

The Home Missioners of America

**Financial Statements with Supplementary Information
June 30, 2019 and 2018, and
Independent Auditors' Report**

THE HOME MISSIONERS OF AMERICA

June 30, 2019 and 2018

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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, 2019 and 2018 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, 2019 and 2018 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 24 - 31 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.

Effect of Adopting New Accounting Standard

As discussed in Note 1, the Organization has adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which primarily addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return, and other financial statement presentation items and enhanced disclosures. Our opinion is not modified with respect to that matter.

Barnes, Dennig & Co., Ltd.

September 30, 2019
Cincinnati, Ohio

THE HOME MISSIONERS OF AMERICA

Statement of Financial Position June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 1,106,042	\$ -	\$ 1,106,042
Prepaid expenses and deposits	64,998	-	64,998
Bequests receivable	-	275,163	275,163
Notes receivable, net	295,350	174,610	469,960
Investments	18,768,041	10,374,572	29,142,613
Property and equipment, net	1,874,816	-	1,874,816
Beneficial interest in trusts	-	4,172,686	4,172,686
Interfund receivable (payable)	481,468	(481,468)	-
	\$ 22,590,715	\$ 14,515,563	\$ 37,106,278
Total assets	\$ 22,590,715	\$ 14,515,563	\$ 37,106,278
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 333,790	\$ 4,738	\$ 338,528
Annuities payable	-	2,153,656	2,153,656
Revocable charitable gift agreements	-	657,753	657,753
	333,790	2,816,147	3,149,937
Total liabilities	333,790	2,816,147	3,149,937
Net assets	22,256,925	11,699,416	33,956,341
Total liabilities and net assets	\$ 22,590,715	\$ 14,515,563	\$ 37,106,278

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Assets			
Cash	\$ 999,121	\$ -	\$ 999,121
Prepaid expenses and deposits	147,251	-	147,251
Bequests receivable	-	109,000	109,000
Notes receivable, net	332,816	152,190	485,006
Investments	17,773,781	10,431,187	28,204,968
Property and equipment, net	1,709,209	-	1,709,209
Beneficial interest in trusts	-	3,610,386	3,610,386
Interfund receivable (payable)	756,227	(756,227)	-
	<u>\$ 21,718,405</u>	<u>\$ 13,546,536</u>	<u>\$ 35,264,941</u>
Total assets			
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 398,378	\$ 5,413	\$ 403,791
Annuities payable	-	2,309,053	2,309,053
Revocable charitable gift agreements	-	670,200	670,200
	<u>398,378</u>	<u>2,984,666</u>	<u>3,383,044</u>
Total liabilities			
Net assets	<u>21,320,027</u>	<u>10,561,870</u>	<u>31,881,897</u>
Total liabilities and net assets	<u>\$ 21,718,405</u>	<u>\$ 13,546,536</u>	<u>\$ 35,264,941</u>

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Statement of Activities Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support, revenues and gains			
Contributions and bequests	\$ 4,224,182	\$ 1,230,257	\$ 5,454,439
Mission service income	139,544	-	139,544
Other	58,500	-	58,500
Net assets released from donor restrictions	548,716	(548,716)	-
	<u>4,970,942</u>	<u>681,541</u>	<u>5,652,483</u>
Total support, revenues and gains			
Expenses			
Program services:			
Mission aid	1,667,080	-	1,667,080
Recruiting	324,090	-	324,090
Members' training	607,409	-	607,409
Mission education	437,107	-	437,107
Services to Glenmary community	652,756	-	652,756
Mass offerings	52,465	-	52,465
	<u>3,740,907</u>	<u>-</u>	<u>3,740,907</u>
Total program services			
Supporting services:			
Administration	835,986	16,832	852,818
Fundraising	584,944	-	584,944
Plant and equipment	125,936	-	125,936
	<u>1,546,866</u>	<u>16,832</u>	<u>1,563,698</u>
Total supporting services			
Total expenses	<u>5,287,773</u>	<u>16,832</u>	<u>5,304,605</u>
Change in net assets before other changes	<u>(316,831)</u>	<u>664,709</u>	<u>347,878</u>
Other changes			
Investment return, net	1,057,778	724,365	1,782,143
Change in beneficial interest in perpetual trusts	-	75,815	75,815
Net assets released to beneficiaries	-	(316,853)	(316,853)
Deceased annuitants	268,644	(268,644)	-
Change in estimate for prior self-insured claims	82,511	-	82,511
Actuarial gains	-	102,950	102,950
Interfund transfers	(155,204)	155,204	-
	<u>1,253,729</u>	<u>472,837</u>	<u>1,726,566</u>
Total other changes			
Change in net assets	936,898	1,137,546	2,074,444
Net assets, beginning of year	<u>21,320,027</u>	<u>10,561,870</u>	<u>31,881,897</u>
Net assets, end of year	<u>\$ 22,256,925</u>	<u>\$ 11,699,416</u>	<u>\$ 33,956,341</u>

