

THE MISSIONARY SOCIETY OF
ST. JAMES THE APOSTLE

BOSTON, MASSACHUSETTS

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITORS' REPORTS

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
The Missionary Society of St. James the Apostle
Boston, Massachusetts

We have audited the accompanying financial statements of The Missionary Society of St. James the Apostle (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses 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 qualified audit opinion.

Basis for Qualified Opinion

We have been unable to ascertain the Society's share of the assets that the Society may ultimately receive from a foreign estate of which it was a beneficiary because the Society is unable to determine whether it will be able to perfect legal title to the underlying assets. We were unable to satisfy ourselves about the valuation of these assets by means of other auditing procedures. As discussed in Note F to the financial statements, the Society recognizes revenue and/or a receivable from the foreign estate when the amounts to be received are determined. Accordingly, no value has been assigned to these assets of the estate in the financial statements for the years ended December 31, 2020 and 2019.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Missionary Society of St. James the Apostle as of December 31, 2020 and 2019, 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.

Livingston & Hayes, P.C.

Wellesley, Massachusetts
May 20, 2021

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,131,741	\$ 1,208,259
Investments, at fair value	11,499,252	9,760,714
Prepaid expenses	7,132	29,225
Other receivables	152,149	144,896
Note receivable	-	132,572
Other assets	43,194	47,232
Property and equipment, net	<u>324,616</u>	<u>356,821</u>
TOTAL ASSETS	<u>\$13,158,084</u>	<u>\$ 11,679,719</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 39,999	\$ 43,996
Due to clergy and missions	<u>60</u>	<u>-</u>
TOTAL LIABILITIES	40,059	43,996
Net assets:		
Without donor restrictions	13,044,810	11,581,288
With donor restrictions	<u>73,215</u>	<u>54,435</u>
TOTAL NET ASSETS	<u>13,118,025</u>	<u>11,635,723</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$13,158,084</u>	<u>\$ 11,679,719</u>

See accompanying notes to financial statements.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	\$ 628,477	\$ 17,150	\$ 645,627
Bequests	472,376	-	472,376
Other income	78,498	-	78,498
Investment return, net	1,450,893	6,065	1,456,958
Net assets released from restrictions	4,435	(4,435)	-
	<u>2,634,679</u>	<u>18,780</u>	<u>2,653,459</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
Expenses:			
Program services: missions	769,640	-	769,640
Supporting services: management and general	323,508	-	323,508
Supporting services: fundraising	78,009	-	78,009
	<u>1,171,157</u>	<u>-</u>	<u>1,171,157</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	1,463,522	18,780	1,482,302
Net assets at beginning of year	<u>11,581,288</u>	<u>54,435</u>	<u>11,635,723</u>
NET ASSETS AT END OF YEAR	<u>\$ 13,044,810</u>	<u>\$ 73,215</u>	<u>\$ 13,118,025</u>

See accompanying notes to financial statements.

2019		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 757,237	\$ 4,435	\$ 761,672
202,058	50,000	252,058
410,670	-	410,670
1,752,025	-	1,752,025
<u>15,230</u>	<u>(15,230)</u>	<u>-</u>
3,137,220	39,205	3,176,425
992,718	-	992,718
393,022	-	393,022
<u>90,308</u>	<u>-</u>	<u>90,308</u>
<u>1,476,048</u>	<u>-</u>	<u>1,476,048</u>
1,661,172	39,205	1,700,377
<u>9,920,116</u>	<u>15,230</u>	<u>9,935,346</u>
<u>\$ 11,581,288</u>	<u>\$ 54,435</u>	<u>\$ 11,635,723</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
 STATEMENTS OF FUNCTIONAL EXPENSES
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			
	PROGRAM SERVICES		SUPPORTING SERVICES	
	Missions	Management and General	Fundraising	Total
Peru mission expenses	\$ 769,640	\$ -	\$ -	\$ 769,640
Payroll	-	144,367	-	144,367
Payroll taxes	-	8,372	-	8,372
Employee benefits	-	34,293	-	34,293
Center House	-	48,961	-	48,961
Insurance	-	6,181	-	6,181
Vehicles	-	5,979	-	5,979
Professional fees	-	39,169	-	39,169
Travel	-	1,467	-	1,467
Supplies	-	2,813	-	2,813
Newsletter	-	-	72,797	72,797
Postage	-	-	5,212	5,212
Miscellaneous	-	14,832	-	14,832
Recruiting	-	3,923	-	3,923
Masses	-	10,960	-	10,960
Depreciation	-	2,191	-	2,191
TOTAL EXPENSES AS PRESENTED ON THE STATEMENT OF ACTIVITIES	\$ 769,640	\$ 323,508	\$ 78,009	\$ 1,171,157

