

**Mennonite Church USA-Executive Board**

**Financial Report**

**For the Year Ended July 31, 2016  
(With summarized financial information as of July 31, 2015)**

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## INDEPENDENT AUDITOR'S REPORT

To the Executive Board  
Mennonite Church USA, Inc.  
Newton, Kansas

We have audited the accompanying financial statements of Mennonite Church USA, Inc.-Executive Board which comprise the statement of financial position as of July 31, 2016, and the related statements of activities, functional expenses and cash flows for the year 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

### Basis for Qualified Opinion

As described in Note 1 of the Notes to Financial Statements, certain affiliated organizations are not consolidated and, accordingly, the accompanying financial statements do not present the assets, liabilities, net assets, revenues, expenditures, or related commitments or contingencies related to the operation of these affiliated organizations. The effect of not consolidating affiliated organizations has not been determined. Accordingly, the accompanying financial statements are not in conformity with accounting principles generally accepted in the United States of America.

### Qualified Opinion

In our opinion, except for the effects of not consolidating certain affiliated organizations as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Mennonite Church USA, Inc.-Executive Board as of July 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Mennonite Church USA, Inc.-Executive Board's 2015 financial statements, and our report dated January 15, 2016, expressed a qualified opinion on those audited financial statements for reasons consistent with that expressed in this report. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 20 to 25 is presented for purposes of additional analysis and is 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. 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, except for the effects of not consolidating certain affiliated organizations as explained in the basis for qualified opinion paragraph, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Regier Can E Mowal, CPA*

Wichita, Kansas  
November 8, 2016

**Mennonite Church USA-Executive Board**  
**Statements of Financial Position**  
**July 31, 2016**  
**(with summarized information as of July 31, 2015)**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash and cash equivalents:		
Cash	\$ 558,823	\$ 934,199
Temporary investments	186,838	176,020
Certificates of deposit	31,263	31,122
Total cash and cash equivalents	776,924	1,141,341
Accounts receivable	27,097	64,408
Receivables-related parties	299,178	324,943
Investments	618,981	529,978
Notes receivable	10,000	10,000
Student loans receivable, net of allowance for doubtful accounts in 2016 and 2015 of \$10,000 and \$10,000, respectively	77,063	83,672
Property assets, net	260,794	277,756
Other assets and prepaid assets	11,627	7,839
Total assets	<b>\$ 2,081,664</b>	<b>\$ 2,439,937</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 53,706	\$ 243,955
Payables-related parties	98,263	141,719
Deferred revenue	4,855	4,847
Annuity contracts payable	67,630	77,576
Total liabilities	224,454	468,097
Net assets:		
Unrestricted:		
Undesignated	334,951	489,602
Board designated	661,732	655,118
Total unrestricted	996,683	1,144,720
Temporarily restricted	661,233	702,826
Permanently restricted	199,294	124,294
Total net assets	1,857,210	1,971,840
Total liabilities and net assets	<b>\$ 2,081,664</b>	<b>\$ 2,439,937</b>

*The Notes to Financial Statements are an integral part of these statements.*

**Mennonite Church USA-Executive Board**  
**Statements of Activity**  
**For the Year Ended July 31, 2016**  
**(with summarized financial information for the year ended July 31, 2015)**

	2016						2015 Total	
	Unrestricted			Temporarily Restricted	Permanently Restricted	Total		
	Undesignated	Board Designated	Eliminations					Sub-Total
<b>SUPPORT AND REVENUE</b>								
Contributions								
Firstfruit-related party	\$ 1,282,058	\$ -	\$ (5,000)	\$ 1,277,058	\$ -	\$ -	\$ 1,277,058	\$ 1,190,887
Other grants and contributions	419,868	21,034	-	440,902	66,370	75,000	582,272	647,218
Other grants and contributions-related party	13,000	-	(8,000)	5,000	45,500	-	50,500	31,000
Contributions - Purposeful								
Plan Campaign	-	-	-	-	627,000	-	627,000	420,500
Estate & annuity	28,792	162,572	(23,792)	167,572	-	-	167,572	82,828
Total contributions	<u>1,743,718</u>	<u>183,606</u>	<u>(36,792)</u>	<u>1,890,532</u>	<u>738,870</u>	<u>75,000</u>	<u>2,704,402</u>	<u>2,372,433</u>
Other income:								
Investment income	3,009	13,035	-	16,044	3,657	-	19,701	14,755
Convention revenue	2,849	-	-	2,849	-	-	2,849	1,611,908
Rent income-related party	58,081	-	(12,344)	45,737	-	-	45,737	46,446
Sale of services/reimbursements-related party	312,094	-	(4,944)	307,150	-	-	307,150	302,625
Miscellaneous	179,898	(232)	-	179,666	11,371	-	191,037	210,810
Total other income	<u>555,931</u>	<u>12,803</u>	<u>(17,288)</u>	<u>551,446</u>	<u>15,028</u>	<u>-</u>	<u>566,474</u>	<u>2,186,544</u>
Total support and revenue	<u>2,299,649</u>	<u>196,409</u>	<u>(54,080)</u>	<u>2,441,978</u>	<u>753,898</u>	<u>75,000</u>	<u>3,270,876</u>	<u>4,558,977</u>
<b>NET ASSETS RELEASED FROM DESIGNATIONS &amp; RESTRICTIONS</b>	<u>800,139</u>	<u>(4,648)</u>	<u>-</u>	<u>795,491</u>	<u>(795,491)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENSES</b>								
Program services	2,846,321	168,418	(54,080)	2,960,659	-	-	2,960,659	3,722,681
Supporting services	448,946	16,729	-	465,675	-	-	465,675	486,589
Total expenses	<u>3,295,267</u>	<u>185,147</u>	<u>(54,080)</u>	<u>3,426,334</u>	<u>-</u>	<u>-</u>	<u>3,426,334</u>	<u>4,209,270</u>
Change in net assets before other transfers	(195,479)	6,614	-	(188,865)	(41,593)	75,000	(155,458)	349,707
<b>OTHER TRANSFERS</b>	<u>40,828</u>	<u>-</u>	<u>-</u>	<u>40,828</u>	<u>-</u>	<u>-</u>	<u>40,828</u>	<u>-</u>
Change in net assets	(154,651)	6,614	-	(148,037)	(41,593)	75,000	(114,630)	349,707
<b>NET ASSETS-BEGINNING OF YEAR</b>	<u>489,602</u>	<u>655,118</u>	<u>-</u>	<u>1,144,720</u>	<u>702,826</u>	<u>124,294</u>	<u>1,971,840</u>	<u>1,622,133</u>
<b>NET ASSETS-END OF YEAR</b>	<u>\$ 334,951</u>	<u>\$ 661,732</u>	<u>\$ -</u>	<u>\$ 996,683</u>	<u>\$ 661,233</u>	<u>\$ 199,294</u>	<u>\$ 1,857,210</u>	<u>\$ 1,971,840</u>