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Statement of Activities Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues and gains			
Contributions and bequests	\$ 3,154,357	\$ 527,363	\$ 3,681,720
Mission service income	105,736	-	105,736
Other	56,854	50,000	106,854
Net assets released from donor restrictions	977,623	(977,623)	-
Total support, revenues and gains	4,294,570	(400,260)	3,894,310
Expenses			
Program services:			
Mission aid	1,467,679	-	1,467,679
Recruiting	293,928	-	293,928
Members' training	725,099	-	725,099
Mission education	403,476	-	403,476
Services to Glenmary community	462,350	-	462,350
Mass offerings	59,930	-	59,930
Total program services	3,412,462	-	3,412,462
Supporting services:			
Administration	784,170	5,509	789,679
Fundraising	639,347	-	639,347
Plant and equipment	121,301	-	121,301
Total supporting services	1,544,818	5,509	1,550,327
Total expenses	4,957,280	5,509	4,962,789
Change in net assets before other changes	(662,710)	(405,769)	(1,068,479)
Other changes			
Investment return, net	988,904	473,139	1,462,043
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)	80,402	-
Total other changes	1,239,645	64,723	1,304,368
Change in net assets	576,935	(341,046)	235,889
Net assets, beginning of year	20,743,092	10,902,916	31,646,008
Net assets, end of year	\$ 21,320,027	\$ 10,561,870	\$ 31,881,897

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Statement of Functional Expenses Year Ended June 30, 2019

	<u>Mission Aid</u>	<u>Recruiting</u>	<u>Members' Training</u>	<u>Mission Education</u>	<u>Services to Glenmary Community</u>	<u>Mass Offerings</u>	<u>Total Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Plant and Equipment</u>	<u>Total</u>
Salaries	\$ 295,880	\$ 136,959	\$ 57,026	\$ 208,186	\$ 158,458	\$ 15,898	\$ 872,407	\$ 347,460	\$ 196,416	\$ 30,583	\$ 1,446,866
Parish subsidy	488,103	-	-	-	-	-	488,103	-	-	-	488,103
Benefits	54,194	26,301	21,375	43,498	39,515	3,443	188,326	78,089	36,555	6,754	309,724
Designated gifts	283,062	-	-	-	-	-	283,062	-	-	-	283,062
Postage	8,830	17,280	396	63,554	7,680	1,434	99,174	42,196	82,278	159	223,807
Professional data process	6,086	10,855	2,198	34,304	6,620	2,203	62,266	55,801	99,781	1,630	219,478
Tuition	-	-	124,683	-	-	-	124,683	-	-	-	124,683
Charitable Trust contribution	62,929	6,663	13,396	2,837	11,544	228	97,597	4,557	3,575	-	105,729
Printing	2,085	6,523	29,142	652	39,408	3,584	81,394	-	19,553	-	100,947
Travel	36,059	28,985	7,572	8,153	3,121	238	84,128	6,252	9,298	235	99,913
Special envelopes	2,386	2,584	-	13,667	2,081	787	21,505	23,613	44,303	-	89,421
Food	36,500	1,961	27,808	11,104	7,938	64	85,375	1,824	512	31	87,742
Members allowance	35,878	3,941	27,947	1,678	6,828	135	76,407	2,695	2,115	-	81,217
Depreciation	-	-	-	-	-	-	-	-	-	74,291	74,291
Utilities	20,644	3,579	24,383	7,443	8,642	98	64,789	7,108	1,666	-	73,563
Contract workers	13,905	1,319	1,319	14,082	26,110	1,319	58,054	13,187	-	-	71,241
Automobile	24,559	2,516	26,054	4,672	3,176	54	61,031	1,409	861	5,689	68,990
Repairs & maintenance	7,680	3,218	20,942	9,619	7,554	157	49,170	8,123	1,544	6,564	65,401
Premiums	1,740	-	-	5,220	1,160	580	8,700	17,400	31,900	-	58,000
Personal liability insurance	-	-	-	-	40,692	-	40,692	-	-	-	40,692
Formation allowance	-	-	40,473	-	-	-	40,473	-	-	-	40,473
List rental	1,103	-	-	3,308	735	368	5,514	11,028	20,217	-	36,759
Adopt a Mission	30,679	-	-	-	-	-	30,679	-	-	-	30,679
Insurance	4,269	1,638	10,458	4,378	3,772	45	24,560	3,098	763	-	28,421
Professional fees	-	-	-	-	-	-	-	23,400	-	-	23,400
All other expenses	250,509	69,768	172,237	752	277,722	21,830	792,818	205,578	33,607	-	1,032,003
	<u>\$ 1,667,080</u>	<u>\$ 324,090</u>	<u>\$ 607,409</u>	<u>\$ 437,107</u>	<u>\$ 652,756</u>	<u>\$ 52,465</u>	<u>\$ 3,740,907</u>	<u>\$ 852,818</u>	<u>\$ 584,944</u>	<u>\$ 125,936</u>	<u>\$ 5,304,605</u>

