</u>	<u>33</u>	<u>3,383,044</u>
<b>Total liabilities</b>	<b>398,378</b>	<b>2,984,633</b>	<b>33</b>	<b>3,383,044</b>
<b>Net assets</b>	<u>21,320,028</u>	<u>6,087,523</u>	<u>4,474,346</u>	<u>31,881,897</u>
<b>Total liabilities and net assets</b>	<b>\$ 21,718,406</b>	<b>\$ 9,072,156</b>	<b>\$ 4,474,379</b>	<b>\$ 35,264,941</b>

See accompanying notes to financial statements

**THE HOME MISSIONERS OF AMERICA**

**Statement of Financial Position  
June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Assets</b>				
Cash	\$ 2,113,006	\$ -	\$ -	\$ 2,113,006
Cash working funds - houses and missions	19,248	-	-	19,248
Notes receivable, net	136,348	-	112,926	249,274
Other receivables	62,916	-	-	62,916
Accrued interest receivable	39,817	22,083	2,067	63,967
Bequests receivable	-	340,011	-	340,011
Investments	16,799,299	7,682,717	2,769,012	27,251,028
Prepaid expenses and deposits	129,803	-	-	129,803
Property and equipment, net	1,442,734	-	-	1,442,734
Beneficial interest in remainder trusts	-	1,887,656	-	1,887,656
Beneficial interest in perpetual trusts	-	-	1,678,847	1,678,847
Interfund receivable (payable)	472,168	(252,382)	(219,786)	-
<b>Total assets</b>	<u>\$ 21,215,339</u>	<u>\$ 9,680,085</u>	<u>\$ 4,343,066</u>	<u>\$ 35,238,490</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 459,227	\$ 1,400	\$ 31	\$ 460,658
Annuities payable	-	2,446,057	-	2,446,057
Post retirement benefit obligation	13,020	-	-	13,020
Revocable charitable gift agreements	-	672,747	-	672,747
<b>Total liabilities</b>	472,247	3,120,204	31	3,592,482
<b>Net assets</b>	<u>20,743,092</u>	<u>6,559,881</u>	<u>4,343,035</u>	<u>31,646,008</u>
<b>Total liabilities and net assets</b>	<u>\$ 21,215,339</u>	<u>\$ 9,680,085</u>	<u>\$ 4,343,066</u>	<u>\$ 35,238,490</u>

See accompanying notes to financial statements

# THE HOME MISSIONERS OF AMERICA

## Statement of Activities Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support, revenues, and gains</b>				
Contributions and bequests	\$ 3,154,357	\$ 522,863	\$ 4,500	\$ 3,681,720
Mission service income	105,736	-	-	105,736
Investment earnings, net	254,482	97,760	44,514	396,756
Realized gains on sale of investments	640,830	212,081	137,829	990,740
Self-insurance premiums	3,059	-	-	3,059
Gain on sale of property and equipment	5,761	-	-	5,761
Other	48,034	50,000	-	98,034
Net assets released from donor restrictions	977,623	(932,666)	(44,957)	-
Total support, revenues and gains	<u>5,189,882</u>	<u>(49,962)</u>	<u>141,886</u>	<u>5,281,806</u>
<b>Expenses</b>				
Program services				
Mission aid	1,730,211	-	-	1,730,211
Recruiting	266,891	-	-	266,891
Members' training	696,377	-	-	696,377
Mission education	700,259	-	-	700,259
Services to Glenmary community	356,924	-	-	356,924
Mass offerings	55,081	-	-	55,081
Total program services	<u>3,805,743</u>	<u>-</u>	<u>-</u>	<u>3,805,743</u>
Supporting services				
Fundraising	276,300	-	-	276,300
Administration	797,181	5,509	-	802,690
Property and equipment	78,056	-	-	78,056
Total supporting services	<u>1,151,537</u>	<u>5,509</u>	<u>-</u>	<u>1,157,046</u>
Total expenses and losses	<u>4,957,280</u>	<u>5,509</u>	<u>-</u>	<u>4,962,789</u>
<b>Change in net assets before other changes</b>	<u>232,602</u>	<u>(55,471)</u>	<u>141,886</u>	<u>319,017</u>
<b>Other changes</b>				
Unrealized gains (losses) on investments	93,593	(24,763)	5,717	74,547
Change in beneficial interest in perpetual trusts	-	-	49,542	49,542
Net assets released to beneficiaries	-	(332,706)	-	(332,706)
Deceased annuitants	258,253	(258,253)	-	-
Change in estimate for prior self-insured claims	72,890	-	-	72,890
Actuarial gains	-	52,599	-	52,599
Interfund transfers	(80,402)	146,236	(65,834)	-
Total other changes	<u>344,334</u>	<u>(416,887)</u>	<u>(10,575)</u>	<u>(83,128)</u>
<b>Change in net assets</b>	<u>576,936</u>	<u>(472,358)</u>	<u>131,311</u>	<u>235,889</u>
<b>Net assets, beginning of year</b>	<u>20,743,092</u>	<u>6,559,881</u>	<u>4,343,035</u>	<u>31,646,008</u>
<b>Net assets, end of year</b>	<u>\$ 21,320,028</u>	<u>\$ 6,087,523</u>	<u>\$ 4,474,346</u>	<u>\$ 31,881,897</u>

