

THE MISSIONARY SOCIETY OF  
ST. JAMES THE APOSTLE

BOSTON, MASSACHUSETTS

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND INDEPENDENT AUDITORS' REPORTS

DECEMBER 31, 2015 AND 2014

## CONTENTS

FINANCIAL STATEMENTS	PAGE
INDEPENDENT AUDITORS' REPORT.....	1-2
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS.....	6-14
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION.....	15
SCHEDULES OF REVENUE AND OTHER SUPPORT - UNAUDITED .....	16
SCHEDULES OF MISSION EXPENSES - UNAUDITED.....	17
SCHEDULES OF SUPPORTING SERVICES EXPENSES - UNAUDITED .....	18

## INDEPENDENT AUDITORS' REPORT

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, 2015 and 2014, 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 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. Accordingly, no value has been assigned to these assets or recorded in the financial statements for the years ended December 31, 2015 and 2014.

**Qualified Opinion**

In our opinion, except for the possible 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, 2015 and 2014, 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.

Wellesley, Massachusetts  
July 14, 2016

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 614,086	\$ 698,717
Investments in marketable securities	4,694,252	4,285,247
Investments - other	-	297,797
Prepaid expenses	8,960	6,662
Other receivables	39,774	19,855
Other assets	80,502	79,137
Land, improvements and equipment, net	<u>291,673</u>	<u>64,555</u>
TOTAL ASSETS	<u>\$ 5,729,247</u>	<u>\$ 5,451,970</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 39,611	\$ 40,341
Due to clergy and missions	<u>185</u>	<u>40,956</u>
TOTAL LIABILITIES	39,796	81,297
Net assets:		
Unrestricted	5,645,661	5,325,827
Temporarily restricted	<u>43,790</u>	<u>44,846</u>
TOTAL NET ASSETS	<u>5,689,451</u>	<u>5,370,673</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,729,247</u>	<u>\$ 5,451,970</u>

See accompanying notes to financial statements.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		
	Unrestricted	Temporarily Restricted	Total
Revenue and other support:			
Contributions	\$ 1,408,590	\$ 56,525	\$ 1,465,115
Bequests	174,260	-	174,260
Other income	243,714	-	243,714
	<u>1,826,564</u>	<u>56,525</u>	<u>1,883,089</u>
Investment income:			
Interest and dividends	93,360	-	93,360
Realized gains on investments	47,241	-	47,241
Unrealized gains (losses) on investments	(126,844)	-	(126,844)
	<u>13,757</u>	<u>-</u>	<u>13,757</u>
Net assets released from restrictions	<u>57,581</u>	<u>(57,581)</u>	<u>-</u>
 TOTAL REVENUE AND OTHER SUPPORT	 1,897,902	 (1,056)	 1,896,846
Expenses:			
Missions:			
Ecuador	336,641	-	336,641
Peru	671,435	-	671,435
TOTAL MISSIONS	<u>1,008,076</u>	<u>-</u>	<u>1,008,076</u>
Supporting services:			
Masses	13,635	-	13,635
Public relations	57,005	-	57,005
Recruiting	3,931	-	3,931
General and administration	442,581	-	442,581
Fund raising	52,840	-	52,840
TOTAL SUPPORTING SERVICES	<u>569,992</u>	<u>-</u>	<u>569,992</u>
 TOTAL EXPENSES	 <u>1,578,068</u>	 <u>-</u>	 <u>1,578,068</u>
 CHANGE IN NET ASSETS	 319,834	 (1,056)	 318,778
Net assets at beginning of year	<u>5,325,827</u>	<u>44,846</u>	<u>5,370,673</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 5,645,661</u>	 <u>\$ 43,790</u>	 <u>\$ 5,689,451</u>

See accompanying notes to financial statements.