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Statement of Functional Expenses Year Ended June 30, 2018

	<u>Mission Aid</u>	<u>Recruiting</u>	<u>Members'</u> <u>Training</u>	<u>Mission</u> <u>Education</u>	<u>Services to</u> <u>Glenmary</u> <u>Community</u>	<u>Mass Offerings</u>	<u>Total</u> <u>Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Plant and</u> <u>Equipment</u>	<u>Total</u>
Salaries	\$ 288,425	\$ 127,508	\$ 53,231	\$ 191,217	\$ 148,439	\$ 15,711	\$ 824,531	\$ 339,525	\$ 197,882	\$ 30,156	\$ 1,392,094
Parish subsidy	421,277	-	-	-	-	-	421,277	-	-	-	421,277
Benefits	54,452	23,934	16,035	42,563	37,117	3,634	177,735	83,095	49,498	6,694	317,022
Designated gifts	185,020	-	-	-	-	-	185,020	-	-	-	185,020
Postage	6,475	8,826	387	37,641	5,513	1,688	60,530	50,534	93,923	78	205,065
Professional data process	5,024	5,519	1,114	15,928	4,804	1,929	34,318	47,091	81,417	1,347	164,173
Tuition	-	-	227,107	-	-	-	227,107	-	-	-	227,107
Charitable Trust contribution	60,951	6,663	13,647	2,837	18,044	228	102,370	4,557	3,575	-	110,502
Printing	2,913	13,886	-	23,598	2,995	913	44,305	27,377	52,531	-	124,213
Travel	42,371	22,432	10,931	7,783	6,218	452	90,187	9,599	12,057	195	112,038
Special envelopes	2,309	1,883	-	13,048	2,010	770	20,020	23,094	43,280	-	86,394
Food	30,851	2,065	35,662	8,770	8,281	62	85,691	1,871	536	-	88,098
Members allowance	35,708	3,936	26,302	1,676	10,660	134	78,416	2,692	2,112	-	83,220
Depreciation	-	-	-	-	-	-	-	-	-	71,144	71,144
Utilities	22,315	3,919	27,007	7,721	9,499	107	70,568	7,813	1,825	-	80,206
Contract workers	5,888	2,605	1,286	11,494	25,647	1,286	48,206	12,861	367	-	61,434
Automobile	36,748	3,350	35,887	6,954	8,836	117	91,892	2,552	1,473	6,912	102,829
Repairs & maintenance	9,460	5,338	27,312	12,367	12,030	189	66,696	11,599	2,533	70	80,898
Premiums	1,413	-	-	4,240	942	471	7,066	14,132	25,909	-	47,107
Personal liability insurance	-	-	-	-	25,515	-	25,515	-	-	-	25,515
Formation allowance	-	-	77,280	-	-	-	77,280	-	-	-	77,280
List rental	1,624	-	-	4,873	1,083	541	8,121	16,242	29,778	-	54,141
Adopt a Mission	37,464	-	-	-	-	-	37,464	-	-	-	37,464
Insurance	7,411	2,787	16,544	7,150	6,421	76	40,389	5,274	1,298	-	46,961
Professional fees	-	-	-	-	-	-	-	23,500	-	-	23,500
All other expenses	209,580	59,277	155,367	3,616	128,296	31,622	587,758	106,271	39,353	4,705	738,087
	<u>\$ 1,467,679</u>	<u>\$ 293,928</u>	<u>\$ 725,099</u>	<u>\$ 403,476</u>	<u>\$ 462,350</u>	<u>\$ 59,930</u>	<u>\$ 3,412,462</u>	<u>\$ 789,679</u>	<u>\$ 639,347</u>	<u>\$ 121,301</u>	<u>\$ 4,962,789</u>

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Statements of Cash Flows Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Changes in net assets	\$ 2,074,444	\$ 235,889
Adjustments to reconcile changes in net assets to net cash provided by operations:		
Depreciation	182,208	177,342
Net realized and unrealized gains on investments	(1,340,692)	(1,065,287)
Change in beneficial interest in trusts	(562,300)	(43,882)
Actuarial gain on annuity obligations	(102,950)	(52,599)
Contributions restricted for endowments	(4,200)	(4,500)
Changes in:		
Bequests receivable	(166,163)	276,479
Prepaid expenses and deposits	82,253	-
Accounts payable and accrued expenses	(65,263)	(74,787)
Annuities payable	(52,447)	(79,505)
Revocable charitable gift agreements	(12,447)	(2,547)
	32,443	(633,397)
Cash flows from investing activities		
Advances made on notes receivable	(24,090)	(235,732)
Payments received on notes receivable	39,136	-
Proceeds from sales of investments	27,300,087	7,775,992
Purchase of investments	(26,897,040)	(7,600,679)
Purchase of property and equipment	(347,815)	(443,817)
	70,278	(504,236)
Cash flows from financing activities		
Contributions restricted for endowments	4,200	4,500
	4,200	4,500
Net change in cash	106,921	(1,133,133)
Cash, beginning of year	999,121	2,132,254
Cash, end of year	\$ 1,106,042	\$ 999,121

See accompanying notes to financial statements

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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 missionary 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, 28 Glenmary priests and 12 brothers staff Glenmary missions and ministries in 11 dioceses.