See accompanying notes to financial statements.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
 STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2019			
	PROGRAM SERVICES	SUPPORTING SERVICES		
	Missions	Management and General	Fundraising	Total
Peru mission expenses	\$ 992,718	\$ -	\$ -	\$ 992,718
Payroll	-	172,413	-	172,413
Payroll taxes	-	10,489	-	10,489
Employee benefits	-	43,969	-	43,969
Center House	-	58,519	-	58,519
Insurance	-	5,300	-	5,300
Vehicles	-	3,530	-	3,530
Professional fees	-	48,431	-	48,431
Travel	-	2,333	11,191	13,524
Supplies	-	2,706	-	2,706
Newsletter	-	-	73,325	73,325
Postage	-	-	5,792	5,792
Miscellaneous	-	18,955	-	18,955
Recruiting	-	5,383	-	5,383
Masses	-	19,600	-	19,600
Event expenses	-	-	-	-
Depreciation	-	1,394	-	1,394
TOTAL EXPENSES AS PRESENTED ON THE STATEMENT OF ACTIVITIES	\$ 992,718	\$ 393,022	\$ 90,308	\$ 1,476,048

See accompanying notes to financial statements.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,482,302	\$ 1,700,377
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	37,214	36,417
Realized (gains) losses on sale of investments	19,928	(1,414,228)
Unrealized (gains) on investments	(1,109,729)	(137,277)
Realized (gains) on sale of vehicles	-	(27,691)
Loss on sale of land	3,311	-
(Increase) decrease in:		
Prepaid expenses	22,093	(6,673)
Other receivables	(7,253)	(81,544)
Note receivable	132,572	231,989
Other assets	(1,662)	183
Increase (decrease) in:		
Accounts payable	(3,997)	(2,438)
Due to clergy and missions	60	(3,055)
TOTAL ADJUSTMENTS	<u>(907,463)</u>	<u>(1,404,317)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	574,839	296,060
Cash flows from investing activities:		
Proceeds from sale of investments	289,680	9,644,276
Proceeds from sale of vehicle	-	27,691
Purchase of investments	(938,417)	(9,757,077)
Proceeds from sale of land	2,389	-
Purchase of property and equipment	<u>(5,009)</u>	<u>(2,961)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(651,357)</u>	<u>(88,071)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,518)	207,989
Cash and cash equivalents at beginning of year	<u>1,208,259</u>	<u>1,000,270</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,131,741</u>	<u>\$ 1,208,259</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	\$ -	\$ -

See accompanying notes to financial statements.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

The Missionary Society of St. James the Apostle ("the Society") is a Clerical Public Association of the Christian Faithful in accordance with (canon 298-320 1983 Code) and is legally incorporated in the Commonwealth of Massachusetts with the Roman Catholic Archbishop of Boston as its President. The members serve as diocesan priest volunteers sent to churches in Peru.

Land, buildings and certain equipment used by the Society are held in the name of the Roman Catholic Archbishop of Boston; consequently, the cost of the property is recorded on the financial statements of the Roman Catholic Archbishop of Boston. The Society maintains and provides upkeep of the property and pays \$1,500 a month rent to St. Stephen's Church. Certain other assets such as equipment and improvements paid for by the Society are recorded as assets in the Society's statements of financial position.

The significant accounting policies followed by the Society are described below.

Accrual Basis

The financial statements of the Society have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Society is required to report information regarding its financial position and activities as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Upon the expirations of net assets with donor restrictions; that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, such assets are released from restrictions and reclassified to unrestricted and reported in the statements of activities as net assets released from restrictions.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Contributions, including unconditional promises to give, are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or as expenses depending on the form of benefits received. Promises to give that are scheduled to be received after the statements of financial position date are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is estimated based upon management's judgment and analysis of the creditworthiness of the donors, past collections experience and other relevant factors.