*The Notes to Financial Statements are an integral part of these statements.*

**Mennonite Church USA-Executive Board**  
**Statements of Functional Expenses**  
**For the Year Ended July 31, 2016**  
**(with summarized financial information for the year ended July 31, 2015)**

	<b>2016</b>				<b>2015</b>
	Unrestricted			<b>Total</b>	
	Undesignated	Board Designated	Eliminations		
Program services:					
Salaries & benefits	\$ 1,282,783	\$ -	\$ -	\$ 1,282,783	\$ 1,346,061
Travel	280,802	-	-	280,802	365,893
Office	66,356	43	-	66,399	84,402
Occupancy	65,852	-	(12,344)	53,508	55,251
Promotion and publications	89,693	-	-	89,693	48,500
Contracted services	86,357	3,596	(4,944)	85,009	102,555
Conferences	29,558	-	-	29,558	16,622
Contributions	110,974	162,572	(23,792)	249,754	128,238
Grants - Purposeful Plan Campaign	624,400	-	-	624,400	407,667
Other	164,280	2,207	(13,000)	153,487	178,021
Convention expense	45,266	-	-	45,266	989,471
Total program services	<u>2,846,321</u>	<u>168,418</u>	<u>(54,080)</u>	<u>2,960,659</u>	<u>3,722,681</u>
Supporting services					
Salaries & benefits	192,213	-	-	192,213	249,161
Travel	10,649	-	-	10,649	11,783
Office	22,546	-	-	22,546	28,018
Occupancy	106,977	16,729	-	123,706	122,117
Professional fees	17,975	-	-	17,975	17,975
Contracted services	78,074	-	-	78,074	47,334
Other	20,512	-	-	20,512	10,201
Total supporting services	<u>448,946</u>	<u>16,729</u>	<u>-</u>	<u>465,675</u>	<u>486,589</u>
Total expenses	<u>\$ 3,295,267</u>	<u>\$ 185,147</u>	<u>\$ (54,080)</u>	<u>\$ 3,426,334</u>	<u>\$ 4,209,270</u>

*The Notes to Financial Statements are an integral part of these statements.*

**Mennonite Church USA-Executive Board**  
**Statements of Cash Flows**  
**For the Year Ended July 31, 2016**  
**(with summarized financial information for the year ended July 31, 2015)**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Increase (Decrease) in net assets	\$ (114,630)	\$ 349,707
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long term purposes	(75,000)	(1,325)
Realized and unrealized loss/(gain) on investments	580	5,920
Depreciation	38,387	42,056
Retirement of property assets	232	-
(Increase)/Decrease in accounts receivable	37,311	(34,158)
(Increase)/Decrease in receivables-related parties	25,765	(36,530)
(Increase)/Decrease in other assets and prepaid assets	(3,788)	50,522
Increase/(Decrease) in accounts payable	(190,249)	189,174
Increase/(Decrease) in payables-related parties	(43,456)	28,977
Increase/(Decrease) in deferred revenue	8	(2,793)
Increase/(Decrease) in annuity obligation	4,139	10,318
Net cash provided/(used) by operating activities	<u>(320,701)</u>	<u>601,868</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property assets	(21,657)	(13,954)
Repayment of mortgage-back investments	1,504	1,504
Purchases of investments	(157,685)	(155,799)
Proceeds from sale of investments	66,598	131,854
Disbursement of student loans receivable	-	(3,500)
Repayment of student loans receivable	6,609	6,700
Net cash provided/(used) by investing activities	<u>(104,631)</u>	<u>(33,195)</u>
<b>FINANCING ACTIVITIES</b>		
Contributions restricted for long term purposes	75,000	1,325
Payment on annuity obligation	(14,085)	(14,667)
Net cash provided/(used) by financing activities	<u>60,915</u>	<u>(13,342)</u>
Net increase/(decrease) in cash and cash equivalents	(364,417)	555,331
<b>CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR</b>	<u>1,141,341</u>	<u>586,010</u>
<b>CASH AND AND CASH EQUIVALENTS-END OF YEAR</b>	<u>\$ 776,924</u>	<u>\$ 1,141,341</u>

*The Notes to Financial Statements are an integral part of these statements.*



**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**1. Summary of Significant Accounting Policies**

The accompanying financial statements of the Mennonite Church USA, Inc.-Executive Board (Executive Board) are prepared using the accrual method of accounting. The significant policies are described below to enhance the usefulness of the financial statements to the reader.

***Nature of operations:***

The purpose of Mennonite Church USA, Inc. (an Indiana nonprofit corporation) is joining in God's activity in the world, developing and nurturing missional Mennonite congregations of many cultures.

The Executive Board serves as the board of directors of Mennonite Church USA and was organized to give leadership and to act on behalf of Mennonite Church USA.

The Executive Board consists of the following primary teams:

- Executive Director
- Leadership Development
- Holistic Witness
- Constituent Resources
- Churchwide Operations
- Convention Planning
- Archives
- Transformative Peacemaking

These financial statements also include several funds which are administered by the Executive Board. These funds include:

- Mennonite Women
- Selected balances and activity of Mennonite Men\*
- The Corinthian Plan
- Native Mennonite Ministries

\*-Financial information as of, and for the year ended July 31, 2015 included selected balances and activity of Mennonite Men. Effective August 1, 2015, all activity and balances of Mennonite Men has been included. \$40,828 has been reflected as Other Transfer during the year ended July, 31, 2016 to record the initial recognition of Mennonite Men net assets that had previously not been recorded.

In addition to the Executive Board, Mennonite Church USA includes five additional program agencies which are devoted to serving the Mennonite Church USA's mission. These program agencies and entities are:

- Mennonite Mission Network
- Everence
- Mennonite Education Agency
- MennoMedia
- Mennonite Health Services Alliance
- The Mennonite

These financial statements do not include the assets, liabilities, net assets, revenues, expenditures or related commitments or contingencies related to the operation of these six additional agencies and entities.

***FASB codification adoption:***

The Executive Board follows accounting standards established by the Financial Accounting Standards Board to ensure consistent reporting of financial condition, results of operation, and cash flows.