Glenmary missionaries 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.

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.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions 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.

Net assets with donor restrictions 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)

Financial Statement Presentation (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 which are to be used for the education of students. Earnings of the Student Loan Fund are also placed in this fund. Funds are transferred to the Operating Fund to cover educational expenses if needed.
- *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 net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions 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, 2019 and 2018.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 revenue without donor restrictions.

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.

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.

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional classification basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management on an equitable basis. The most significant allocations were salaries and related expenses and occupancy and depreciation, which were allocated based on time and effort.

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.

Reclassifications

Certain 2018 figures have been reclassified to conform to the 2019 presentation.

Subsequent Event Evaluation

In preparing its financial statements, Glenmary has evaluated events subsequent to the statement of financial position date through September 30, 2019, which is the date the financial statements were available to be issued.

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Effect of Adopting New Accounting Standard

In 2018, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update primarily addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, the lack of consistency in the type of information provided about expenses and investment return, and other financial statement presentation items and enhanced disclosures. Net asset classifications have been reduced from three classes (unrestricted, temporarily restricted and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions). In addition, updated disclosure requirements are presented regarding risk exposure and availability of cash for short-term use and expenses are reported by both natural and functional classification. The Organization adopted ASU 2016-14 as of January 1, 2018 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented except for the disclosure of information about liquidity and availability of resources, which is permitted to be omitted for any periods presented before the period of adoption.

Recently Issued Accounting Standards

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 this ASU on the financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY

At June 30, 2019, Glenmary's financial resources available to meet general expenditures over the next 12 months are as follows:

Cash	\$ 1,106,042
Investments	18,768,041
Interfund receivable	481,468
	<hr/>
	\$ 20,355,551
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THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

In addition to financial assets available to meet expenditures over the next 12 months, Glenmary anticipates collecting contributions and revenue to cover a significant portion of general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of Glenmary's cash for fiscal years 2019 and 2018.

Glenmary continually monitors the availability of resources to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources to meet general expenditures over a 12-month period, Glenmary considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 3 NOTES RECEIVABLE

Operating Fund

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 \$295,681 and \$498,147 of gross notes outstanding at June 30, 2019 and 2018, 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 \$331 and \$165,331 as of June 30, 2019 and 2018, respectively.

Father Bishop Student Loan Fund

The Father Bishop Student Loan Fund notes receivable represents loans to students. As of June 30, 2019 and 2018, there were gross loans outstanding totaling \$205,525 and \$183,105, respectively. The allowance for doubtful loans was \$30,915 as of June 30, 2019 and 2018. Payments are deferred for all current students.

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 4 INVESTMENTS

Investments at June 30 consisted of the following:

	<u>2019</u>	<u>2018</u>
Common stock	\$ 16,039,589	\$ 15,354,364
Corporate bonds	4,002,195	3,458,159
Money market funds	1,991,733	2,470,796
Mortgage backed securities	1,617,890	2,275,708
Government bonds	2,245,956	1,809,844
Fixed income mutual funds	2,032,250	1,713,314
Certificates of deposit	790,000	790,000
Other investments, primarily notes receivable	423,000	323,000
Equity mutual funds	<u>-</u>	<u>9,783</u>
	<u>\$ 29,142,613</u>	<u>\$ 28,204,968</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 0.70% to 2.50% per annum and are due at various dates through 2024. 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 5 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 6 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 \$2,435,948 and \$1,728,388, which represents the fair value of the trust assets as of June 30, 2019 and 2018, respectively. The income from these trusts for 2019 and 2018 was \$51,428 and \$44,576, respectively.

THE HOME MISSIONERS OF AMERICA

**Notes to Financial Statements
(Continued)**

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment at June 30 consisted of the following:

	2019	2018
Buildings and improvements	\$ 2,324,645	\$ 2,145,343
Furniture, fixtures, and equipment	150,650	140,027
Automobiles	849,119	818,196
Land and improvements	895,279	871,100
Less accumulated depreciation	(2,344,877)	(2,265,457)
	\$ 1,874,816	\$ 1,709,209

NOTE 8 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 \$2,153,656 and \$2,309,053 as of June 30, 2019 and 2018, 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:

	2019	2018
Annuity assets held	\$ 4,290,819	\$ 4,299,726
Reserve for annuity liability	2,153,656	2,309,053
Excess of annuity assets held over liability	\$ 2,137,163	\$ 1,990,673
Percent of assets held over reserve for liability	199%	186%

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 9 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 discretionary 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 discretionary contributions as incurred. Contributions to the plan were \$43,302 and \$41,235 for 2019 and 2018, 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.