2014		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 1,375,091	\$ 60,946	\$ 1,436,037
61,735	-	61,735
<u>171,443</u>	<u>-</u>	<u>171,443</u>
1,608,269	60,946	1,669,215
78,091	-	78,091
22,206	-	22,206
<u>174,840</u>	<u>-</u>	<u>174,840</u>
275,137	-	275,137
<u>16,100</u>	<u>(16,100)</u>	<u>-</u>
1,899,506	44,846	1,944,352
246,790	-	246,790
<u>1,044,080</u>	<u>-</u>	<u>1,044,080</u>
1,290,870	-	1,290,870
16,950	-	16,950
42,461	-	42,461
3,491	-	3,491
447,536	-	447,536
<u>63,000</u>	<u>-</u>	<u>63,000</u>
<u>573,438</u>	<u>-</u>	<u>573,438</u>
1,864,308	-	1,864,308
35,198	44,846	80,044
<u>5,290,629</u>	<u>-</u>	<u>5,290,629</u>
<u>\$ 5,325,827</u>	<u>\$ 44,846</u>	<u>\$ 5,370,673</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 318,778	\$ 80,044
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	31,334	31,460
Gain on sale of investments	(47,241)	(22,206)
Unrealized losses (gains) on investments	126,844	(174,840)
(Increase) decrease in:		
Prepaid expenses	(2,298)	9,639
Other receivables	(19,919)	24,250
Other assets	(1,365)	(1,440)
Increase (decrease) in:		
Accounts payable	(730)	(8,933)
Assigned gifts payable	-	(90,031)
Due to clergy and missions	(40,771)	40,956
TOTAL ADJUSTMENTS	<u>45,854</u>	<u>(191,145)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	364,632	(111,101)
Cash flows from investing activities:		
Proceeds from sale of investments	905,518	1,020,334
Proceeds from sale of investments - other	297,797	-
Purchase of investments	(1,394,126)	(1,346,654)
Purchase of investments - other	-	(446)
Purchase of land, improvements and equipment	<u>(258,452)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(449,263)</u>	<u>(326,766)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(84,631)	(437,867)
Cash and cash equivalents at beginning of year	<u>698,717</u>	<u>1,136,584</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 614,086</u>	<u>\$ 698,717</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, 2015 AND 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and Ecuador. A summary of 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:

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Society. Generally, the donors of these assets permit the Society to use all or part of the investment income on related investments for general or specific purposes.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met either by actions of the Society and/or the passage of time.

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Society or may otherwise be limited by contractual agreements with outside parties.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Upon the expirations of temporary restrictions on net assets; 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 statement of activities as net assets released from restrictions.

For the years ended December 31, 2015 and 2014, the Society did not have any permanently restricted net assets.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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 statement of financial position date are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets 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 permanently restricted net assets. 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, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Assets and liabilities have been sequenced according to their nearness to conversion to cash or repayment.

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).

Investments - Other

Investments - other consists of certificates of deposit with maturities of three months or longer and are carried at cost in the statement of financial position.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Society's investments are carried at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investments include cash and cash equivalents invested 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.

Other Receivables

The Society carries its other receivables at cost less an allowance for doubtful accounts. 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, 2015 and 2014.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land, Improvements 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 statement of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the statement 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.

NOTE B - INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities, at fair values, at December 31, 2015 and 2014 are as follows:

	2015		2014	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 494,127	\$ 493,892	\$ 753,418	\$ 755,489
Marketable debt securities	1,708,900	1,692,916	1,451,548	1,185,218
Marketable equity securities	1,568,858	2,113,519	1,381,146	2,026,457
Other assets	<u>398,385</u>	<u>393,925</u>	<u>48,309</u>	<u>318,083</u>
	<u>\$ 4,170,270</u>	<u>\$ 4,694,252</u>	<u>\$ 3,634,421</u>	<u>\$ 4,285,247</u>

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

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE B - INVESTMENTS IN MARKETABLE SECURITIES (Continued)

The Society's policy is to recognize transfers in and transfers out of the different levels as of the actual date of the event or change in circumstance that caused the transfer. No such transfers occurred during the years ended December 31, 2015 and 2014. There were also no changes in valuations techniques during 2015 and 2014.