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**1. Summary of Significant Accounting Policies (Continued)**

***Unconsolidated entities:***

As noted above, these financial statements do not include the activity of six additional agencies and entities of Mennonite Church USA, over which Executive Board exercises control. The Organization's treatment of these related entities is at variance with GAAP, which require that such affiliated entities be consolidated, with all material intercompany activity eliminated.

***Use of estimates:***

The preparation of financial statements in conformity with generally accepted accounting principles 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.

***Display of net assets by class:***

Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Executive Board are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated amounts, are legally unrestricted and are reported as part of the unrestricted class. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets consist of various contributions whereby the donor has designated that the original contribution be invested in perpetuity. Earnings from the invested principal may be further restricted or may be unrestricted. Restricted earnings are recognized and recorded as temporarily restricted assets.

***Fund accounting:***

Revenues and expenses of the Executive Board and activities are maintained by funds. These funds are designated in accordance with specific objectives or activities.

Gains and losses arising from the sale, collection or disposition of investments and other non-cash assets are accounted for in the office in which such assets are recorded. Ordinary income generated from Executive Board assets is accounted for in the office controlling the assets.

Substantially all internal fund transfers have been eliminated from receipts and disbursements.

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**1. Summary of Significant Accounting Policies (Continued)**

***Cash and cash equivalents:***

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, temporary investments, consisting of repurchase agreements and money market funds, and certificates of deposit with an original maturity of less than ninety days.

***Foreign funds:***

All foreign funds held by the Executive Board have been restated to U.S. dollars, using the U.S. equivalent exchange rate in effect as of that date. Foreign revenue and expense activity has been restated using the U.S. equivalent exchange rate in effect at the end of each month, and foreign fund transfer activity is stated at the rate in effect on the transfer date.

***Other receivables-allowance for loss:***

An allowance for uncollectible accounts is maintained at a level adequate to absorb probable losses. Management determines the adequacy of the allowance based upon reviews of individual activity, current economic conditions and other pertinent factors.

***Investments:***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair values based on quoted prices in active markets in the statement of financial position. Investment earnings (including realized and unrealized gains on investments, interest and dividends) are included in the statement of activities as increases or decreases in unrestricted net assets unless the earnings or losses are restricted by the donor.

***Property assets:***

The Executive Board has capitalized significant fixed asset acquisitions relating to the operation of its central offices. The property assets are recorded at cost when acquired, or fair market value if donated. Property assets are depreciated using the straight-line method over their estimated useful lives.

***Charitable gift annuities:***

Contributions of certain assets are received by the Executive Board in exchange for gift annuity contracts. An annuity contract payable is recorded for the present value of the estimated annuity payments, based on the donor's life expectancy, with the excess of the fair value of the assets received over the annuity liability being recorded as contribution income in the period received.

***Federal income taxes:***

The Executive Board is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. The Executive Board is not classified as a private foundation.

The Executive Board adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Executive Board may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**1. Summary of Significant Accounting Policies (Continued)**

***Federal income taxes (Continued):***

position. At July 31, 2016 and 2015, respectively, there were no unrecognized tax benefits identified or recorded as liabilities.

***Subsequent events:***

Management of the Executive Board has evaluated events subsequent to the balance sheet date (July 31, 2016) through November 8, 2016, the date the financial statements were available to be issued.

***Reclassification***

Certain 2015 amounts have been reclassified to conform with the 2016 financial statement presentation.

**2. Other Receivables**

Accounts receivable amounted to \$27,097 and \$64,408 at July 31, 2016 and 2015, respectively, and are unsecured.

Notes receivable require semi-annual interest payments, bear interest of 8%, are due on demand and are secured by real estate. The balance of notes receivable outstanding at July 31, 2016 and 2015, was \$10,000 and \$10,000, respectively.

Student loans receivable also require varying payments and bear interest at various rates. Principal repayments are not required while the student borrower is attending college. The balances of student loans outstanding at July 31 are as follows:

	<b>2016</b>	<b>2015</b>
Student loans receivable	\$ 87,063	\$ 93,672
Allowance for doubtful accounts	(10,000)	(10,000)
	\$ 77,063	\$ 83,672

**3. Receivables-Related Parties**

Accounts receivable due from related parties are as follows as of July 31:

Related Party	<b>2016</b>	<b>2015</b>
Mennonite Mission Network- Health Plan	\$ 188,267	\$ 197,063
Joining Together Investing in Hope Campaign-Racial/Ethnic Ministries	56,748	57,753
Other	8,119	12,957
MennoMedia	4,731	3,272
Mennonite Education Agency	2,109	1,068
Everence	-	7,179
The Mennonite	15,410	23,363
Mennonite Men	-	8,635
Various	23,794	13,653
	\$ 299,178	\$ 324,943

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**4. Investments**

Investment securities are carried at fair value. Fair value determinations are defined by the following three categories:

**Level 1** - Quoted prices in active markets for identical assets or liabilities.

**Level 2** - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

**Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investment securities in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the statement of financial position.

The following table presents the fair value measurements of investment securities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at July 31:

	<b>2016</b>				
	<b>Fair Value</b>	<b>Fair Value Measurement Using</b>			<b>2015</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Money market account	\$ 17,058	\$ 17,058	\$ -	\$ -	\$ 7,179
Mutual funds-stock	329,738	329,738	-	-	262,681
Mutual funds-bonds	150,082	150,082	-	-	148,635
Mutual funds-tactical	23,282	23,282	-	-	17,807
Mutual funds-commodities	22,593	22,593	-	-	17,206
Real estate investment trusts	16,386	16,386	-	-	13,464
Mortgage-backed securities	6,266	-	6,266	-	7,899
Pooled income fund	33,576	-	33,576	-	35,107
Other	20,000	-	20,000	-	20,000
	<u>\$618,981</u>	<u>\$559,139</u>	<u>\$ 59,842</u>	<u>\$ -</u>	<u>\$529,978</u>

Investment income consists of the following for the years ended July 31:

Interest & dividend income	\$ 20,281	\$ 20,675
Realized and unrealized gain/(loss)	<u>(580)</u>	<u>(5,920)</u>
Total investment income	<u>\$ 19,701</u>	<u>\$ 14,755</u>

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**5. Property Assets**

Property and equipment as of July 31, consists of the following:

	<u>2016</u>	<u>2015</u>
Furniture, fixtures and equipment	\$ 410,919	\$ 404,813
Building	181,510	181,510
Building improvements	262,116	253,413
Land	20,000	20,000
Total	874,545	859,736
Less accumulated depreciation	613,751	581,980
Net property assets	<u>\$ 260,794</u>	<u>\$ 277,756</u>
Depreciation expense	<u>\$ 38,387</u>	<u>\$ 42,056</u>