See accompanying notes to financial statements

## THE HOME MISSIONERS OF AMERICA

### Statement of Activities Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support, revenues, and gains</b>				
Contributions and bequests	\$ 4,180,381	\$ 714,119	\$ 10,500	\$ 4,905,000
Mission service income	121,278	-	-	121,278
Investment earnings, net	209,300	106,733	46,102	362,135
Realized gains (losses) on sale of investments	362,077	267,475	101,374	730,926
Self-insurance premiums	2,055	-	-	2,055
Gain on sale of property and equipment	76,071	-	-	76,071
Other	63,923	-	-	63,923
Reclassification of Society designation	3,798	-	-	3,798
Net assets released from donor restrictions	754,298	(713,002)	(41,296)	-
Total support, revenues and gains	<u>5,773,181</u>	<u>375,325</u>	<u>116,680</u>	<u>6,265,186</u>
<b>Expenses</b>				
Program services				
Mission aid	1,575,708	-	-	1,575,708
Recruiting	252,979	-	-	252,979
Members' training	776,969	-	-	776,969
Mission education	570,920	-	-	570,920
Services to Glenmary community	312,934	-	-	312,934
Mass offerings	46,295	-	-	46,295
Total program services	<u>3,535,805</u>	<u>-</u>	<u>-</u>	<u>3,535,805</u>
Supporting services				
Fundraising	263,534	-	-	263,534
Administration	862,167	-	-	862,167
Property and equipment	91,832	-	-	91,832
Total supporting services	<u>1,217,533</u>	<u>-</u>	<u>-</u>	<u>1,217,533</u>
Total expenses and losses	<u>4,753,338</u>	<u>-</u>	<u>-</u>	<u>4,753,338</u>
<b>Change in net assets before other changes</b>	<u>1,019,843</u>	<u>375,325</u>	<u>116,680</u>	<u>1,511,848</u>
<b>Other changes</b>				
Unrealized gains on investments	801,384	21,316	134,361	957,061
Change in beneficial interest in perpetual trusts	-	-	122,975	122,975
Net assets released to beneficiaries	-	(407,652)	-	(407,652)
Deceased annuitants	596,967	(596,967)	-	-
Change in estimate for prior self-insured claims	85,248	-	-	85,248
Actuarial gains	-	88,537	-	88,537
Reclassification of Society designation	(3,798)	-	-	(3,798)
Interfund transfers	(29,647)	128,544	(98,897)	-
Total other changes	<u>1,450,154</u>	<u>(766,222)</u>	<u>158,439</u>	<u>842,371</u>
<b>Change in net assets</b>	<u>2,469,997</u>	<u>(390,897)</u>	<u>275,119</u>	<u>2,354,219</u>
<b>Net assets, beginning of year</b>	<u>18,273,095</u>	<u>6,950,778</u>	<u>4,067,916</u>	<u>29,291,789</u>
<b>Net assets, end of year</b>	<u>\$ 20,743,092</u>	<u>\$ 6,559,881</u>	<u>\$ 4,343,035</u>	<u>\$ 31,646,008</u>

See accompanying notes to financial statements



**THE HOME MISSIONERS OF AMERICA**

**Statements of Cash Flows  
Years Ended June 30, 2018 and 2017**

	2018	2017
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 235,889	\$ 2,354,219
Adjustments to reconcile changes in net assets to net cash provided by operations:		
Depreciation	177,342	174,482
Gain on disposition of property	(5,761)	(76,071)
Realized gains on investments	(990,740)	(730,926)
Unrealized gains on investments	(74,547)	(957,061)
Change in beneficial interest in perpetual trusts	(49,541)	(122,975)
Actuarial gain on annuity obligations	(52,599)	(88,537)
Contributions restricted for long-term investment	(4,500)	(10,500)
Bad debt expense	-	24,501
Changes in:		
Other receivables	45,468	(24,688)
Accrued interest receivable	(3,045)	(4,575)
Bequests receivable	231,011	247,181
Beneficial interest in remainder trusts	5,659	(44,799)
Accounts payable and accrued expenses	(74,787)	(151,167)
Annuities payable	(84,405)	(117,012)
Post-retirement benefit obligation	4,900	1,770
Revocable charitable gift agreements	(2,547)	(38,737)
Net cash provided by (used in) operating activities	(642,203)	435,105
<b>Cash flows from investing activities</b>		
Advances made on notes receivable, net	(235,732)	(55,422)
Proceeds from sales of investments	7,775,992	10,992,053
Purchase of investments	(7,597,635)	(10,628,785)
Proceeds from sale of property and equipment	5,761	123,224
Purchase of property and equipment	(443,817)	(288,287)
Net cash provided by (used in) investing activities	(495,431)	142,783
<b>Cash flows from financing activities</b>		
Proceeds from contributions restricted for long-term investment	4,500	10,500
<b>Net change in cash</b>	(1,133,134)	588,388
<b>Cash, beginning of year</b>	2,132,254	1,543,866
<b>Cash, end of year</b>	\$ 999,120	\$ 2,132,254

See accompanying notes to financial statements

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization**

The Home Missioners of America (also known as Glenmary Home Missioners) (“Glenmary”) is a not-for-profit religious institution founded in 1939 by Father William Howard Bishop. Glenmary’s revenue and other support are principally derived from contributions, mission income and investment income.

The role of the Glenmary missioner is to proclaim the Kingdom of God and to be a sign and servant of that Kingdom. Glenmary serves in counties where less than three percent of the population is Catholic. Much of Glenmary’s ministry is ecumenically oriented and performed without regard to race, creed or economic conditions. Today, 27 Glenmary priests, 13 brothers and 2 deacons staff Glenmary missions and ministries in 11 dioceses.

Glenmary missioners and coworkers minister in Appalachia and the South by establishing a Catholic presence in counties where none has ever existed. Missioners help meet the spiritual and material needs of people in these counties. Glenmary’s ministry includes pastoral care, ecumenism, evangelization, social outreach, mission-related research and mission education.

The financial statements of Glenmary have been prepared on the accrual basis and include the assets, liabilities, net assets, support and revenues, expenses and cash flows relating to Glenmary’s operations. Mission parishes are separate entities under civil law that are distinct from Glenmary, maintain separate accounts, carry on their own services and programs and are expected to report annually to their respective constituency.

#### **Net Assets Classifications**

The financial statements have been prepared in accordance with applicable generally accepted accounting principles (GAAP) for not-for-profit entities that require, among other things, the net assets to be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets consist of:

- *Undesignated* net assets include those resources which may be used for any purpose.
- *Property and Equipment* - Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated economic lives of the assets.
- *Society Fund* - This fund serves as a “reserve” to the Operating Fund. Accumulated earnings and principal may be used if a deficit occurs in the Operating Fund.

Temporarily restricted net assets may be used only after the passage of a donor-stipulated period of time or for a donor-specified purpose.

Temporarily restricted net assets consist of:

- *Donor Restricted Fund* - This fund consists principally of funds received through revocable charitable gift agreements. Until Glenmary has the right to use these funds (generally at donor’s death), such funds are reported as deferred support.

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Net Assets Classifications (Continued)*

- *Annuity Fund* - The assets of this fund are segregated and physically separate from other assets. This fund contains contributions received under agreements whereby donors are entitled to periodic payments until their death, after which the principal amounts become available to Glenmary, generally without restriction. The actuarially-determined cost of future payments to the annuitants is reported as a liability in this fund. The difference between this liability and the total amount of the contributions received from annuitants is reported as net assets in this fund until death of the annuitant, at which time it is recognized as support within the Operating Fund. Any deficiency between total assets of the Annuity Fund and the total amount of annuity contracts in the Annuity Fund will be funded by the Operating Fund.
- *Pooled Income Fund* - This fund represents investments received under agreements whereby the donors receive the income from the pooled investments for their lifetime and, if named, for the lifetime of one beneficiary. After death, the donor's equity in the pooled investments becomes the absolute property of Glenmary. Accordingly, the donor's equity is reported as temporarily restricted net assets in this fund until death and, if named, the death of the named beneficiary, at which time the donor's equity is reported as support in the Operating Fund.
- *Education Expense Fund* - This fund represents earnings on the Educational Endowment Fund (Permanently restricted gifts) which are to be used for the education of students. Earnings of the Student Loan Fund (Permanently restricted gifts) are also placed in this fund. Funds are transferred to the Operating Fund to cover educational expenses if needed.