Contributions received are recorded as unrestricted or restricted depending on the existence and/or nature of any donor restrictions. If a restricted contribution is received in a given year and its purpose and/or time restriction is met in that same year, the contribution is recognized as unrestricted revenues.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank and short-term highly liquid investments, with maturities at purchase of less than three months. Cash and cash equivalents included in investments in marketable securities managed by outside investment advisers are not reflected as cash in the statements of cash flows (refer to Note B).

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Society's investments are carried at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investments include cash and cash equivalents held by investment advisors. Interest and dividends are recorded when earned or declared.

The various inputs that may be used to determine the value of the Society's investments are summarized in three broad levels. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Society has the ability to access.

Level 2 - Other significant observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Significant unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Society's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

All investments in marketable securities have been valued using Level 1 and Level 2 inputs.

Included in investments are the Society's unit holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the "Common Investment Fund"). This is a related organization established to provide a common investment pool in which the Society and other Catholic organizations may participate.

The estimated fair value of the Common Investment Fund is valued using the net asset value (NAV) as the practical expedient provided by the fund manager. The participants own units based upon a per-unit value at the time of purchase. It is the policy of the Common Investment Fund to distribute a dividend to its members on a quarterly basis of 1% of its net assets as of the previous quarter end. This policy is subject to change at the discretion of the Roman Catholic Archbishop of Boston.

The Common Investment Fund invests all of its funds in the Collective Investment Partnership, Roman Catholic Archbishop of Boston (the "Partnership"), the underlying investments of which include equity and fixed-income securities owned either directly or indirectly through mutual funds and separately managed accounts.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The fair value of the Partnership's investments in actively traded domestic securities is determined by State Street Corporation. Securities listed on a securities exchange for which market quotations are readily available are valued at the last reported sale price or official closing price in each business day, at the most recent quoted bid price. Securities which are primarily traded on foreign exchanges are generally valued at the preceding day's closing values of such securities on their respective exchanges and those values are then translated to U.S. dollars at the current exchange rate. Investment in traded foreign securities are valued by State Street Corporation at the mean between bid and asked price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by the State Street Corporation from principal market makers in those securities or at fair value as determined in good faith by investment managers. Securities whose prices are not available through independent pricing services are recorded at fair value based on the net asset value per share on the valuation date as reported by the individual investment managers.

There are no unfunded commitments or redemption restrictions related to these investments at December 31, 2020 and 2019. Redemptions from funds with notification requirements of more than one day are permitted on a monthly basis.

Endowment Fund Investment and Spending Policies

The Society's endowment funds consist principally of funds that are set aside as donor-restricted endowment funds for missions. Presently, its endowment only includes donor-restricted funds and does not include funds designated by the Board of Directors to function as endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Society follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the Commonwealth of Massachusetts and its own governing documents in the management and investment of its donor-restricted endowment funds. UPMIFA eliminated the concept of historic dollar value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. As required by UPMIFA, the Society's policy is to follow the terms of their governing documents.

Under accounting principles generally accepted in the United States of America, the Society is also required to include expanded disclosures for all donor-restricted endowment funds. These additional disclosures are found below and in Note L.

The Board of Directors of the Society has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund Investment and Spending Policies (Continued)

As a result of this interpretation, the Society classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the Society's investment policies.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Society has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Investment Return Objectives, Risk Parameters, and Strategies

Presently, the Society does not have an investment policy related to its endowment funds.

Spending Policy

Presently, the Society does not have a spending policy related to its endowment funds.

Other Receivables

The Society carries its other receivables at cost. On a periodic basis, the Society evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current conditions when deemed necessary. There was no allowance needed at December 31, 2020 and 2019.

Note Receivable

The Society's note receivable represents a contribution received as a result of the sale of land previously owned by a foreign estate, for which the Society is a beneficiary. The note receivable is stated at the amount of unpaid principal and accrued interest. There was no allowance deemed necessary at December 31, 2020 and 2019.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Beneficiary in Wills and Estates

The Society is named as a beneficiary in numerous wills and estates. The Society deems these to be intentions to give and not unconditional promises to give. The Society recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Society having the ability to determine the fair value of the estate.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or, if donated, at the market value on the date of the gift less accumulated depreciation and amortization. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. When an asset is retired or disposed of, the related costs and allowances for depreciation and amortization are removed from the accounts and any gain or loss on the disposition is reflected in the statements of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the statements of activities calculated to absorb the costs over the estimated useful lives of the assets (refer to Note C).