**6. Accounts Payable-Related Parties**

Accounts payable due to related parties at July 31 are as follows:

Related Party	<u>2016</u>			<u>2015</u> <u>Total</u>
	Forwardings (Contributions)	Operating Activites	<u>Total</u>	
Mennonite Mission Network	\$ 59,370	\$ -	\$ 59,370	\$ 106,153
MennoMedia	4,085	-	4,085	3,681
Mennonite Education Agency	9,695	-	9,695	11,789
Various	14,622	10,491	25,113	20,096
	<u>\$ 87,772</u>	<u>\$ 10,491</u>	<u>\$ 98,263</u>	<u>\$ 141,719</u>

**7. Convention Revenue**

The Convention Planning fund of Mennonite Church USA is responsible for the administration of the Mennonite Church USA biennial convention. Activities related to the convention occur over a two year period beginning with the year preceding the convention and the year of the actual convention. Non-refundable expenses related to the convention and its planning are recognized as they are incurred. This has resulted in expenses being recognized as incurred, however, the majority of the revenue is recognized every other year, which results in alternating years of revenue recognition.

The July 2015 convention was held in Kansas City, Missouri. The July 2017 convention will be held in Orlando, Florida.

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**7. Convention Revenue (Continued)**

The following table summarizes the activity of the Orlando and Kansas City conventions to date:

	<b>Orlando</b>	<b>Kansas City</b>		
	Year Ended July 31 2016	Year Ended July 31 2015	Year Ended July 31 2014	<b>Kansas City Total</b>
Contributions	\$ -	\$ 79,878	\$ 8,394	\$ 88,272
Interest income	122	153	154	307
Convention revenue recognized	2,849	1,611,908	2,301	1,614,209
Expenses recognized	(263,481)	(1,252,852)	(318,266)	(1,571,118)
Revenue over/(under) expenses	<u>\$ (260,510)</u>	<u>\$ 439,087</u>	<u>\$ (307,417)</u>	<u>\$ 131,670</u>

**8. Annuity Contracts Payable**

As part of the integration process, the Executive Board assumed the annuity contracts of the former General Conference Mennonite Church Trust Funds. Under these agreements, individuals had contributed assets with an agreement that the donors would be paid specified amounts during their lifetime. These assets were recognized at fair market value at the time of their receipt. Contribution revenue was recognized based upon the fair market value of the gift at the time it was received, less the estimated liability. An actuarial present value of the payments to be made based upon the donor's life expectancy and recent interest rates is used to estimate the liability. The interest rate used at both July 31, 2016 and 2015 was 3.25%, which is based upon an average of recent prime rates.

The following summarizes activity in the annuity contracts payable during the year ended July 31, 2016 and 2015, respectively:

	<b>2016</b>	<b>2015</b>
Balance at beginning of period	\$ 77,576	\$ 81,925
Payments to annuitants	(14,085)	(14,667)
Amortization and adjustment of annuity liability	4,139	10,318
Balance at end of year	<u>\$ 67,630</u>	<u>\$ 77,576</u>

There were no contributions recognized as revenue from gift annuities received during the year ended July 31, 2016 or 2015. Net annuity expense/(benefit) amounted to \$4,139 and \$10,318 for the year ended July 31, 2016 and 2015, respectively.

**Mennonite Church USA, Inc.-Executive Board**  
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**(with summarized financial information as of July 31, 2015)**

**9. Line of Credit**

The Executive Board has an unsecured \$435,000 line of credit that is renewed annually and matures on May 1, 2018. The interest rate is adjusted annually and equals prime rate plus 1.00%, with interest due monthly and principal due upon maturity. There have been no draws on the line of credit.

**10. Temporarily Restricted Net Assets**

At July 31, temporarily restricted net assets are restricted for use by the following offices for purposes consistent with their mission:

	<u>2016</u>	<u>2015</u>
Executive Board		
Other Ministries	\$ 66,060	\$ 128,531
Racial/Ethnic Ministries	107,558	117,051
Student Aid	105,096	102,092
Leadership Development	78,897	90,150
Transformative Peacemaking	62,414	18,216
Archives	1,604	1,604
	<u>421,629</u>	<u>457,644</u>
Mennonite Women		
Sister Care	30,625	33,109
Other Projects	7,699	13,851
Endowment	32,292	31,685
	<u>70,616</u>	<u>78,645</u>
Native Mennonite Ministries		
Leadership	106,220	105,838
Other Projects	62,768	60,699
	<u>168,988</u>	<u>166,537</u>
	<u>\$ 661,233</u>	<u>\$ 702,826</u>



**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
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**11. Permanently Restricted Net Assets in Endowment Funds**

At July 31, permanently restricted net assets are restricted for use by the following offices for purposes consistent with their mission:

	<u>2016</u>	<u>2015</u>
Executive Board	\$ 36,830	\$ 36,830
Mennonite Women	162,464	87,464
	<u>\$ 199,294</u>	<u>\$ 124,294</u>

Executive Board's endowment funds consist of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Executive Board to function as endowments (board-designated endowment funds). As required by GAAP and interpretation of applicable state laws governing donor-restricted endowment funds, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in endowment assets for the years ending July 31, 2016 and 2015 are as follows:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment on July 31, 2014	\$ 3,102	\$ 23,671	\$ 122,969	\$ 149,742
Contributions	2,200	-	1,325	3,525
Investment income/(loss)	96	3,652	-	3,748
Expenditures	(31)	(3,634)	-	(3,665)
Other transfers	-	2,285	-	2,285
Endowment on July 31, 2015	<u>5,367</u>	<u>25,974</u>	<u>124,294</u>	<u>155,635</u>
Contributions	21,034	-	75,000	96,034
Investment income/(loss)	1,056	11,979	-	13,035
Expenditures	(172)	(3,814)	-	(3,986)
Other transfers	(1,000)	(3,522)	-	(4,522)
Endowment on July 31, 2016	<u>\$ 26,285</u>	<u>\$ 30,617</u>	<u>\$ 199,294</u>	<u>\$ 256,196</u>

**12. Employment Benefits**

The Executive Board has a defined contribution pension plan covering substantially all employees. All costs are funded currently. The total expense, which is based upon compensation of participants, was \$84,123 and \$79,753 for the years ended July 31, 2016 and 2015, respectively.