NOTE 10 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 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2019	2018
Restricted as to the passage of time:		
Beneficial interest in remainder trusts and other	\$ 2,012,889	\$ 1,977,133
Beneficial interest in annuity funds	2,135,623	1,988,880
Beneficial interest in pooled income funds	886,915	850,310
Total restricted as to the passage of time	5,035,427	4,816,323
Educational Endowment fund	2,258,625	2,115,212
Missions and Ministries Endowment fund	1,907,988	1,840,744
Total endowment funds	4,166,613	3,955,956
Beneficial interest in perpetual trusts	2,435,948	1,728,389
Father Bishop Student Loan fund	61,428	61,202
	\$ 11,699,416	\$ 10,561,870

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.

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
2019				
Common stock	\$ 16,039,589	\$ 16,039,589	\$ -	\$ -
Corporate bonds	4,002,195	-	4,002,195	-
Money market funds	1,991,733	-	1,991,733	-
Mortgage backed securities	1,617,890	-	1,617,890	-
Government bonds	2,245,956	2,245,956	-	-
Fixed income mutual funds	2,032,250	2,032,250	-	-
Certificates of deposit	790,000	790,000	-	-
Other investments, primarily notes receivable	423,000	-	423,000	-
Beneficial interest in remainder trusts	1,736,738	-	1,736,738	-
Beneficial interest in perpetual trusts	2,435,948	-	-	2,435,948
Total assets	<u>\$ 33,315,299</u>	<u>\$ 21,107,795</u>	<u>\$ 9,771,556</u>	<u>\$ 2,435,948</u>
2018				
Common stock	\$ 15,354,364	\$ 15,354,364	\$ -	\$ -
Corporate bonds	3,458,159	-	3,458,159	-
Money market funds	2,470,796	-	2,470,796	-
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
Total assets	<u>\$ 31,815,353</u>	<u>\$ 19,677,305</u>	<u>\$ 10,409,660</u>	<u>\$ 1,728,388</u>

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

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 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, 2017	\$ 1,678,847
Change in fair value	<u>49,542</u>
Balance, June 30, 2018	1,728,389
Additions	631,744
Change in fair value	<u>75,815</u>
Balance, June 30, 2019	<u><u>\$ 2,435,948</u></u>

NOTE 13 ENDOWMENTS

Glenmary's endowment includes donor-restricted endowment funds. 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.

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 13 ENDOWMENTS (CONTINUED)

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.

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.

THE HOME MISSIONERS OF AMERICA

**Notes to Financial Statements
(Continued)**

NOTE 13 ENDOWMENTS (CONTINUED)

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 is as follows:

	2019	2018
With donor restrictions:		
Donor-restricted endowments, at historical value, required to be maintained in perpetuity by donor	\$ 2,611,663	\$ 2,607,463
Accumulated net appreciation on endowments, required to be maintained in perpetuity by donor	1,554,950	1,348,493
Total endowment funds	\$ 4,166,613	\$ 3,955,956

Changes in endowment net assets for the years ended June 30 are as follows:

	Accumulated Earnings	Original Corpus	Total
Endowment net assets at 6/30/2017	\$ 1,304,861	\$ 2,602,963	\$ 3,907,824
Contributions	50,000	4,500	54,500
Investment return, net	249,243	-	249,243
Interfund transfers	4,729	-	4,729
Appropriated for expenditure	(260,340)	-	(260,340)
Endowment net assets at 6/30/2018	\$ 1,348,493	\$ 2,607,463	\$ 3,955,956
Contributions	-	4,200	4,200
Investment return, net	257,464	-	257,464
Interfund transfers	4,950	-	4,950
Appropriated for expenditure	(55,957)	-	(55,957)
Endowment net assets at 6/30/2019	\$ 1,554,950	\$ 2,611,663	\$ 4,166,613

THE HOME MISSIONERS OF AMERICA

Notes to Financial Statements (Continued)

NOTE 14 CONTINGENCIES

As of June 30, 2019 and 2018, Glenmary was subject to an outstanding claim that management estimated at \$65,832 and \$93,018, 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-restricted 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, 2019. 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 – Without Donor Restrictions
June 30, 2019**