Permanently restricted net assets consist of:

- *Educational and Spiritual Endowment Fund* - This fund represents endowments that are subject to restrictions of gift instruments requiring in perpetuity that the principal be invested, and the income only be used. Additional endowment gifts are added to principal. The fund is reduced or increased annually to the principal amount and any needed transfer is made to/from the Education Expense Fund. This fund also holds the beneficial interest in perpetual trusts.
- *Father Bishop Student Loan Fund* - This fund provides educational loans to students for the priesthood or brotherhood. The fund is reduced or increased annually to the principal amount and any needed transfer is made to/from the Education Expense Fund.
- *Missions & Ministries Endowment Fund* - This fund represents endowments to provide support for Glenmary's purpose and ministries. The principal gifts are invested, and funds are transferred to the Operating Fund based on an approved spending policy.

#### **Cash**

Glenmary maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. Glenmary has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Investments***

Investments are carried at fair value. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Glenmary's investments do not have a significant concentration of credit or market risk within any industry, specific institution or group of investments.

#### ***Property and Equipment***

Property and equipment are reported at cost or, if donated or impaired, at fair value at the time of gift or determination. All expenditures for property and equipment in excess of \$5,000 are capitalized. Depreciation expense is recorded for property and equipment over their estimated useful lives using the straight-line method.

Under applicable GAAP for property and equipment, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, Glenmary believes no impairments existed at June 30, 2018 and 2017.

#### ***Contributions***

Glenmary 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. When a donor restriction expires, that is, when a stipulated time restriction ends, or 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. Contributions which are restricted as to use by the donor, and which are received and spent during the same year, are reflected as unrestricted revenue.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, Glenmary reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### ***Contributions (Continued)***

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. All bequests receivable recorded in the statement of financial position are expected to be collected in one year. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Donated Services***

Glenmary records donated services as revenues in the period received only if the services received create or enhance non-financial assets or required specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the financial statements for donated services. Glenmary pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Glenmary.

#### ***Income Taxes***

Glenmary is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio law. Glenmary's exempt status falls under Group Ruling 0928, which gives exemption to all Catholic organizations listed in the Official Catholic Directory. As a religious organization, Glenmary is not required to file annual federal or state information returns. Glenmary believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

#### ***Cost Allocation***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses have been classified based upon the actual direct expenditures and cost allocations based upon estimates of time spent by Glenmary personnel.

#### ***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### ***Subsequent Event Evaluation***

In preparing its financial statements, Glenmary has evaluated events subsequent to the statement of financial position date through October 8, 2018, which is the date the financial statements were available to be issued.

#### ***New Accounting Standards***

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard aims to improve nonprofit financial statements in an effort to provide more useful information to donors, grantors, creditors and other users. Major components of this standard include: net asset classifications, liquidity and availability of cash and consistency in reporting expenses. Net asset classifications will be reduced from three classes (unrestricted, temporarily restricted and permanently restricted) to two: net assets with donor restrictions and net assets without donor restrictions. Updated disclosure requirements will be presented regarding risk exposure and availability of cash for short term use. Expenses will be reported by both their natural and functional classification to aid in the usefulness of financial statements. This standard will be effective for Glenmary's year ending June 30, 2019.

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *New Accounting Standards (Continued)*

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarifies how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. This standard will be effective for Glenmary's year ending June 30, 2020.

Glenmary is currently in the process of evaluating the impact of adoption of these ASUs on the financial statements.

### NOTE 2 NOTES RECEIVABLE

#### *Unrestricted*

The Operating Fund notes receivable are non-interest bearing notes receivable from various individuals and missions served by Glenmary and generally are due in periodic payments at various dates. Glenmary had \$498,147 and \$301,679 of gross notes outstanding at June 30, 2018 and 2017, respectively. Notes receivable are evaluated for impairment in accordance with GAAP. Management, considering current information and events, considers a note receivable to be impaired when it is probable that Glenmary will be unable to collect all amounts due according to the terms of the note agreement. Impairment losses are included in the allowance for doubtful notes through a charge to the provision for doubtful receivables. The allowance for doubtful loans was \$165,331 as of June 30, 2018 and 2017.

#### *Permanently Restricted*

The Father Bishop Student Loan Fund notes receivable represents loans to students. As of June 30, 2018 and 2017, there were gross loans outstanding totaling \$183,105 and \$143,841, respectively. The allowance for doubtful loans was \$30,915 as of June 30, 2018 and 2017. Payments are deferred on all current loans.

## THE HOME MISSIONERS OF AMERICA

### Notes to Financial Statements (Continued)

#### NOTE 3 INVESTMENTS

Investments at June 30 are composed of the following:

	<u>2018</u>	<u>2017</u>
Common stock	\$ 15,354,364	\$ 14,173,866
Corporate bonds	3,458,159	3,825,833
Money market funds	2,403,785	2,314,445
Mortgage backed securities	2,275,708	-
Government bonds	1,809,844	3,795,107
Fixed income mutual funds	1,713,314	2,015,917
Certificates of deposit	790,000	790,000
Other investments, primarily notes receivable	323,000	335,860
Equity mutual funds	9,783	-
	<u>\$ 28,137,957</u>	<u>\$ 27,251,028</u>

Glenmary invests in certificates of deposit at various financial institutions. It is Glenmary's policy to invest no more than the FDIC insurance limit at any specific institution. Other investments, included in the Society Fund, consist primarily of secured and unsecured notes receivable with interest ranging from 0.7% to 2.5% per annum and are due at various dates through 2019. Based upon a review of outstanding notes, historical collection information and existing economic conditions, Glenmary has determined that no allowance for uncollectible notes is necessary.

#### NOTE 4 BENEFICIAL INTEREST IN REMAINDER TRUSTS

Glenmary is a beneficiary of various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets (or designated portion thereof) are available for Glenmary. The portion of the trust attributable to the future interest of Glenmary is recorded in the statement of financial position at fair market value and in the statement of activities as temporarily or permanently restricted contributions in the period the trust is established. On an annual basis, the estimated remainder interests are valued based on actuarial information regarding income beneficiaries.

#### NOTE 5 BENEFICIAL INTEREST IN PERPETUAL TRUSTS

Glenmary is the beneficiary under perpetual trusts administered by an outside party. Under the terms of the trust, Glenmary has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The estimated value of the expected future cash flows is \$1,728,388 and \$1,687,845, which represents the fair value of the trust assets as of June 30, 2018 and 2017, respectively. The income from these trusts for 2018 and 2017 was \$44,576 and \$35,939, respectively.