**Mennonite Church USA, Inc.-Executive Board**  
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**13. Group Health Plan**

The Executive Board participates along with Mennonite Mission Network, a related party, and The Mennonite, in a self-insured group health plan (the Plan) of Mennonite Church USA. The Plan is administered by Mennonite Mission Network. The plan participates in a risk sharing arrangement for major medical claims sponsored by Mennonite Church USA called the Corinthian Plan. The Corinthian Plan is governed by the Church Benefits Board which is appointed by Mennonite Church USA and is administered by Everence (formerly known as Mennonite Mutual Aid), an agency Mennonite Church USA. Under the Corinthian Plan, Everence provides reinsurance to the participants in the Corinthian Plan based on the claims experience of all the participants in the Corinthian Plan. The Plan is responsible for eligible claims up to \$20,000 per individual per year. The level of eligible claims for which the Plan is responsible was determined by an actuarial analysis.

The health plan surplus payable by Mennonite Mission Network to the Executive Board for their share of the Plan surplus/(deficit) for the year ending July 31, 2016 and 2015 was \$(8,796) and \$3,184, respectively. The aggregate receivable at July 31, 2016 and 2015 was \$188,267 and \$197,063, respectively, which would be returned upon the termination of the Plan or at some other time that would be agreed to by the employers participating in the Plan. This amount is included in receivables due from related parties on the Statement of Financial Position.

**14. Other Related Party Transactions**

***Firstfruit contributions received***

The Firstfruits Funding System is a key foundational expression of the new identity of Mennonite Church USA. Its objective is to help families and congregations support the whole of churchwide work beyond themselves. Firstfruit contributions represent contributions from other Mennonite Church USA agencies, area conferences and other related entities.

The following Firstfruit contributions were recognized during the year ended July 31, 2016 and 2015, respectively:

	<u>2016</u>	<u>2015</u>
Mennonite Church USA Agencies		
Mennonite Mission Network	\$ 498,906	\$ 338,054
Mennonite Education Agency	75,844	76,232
Everence	248,344	250,690
Mennonite Health Services Alliance	20,000	20,000
Areas conferences	433,964	505,911
	<u>\$ 1,277,058</u>	<u>\$ 1,190,887</u>

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
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**14. Other Related Party Transactions (Continued)**

***Other grants and contributions***

The Executive Board also received other grants and contributions from related entities during the year ended July 31, 2016 and 2015 respectively:

Related Party	2016	2015
Mennonite Mission Network	\$ 10,000	\$ 10,000
Everence	20,000	10,000
Other	20,500	21,000
	<u>\$ 50,500</u>	<u>\$ 41,000</u>

***Rent income and Sale of services & reimbursements***

The Executive Board shares common expenses with related organizations and other Mennonite Church USA agencies. Included in these common costs are occupancy, administrative salaries and overhead costs. Administrative salaries are reimbursed to Executive Board based upon the respective employees' total salary factored by their estimated percentage of time devoted to each entities duties. Occupancy and overhead costs are reimbursed to Executive Board based upon a monthly amount, which estimates the cost of each entities usage of Executive Board facilities and equipment. The following rent income and sale of services & reimbursements were recognized during the year ended July 31, 2016 and 2015:

	2016		2015	
	Rent Income	Sale of Services Reimbursements	Rent Income	Sale of Services Reimbursements
Mennonite Church USA Agencies				
Mennonite Mission Network	\$ 29,174	\$ 61,952	\$ 31,267	\$ 60,342
Everence	-	110,541	-	108,576
MennoMedia	6,789	-	6,789	-
Other related entities	9,774	134,657	8,390	133,707
	<u>\$ 45,737</u>	<u>\$ 307,150</u>	<u>\$ 46,446</u>	<u>\$ 302,625</u>

***Contributions to related parties***

The Executive Board is occasionally the recipient of contributions that have been designated for use by, or are consistent with the mission of, a Mennonite Church USA program agency. When received, these contributions are recognized as revenue, and reflected as contribution expense when paid to the related program agency.

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**14. Other Related Party Transactions (Continued)**

Following is a summary of contribution expense for the years ended July 31, 2016 and 2015:

	<b>2016</b>			<b>Total</b>	<b>2015 Total</b>
	Life Annuities	Bequests & Estates	Other		
Mennonite Church USA Agencies					
Mennonite Mission Network	\$ 2,077	\$ 94,636	\$ -	\$ 96,713	\$ 54,687
Mennonite Education Agency	441	13,692	-	14,133	9,345
MennoMedia	94	2,934	-	3,028	2,003
Other related entities	655	30,490	104,735	135,880	62,203
	<u>\$ 3,267</u>	<u>\$ 141,752</u>	<u>\$104,735</u>	<u>\$ 249,754</u>	<u>\$ 128,238</u>

***Purposeful Plan Campaign contributions to related parties***

The Executive Board serves as the steward for The Mennonite Church USA's Purposeful Plan Campaign. The Purposeful Plan Campaign was established in order to more fully and more quickly realize the vision of Mennonite Church USA and become a growing church which looks outward to bless our communities and culture.

The primary purposes of the Purposeful Plan Campaign are as follows:

- Mennonite Church USA mortgage reduction (mortgage is recognized on the financial statements of Mennonite Mission Network)
- Mission Network Tomorrow Fund
- MEA Hispanic Leadership Fund
- Racial/Ethnic Ministries
- Church Planting and Missional Leadership
- MennoMedia Shine Curriculum
- Mission Network Disciple Making Initiative

During the years ended July 31, 2016 and 2015, there was \$627,000 and \$420,500 of contribution revenue was recognized from donors, respectively. Following is a summary of the use of these funds during the years ended July 31:

	<b>2016</b>	<b>2015</b>
Mennonite Mission Network		
Mortgage reduction	\$ 594,400	\$ 385,500
Other initiatives of the campaign	30,000	22,167
	<u>\$ 624,400</u>	<u>\$ 407,667</u>

**Mennonite Church USA, Inc.-Executive Board**  
**Notes to Financial Statements**  
**July 31, 2016**  
**(with summarized financial information as of July 31, 2015)**

**14. Other Related Party Transactions (Continued)**

*Shared occupancy costs*

During the year ended July 31, 2012, Mennonite Mission Network completed the construction of an office facility in Elkhart, Indiana that is to be shared by Mennonite Church USA agencies and related organizations, including the Executive Board. The Executive Board will reimburse Mennonite Mission Network under a cost sharing arrangement for costs associated with occupancy, information technology and telephone service. During the years ended July 31, 2016 and 2015, the Executive Board reimbursed Mennonite Mission Network approximately \$88,000 and \$92,000, respectively.

