

Mennonite Church USA-Executive Board

**Financial Report
And
Supplemental Information**

**For the Year Ended July 31, 2018
(With summarized financial information as of July 31, 2017)**



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Mennonite Church USA, Inc.-Executive Board, which comprise the statements of financial position as of July 31, 2018, 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.

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 qualified 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 omission of the information described in the Basis for Qualified Opinion 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, 2018, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Mennonite Church USA, Inc.-Executive Board's 2017 financial statements, and our report dated January 15, 2018, 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, 2017, 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 22 to 27 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 C Mowal, CPA

Wichita, Kansas
January 15, 2019

Mennonite Church USA-Executive Board
Statements of Financial Position
July 31, 2018
(with summarized financial information as of July 31, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents:		
Cash	\$ 904,378	\$ 841,028
Temporary investments	200,674	192,809
Certificates of deposit	31,545	31,404
Total cash and cash equivalents	<u>1,136,597</u>	<u>1,065,241</u>
Accounts receivable	23,687	110,529
Receivables-related parties	191,888	251,688
Investments		
Investment securities	659,490	636,861
Beneficial interest in charitable trust	497,261	484,552
Student loans receivable, net of allowance for doubtful accounts in 2018 and 2017 of \$8,719 and \$10,000, respectively.	64,555	74,073
Property assets, net	235,734	235,324
Other assets and prepaid assets	34,803	27,720
Total assets	<u>\$ 2,844,015</u>	<u>\$ 2,885,988</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 67,996	\$ 241,610
Payables-related parties	144,933	141,943
Deferred revenue	4,017	4,569
Annuity contracts payable	56,802	62,127
Total liabilities	<u>273,748</u>	<u>450,249</u>
Net assets:		
Unrestricted:		
Undesignated	534,350	375,245
Board designated	721,538	729,100
Total unrestricted	<u>1,255,888</u>	<u>1,104,345</u>
Temporarily restricted	1,111,215	1,129,900
Permanently restricted	203,164	201,494
Total net assets	<u>2,570,267</u>	<u>2,435,739</u>
Total liabilities & net assets	<u>\$ 2,844,015</u>	<u>\$ 2,885,988</u>

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, 2018
(with summarized financial information for the year ended July 31, 2017)

	2018						2017	
	Unrestricted			Temporarily Restricted	Permanently Restricted	Total		
	Undesignated	Board Designated	Eliminations					Sub-Total
SUPPORT AND REVENUE								
Contributions								
Firstfruit-related party	\$ 1,278,925	\$ -	\$ (5,000)	\$ 1,273,925	\$ -	\$ -	\$ 1,273,925	\$ 1,056,030
Other grants & contributions	482,673	-	-	482,673	35,862	1,670	520,205	678,192
Other grants & contributions-related party	12,000	-	(12,000)	-	15,700	-	15,700	78,000
Contributions - Purposeful Plan Campaign	-	-	-	-	-	-	-	750
Estate & annuity	77,170	213,494	(77,170)	213,494	-	-	213,494	51,425
Total contributions	<u>1,850,768</u>	<u>213,494</u>	<u>(94,170)</u>	<u>1,970,092</u>	<u>51,562</u>	<u>1,670</u>	<u>2,023,324</u>	<u>1,864,397</u>
Other income:								
Investment income	4,314	1,849		6,163	79,291	-	85,454	112,298
Convention revenue	29,090	-		29,090	-	-	29,090	1,030,406
Rent income-related party	56,193	11,210	(10,895)	56,508	-	-	56,508	44,569
Sale of services/reimbursements-related party	326,478	-	(5,944)	320,534	-	-	320,534	329,997
Miscellaneous	66,333	2,044	-	68,377	-	-	68,377	308,409
Total other income	<u>482,408</u>	<u>15,103</u>	<u>(16,839)</u>	<u>480,672</u>	<u>79,291</u>	<u>-</u>	<u>559,963</u>	<u>1,825,679</u>
Total support and revenue	<u>2,333,176</u>	<u>228,597</u>	<u>(111,009)</u>	<u>2,450,764</u>	<u>130,853</u>	<u>1,670</u>	<u>2,583,287</u>	<u>3,690,076</u>
NET ASSETS RELEASED FROM								
DESIGNATIONS & RESTRICTIONS	<u>71,497</u>	<u>78,041</u>	<u>-</u>	<u>149,538</u>	<u>(149,538)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES								
Program services	1,891,810	314,200	(111,009)	2,095,001	-	-	2,095,001	3,352,227
Supporting services	353,758	-	-	353,758	-	-	353,758	418,857
Total expenses	<u>2,245,568</u>	<u>314,200</u>	<u>(111,009)</u>	<u>2,448,759</u>	<u>-</u>	<u>-</u>	<u>2,448,759</u>	<u>3,771,084</u>
Change in net assets before transfers	159,105	(7,562)	-	151,543	(18,685)	1,670	134,528	(81,008)
OTHER TRANSFERS (See Note 1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,800</u>
Change in net assets	159,105	(7,562)	-	151,543	(18,685)	1,670	134,528	(72,208)
NET ASSETS-BEGINNING OF YEAR	<u>375,245</u>	<u>729,100</u>	<u>-</u>	<u>1,104,345</u>	<u>1,129,900</u>	<u>201,494</u>	<u>2,435,739</u>	<u>2,507,947</u>
NET ASSETS-END OF YEAR	<u>\$ 534,350</u>	<u>\$ 721,538</u>	<u>\$ -</u>	<u>\$ 1,255,888</u>	<u>\$ 1,111,215</u>	<u>\$ 203,164</u>	<u>\$ 2,570,267</u>	<u>\$ 2,435,739</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, 2018
(with summarized financial information for the year ended July 31, 2017)