	Operating	Society Fund	Total
Assets			
Cash	\$ 1,106,042	\$ -	\$ 1,106,042
Prepaid expenses and deposits	64,998	-	64,998
Notes receivable, net	295,350	-	295,350
Investments	7,895,194	10,872,847	18,768,041
Property and equipment, net	1,874,816	-	1,874,816
Interfund receivable (payable)	496,043	(14,575)	481,468
	<u>\$ 11,732,443</u>	<u>\$ 10,858,272</u>	<u>\$ 22,590,715</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 264,207	\$ 69,583	\$ 333,790
Net assets without donor restrictions			
Designated	-	10,788,689	10,788,689
Undesignated	11,468,236	-	11,468,236
	<u>11,468,236</u>	<u>10,788,689</u>	<u>22,256,925</u>
Total net assets without donor restrictions	<u>11,468,236</u>	<u>10,788,689</u>	<u>22,256,925</u>
Total liabilities and net assets	<u>\$ 11,732,443</u>	<u>\$ 10,858,272</u>	<u>\$ 22,590,715</u>

See Independent Auditor's Report

THE HOME MISSIONERS OF AMERICA

**Schedule of Statement of Financial Position – Without Donor Restrictions
June 30, 2018**

	Operating	Society Fund	Total
Assets			
Cash	\$ 999,121	\$ -	\$ 999,121
Prepaid expenses and deposits	147,251	-	147,251
Notes receivable, net	332,816	-	332,816
Investments	7,389,189	10,384,592	17,773,781
Property and equipment, net	1,709,209	-	1,709,209
Interfund receivable (payable)	758,079	(1,852)	756,227
	<u>\$ 11,335,665</u>	<u>\$ 10,382,740</u>	<u>\$ 21,718,405</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 301,905	\$ 96,473	\$ 398,378
Net assets without donor restrictions			
Designated	-	10,286,267	10,286,267
Undesignated	11,033,760	-	11,033,760
	<u>11,033,760</u>	<u>10,286,267</u>	<u>21,320,027</u>
Total net assets without donor restrictions	<u>11,033,760</u>	<u>10,286,267</u>	<u>21,320,027</u>
Total liabilities and net assets	<u>\$ 11,335,665</u>	<u>\$ 10,382,740</u>	<u>\$ 21,718,405</u>

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THE HOME MISSIONERS OF AMERICA

**Schedule of Statement of Financial Position – With Donor Restrictions
June 30, 2019**

	Donor Restricted	Annuity	Pooled Income	Education Expense	Educational Endowment	Father Bishop Student Loan	Missions & Ministries Endowment	Total
Assets								
Bequests receivable	\$ 275,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,163
Notes receivable	-	-	-	-	-	174,610	-	174,610
Investments	707,410	4,595,382	894,027	1,268,739	899,062	90,884	1,919,068	10,374,572
Beneficial interest in trusts	1,736,738	-	-	-	2,435,948	-	-	4,172,686
Interfund receivable (payable)	(48,669)	(304,563)	(4,607)	146,538	(55,049)	(204,038)	(11,080)	(481,468)
Total assets	\$ 2,670,642	\$ 4,290,819	\$ 889,420	\$ 1,415,277	\$ 3,279,961	\$ 61,456	\$ 1,907,988	\$ 14,515,563
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 1,540	\$ 2,505	\$ 665	\$ -	\$ 28	\$ -	\$ 4,738
Annuities payable	-	2,153,656	-	-	-	-	-	2,153,656
Revocable charitable gift agreements	657,753	-	-	-	-	-	-	657,753
Total liabilities	657,753	2,155,196	2,505	665	-	28	-	2,816,147
Net assets with donor restrictions	2,012,889	2,135,623	886,915	1,414,612	3,279,961	61,428	1,907,988	11,699,416
Total liabilities and net assets	\$ 2,670,642	\$ 4,290,819	\$ 889,420	\$ 1,415,277	\$ 3,279,961	\$ 61,456	\$ 1,907,988	\$ 14,515,563

See Independent Auditor's Report

THE HOME MISSIONERS OF AMERICA

**Schedule of Statement of Financial Position – With Donor Restrictions
June 30, 2018**

	Donor Restricted	Annuity	Pooled Income	Education Expense	Educational Endowment	Father Bishop Student Loan	Missions & Ministries Endowment	Total
Assets								
Bequests receivable	\$ 109,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,000
Notes receivable	-	-	-	-	-	152,190	-	152,190
Investments	655,407	4,820,329	856,711	1,179,924	992,409	85,583	1,840,824	10,431,187
Beneficial interest in trusts	1,881,997	-	-	-	1,728,389	-	-	3,610,386
Interfund receivable (payable)	984	(520,603)	(3,319)	91,726	(148,397)	(176,538)	(80)	(756,227)
Total assets	\$ 2,647,388	\$ 4,299,726	\$ 853,392	\$ 1,271,650	\$ 2,572,401	\$ 61,235	\$ 1,840,744	\$ 13,546,536
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ 55	\$ 1,793	\$ 3,082	\$ 450	\$ -	\$ 33	\$ -	\$ 5,413
Annuities payable	-	2,309,053	-	-	-	-	-	2,309,053
Revocable charitable gift agreements	670,200	-	-	-	-	-	-	670,200
Total liabilities	670,255	2,310,846	3,082	450	-	33	-	2,984,666
Net assets with donor restrictions	1,977,133	1,988,880	850,310	1,271,200	2,572,401	61,202	1,840,744	10,561,870
Total liabilities and net assets	\$ 2,647,388	\$ 4,299,726	\$ 853,392	\$ 1,271,650	\$ 2,572,401	\$ 61,235	\$ 1,840,744	\$ 13,546,536