The following table summarizes the inputs used in determining the fair valuation of the Society's investments at December 31, 2015 and 2014:

	2015			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 493,892	\$ -	\$ -	\$ 493,892
Marketable debt securities:				
U.S. government and agency obligations	61,926	-	-	61,926
Municipal bonds	25,745	-	-	25,745
Corporate obligations	-	1,605,245	-	1,605,245
Total marketable debt securities	87,671	1,605,245	-	1,692,916
Marketable equity securities:				
Consumer discretionary	235,915	-	-	235,915
Consumer staples	84,800	-	-	84,800
Energy	108,590	-	-	108,590
Financials	340,807	-	-	340,807
Health care	432,863	-	-	432,863
Industrials	245,648	-	-	245,648
Information technology	467,860	-	-	467,860
Materials	43,647	-	-	43,647
Telecommunication services	47,788	-	-	47,788
Utilities	105,601	-	-	105,601
Mutual funds	-	-	-	-
Total marketable equity securities	2,113,519	-	-	2,113,519
Other assets:				
Exchange traded funds	393,925	-	-	393,925
Total other assets	393,925	-	-	393,925
	<u>\$ 3,089,007</u>	<u>\$ 1,605,245</u>	<u>\$ -</u>	<u>\$ 4,694,252</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE B - INVESTMENTS IN MARKETABLE SECURITIES (Continued)

	2014			Total
	Level 1	Level 2	Level 3	
Cash equivalents	\$ 755,489	\$ -	\$ -	\$ 755,489
Marketable debt securities:				
U.S. government and agency obligations	64,606	-	-	64,606
Municipal bonds	26,382	-	-	26,382
Corporate obligations	-	1,094,230	-	1,094,230
Total marketable debt securities	90,988	1,094,230	-	1,185,218
Marketable equity securities:				
Consumer discretionary	270,803	-	-	270,803
Energy	125,770	-	-	125,770
Financials	397,101	-	-	397,101
Health care	340,855	-	-	340,855
Industrials	209,593	-	-	209,593
Information technology	413,491	-	-	413,491
Materials	64,454	-	-	64,454
Telecommunication services	47,563	-	-	47,563
Utilities	104,272	-	-	104,272
Mutual funds	52,555	-	-	52,555
Total marketable equity securities	2,026,457	-	-	2,026,457
Other assets:				
Exchange traded funds	318,083	-	-	318,083
Total other assets	318,083	-	-	318,083
	<u>\$ 3,191,017</u>	<u>\$ 1,094,230</u>	<u>\$ -</u>	<u>\$ 4,285,247</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE C - LAND, IMPROVEMENTS AND EQUIPMENT

Land, improvements, and equipment at December 31, 2015 and 2014 are as follows:

	Estimated Useful Life	2015	2014
Building improvements	10 years	\$ 214,324	\$ 214,324
Leasehold improvements	10 years	161,803	161,803
Equipment	5 years	<u>157,184</u>	<u>157,184</u>
		533,311	533,311
Less accumulated depreciation and amortization		<u>500,090</u>	<u>468,756</u>
		33,221	64,555
Construction in progress		<u>258,452</u>	<u>-</u>
		<u>\$ 291,673</u>	<u>\$ 64,555</u>

NOTE D - OTHER ASSETS

Other assets at December 31, 2015 and 2014 consist of:

	2015	2014
Land - Florida	\$ 45,000	\$ 45,000
Insurance cash surrender value	<u>35,502</u>	<u>34,137</u>
	<u>\$ 80,502</u>	<u>\$ 79,137</u>

NOTE E - FOREIGN OPERATIONS

The Society operates various missions in Ecuador and Peru. Account balances relating to foreign operations are reflected in the financial statements in United States dollars.

NOTE F - LAY EMPLOYEE 401(K) PLAN

The Society participates with other organizations affiliated with the Archdiocese in 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 2% of employee compensation. The amount of the match for the years ended December 31, 2015 and 2014 was \$2,837 and \$1,767, respectively. Employee benefit costs associated with the Plan for the years ended December 31, 2015 and 2014 were incurred and paid by the Archdiocese in Boston.