For the vehicles used in South America, the Society expenses all the costs instead of capitalizing them. This is due to the short useful life of cars that operate under the severity of mountainously geographic conditions.

Tax Status

The Society is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is a not-for-profit organization as described in Section 501(c) 3 of the Internal Revenue Code, as amended (the "Code"), and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Society is required to assess uncertain tax positions and has determined that there were no such positions that are material to the financial statements. It is the Society's policy to record estimated interest and penalties, if any, as part of general and administration expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments, at fair value, at December 31, 2020 and 2019 are as follows:

	2020		2019	
	Cost	Market	Cost	Market
Cash and cash equivalents	\$ 16,998	\$ 16,998	\$ 32,335	\$ 32,335
Common investment fund	8,523,262	9,852,709	8,200,000	8,559,605
Marketable debt securities	1,160	1,224	1,442	1,504
Marketable equity securities	<u>1,161,122</u>	<u>1,628,321</u>	<u>839,956</u>	<u>1,167,270</u>
	<u>\$ 9,702,542</u>	<u>\$ 11,499,252</u>	<u>\$ 9,073,733</u>	<u>\$ 9,760,714</u>

Investment return, net, consists of the following:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 365,596	\$ 6,065	\$ 371,661
Net realized losses on investments	(19,928)	-	(19,928)
Investment advisory fees	(4,504)	-	(4,504)
Net unrealized gains on investments	<u>1,109,729</u>	<u>-</u>	<u>1,109,729</u>
Total investment return, net	<u>\$ 1,450,893</u>	<u>\$ 6,065</u>	<u>\$ 1,456,958</u>

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 227,817	\$ -	\$ 227,817
Net realized gains on investments	1,414,228	-	1,414,228
Investment advisory fees	(27,297)	-	(27,297)
Net unrealized gains on investments	<u>137,277</u>	<u>-</u>	<u>137,277</u>
Total investment return, net	<u>\$ 1,752,025</u>	<u>\$ -</u>	<u>\$ 1,752,025</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

The following table summarizes the inputs used in determining the fair valuation of the Society's investments at December 31, 2020 and 2019:

	2020			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 16,998	\$ -	\$ -	\$ 16,998
Common investment fund*	-	-	-	9,852,709
Marketable debt securities:				
U.S. government and agency obligations	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>1,224</u>
Total marketable debt securities	1,224	-	-	1,224
Marketable equity securities:				
Communication services	129,429	-	-	129,429
Consumer discretionary	150,540	-	-	150,540
Consumer staples	123,934	-	-	123,934
Energy	36,783	-	-	36,783
Financials	228,826	-	-	228,826
Health care	194,366	-	-	194,366
Industrials	121,434	-	-	121,434
Information technology	455,443	-	-	455,443
Materials	73,997	-	-	73,997
Real estate	42,049	-	-	42,049
Utilities	<u>71,520</u>	<u>-</u>	<u>-</u>	<u>71,520</u>
Total marketable equity securities	<u>1,628,321</u>	<u>-</u>	<u>-</u>	<u>1,628,321</u>
	<u>\$ 1,646,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,499,252</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

	2019			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 32,335	\$ -	\$ -	\$ 32,335
Common investment fund*	-	-	-	8,559,605
Marketable debt securities:				
U.S. government and agency obligations	<u>1,504</u>	<u>-</u>	<u>-</u>	<u>1,504</u>
Total marketable debt securities	1,504	-	-	1,504
Marketable equity securities:				
Communication services	103,421	-	-	103,421
Consumer discretionary	94,053	-	-	94,053
Consumer staples	65,560	-	-	65,560
Energy	57,002	-	-	57,002
Financials	186,496	-	-	186,496
Health care	147,277	-	-	147,277
Industrials	60,703	-	-	60,703
Information technology	306,294	-	-	306,294
Materials	62,651	-	-	62,651
Real estate	39,846	-	-	39,846
Utilities	<u>43,967</u>	<u>-</u>	<u>-</u>	<u>43,967</u>
Total marketable equity securities	<u>1,167,270</u>	<u>-</u>	<u>-</u>	<u>1,167,270</u>
	<u>\$ 1,201,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,760,714</u>