*Other agreement*

The Executive Board and Mennonite Mission Network agree that it may be desirable for Mennonite Church USA to hold title to the real estate, equipment and furnishings that make up the office facility. Mennonite Mission Network has agreed that upon request from the Executive Board it will transfer title of the office facility to the Executive Board provided that the following condition is met; all loan commitments, liens and obligations related to the office facility have been satisfied and released.

**15. Transition-Related Agreements**

The integration of the Mennonite Church and the General Conference Mennonite Church has resulted in agreements that may result in future obligations for the Executive Board. Agreements currently in place, may call for future payments to Mennonite Church Canada. These payments would be related to the proceeds received from the sale of real estate, or disposition of other assets that existed at the time of the initial integration. If certain property or assets were sold, Mennonite Church Canada would receive a portion of the proceeds retained by the Executive Board. There were no such payments required during the year ended July 31, 2016.

**16. Concentration and risk**

The Executive Board maintains cash balances in financial institutions, which at times exceed federally insured limits. The Executive Board has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

## **SUPPLEMENTAL INFORMATION**

**Mennonite Church USA-Executive Board**  
**Supplemental Information-Statement of Financial Position by Fund**  
**July 31, 2016**

<b>ASSETS</b>	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Sub-Total	Convention Planning	Total
Cash and cash equivalents:								
Cash	\$ 532,917	\$ 68,253	\$ 33,060	\$ 1,492	\$ (27,912)	\$ 607,810	\$ (48,987)	\$ 558,823
Temporary investments	183,749	-	-	-	3,089	186,838	-	186,838
Certificates of deposit	-	31,263	-	-	-	31,263	-	31,263
Accounts receivable	26,625	59	-	-	-	26,684	413	27,097
Receivables-related parties	299,178	-	-	-	-	299,178	-	299,178
Investments	263,574	221,041	-	-	134,366	618,981	-	618,981
Notes receivable	10,000	-	-	-	-	10,000	-	10,000
Student loans receivable, net of allowance	77,063	-	-	-	-	77,063	-	77,063
Property assets, net	260,794	-	-	-	-	260,794	-	260,794
Other assets and prepaid assets	5,038	605	-	13	437	6,093	5,534	11,627
Total assets	<u>\$ 1,658,938</u>	<u>\$ 321,221</u>	<u>\$ 33,060</u>	<u>\$ 1,505</u>	<u>\$ 109,980</u>	<u>\$ 2,124,704</u>	<u>\$ (43,040)</u>	<u>\$ 2,081,664</u>
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities:								
Accounts payable	\$ 48,570	\$ 3,195	\$ 155	\$ 661	\$ 50	\$ 52,631	\$ 1,075	\$ 53,706
Payables-related parties	98,263	-	-	-	-	98,263	-	98,263
Deferred revenue	4,615	240	-	-	-	4,855	-	4,855
Annuity contracts payable	67,630	-	-	-	-	67,630	-	67,630
Total liabilities	<u>219,078</u>	<u>3,435</u>	<u>155</u>	<u>661</u>	<u>50</u>	<u>223,379</u>	<u>1,075</u>	<u>224,454</u>
Net assets:								
Unrestricted:								
Undesignated	345,954	58,421	32,905	844	(59,058)	379,066	(44,115)	334,951
Board designated	635,447	26,285	-	-	-	661,732	-	661,732
Total unrestricted	981,401	84,706	32,905	844	(59,058)	1,040,798	(44,115)	996,683
Temporarily restricted	421,629	70,616	-	-	168,988	661,233	-	661,233
Permanently restricted	36,830	162,464	-	-	-	199,294	-	199,294
Total net assets	<u>1,439,860</u>	<u>317,786</u>	<u>32,905</u>	<u>844</u>	<u>109,930</u>	<u>1,901,325</u>	<u>(44,115)</u>	<u>1,857,210</u>
Total liabilities and net assets	<u>\$ 1,658,938</u>	<u>\$ 321,221</u>	<u>\$ 33,060</u>	<u>\$ 1,505</u>	<u>\$ 109,980</u>	<u>\$ 2,124,704</u>	<u>\$ (43,040)</u>	<u>\$ 2,081,664</u>

**Mennonite Church USA-Executive Board**  
**Supplemental Information-Statement of Financial Position by Fund**  
**July 31, 2015**

<b>ASSETS</b>	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Sub-Total	Convention Planning	Total
Cash and cash equivalents:								
Cash	\$ 582,776	\$ 69,233	\$ 87	\$ (398)	\$ (37,976)	\$ 613,722	\$ 320,477	\$ 934,199
Temporary investments	174,077	-	-	-	1,943	176,020	-	176,020
Certificates of deposit	-	31,122	-	-	-	31,122	-	31,122
Accounts receivable	32,555	10	-	8,418	(77)	40,906	23,502	64,408
Receivables-related parties	324,943	-	-	-	-	324,943	-	324,943
Investments	275,314	119,149	-	-	135,515	529,978	-	529,978
Notes receivable	10,000	-	-	-	-	10,000	-	10,000
Student loans receivable, net of allowance	83,672	-	-	-	-	83,672	-	83,672
Property assets, net	277,756	-	-	-	-	277,756	-	277,756
Other assets and prepaid assets	4,902	824	-	8	-	5,734	2,105	7,839
Total assets	<u>\$ 1,765,995</u>	<u>\$ 220,338</u>	<u>\$ 87</u>	<u>\$ 8,028</u>	<u>\$ 99,405</u>	<u>\$ 2,093,853</u>	<u>\$ 346,084</u>	<u>\$ 2,439,937</u>
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities:								
Accounts payable	\$ 112,215	\$ 1,909	\$ 87	\$ 5	\$ 50	\$ 114,266	\$ 129,689	\$ 243,955
Payables-related parties	141,719	-	-	-	-	141,719	-	141,719
Deferred revenue	4,847	-	-	-	-	4,847	-	4,847
Annuity contracts payable	77,576	-	-	-	-	77,576	-	77,576
Total liabilities	<u>336,357</u>	<u>1,909</u>	<u>87</u>	<u>5</u>	<u>50</u>	<u>338,408</u>	<u>129,689</u>	<u>468,097</u>
Net assets:								
Unrestricted:								
Undesignated	280,046	52,320	-	8,023	(67,182)	273,207	216,395	489,602
Board designated	655,118	-	-	-	-	655,118	-	655,118
Total unrestricted	935,164	52,320	-	8,023	(67,182)	928,325	216,395	1,144,720
Temporarily restricted	457,644	78,645	-	-	166,537	702,826	-	702,826
Permanently restricted	36,830	87,464	-	-	-	124,294	-	124,294
Total net assets	<u>1,429,638</u>	<u>218,429</u>	<u>-</u>	<u>8,023</u>	<u>99,355</u>	<u>1,755,445</u>	<u>216,395</u>	<u>1,971,840</u>
Total liabilities and net assets	<u>\$ 1,765,995</u>	<u>\$ 220,338</u>	<u>\$ 87</u>	<u>\$ 8,028</u>	<u>\$ 99,405</u>	<u>\$ 2,093,853</u>	<u>\$ 346,084</u>	<u>\$ 2,439,937</u>