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE G - LAY EMPLOYEE PENSION PLAN

The Society participates with other organizations affiliated with the Archdiocese in Boston in a noncontributory, defined-benefit, multi-employer pension plan covering substantially all lay employees. Benefits are provided through the Lay Employee Pension Plan (the "Pension Plan"). The Society's employees comprise less than 1% of all lay employees covered under the Pension Plan. The Pension Plan is not subject to the Employee Retirement Income Security Act of 1974 (ERISA). Pension expense allocated to the Society is based on payroll cost and amounted to \$9,586 and \$9,967 for the years ended December 31, 2015 and 2014, respectively, and is included in general and administration expenses in the accompanying statements of activities.

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, will be allowed to continue to add years of service towards vesting after the freeze date.

The following table discloses the name and funded status of the Roman Catholic Archdiocese of Boston Pension Plan as of June 30, 2015 (the date of the latest actuarial valuation), inclusive of the fair value of plan assets as of June 30, 2015:

<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	\$241,641,000	\$215,992,000	\$7,800,000	Approximately 89%

The Society reserves the right to discontinue its participation in the Plan at any time. In the event of 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 are not reflected in the accompanying statements of financial position.



THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE H - LAY EMPLOYEE HEALTH AND DENTAL BENEFIT PLAN

The Society participates with other organizations affiliated with the Archdiocese in 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 \$29,018 and \$41,038 for the years ended December 31, 2015 and 2014, respectively, and are included in general and administration expenses in the accompanying statements of activities.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of unspent funds received from donors for the purpose of saying masses, and for various missions in Peru and Ecuador in South America.

NOTE J - CONCENTRATIONS OF CREDIT RISK

Funds on deposit with a financial institution were in excess of the FDIC insured limits by approximately \$322,891 and \$265,432 at December 31, 2015 and 2014, respectively.

NOTE K - INVESTMENT EXPENSE

Investment expense for the years ended December 31, 2015 and 2014 was \$22,751 and \$19,961, respectively, and is included in general and administrative expenses on the statements of activities.

NOTE L - RECLASSIFICATIONS

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

NOTE M - SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Society through July 14, 2016, 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, 2015 and 2014, and our report thereon dated July 14, 2016, 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 revenue and other support, mission expenses and supporting services 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.

Wellesley, Massachusetts  
July 14, 2016

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE  
SCHEDULES OF REVENUE AND OTHER SUPPORT - UNAUDITED  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015		
	Unrestricted	Temporarily Restricted	Total
Contributions:			
General	\$ 630,754	\$ 43,790	\$ 674,544
Parish appeals	188,244	-	188,244
Friends (1)	444,645	-	444,645
Banquet - Chicago	19,965	-	19,965
Banquet - Boston	70,952	-	70,952
Participating Bishops (2)	30,630	-	30,630
Christmas Novena	3,527	-	3,527
Tithing	16,930	-	16,930
Easter Novena	2,211	-	2,211
Enrollments	732	-	732
Masses	-	12,735	12,735
	1,408,590	56,525	1,465,115
Bequests	174,260	-	174,260
Other income	243,714	-	243,714
	1,826,564	56,525	1,883,089
Investment income:			
Interest and dividends	93,360	-	93,360
Realized and unrealized gains (losses) on investment transactions	(79,603)	-	(79,603)
	13,757	-	13,757
<b>TOTAL REVENUE AND OTHER SUPPORT BEFORE NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>\$ 1,840,321</b>	<b>\$ 56,525</b>	<b>\$ 1,896,846</b>

(1) These are supporters who receive the Society's monthly newsletter and return envelope and contribute by mail.

(2) These are dioceses that reimburse the Society for the cost of maintaining the priest(s) of their diocese in the missions. Normally they provide the Society \$15,000 per year, per priest.