*The Society's unit holdings in the Common Investment Fund do not have quoted market prices in the active markets or significant other observable inputs that have quoted market prices, although the Society can redeem its investment at the Net Asset Value (NAV) per share at December 31, 2020 and 2019. Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

There were no unfunded commitments on the investments as of December 31, 2020 and 2019.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020 AND 2019

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 are as follows:

	Estimated Useful Life	<u>2020</u>	<u>2019</u>
Building improvements	10-20 years	\$ 688,292	\$ 688,292
Leasehold improvements	10 years	161,803	161,803
Equipment	5 years	<u>160,826</u>	<u>155,817</u>
		1,010,921	1,005,912
Less accumulated depreciation and amortization		<u>686,305</u>	<u>649,091</u>
		<u>\$ 324,616</u>	<u>\$ 356,821</u>

NOTE D - OTHER ASSETS

Other assets at December 31, 2020 and 2019 consist of:

	<u>2020</u>	<u>2019</u>
Land - Florida	\$ -	\$ 5,700
Insurance cash surrender value	<u>43,194</u>	<u>41,532</u>
	<u>\$ 43,194</u>	<u>\$ 47,232</u>

NOTE E - FOREIGN OPERATIONS

As of December 31, 2020 and 2019, respectively, assets in other countries, including cash totaled \$140,590 and \$187,104 and property and equipment, net of accumulated depreciation, amounted to \$316,365 and \$351,388. Total support and revenue received from foreign sources amounted to \$231,561 and \$342,337 for the years ended December 31, 2020 and 2019, respectively.

Account balances relating to foreign operations are reflected in the financial statements in United States dollars.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE F - FOREIGN ESTATE

During the years ended December 31, 2020 and 2019, the Society recognized \$149,578 and \$-0-, respectively, in revenue from a foreign estate for which it is a beneficiary. At December 31, 2020 and 2019 \$-0- and \$132,572 was due, respectively, from the foreign estate and is included in note receivable on the statements of financial position. This receivable represents approximately 0% and 48% of the Society's receivables at December 31, 2020 and 2019, respectively.

NOTE G - LAY EMPLOYEE 401(K) PLAN

The Society participates with other organizations affiliated with the Archdiocese of Boston in a 401(k) defined contribution plan (the "Plan"), which is administered by TIAA-CREF. Eligible employees may elect to make retirement savings contributions to the Plan, which are matched by the Society up to 4% of employee compensation. The amount of the match for the years ended December 31, 2020 and 2019 was \$2,761 and \$3,281, respectively. Employee benefit costs associated with the Plan for the years ended December 31, 2020 and 2019 were incurred and paid by the Archdiocese of Boston.

NOTE H - LAY EMPLOYEE PENSION PLAN

The Society is a participant with other related Archdiocesan organizations in a pension plan covering certain lay employees, the Roman Catholic Archdiocese of Boston Pension Plan (the "Pension Plan"), that has been characterized for financial accounting purposes as a multiemployer pension plan, a noncontributory benefit plan established by the Roman Catholic Archbishop of Boston. The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating entity stops contributing to the multiemployer plan, the unfunded obligations of the plan may be borne by the remaining participating entities.
- If an entity petitions to stop participating in the multiemployer plan, the entity may be required to pay the plan a withdrawal liability based on the funded status of the plan.

These aspects of multiemployer plan participation are consistent with the manner of administration of the Pension Plan. The aspects are not required by law but are part of the Pension Plan's administrative practices. Neither the financial accounting treatment of the Pension Plan, nor its administrative practices, nor this footnote shall be deemed a representation that the Pension Plan is subject to any laws that require the multiemployer attributes that are set forth above.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020 AND 2019

NOTE H - LAY EMPLOYEE PENSION PLAN (Continued)

The Pension Plan is designed to provide retirement benefits for eligible lay employees of the Society. Effective December 31, 2011, per a vote of the Pension Plan Trustees, the Pension Plan was amended to freeze the accrual of additional benefits. Under the provisions of the amendment, employees hired after December 1, 2010, are not eligible to become participants in the Pension Plan. Employees with five or more years of service as of December 31, 2011 remain vested. Employees with at least one year of service as of December 31, 2011 will be allowed to continue to add years of service towards vesting after the freeze date.