**THE HOME MISSIONERS OF AMERICA**

**Notes to Financial Statements  
(Continued)**

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment at June 30 consisted of the following:

	<u>2018</u>	<u>2017</u>
Buildings and improvements	\$ 2,145,343	\$ 1,869,412
Furniture, fixtures, and equipment	140,027	140,027
Automobiles	818,196	747,540
Land and improvements	871,100	832,871
Less accumulated depreciation	<u>(2,265,457)</u>	<u>(2,147,116)</u>
	<u>\$ 1,709,209</u>	<u>\$ 1,442,734</u>

**NOTE 7 ANNUITIES AND TRUSTS PAYABLE**

Glenmary has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from donors are recorded at fair value. Glenmary has recorded a liability of \$2,309,053 and \$2,446,057 as of June 30, 2018 and 2017, respectively, which represents the present value of the future annuity obligations. The liability has been computed in accordance with commonly accepted actuarial standards and is fairly stated in accordance with sound actuarial principles as determined by an independent actuary.

Glenmary's segregated annuity fund consisted of the following at June 30:

	<u>2018</u>	<u>2017</u>
Annuity assets held	\$ 4,299,726	\$ 4,634,940
Reserve for annuity liability	<u>2,309,053</u>	<u>2,446,057</u>
Excess of annuity assets held over liability	<u>\$ 1,990,673</u>	<u>\$ 2,188,883</u>
Percent of assets held over reserve for liability	<u>186%</u>	<u>189%</u>

Glenmary administers various revocable charitable gift agreements. A charitable gift agreement provides for the payment of distributions to the donor or other designated beneficiaries over the agreement's term (usually the designated beneficiary's lifetime). At the end of the agreement's term, the remaining assets are available for Glenmary's use. Assets held in the charitable gift agreements are recorded at fair value in Glenmary's statements of financial position. A liability for the value of these agreements is included in the statements of financial position and no contribution revenue has been recognized in the statements of activities since the gift agreements are revocable at the discretion of the grantor.



**THE HOME MISSIONERS OF AMERICA**

**Notes to Financial Statements  
(Continued)**

**NOTE 8 POST RETIREMENT BENEFITS**

Glenmary has a 401(k) retirement plan, coverage of which is extended to all eligible lay employees. The plan provides for annual contributions based on the amount of the employees' salaries, as defined. Upon retirement, vested benefits are paid from the accumulated contributions and related investment earnings. Glenmary's policy is to fund pension costs as incurred. Pension costs were \$41,235 and \$48,155 for 2018 and 2017, respectively, and are included in the operating fund expenses. Employees may make salary deferred contributions to the plan.

Glenmary offers any employee who retires at the age of 62 or older to be eligible for a monthly post-retirement health care benefit beginning at age 65. The amount of benefit is based on the length of time the employee participated in Glenmary's medical and dental plans. The benefit is subject to annual approval by the Executive Council as part of the budgeting process. The approved amount payable to retirees is \$17,920 and \$13,020 as of June 30, 2018 and 2017, respectively.

**NOTE 9 SELF-INSURANCE PROGRAM**

Glenmary provides a portion of the medical, dental, vision and automobile collision and comprehensive insurance coverage to all members under self-insurance programs which are funded by premiums received from the parishes and houses. Claims for members over age 65 are further reduced by Medicare coverage and a supplemental policy.

**NOTE 10 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30 are available for the following purposes:

	2018	2017
Donor restricted	\$ 1,977,133	\$ 2,234,882
Annuity	1,988,880	2,186,619
Pooled income	850,310	833,519
Education expense	1,271,200	1,304,861
	\$ 6,087,523	\$ 6,559,881

**NOTE 11 PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted for the following purposes:

	2018	2017
Educational Endowment fund (less perpetual trusts)	\$ 844,012	\$ 844,012
Missions and Ministries Endowment	1,840,744	1,758,951
Total endowment	2,684,756	2,602,963
Beneficial interest in perpetual trusts	1,728,388	1,678,847
Father Bishop Student Loan fund	61,202	61,225
	\$ 4,474,346	\$ 4,343,035

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 12 FAIR VALUE MEASUREMENTS

Current accounting and reporting standards define fair value, establish a three-level hierarchy for fair value measurements based on transparency of valuation inputs and require disclosures about fair value measurements. The hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The three levels are defined as follows:

**Level 1** – Inputs are unadjusted quoted prices for identical assets in active markets.

**Level 2** – Inputs are observable quoted prices for similar assets in active markets.

**Level 3** – Inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Following is a description of the valuation approaches used for assets measured at fair value.

**Investments** – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds, certificates of deposit, common stock, equity mutual funds and fixed income mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics. Level 2 securities include money market funds, corporate bonds, mortgage backed securities and other investments (primarily made up of notes receivable).

**Beneficial Interests in Remainder Trusts and Perpetual Trusts** – Fair value for the beneficial interest in a remainder trust is determined by calculating the present value of the future distributions expected to be received.

**THE HOME MISSIONERS OF AMERICA**

**Notes to Financial Statements  
(Continued)**

**NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table summarizes assets measured at fair value on a recurring basis at June 30:

Description	Fair Value	Level 1	Level 2	Level 3
<b>2018</b>				
Common stock	\$ 15,354,364	\$ 15,354,364	\$ -	\$ -
Corporate bonds	3,458,159	-	3,458,159	-
Money market funds	2,403,785	-	2,403,785	-
Mortgage backed securities	2,275,708	-	2,275,708	-
Government bonds	1,809,844	1,809,844	-	-
Fixed income mutual funds	1,713,314	1,713,314	-	-
Certificates of deposit	790,000	790,000	-	-
Other investments, primarily notes receivable	323,000	-	323,000	-
Equity mutual funds	9,783	9,783	-	-
Beneficial interest in remainder trusts	1,881,997	-	1,881,997	-
Beneficial interest in perpetual trusts	1,728,388	-	-	1,728,388
<b>Total assets</b>	<b><u>\$ 31,748,342</u></b>	<b><u>\$ 19,677,305</u></b>	<b><u>\$ 10,342,649</u></b>	<b><u>\$ 1,728,388</u></b>
<b>2017</b>				
Common stock	\$ 14,173,866	\$ 14,173,866	\$ -	\$ -
Corporate bonds	3,825,833	-	3,825,833	-
Government bonds	3,795,107	3,795,107	-	-
Money market funds	2,314,445	-	2,314,445	-
Fixed income mutual funds	2,015,917	2,015,917	-	-
Beneficial interest in remainder trusts	1,887,656	-	1,887,656	-
Beneficial interest in perpetual trusts	1,678,847	-	-	1,678,847
Certificates of deposit	790,000	790,000	-	-
Other investments, primarily notes receivable	335,860	-	335,860	-
<b>Total assets</b>	<b><u>\$ 30,817,531</u></b>	<b><u>\$ 20,774,890</u></b>	<b><u>\$ 8,363,794</u></b>	<b><u>\$ 1,678,847</u></b>