2014		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 734,203	\$ 44,846	\$ 779,049
173,187	-	173,187
348,971	-	348,971
30,878	-	30,878
37,641	-	37,641
31,930	-	31,930
1,661	-	1,661
13,480	-	13,480
2,293	-	2,293
847	-	847
-	<u>16,100</u>	<u>16,100</u>
1,375,091	60,946	1,436,037
61,735	-	61,735
<u>171,443</u>	<u>-</u>	<u>171,443</u>
1,608,269	60,946	1,669,215
78,091	-	78,091
<u>197,046</u>	<u>-</u>	<u>197,046</u>
<u>275,137</u>	<u>-</u>	<u>275,137</u>
<u>\$ 1,883,406</u>	<u>\$ 60,946</u>	<u>\$ 1,944,352</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE

SCHEDULES OF MISSION EXPENSES - UNAUDITED

YEARS ENDED DECEMBER 31, 2015 AND 2014

	Ecuador		Peru	
	2015	2014	2015	2014
Center House	\$ -	\$ -	\$ 112,407	\$ 104,757
Housing, new and repairs	-	-	1,655	1,421
Household articles	-	-	43	-
Insurance	3,076	3,961	9,228	2,456
Legal	-	-	-	400
Medical	-	-	715	(10,721)
Meeting	3,876	5,200	13,808	4,253
Miscellaneous	228	-	-	54
Office	-	-	-	1,979
Rent expense	-	-	98,150	90,250
Retreat	-	-	195	1,297
Salaries	51,000	64,800	77,837	83,392
Service	-	-	950	5,039
Special projects	273,229	161,465	336,756	744,917
Taxes	-	-	-	36
Travel	3,324	2,600	17,556	14,516
Vehicles	1,908	8,764	2,135	34
TOTALS	<u>\$ 336,641</u>	<u>\$ 246,790</u>	<u>\$ 671,435</u>	<u>\$ 1,044,080</u>

See Independent Auditors' Report on Supplementary Information

Totals	
<u>2015</u>	<u>2014</u>
\$ 112,407	\$ 104,757
1,655	1,421
43	-
12,304	6,417
-	400
715	(10,721)
17,684	9,453
228	54
-	1,979
98,150	90,250
195	1,297
128,837	148,192
950	5,039
609,985	906,382
-	36
20,880	17,116
<u>4,043</u>	<u>8,798</u>
<u>\$ 1,008,076</u>	<u>\$ 1,290,870</u>

THE MISSIONARY SOCIETY OF ST. JAMES THE APOSTLE  
SCHEDULES OF SUPPORTING SERVICES EXPENSES - UNAUDITED  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
MASSSES	\$ 13,635	\$ 16,950
 PUBLIC RELATIONS		
Purchased services	\$ 48,113	\$ 34,783
Postage	<u>8,892</u>	<u>7,678</u>
TOTAL PUBLIC RELATIONS	<u>\$ 57,005</u>	<u>\$ 42,461</u>
 RECRUITING		
Advertising	<u>\$ 3,931</u>	<u>\$ 3,491</u>
 GENERAL AND ADMINISTRATION		
Salaries	\$ 168,824	\$ 184,766
Insurance	44,272	56,911
Boston Center House	56,258	56,290
Legal and audit	61,617	35,157
Depreciation and amortization	31,334	31,460
Payroll taxes	10,614	11,659
Travel	19,976	10,441
Purchased services	5,612	8,181
Supplies	4,703	1,960
Donations	750	-
Miscellaneous	<u>38,621</u>	<u>50,711</u>
TOTAL GENERAL AND ADMINISTRATION	<u>\$ 442,581</u>	<u>\$ 447,536</u>
 FUND RAISING		
Preaching travel	\$ 13,341	\$ 27,934
Banquet - Chicago	14,267	20,840
Banquet - Boston	24,942	13,511
Fund raising	-	295
Easter Novena	290	226
Christmas Novena	<u>-</u>	<u>194</u>
TOTAL FUND RAISING	<u>\$ 52,840</u>	<u>\$ 63,000</u>

See Independent Auditors' Report on Supplementary Information