Amounts charged to pension expense allocated to the Society is based on payroll cost and amounted to \$2,875 and \$3,422 for the years ended December 31, 2020 and 2019, respectively, and is included in employee benefits in the accompanying statements of functional expenses. The Society's employees comprise less than 1% of all lay employees covered under the Pension Plan.

The following table discloses the name and funded status of the Pension Plan as of June 30, 2020 (the date of the latest actuarial valuation), inclusive of the fair value of plan assets as of June 30, 2020:

<u>Legal Name and Plan Number</u>	<u>Plan EIN</u>	<u>Actuarial Present Value of Accumulated Plan Benefits</u>	<u>Fair Value of Plan Assets</u>	<u>Total Net Contributions</u>	<u>Funded Status</u>
Roman Catholic Archdiocese of Boston Pension Plan, Number 001	04-2777359	\$ 162,633,000	\$ 137,551,000	\$ 6,226,000	Greater than 84%

The Society reserves the right to discontinue contributions at any time and terminate participating in the Pension Plan. In the event of termination and discontinuance, the assets of the Pension Plan remaining after paying all administrative expenses of the Pension Plan will be allocated in accordance with the terms of the Roman Catholic Archdiocese of Boston Pension Plan for the purpose of paying benefits provided under the Pension Plan.

The accumulated benefit obligation net of the plan assets of the Pension Plan is not required to be and, therefore, is not reflected in the accompanying statements of financial position.

NOTE I - LAY EMPLOYEE HEALTH AND DENTAL BENEFIT PLAN

The Society participates with other organizations affiliated with the Archdiocese of Boston in a health and dental plan covering substantially all lay employees, known as the Roman Catholic Archdiocese of Boston Health Benefit Plan (the "Health Plan"). The Health Plan agreement provides that the participating employers make monthly contributions to the Health Plan of a specified amount for each class of employee. The Society's contributions to the Health Plan amounted to \$27,909 and \$35,577 for the years ended December 31, 2020 and 2019, respectively, which are included in employee benefits in the accompanying statements of functional expenses.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020 AND 2019

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020 and 2019, net assets with donor restrictions consist of funds received from donors that are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Gifts to priests in Peru	\$ 17,150	\$ 4,435
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Mission expenses	6,065	-
Subject to the Society's endowment spending policy and appropriation:		
Mission expenses	<u>50,000</u>	<u>50,000</u>
Total endowments	<u>56,065</u>	<u>50,000</u>
	<u>\$ 73,215</u>	<u>\$ 54,435</u>

NOTE K - CONCENTRATIONS OF CREDIT RISK

Funds on deposit with financial institutions not covered by FDIC insurance were approximately \$648,000 and \$655,000 at December 31, 2020 and 2019, respectively.

For the year ended December 31, 2020, bequests from one donor amounted to approximately 13% of the Society's total revenues, gains and other support.

For the year ended December 31, 2019, one bequest amounted to approximately 33% of the Society's total revenues, gains and other support.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE L – ENDOWMENT

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Endowment net assets as of December 31, 2018	\$ -	\$ -	\$ -
Investment return, net	-	-	-
Contributions	-	50,000	50,000
Endowment net assets as of December 31, 2019	-	50,000	50,000
Investment return, net	-	6,065	6,065
Contributions	-	-	-
Endowment net assets as of December 31, 2020	<u>\$ -</u>	<u>\$ 56,065</u>	<u>\$ 56,065</u>

The Society did not have any board-designated endowments during 2020 and 2019.

NOTE M - LIQUIDITY AND AVAILABILITY

The Society regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Society has various sources of liquidity at its disposal including cash and cash equivalents and investments in marketable securities.