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at June 30:

	<u>Beneficial Interest in Perpetual Trust</u>
Balance, June 30, 2016	\$ 1,555,871
Change in fair value	<u>122,975</u>
Balance, June 30, 2017	\$ 1,678,846
Change in fair value	<u>49,542</u>
Balance, June 30, 2018	<u><u>\$ 1,728,388</u></u>

# THE HOME MISSIONERS OF AMERICA

## Notes to Financial Statements (Continued)

### NOTE 13 ENDOWMENTS

Glenmary's endowment includes donor-restricted endowment funds. Beneficial interest in trusts held by others and the Father Bishop Student Loan Fund are not considered components of the endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including any funds designated by the governing Council to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of Relevant Law*

The Board of Trustees of the Organization follows the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA provides guidance on matters concerning the governance and management of donor-restricted endowment funds. Under UPMIFA, the original value of donated gifts to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument are classified as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

In relation to its endowments, Glenmary feels that funding ministry needs in the future are as important as funding ministry needs today. This is consistent with the philosophy that the endowments are to exist in perpetuity, and therefore, should provide for funding ministry needs in perpetuity. To attain this goal, the primary objective of the endowments is to maintain a balance consistent with the original donor value. The secondary objective of the endowments is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at the rate of inflation over the endowments' investment horizon.

The endowments place highest emphasis on meeting its ministry obligations. As such, Glenmary regards spending in dollar terms from year to year as inflexible. While spending is inflexible, and therefore relatively consistent and predictable, expected investment returns from "riskier" portfolios are not consistent and predictable. Therefore, in order to reduce the likelihood of underperformance and excessive deterioration of real principal during such periods, the endowments must tend toward a more "conservative" investment strategy than might be the case if ministry needs from year to year were more flexible.

Glenmary has set spending policies as follows:

#### *Glenmary Educational and Spiritual Endowment Fund*

At the end of each fiscal year, the fund will be reduced to the amount of its original principal and all excess return will be moved to the corresponding reserve account. In the event the portfolio incurs a decline in any calendar year, the corresponding reserve account will contribute an amount equal to the asset value decline to bring the fund back to the original principal amount. If insufficient funds are available from the reserve account, Glenmary will contribute an amount equal to the deficit that is unfunded by the reserve account. The fiscal year is defined as the twelve-month period ending June 30th.

## THE HOME MISSIONERS OF AMERICA

### Notes to Financial Statements (Continued)

#### NOTE 13 ENDOWMENTS (CONTINUED)

##### ***Glenmary Missions and Ministries Endowment Fund***

During the first six years of the funds existence, as determined by the board of trustees, there will be no annual spending to allow for a period of portfolio growth. After six years, the board of trustees may spend no less than 3% of the funds principal annually, with annual maximum spending up to 5%. With respect to spending, the fund will always maintain a value that is equal to or exceeds original donor contributions and will not facilitate any spending that results in balances being reduced below original donor value. The fiscal year is defined as the twelve-month period ending June 30th. For purposes of calculating the annual spending limits, the fund will use the fiscal year end value of the portfolio as calculated on June 30th of each fiscal year end and use a rolling average of the past five fiscal year end values.

In order to meet its needs, the investment strategy of the *Glenmary Missions and Ministries Endowment Fund* and the *Glenmary Educational and Spiritual Endowment Fund* is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective in the investment management for endowment assets shall be for the preservation of capital. That is, to minimize the probability of loss of principal over the investment horizon. Emphasis is placed on minimizing return volatility rather than maximizing total return. The secondary objective in the investment management of endowment assets shall be for income and growth; specifically, to achieve a balanced return of current income and modest growth of principal.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires Glenmary to retain as a fund of perpetual duration. In accordance with Glenmary's policies, deficiencies of this nature are covered by realized returns from prior years.

A summary of Glenmary's endowments at June 30 follows:

	2018	2017
<b>Permanently restricted:</b>		
Donor-restricted endowments, at historical value:		
Educational endowment	\$ 844,012	\$ 844,012
Missions and Ministries endowment	1,840,744	1,758,951
	2,684,756	2,602,963
<b>Temporarily restricted:</b>		
Donor-restricted endowments, at historical value:		
Educational endowment - accumulated earnings	1,271,200	1,304,861
Total endowment funds	\$ 3,955,956	\$ 3,907,824

**THE HOME MISSIONERS OF AMERICA**

**Notes to Financial Statements  
(Continued)**

**NOTE 13 ENDOWMENTS (CONTINUED)**

Changes in endowment net assets for 2018 and 2017 were:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment net assets at:</b>			
<b>June 30, 2016</b>	\$ 1,118,875	\$ 2,445,361	\$ 3,564,236
Additions	-	10,500	10,500
Investment return	36,090	145,991	182,081
Net appreciation	50,999	129,709	180,708
Interfund transfers	98,897	(87,302)	11,595
Appropriated for expenditure	-	(41,296)	(41,296)
<b>June 30, 2017</b>	<u>\$ 1,304,861</u>	<u>\$ 2,602,963</u>	<u>\$ 3,907,824</u>
Additions	50,000	4,500	54,500
Investment earnings	49,053	179,019	228,072
Net appreciation	16,835	4,336	21,171
Interfund transfers	65,834	(61,105)	4,729
Appropriated for expenditure	(215,383)	(44,957)	(260,340)
<b>June 30, 2018</b>	<u>\$ 1,271,200</u>	<u>\$ 2,684,756</u>	<u>\$ 3,955,956</u>

**NOTE 14 CONTINGENCIES**

As of June 30, 2018 and 2017, Glenmary was subject to an outstanding claim that management estimated at \$93,018 and \$139,634, respectively, which is included in accounts payable and accrued expenses on the statements of financial position. In September 2006 a final settlement agreement was reached with the claimant. Donor funds are not being expended for this purpose. Estimates and assumptions are inherent in the calculation of the final settlement amount, such as the claimant's life expectancy. While management applies its judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions.

**NOTE 15 SIGNIFICANT ESTIMATES AND UNCERTAINTIES**

Glenmary's investments consist of term notes, common stocks, and fixed income securities. Investment securities are exposed to various risks, such as credit, market and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at June 30, 2018. However, the diversification of Glenmary's investments among various asset classes should mitigate the impact of any adverse changes on any one asset class.