**Mennonite Church USA-Executive Board**  
**Supplemental Information- Statement of Activity by Fund**  
**For the Year Ended July 31, 2016**

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Eliminations	Sub-Total	Convention Planning	Total
<b>SUPPORT AND REVENUE</b>									
Contributions									
Firstfruit-related party	\$ 1,282,058	\$ -	\$ -	\$ -	\$ -	\$ (5,000)	\$ 1,277,058	\$ -	\$ 1,277,058
Other grants & contributions	219,975	263,238	91,203	-	7,856	-	582,272	-	582,272
Other grants & contributions -related party	45,500	-	-	-	13,000	(8,000)	50,500	-	50,500
Contributions - Purposeful									
Plan Campaign	627,000	-	-	-	-	-	627,000	-	627,000
Estate & annuity	191,364	-	-	-	-	(23,792)	167,572	-	167,572
Total contributions	<u>2,365,897</u>	<u>263,238</u>	<u>91,203</u>	<u>-</u>	<u>20,856</u>	<u>(36,792)</u>	<u>2,704,402</u>	<u>-</u>	<u>2,704,402</u>
Other income:									
Investment income	5,773	12,424	28	-	1,354	-	19,579	122	19,701
Convention revenue	-	-	-	-	-	-	-	2,849	2,849
Rent income-related party	58,081	-	-	-	-	(12,344)	45,737	-	45,737
Sale of services/reimb.	201,553	-	-	110,541	-	(4,944)	307,150	-	307,150
Miscellaneous	119,726	71,276	35	-	-	-	191,037	-	191,037
Total other income	<u>385,133</u>	<u>83,700</u>	<u>63</u>	<u>110,541</u>	<u>1,354</u>	<u>(17,288)</u>	<u>563,503</u>	<u>2,971</u>	<u>566,474</u>
Total support and revenue	<u>2,751,030</u>	<u>346,938</u>	<u>91,266</u>	<u>110,541</u>	<u>22,210</u>	<u>(54,080)</u>	<u>3,267,905</u>	<u>2,971</u>	<u>3,270,876</u>
<b>EXPENSES</b>									
Program services	2,275,133	247,581	99,189	117,720	11,635	(54,080)	2,697,178	263,481	2,960,659
Supporting services	465,675	-	-	-	-	-	465,675	-	465,675
Total expenses	<u>2,740,808</u>	<u>247,581</u>	<u>99,189</u>	<u>117,720</u>	<u>11,635</u>	<u>(54,080)</u>	<u>3,162,853</u>	<u>263,481</u>	<u>3,426,334</u>
Change in net assets before other transfers	10,222	99,357	(7,923)	(7,179)	10,575	-	105,052	(260,510)	(155,458)
<b>OTHER TRANSFERS</b>	-	-	40,828	-	-	-	40,828	-	40,828
Change in net assets	10,222	99,357	32,905	(7,179)	10,575	-	145,880	(260,510)	(114,630)
<b>NET ASSETS-BEGINNING OF PERIOD</b>	<u>1,429,638</u>	<u>218,429</u>	<u>-</u>	<u>8,023</u>	<u>99,355</u>	<u>-</u>	<u>1,755,445</u>	<u>216,395</u>	<u>1,971,840</u>
<b>NET ASSETS-END OF PERIOD</b>	<u>\$ 1,439,860</u>	<u>\$ 317,786</u>	<u>\$ 32,905</u>	<u>\$ 844</u>	<u>\$ 109,930</u>	<u>\$ -</u>	<u>\$ 1,901,325</u>	<u>\$ (44,115)</u>	<u>\$ 1,857,210</u>

**Mennonite Church USA-Executive Board**  
**Supplemental Information- Statement of Activity by Fund**  
**For the Year Ended July 31, 2015**

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Eliminations	Sub-Total	Convention Planning	Total
<b>SUPPORT AND REVENUE</b>									
Contributions									
Firstfruit-related party	\$ 1,195,887	\$ -	\$ -	\$ -	\$ -	\$ (5,000)	\$ 1,190,887	\$ -	\$ 1,190,887
Other grants & contributions	342,942	174,555	42,967	-	6,876	-	567,340	79,878	647,218
Other grants & contributions -related party	31,000	-	-	-	8,000	(8,000)	31,000	-	31,000
Contributions - Purposeful									
Plan Campaign	420,500	-	-	-	-	-	420,500	-	420,500
Estate & annuity	92,974	-	-	-	-	(10,146)	82,828	-	82,828
Total contributions	<u>2,083,303</u>	<u>174,555</u>	<u>42,967</u>	<u>-</u>	<u>14,876</u>	<u>(23,146)</u>	<u>2,292,555</u>	<u>79,878</u>	<u>2,372,433</u>
Other income:									
Investment income	8,141	3,427	-	-	3,034	-	14,602	153	14,755
Convention revenue	-	-	-	-	-	-	-	1,611,908	1,611,908
Rent income-related party	60,040	-	-	-	-	(13,594)	46,446	-	46,446
Sale of services/reimb.	203,212	-	-	108,576	-	(9,163)	302,625	-	302,625
Miscellaneous	142,732	68,078	-	-	-	-	210,810	-	210,810
Total other income	<u>414,125</u>	<u>71,505</u>	<u>-</u>	<u>108,576</u>	<u>3,034</u>	<u>(22,757)</u>	<u>574,483</u>	<u>1,612,061</u>	<u>2,186,544</u>
Total support and revenue	<u>2,497,428</u>	<u>246,060</u>	<u>42,967</u>	<u>108,576</u>	<u>17,910</u>	<u>(45,903)</u>	<u>2,867,038</u>	<u>1,691,939</u>	<u>4,558,977</u>
<b>EXPENSES</b>									
Program services	2,092,865	256,489	42,967	110,052	13,359	(45,903)	2,469,829	1,252,852	3,722,681
Supporting services	486,589	-	-	-	-	-	486,589	-	486,589
Total expenses	<u>2,579,454</u>	<u>256,489</u>	<u>42,967</u>	<u>110,052</u>	<u>13,359</u>	<u>(45,903)</u>	<u>2,956,418</u>	<u>1,252,852</u>	<u>4,209,270</u>
Change in net assets	(82,026)	(10,429)	-	(1,476)	4,551	-	(89,380)	439,087	349,707
<b>OTHER TRANSFERS</b>									
Change in net assets	(82,026)	(10,429)	-	(1,476)	4,551	-	(89,380)	439,087	349,707
<b>NET ASSETS-BEGINNING OF PERIOD</b>									
	<u>1,511,664</u>	<u>228,858</u>	<u>-</u>	<u>9,499</u>	<u>94,804</u>	<u>-</u>	<u>1,844,825</u>	<u>(222,692)</u>	<u>1,622,133</u>
<b>NET ASSETS-END OF PERIOD</b>									
	<u>\$ 1,429,638</u>	<u>\$ 218,429</u>	<u>\$ -</u>	<u>\$ 8,023</u>	<u>\$ 99,355</u>	<u>\$ -</u>	<u>\$ 1,755,445</u>	<u>\$ 216,395</u>	<u>\$ 1,971,840</u>