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,131,741	\$ 1,208,259
Investments	11,499,252	9,760,714
Other receivables	152,149	144,896
Note receivable	-	132,572
	<u>12,783,142</u>	<u>11,246,441</u>
Less: assets with donor restrictions	<u>73,215</u>	<u>54,435</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$12,709,927</u>	<u>\$11,192,006</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020 AND 2019

NOTE N – RECLASSIFICATIONS

Certain balances in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications had no impact on the statements of financial position, statements of activities, statements of functional expenses or statements of cash flows.

NOTE O - COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Society, COVID-19 has had an impact on various parts of its 2020 operations and financial results including, but not limited to, additional costs for emergency preparedness, disease control and containment, shortages of staff, a significant impact on the operations in Peru, especially rental activities, and fluctuations in the value of its investment portfolios. Management believes the Society is taking appropriate actions, including funding the mission in Peru to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2020.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events through May 20, 2021, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
The Missionary Society of St. James the Apostle
Boston, Massachusetts

We have audited the financial statements of The Missionary Society of St. James the Apostle as of and for the years ended December 31, 2020 and 2019, and our report thereon dated May 20, 2021 which appears on pages 1-2, was qualified as we have been unable to ascertain the Society's share of the assets that the Society may ultimately receive from a foreign estate of which it was a beneficiary because the Society is unable to determine whether it will be able to perfect legal title to the underlying assets, and we were unable to satisfy ourselves about the valuation of these assets by means of other auditing procedures. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues, gains and other support, and mission expenses, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Livingston & Haynes, P.C.

Wellesley, Massachusetts
May 20, 2021

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
SCHEDULES OF REVENUES, GAINS AND OTHER SUPPORT - UNAUDITED
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Contributions:			
General	\$ 369,901	\$ 17,150	\$ 387,051
Parish appeals	8,958	-	8,958
Friends	216,703	-	216,703
Participating Bishops	18,235	-	18,235
Christmas Novena	-	-	-
Tithing	4,550	-	4,550
Easter Novena	-	-	-
Enrollments	70	-	70
Masses	10,060	-	10,060
	<u>628,477</u>	17,150	<u>645,627</u>
Bequests	472,376	-	472,376
Other income	78,498	-	78,498
	<u>1,179,351</u>	17,150	<u>1,196,501</u>
Investment income:			
Interest and dividends, net	366,088	1,069	367,157
Net realized and unrealized gains (losses) on investment transactions	1,084,805	4,996	1,089,801
	<u>1,450,893</u>	<u>6,065</u>	<u>1,456,958</u>
 TOTAL REVENUES, GAINS AND OTHER SUPPORT BEFORE NET ASSETS RELEASED FROM RESTRICTIONS	 <u>\$ 2,630,244</u>	 <u>\$ 23,215</u>	 <u>\$ 2,653,459</u>

See Independent Auditors' Report on Supplementary Information

2019		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 413,494	\$ 4,435	\$ 417,929
140,205	-	140,205
163,933	-	163,933
11,552	-	11,552
20	-	20
7,490	-	7,490
853	-	853
90	-	90
<u>19,600</u>	<u>-</u>	<u>19,600</u>
757,237	4,435	761,672
202,058	50,000	252,058
<u>410,670</u>	<u>-</u>	<u>410,670</u>
1,369,965	54,435	1,424,400
200,520	-	200,520
<u>1,551,505</u>	<u>-</u>	<u>1,551,505</u>
<u>1,752,025</u>	<u>-</u>	<u>1,752,025</u>
<u>\$ 3,121,990</u>	<u>\$ 54,435</u>	<u>\$ 3,176,425</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE
SCHEDULES OF MISSION EXPENSES - UNAUDITED
YEARS ENDED DECEMBER 31, 2020 AND 2019

	Peru	
	2020	2019
Center House	\$ 69,429	\$ 75,451
Depreciation	35,023	35,023
Donations	-	16,458
Housing, new and repairs	393	-
Household articles	1,771	80
Insurance	4,006	7,890
Legal and audit	3,779	4,923
Medical	1	73
Meeting	32,323	18,857
Rent expense	74,498	142,212
Bank charges	1,246	2,012
Salaries and subsistence allowance	137,355	128,106
Service	2,351	1,322
Special projects	395,479	531,731
Travel	7,126	16,263
Vehicles	4,860	12,317
TOTALS	<u>\$ 769,640</u>	<u>\$ 992,718</u>

See Independent Auditors' Report on Supplementary Information