## **SUPPLEMENTARY INFORMATION**

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Unrestricted  
June 30, 2018**

	<b>Operating</b>	<b>Society Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 975,801	\$ -	\$ 975,801
Cash working funds - houses and missions	23,320	-	23,320
Notes receivable, net	332,816	-	332,816
Other receivables	78,502	-	78,502
Accrued interest receivable	19,295	26,480	45,775
Investments	7,369,894	10,358,113	17,728,007
Prepaid expenses and deposits	68,749	-	68,749
Property and equipment, net	1,709,209	-	1,709,209
Interfund receivable (payable)	758,079	(1,852)	756,227
	<b>\$ 11,335,665</b>	<b>\$ 10,382,741</b>	<b>\$ 21,718,406</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 283,985	\$ 96,473	\$ 380,458
Postretirement benefit obligation	17,920	-	17,920
	<b>301,905</b>	<b>96,473</b>	<b>398,378</b>
<b>Net assets - unrestricted</b>			
Designated	-	10,286,268	10,286,268
Undesignated	11,033,760	-	11,033,760
	<b>11,033,760</b>	<b>10,286,268</b>	<b>21,320,028</b>
	<b>\$ 11,335,665</b>	<b>\$ 10,382,741</b>	<b>\$ 21,718,406</b>



**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Unrestricted  
June 30, 2017**

	<b>Operating</b>	<b>Society Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 2,113,006	\$ -	\$ 2,113,006
Cash working funds - houses and missions	19,248	-	19,248
Notes receivable, net	136,348	-	136,348
Other receivables	62,916	-	62,916
Accrued interest receivable	17,460	22,357	39,817
Investments	6,920,034	9,879,265	16,799,299
Prepaid expenses and deposits	129,803	-	129,803
Property and equipment, net	1,442,734	-	1,442,734
Interfund receivable	467,953	4,215	472,168
	<u>\$ 11,309,502</u>	<u>\$ 9,905,837</u>	<u>\$ 21,215,339</u>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 316,321	\$ 142,906	\$ 459,227
Postretirement benefit obligation	13,020	-	13,020
	<u>329,341</u>	<u>142,906</u>	<u>472,247</u>
<b>Net assets - unrestricted</b>			
Designated	-	9,762,931	9,762,931
Undesignated	10,980,161	-	10,980,161
	<u>10,980,161</u>	<u>9,762,931</u>	<u>20,743,092</u>
	<u>\$ 11,309,502</u>	<u>\$ 9,905,837</u>	<u>\$ 21,215,339</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Temporarily Restricted  
June 30, 2018**

	<u>Donor Restricted</u>	<u>Annuity</u>	<u>Pooled Income</u>	<u>Education Expense</u>	<u>Total</u>
<b>Assets</b>					
Accrued interest receivable	\$ -	\$ 15,286	\$ -	\$ 3,472	\$ 18,758
Bequests receivable	109,000	-	-	-	109,000
Investments	655,407	4,805,043	856,711	1,176,452	7,493,613
Beneficial interest in remainder trusts	1,881,997	-	-	-	1,881,997
Interfund receivable (payable)	984	(520,603)	(3,319)	91,726	(431,212)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 2,647,388</u>	<u>\$ 4,299,726</u>	<u>\$ 853,392</u>	<u>\$ 1,271,650</u>	<u>\$ 9,072,156</u>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 55	\$ 1,793	\$ 3,082	\$ 450	\$ 5,380
Annuities payable	-	2,309,053	-	-	2,309,053
Revocable charitable gift agreements	670,200	-	-	-	670,200
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	670,255	2,310,846	3,082	450	2,984,633
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net assets - temporarily restricted</b>	<u>1,977,133</u>	<u>1,988,880</u>	<u>850,310</u>	<u>1,271,200</u>	<u>6,087,523</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and net assets	<u>\$ 2,647,388</u>	<u>\$ 4,299,726</u>	<u>\$ 853,392</u>	<u>\$ 1,271,650</u>	<u>\$ 9,072,156</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Temporarily Restricted  
June 30, 2017**

	<b>Donor Restricted</b>	<b>Annuity</b>	<b>Pooled Income</b>	<b>Education Expense</b>	<b>Total</b>
<b>Assets</b>					
Accrued interest receivable	\$ -	\$ 18,952	\$ -	\$ 3,131	\$ 22,083
Bequests receivable	340,011	-	-	-	340,011
Investments	708,094	5,031,229	834,266	1,109,128	7,682,717
Beneficial interest in remainder trusts	1,887,656	-	-	-	1,887,656
Interfund receivable (payable)	(28,132)	(415,241)	(2,031)	193,022	(252,382)
	<u>\$ 2,907,629</u>	<u>\$ 4,634,940</u>	<u>\$ 832,235</u>	<u>\$ 1,305,281</u>	<u>\$ 9,680,085</u>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ -	2,264	\$ (1,284)	\$ 420	\$ 1,400
Annuities payable	-	2,446,057	-	-	2,446,057
Revocable charitable gift agreements	672,747	-	-	-	672,747
	<u>672,747</u>	<u>2,448,321</u>	<u>(1,284)</u>	<u>420</u>	<u>3,120,204</u>
Total liabilities	672,747	2,448,321	(1,284)	420	3,120,204
<b>Net assets - temporarily restricted</b>	<u>2,234,882</u>	<u>2,186,619</u>	<u>833,519</u>	<u>1,304,861</u>	<u>6,559,881</u>
Total liabilities and net assets	<u>\$ 2,907,629</u>	<u>\$ 4,634,940</u>	<u>\$ 832,235</u>	<u>\$ 1,305,281</u>	<u>\$ 9,680,085</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Permanently Restricted  
June 30, 2018**

	<b>Educational Endowment</b>	<b>Father Bishop Student Loan</b>	<b>Missions &amp; Ministries Endowment</b>	<b>Total</b>
<b>Assets</b>				
Notes receivable, net	\$ -	\$ 152,190	\$ -	\$ 152,190
Accrued interest receivable	924	221	1,334	2,479
Investments	991,485	85,362	1,839,490	2,916,337
Beneficial interest in perpetual trusts	1,728,388	-	-	1,728,388
Interfund receivable (payable)	(148,397)	(176,538)	(80)	(325,015)
	<b>\$ 2,572,400</b>	<b>\$ 61,235</b>	<b>\$ 1,840,744</b>	<b>\$ 4,474,379</b>
<b>Liabilities</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ -	\$ 33	\$ -	\$ 33
<b>Net assets - permanently restricted</b>	<b>2,572,400</b>	<b>61,202</b>	<b>1,840,744</b>	<b>4,474,346</b>
Total liabilities and net assets	<b>\$ 2,572,400</b>	<b>\$ 61,235</b>	<b>\$ 1,840,744</b>	<b>\$ 4,474,379</b>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Financial Position – Permanently Restricted  
June 30, 2017**