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THE HOME MISSIONERS OF AMERICA

Schedule of Statement of Activities – Without Donor Restrictions For the Year Ended June 30, 2019

	<u>Operating</u>	<u>Society Fund</u>	<u>Total</u>
Support, revenues and gains			
Contributions and bequests	\$ 4,224,182	\$ -	\$ 4,224,182
Mission service income	139,544	-	139,544
Other	58,500	-	58,500
Net assets released from donor restrictions	577,573	(28,857)	548,716
	<u>4,999,799</u>	<u>(28,857)</u>	<u>4,970,942</u>
Total support, revenues and gains			
	<u>4,999,799</u>	<u>(28,857)</u>	<u>4,970,942</u>
Expenses			
Program services:			
Mission aid	1,667,080	-	1,667,080
Recruiting	324,090	-	324,090
Members' training	607,409	-	607,409
Mission education	437,107	-	437,107
Services to Glenmary community	652,756	-	652,756
Mass offerings	52,465	-	52,465
	<u>3,740,907</u>	<u>-</u>	<u>3,740,907</u>
Total program services			
	<u>3,740,907</u>	<u>-</u>	<u>3,740,907</u>
Supporting services:			
Administration	799,150	36,836	835,986
Fundraising	584,944	-	584,944
Plant and equipment	125,936	-	125,936
	<u>1,510,030</u>	<u>36,836</u>	<u>1,546,866</u>
Total supporting services			
	<u>1,510,030</u>	<u>36,836</u>	<u>1,546,866</u>
Total expenses			
	<u>5,250,937</u>	<u>36,836</u>	<u>5,287,773</u>
Change in net assets before other changes	<u>(251,138)</u>	<u>(65,693)</u>	<u>(316,831)</u>
Other changes			
Investment return, net	489,663	568,115	1,057,778
Deceased annuitants	268,644	-	268,644
Change in estimate for prior self-insured claims	82,511	-	82,511
Interfund transfers	(155,204)	-	(155,204)
	<u>685,614</u>	<u>568,115</u>	<u>1,253,729</u>
Total other changes			
	<u>685,614</u>	<u>568,115</u>	<u>1,253,729</u>
Change in net assets	434,476	502,422	936,898
Net assets, beginning of year	<u>11,033,760</u>	<u>10,286,267</u>	<u>21,320,027</u>
Net assets, end of year	<u>\$ 11,468,236</u>	<u>\$ 10,788,689</u>	<u>\$ 22,256,925</u>

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THE HOME MISSIONERS OF AMERICA

Schedule of Statement of Activities – Without Donor Restrictions For the Year Ended June 30, 2018

	<u>Operating</u>	<u>Society Fund</u>	<u>Total</u>
Support, revenues and gains			
Contributions and bequests	\$ 3,154,357	\$ -	\$ 3,154,357
Mission service income	105,736	-	105,736
Other	56,854	-	56,854
Net assets released from donor restrictions	1,007,480	(29,857)	977,623
Total support, revenues and gains	<u>4,324,427</u>	<u>(29,857)</u>	<u>4,294,570</u>
Expenses			
Program services:			
Mission aid	1,467,679	-	1,467,679
Recruiting	293,928	-	293,928
Members' training	725,099	-	725,099
Mission education	403,476	-	403,476
Services to Glenmary community	462,350	-	462,350
Mass offerings	59,930	-	59,930
Total program services	<u>3,412,462</u>	<u>-</u>	<u>3,412,462</u>
Supporting services:			
Administration	784,170	-	784,170
Fundraising	639,347	-	639,347
Plant and equipment	121,301	-	121,301
Total supporting services	<u>1,544,818</u>	<u>-</u>	<u>1,544,818</u>
Total expenses	<u>4,957,280</u>	<u>-</u>	<u>4,957,280</u>
Change in net assets before other changes	<u>(632,853)</u>	<u>(29,857)</u>	<u>(662,710)</u>
Other changes			
Investment return, net	435,711	553,193	988,904
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>686,452</u>	<u>553,193</u>	<u>1,239,645</u>
Change in net assets	<u>53,599</u>	<u>523,336</u>	<u>576,935</u>
Net assets, beginning of year	<u>10,980,161</u>	<u>9,762,931</u>	<u>20,743,092</u>
Net assets, end of year	<u>\$ 11,033,760</u>	<u>\$ 10,286,267</u>	<u>\$ 21,320,027</u>