**Mennonite Church USA-Executive Board**  
**Supplemental Information-Statement of Functional Expense by Fund**  
**For the Year Ended July 31, 2016**

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Eliminations	Sub-Total	Convention Planning	Total
Program services:									
Salaries & benefits	\$ 878,736	\$ 123,804	\$ 28,227	\$ 64,897	\$ 5,929	\$ -	\$ 1,101,593	\$ 181,190	\$ 1,282,783
Travel	218,447	27,031	3,878	12,109	4,377	-	265,842	14,960	280,802
Office	29,796	17,009	2,512	1,216	16	-	50,549	15,850	66,399
Occupancy	49,251	2,558	2,008	5,820	-	(12,344)	47,293	6,215	53,508
Promotion and publications	12,284	19,984	57,425	-	-	-	89,693	-	89,693
Contracted services	25,514	28,023	2,074	33,384	958	(4,944)	85,009	-	85,009
Conferences	15,060	14,498	-	-	-	-	29,558	-	29,558
Contributions	271,046	-	2,500	-	-	(23,792)	249,754	-	249,754
Grants - Purposeful Plan Campaign	624,400	-	-	-	-	-	624,400	-	624,400
Other	150,599	14,674	565	294	355	(13,000)	153,487	-	153,487
Convention expense	-	-	-	-	-	-	-	45,266	45,266
<b>Total program services</b>	<b>2,275,133</b>	<b>247,581</b>	<b>99,189</b>	<b>117,720</b>	<b>11,635</b>	<b>(54,080)</b>	<b>2,697,178</b>	<b>263,481</b>	<b>2,960,659</b>
Supporting services									
Salaries & benefits	192,213	-	-	-	-	-	192,213	-	192,213
Travel	10,649	-	-	-	-	-	10,649	-	10,649
Office	22,546	-	-	-	-	-	22,546	-	22,546
Occupancy	123,706	-	-	-	-	-	123,706	-	123,706
Professional fees	17,975	-	-	-	-	-	17,975	-	17,975
Contracted services	78,074	-	-	-	-	-	78,074	-	78,074
Miscellaneous	20,512	-	-	-	-	-	20,512	-	20,512
<b>Total supporting services</b>	<b>465,675</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>465,675</b>	<b>-</b>	<b>465,675</b>
<b>Total expenses</b>	<b>\$ 2,740,808</b>	<b>\$ 247,581</b>	<b>\$ 99,189</b>	<b>\$ 117,720</b>	<b>\$ 11,635</b>	<b>\$ (54,080)</b>	<b>\$ 3,162,853</b>	<b>\$ 263,481</b>	<b>\$ 3,426,334</b>

**Mennonite Church USA-Executive Board**  
**Supplemental Information-Statement of Functional Expense by Fund**  
**For the Year Ended July 31, 2015**

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Eliminations	Sub-Total	Convention Planning	Total
Program services:									
Salaries & benefits	\$ 927,105	\$ 122,145	\$ 26,058	\$ 55,365	\$ 26	\$ -	\$ 1,130,699	\$ 215,362	\$ 1,346,061
Travel	297,626	29,509	5,607	11,707	5,659	-	350,108	15,785	365,893
Office	36,224	25,874	1,647	1,301	-	-	65,046	19,356	84,402
Occupancy	48,884	4,167	2,008	5,908	-	(13,594)	47,373	7,878	55,251
Promotion and publications	18,137	24,075	2,700	3,588	-	-	48,500	-	48,500
Contracted services	34,585	32,389	2,404	32,053	5,287	(9,163)	97,555	5,000	102,555
Conferences	13,919	2,703	-	-	-	-	16,622	-	16,622
Contributions	135,841	-	2,543	-	-	(10,146)	128,238	-	128,238
Grants - Purposeful Plan Campaign	407,667	-	-	-	-	-	407,667	-	407,667
Other	172,877	15,627	-	130	2,387	(13,000)	178,021	-	178,021
Convention expense	-	-	-	-	-	-	-	989,471	989,471
Total program services	<u>2,092,865</u>	<u>256,489</u>	<u>42,967</u>	<u>110,052</u>	<u>13,359</u>	<u>(45,903)</u>	<u>2,469,829</u>	<u>1,252,852</u>	<u>3,722,681</u>
Supporting services									
Salaries & benefits	249,161	-	-	-	-	-	249,161	-	249,161
Travel	11,783	-	-	-	-	-	11,783	-	11,783
Office	28,018	-	-	-	-	-	28,018	-	28,018
Occupancy	122,117	-	-	-	-	-	122,117	-	122,117
Professional fees	17,975	-	-	-	-	-	17,975	-	17,975
Contracted services	47,334	-	-	-	-	-	47,334	-	47,334
Miscellaneous	10,201	-	-	-	-	-	10,201	-	10,201
Total supporting services	<u>486,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>486,589</u>	<u>-</u>	<u>486,589</u>
Total expenses	<u>\$ 2,579,454</u>	<u>\$ 256,489</u>	<u>\$ 42,967</u>	<u>\$ 110,052</u>	<u>\$ 13,359</u>	<u>\$ (45,903)</u>	<u>\$ 2,956,418</u>	<u>\$ 1,252,852</u>	<u>\$ 4,209,270</u>