	<b>Educational Endowment</b>	<b>Father Bishop Student Loan</b>	<b>Missions &amp; Ministries Endowment</b>	<b>Total</b>
<b>Assets</b>				
Notes receivable, net	\$ -	\$ 112,926	\$ -	\$ 112,926
Accrued interest receivable	771	200	1,096	2,067
Investments	930,531	80,547	1,757,934	2,769,012
Beneficial interest in perpetual trusts	1,678,847	-	-	1,678,847
Interfund receivable (payable)	(87,290)	(132,417)	(79)	(219,786)
	<u>\$ 2,522,859</u>	<u>\$ 61,256</u>	<u>\$ 1,758,951</u>	<u>\$ 4,343,066</u>
<b>Liabilities</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ -	31	\$ -	\$ 31
<b>Net assets - permanently restricted</b>	<u>2,522,859</u>	<u>61,225</u>	<u>1,758,951</u>	<u>4,343,035</u>
Total liabilities and net assets	<u>\$ 2,522,859</u>	<u>\$ 61,256</u>	<u>\$ 1,758,951</u>	<u>\$ 4,343,066</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Unrestricted  
For the Year Ended June 30, 2018**

	<u>Operating</u>	<u>Society Fund</u>	<u>Total</u>
<b>Support, revenues and gains</b>			
Contributions and bequests	\$ 3,154,357	\$ -	\$ 3,154,357
Mission service income	105,736	-	105,736
Investment earnings, net	94,888	159,594	254,482
Realized gains on sale of investments	222,479	418,351	640,830
Self-insurance premiums	3,059	-	3,059
Gain on sale of property and equipment	5,761	-	5,761
Other	48,034	-	48,034
Net assets released from donor restrictions	1,007,480	(29,857)	977,623
Total support, revenues and gains	<u>4,641,794</u>	<u>548,088</u>	<u>5,189,882</u>
<b>Expenses</b>			
Program services			
Mission aid	1,730,211	-	1,730,211
Recruiting	266,891	-	266,891
Members' training	700,259	-	700,259
Mission education	696,377	-	696,377
Services to Glenmary community	356,924	-	356,924
Mass offerings	55,081	-	55,081
Total program services	<u>3,805,743</u>	<u>-</u>	<u>3,805,743</u>
Supporting services			
Fundraising	276,300	-	276,300
Administration	797,181	-	797,181
Plant and equipment	78,056	-	78,056
Total supporting services	<u>1,151,537</u>	<u>-</u>	<u>1,151,537</u>
Total expenses and losses	<u>4,957,280</u>	<u>-</u>	<u>4,957,280</u>
<b>Change in net assets before other changes</b>	<u>(315,486)</u>	<u>548,088</u>	<u>232,602</u>
<b>Other changes</b>			
Unrealized gains (losses) on investments	118,344	(24,751)	93,593
Deceased annuitants	258,253	-	258,253
Change in estimate for prior self-insured claims	72,890	-	72,890
Interfund transfers	(80,402)	-	(80,402)
Total other changes	<u>369,085</u>	<u>(24,751)</u>	<u>344,334</u>
<b>Change in net assets</b>	53,599	523,337	576,936
<b>Net assets, beginning of year</b>	10,980,161	9,762,931	20,743,092
<b>Net assets, end of year</b>	<u>\$ 11,033,760</u>	<u>\$ 10,286,268</u>	<u>\$ 21,320,028</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Unrestricted  
For the Year Ended June 30, 2017**

	<u>Operating</u>	<u>Society Fund</u>	<u>Total</u>
<b>Support, revenues and gains</b>			
Contributions and bequests	\$ 4,180,381	\$ -	\$ 4,180,381
Mission service income	121,278	-	121,278
Investment earnings, net	72,218	137,082	209,300
Realized gains on sale of investments	113,873	248,204	362,077
Self-insurance premiums	2,055	-	2,055
Gain on sale of property and equipment	76,071	-	76,071
Other	63,923	-	63,923
Reclassification of Society designation	3,798	-	3,798
Net assets released from donor restrictions	781,914	(27,616)	754,298
Total support, revenues and gains	<u>5,415,511</u>	<u>357,670</u>	<u>5,773,181</u>
<b>Expenses</b>			
Program services			
Mission aid	1,575,708	-	1,575,708
Recruiting	252,979	-	252,979
Members' training	570,920	-	570,920
Mission education	776,969	-	776,969
Services to Glenmary community	312,934	-	312,934
Mass offerings	46,295	-	46,295
Total program services	<u>3,535,805</u>	<u>-</u>	<u>3,535,805</u>
Supporting services			
Fundraising	263,534	-	263,534
Administration	862,167	-	862,167
Plant and equipment	91,832	-	91,832
Total supporting services	<u>1,217,533</u>	<u>-</u>	<u>1,217,533</u>
Total expenses and losses	<u>4,753,338</u>	<u>-</u>	<u>4,753,338</u>
<b>Change in net assets before other changes</b>	<u>662,173</u>	<u>357,670</u>	<u>1,019,843</u>
<b>Other changes</b>			
Unrealized gains on investments	317,609	483,775	801,384
Deceased annuitants	596,967	-	596,967
Change in estimate for prior self-insured claims	85,248	-	85,248
Reclassification of Society Designation	(3,798)	-	(3,798)
Interfund transfers	(29,647)	-	(29,647)
Total other changes	<u>966,379</u>	<u>483,775</u>	<u>1,450,154</u>
<b>Change in net assets</b>	<u>1,628,552</u>	<u>841,445</u>	<u>2,469,997</u>
<b>Net assets, beginning of year</b>	<u>9,351,609</u>	<u>8,921,486</u>	<u>18,273,095</u>
<b>Net assets, end of year</b>	<u>\$ 10,980,161</u>	<u>\$ 9,762,931</u>	<u>\$ 20,743,092</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Temporarily Restricted  
For the Year Ended June 30, 2018**