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THE HOME MISSIONERS OF AMERICA

Schedule of Statement of Activities – With Donor Restrictions For the Year Ended June 30, 2019

	<u>Donor Restricted</u>	<u>Annuity</u>	<u>Pooled Income</u>	<u>Education Expense</u>	<u>Educational Endowment</u>	<u>Father Bishop Student Loan</u>	<u>Missions & Ministries Endowment</u>	<u>Total</u>
Support, revenues and gains								
Contributions and bequests	\$ 503,342	\$ 90,971	\$ -	\$ -	\$ 631,744	\$ -	\$ 4,200	\$ 1,230,257
Net assets released from donor restrictions	(503,759)	-	-	-	-	-	(44,957)	(548,716)
Total support, revenues and gains	(417)	90,971	-	-	631,744	-	(40,757)	681,541
Expenses								
Administration	-	-	5,832	-	-	-	11,000	16,832
Change in net assets before other changes	(417)	90,971	(5,832)	-	631,744	-	(51,757)	664,709
Other changes								
Investment return, net	6,885	412,403	42,437	86,810	51,653	5,176	119,001	724,365
Change in beneficial interest in perpetual trusts	-	-	-	-	75,815	-	-	75,815
Net assets released to beneficiaries	(6,826)	(310,027)	-	-	-	-	-	(316,853)
Deceased annuitants	-	(268,644)	-	-	-	-	-	(268,644)
Actuarial gains	-	102,950	-	-	-	-	-	102,950
Interfund transfers	36,114	119,090	-	56,602	(51,652)	(4,950)	-	155,204
Total other changes	36,173	55,772	42,437	143,412	75,816	226	119,001	472,837
Change in net assets	35,756	146,743	36,605	143,412	707,560	226	67,244	1,137,546
Net assets, beginning of year	1,977,133	1,988,880	850,310	1,271,200	2,572,401	61,202	1,840,744	10,561,870
Net assets, end of year	<u>\$ 2,012,889</u>	<u>\$ 2,135,623</u>	<u>\$ 886,915</u>	<u>\$ 1,414,612</u>	<u>\$ 3,279,961</u>	<u>\$ 61,428</u>	<u>\$ 1,907,988</u>	<u>\$ 11,699,416</u>

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THE HOME MISSIONERS OF AMERICA

Schedule of Statement of Activities – Without Donor Restrictions For the Year Ended June 30, 2018

	<u>Donor Restricted</u>	<u>Annuity</u>	<u>Pooled Income</u>	<u>Education Expense</u>	<u>Educational Endowment</u>	<u>Father Bishop Student Loan</u>	<u>Missions & Ministries Endowment</u>	<u>Total</u>
Support, revenues and gains								
Contributions and bequests	\$ 459,293	\$ 63,570	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ 527,363
Other income	-	-	-	50,000	-	-	-	50,000
Net assets released from donor restrictions	(717,283)	-	-	(215,383)	-	-	(44,957)	(977,623)
Total support, revenues and gains	<u>(257,990)</u>	<u>63,570</u>	<u>-</u>	<u>(165,383)</u>	<u>-</u>	<u>-</u>	<u>(40,457)</u>	<u>(400,260)</u>
Expenses								
Administration	-	-	5,509	-	-	-	-	5,509
Change in net assets before other changes	<u>(257,990)</u>	<u>63,570</u>	<u>(5,509)</u>	<u>(165,383)</u>	<u>-</u>	<u>-</u>	<u>(40,457)</u>	<u>(405,769)</u>
Other changes								
Investment return, net	7,312	189,578	22,300	65,888	61,105	4,706	122,250	473,139
Change in beneficial interest in perpetual trusts	-	-	-	-	49,542	-	-	49,542
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	-	80,402	-	65,834	(61,105)	(4,729)	-	80,402
Total other changes	<u>241</u>	<u>(261,309)</u>	<u>22,300</u>	<u>131,722</u>	<u>49,542</u>	<u>(23)</u>	<u>122,250</u>	<u>64,723</u>
Change in net assets	<u>(257,749)</u>	<u>(197,739)</u>	<u>16,791</u>	<u>(33,661)</u>	<u>49,542</u>	<u>(23)</u>	<u>81,793</u>	<u>(341,046)</u>
Net assets, beginning of year	<u>2,234,882</u>	<u>2,186,619</u>	<u>833,519</u>	<u>1,304,861</u>	<u>2,522,859</u>	<u>61,225</u>	<u>1,758,951</u>	<u>10,902,916</u>
Net assets, end of year	<u>\$ 1,977,133</u>	<u>\$ 1,988,880</u>	<u>\$ 850,310</u>	<u>\$ 1,271,200</u>	<u>\$ 2,572,401</u>	<u>\$ 61,202</u>	<u>\$ 1,840,744</u>	<u>\$ 10,561,870</u>

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