	<u>Donor Restricted</u>	<u>Annuity</u>	<u>Pooled Income</u>	<u>Education Expense</u>	<u>Total</u>
<b>Support, revenues and gains</b>					
Contributions and bequests	\$ 459,293	\$ 63,570	\$ -	\$ -	\$ 522,863
Investment earnings, net	7,312	74,116	-	16,332	97,760
Other income	-	-	-	50,000	50,000
Realized gains (losses) on sale of investments	-	170,992	8,368	32,721	212,081
Net assets released from donor restrictions	<u>(717,283)</u>	<u>-</u>	<u>-</u>	<u>(215,383)</u>	<u>(932,666)</u>
Total support, revenues and gains	<u>(250,678)</u>	<u>308,678</u>	<u>8,368</u>	<u>(116,330)</u>	<u>(49,962)</u>
<b>Expenses</b>					
Administration	<u>-</u>	<u>-</u>	<u>5,509</u>	<u>-</u>	<u>5,509</u>
<b>Change in net assets before other changes</b>	<u>(250,678)</u>	<u>308,678</u>	<u>2,859</u>	<u>(116,330)</u>	<u>(55,471)</u>
<b>Other changes</b>					
Unrealized gains (losses) on investments	-	(55,530)	13,932	16,835	(24,763)
Net assets released to beneficiaries	(7,071)	(325,635)	-	-	(332,706)
Deceased annuitants	-	(258,253)	-	-	(258,253)
Actuarial gains	-	52,599	-	-	52,599
Interfund transfers	<u>-</u>	<u>80,402</u>	<u>-</u>	<u>65,834</u>	<u>146,236</u>
Total other changes	<u>(7,071)</u>	<u>(506,417)</u>	<u>13,932</u>	<u>82,669</u>	<u>(416,887)</u>
<b>Change in net assets</b>	<u>(257,749)</u>	<u>(197,739)</u>	<u>16,791</u>	<u>(33,661)</u>	<u>(472,358)</u>
<b>Net assets, beginning of year</b>	<u>2,234,882</u>	<u>2,186,619</u>	<u>833,519</u>	<u>1,304,861</u>	<u>6,559,881</u>
<b>Net assets, end of year</b>	<u>\$ 1,977,133</u>	<u>\$ 1,988,880</u>	<u>\$ 850,310</u>	<u>\$ 1,271,200</u>	<u>\$ 6,087,523</u>



**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Temporarily Restricted  
For the Year Ended June 30, 2017**

	<u>Donor Restricted</u>	<u>Annuity</u>	<u>Pooled Income</u>	<u>Education Expense</u>	<u>Total</u>
<b>Support, revenues and gains</b>					
Contributions and bequests	\$ 469,799	\$ 244,320	\$ -	\$ -	\$ 714,119
Investment earnings, net	9,036	84,224	-	13,473	106,733
Realized gains on sale of investments	-	244,858	-	22,617	267,475
Net assets released from donor restrictions	(713,002)	-	-	-	(713,002)
<b>Total support, revenues and gains</b>	<u>(234,167)</u>	<u>573,402</u>	<u>-</u>	<u>36,090</u>	<u>375,325</u>
<b>Other changes</b>					
Unrealized gains (losses) on investments	-	(80,160)	50,477	50,999	21,316
Net assets released to beneficiaries	(8,284)	(358,728)	(40,640)	-	(407,652)
Deceased annuitants	-	(596,967)	-	-	(596,967)
Actuarial gains	-	88,537	-	-	88,537
Interfund transfers	-	29,647	-	98,897	128,544
<b>Total other changes</b>	<u>(8,284)</u>	<u>(917,671)</u>	<u>9,837</u>	<u>149,896</u>	<u>(766,222)</u>
<b>Change in net assets</b>	<u>(242,451)</u>	<u>(344,269)</u>	<u>9,837</u>	<u>185,986</u>	<u>(390,897)</u>
<b>Net assets, beginning of year</b>	<u>2,477,333</u>	<u>2,530,888</u>	<u>823,682</u>	<u>1,118,875</u>	<u>6,950,778</u>
<b>Net assets, end of year</b>	<u>\$ 2,234,882</u>	<u>\$ 2,186,619</u>	<u>\$ 833,519</u>	<u>\$ 1,304,861</u>	<u>\$ 6,559,881</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Permanently Restricted  
For the Year Ended June 30, 2018**

	<u>Educational Endowment</u>	<u>Father Bishop Student Loan</u>	<u>Missions &amp; Ministries Endowment</u>	<u>Total</u>
<b>Support, revenues and gains</b>				
Contributions and bequests	\$ -	\$ -	\$ 4,500	\$ 4,500
Investment earnings, net	17,224	666	26,624	44,514
Realized gains on sale of investments	44,823	2,659	90,347	137,829
Net assets released from donor restrictions	-	-	(44,957)	(44,957)
	<u>62,047</u>	<u>3,325</u>	<u>76,514</u>	<u>141,886</u>
<b>Other changes</b>				
Unrealized gains (losses) on investments	(943)	1,381	5,279	5,717
Change in beneficial interest in perpetual trusts	49,542	-	-	49,542
Interfund transfers	(61,105)	(4,729)	-	(65,834)
	<u>(12,506)</u>	<u>(3,348)</u>	<u>5,279</u>	<u>(10,575)</u>
<b>Change in net assets</b>	49,541	(23)	81,793	131,311
<b>Net assets, beginning of year</b>	<u>2,522,859</u>	<u>61,225</u>	<u>1,758,951</u>	<u>4,343,035</u>
<b>Net assets, end of year</b>	<u>\$ 2,572,400</u>	<u>\$ 61,202</u>	<u>\$ 1,840,744</u>	<u>\$ 4,474,346</u>

**THE HOME MISSIONERS OF AMERICA**

**Schedule of Statement of Activities – Permanently Restricted  
For the Year Ended June 30, 2017**

	<u>Educational Endowment</u>	<u>Father Bishop Student Loan</u>	<u>Missions &amp; Ministries Endowment</u>	<u>Total</u>
<b>Support, revenues and gains</b>				
Contributions and bequests	\$ -	\$ -	\$ 10,500	\$ 10,500
Investment earnings, net	18,294	408	27,400	46,102
Realized gains on sale of investments	32,321	1,077	67,976	101,374
Net assets released from donor restriction	-	-	(41,296)	(41,296)
	<u>50,615</u>	<u>1,485</u>	<u>64,580</u>	<u>116,680</u>
Total support, revenues and gains				
<b>Other changes</b>				
Unrealized gains on investments	36,687	4,652	93,022	134,361
Change in beneficial interest in perpetual trusts	122,975	-	-	122,975
Interfund transfers	(87,302)	(11,595)	-	(98,897)
	<u>72,360</u>	<u>(6,943)</u>	<u>93,022</u>	<u>158,439</u>
Total other changes				
<b>Change in net assets</b>	122,975	(5,458)	157,602	275,119
<b>Net assets, beginning of year</b>	<u>2,399,884</u>	<u>66,683</u>	<u>1,601,349</u>	<u>4,067,916</u>
<b>Net assets, end of year</b>	<u>\$ 2,522,859</u>	<u>\$ 61,225</u>	<u>\$ 1,758,951</u>	<u>\$ 4,343,035</u>