	2018				2017	
	Unrestricted		Eliminations	Total		Total
	Undesignated	Board Designated				
Program services:						
Salaries & benefits	\$ 1,134,255	\$ -	\$ -	\$ 1,134,255	\$ 1,297,025	
Travel	212,836	-	-	212,836	281,934	
Office	60,035	2	-	60,037	74,521	
Occupancy	76,367	24,056	(10,895)	89,528	179,683	
Promotion & publications	97,251	-	-	97,251	117,924	
Contracted services	81,549	48,671	(5,944)	124,276	71,025	
Conferences	47,891	-	-	47,891	169,991	
Contributions	49,343	241,471	(94,170)	196,644	476,798	
Grants - Purposeful Plan Campaign	-	-	-	-	750	
Other expenses	118,333	-	-	118,333	202,470	
Convention expense	13,950	-	-	13,950	480,106	
Total program services	<u>1,891,810</u>	<u>314,200</u>	<u>(111,009)</u>	<u>2,095,001</u>	<u>3,352,227</u>	
Supporting services:						
Salaries & benefits	187,581	-	-	187,581	197,825	
Travel	5,270	-	-	5,270	6,826	
Office	17,696	-	-	17,696	18,203	
Occupancy	56,659	-	-	56,659	79,118	
Professional fees	18,575	-	-	18,575	18,250	
Contracted services	57,580	-	-	57,580	78,453	
Other expenses	10,397	-	-	10,397	20,182	
Total supporting services	<u>353,758</u>	<u>-</u>	<u>-</u>	<u>353,758</u>	<u>418,857</u>	
Total expenses	<u>\$ 2,245,568</u>	<u>\$ 314,200</u>	<u>\$ (111,009)</u>	<u>\$ 2,448,759</u>	<u>\$ 3,771,084</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, 2018
(with summarized financial information for the year ended July 31, 2017)

	2018	2017
OPERATING ACTIVITIES		
Increase (Decrease) in net assets:	\$ 134,528	\$ (72,208)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long term purposes	(1,670)	(2,200)
Realized and unrealized gain on investments	(18,213)	(42,812)
Change in beneficial interest in charitable trust	(40,686)	(50,110)
Bad debt on student loans receivable	4,999	-
Depreciation	38,627	39,280
Retirement of property assets	5,271	52
(Increase)/Decrease in accounts receivable	86,842	(83,432)
Decrease in receivables-related parties	59,800	47,490
Increase in other assets and prepaid assets	(7,083)	(16,093)
Increase/(Decrease) in accounts payable	(173,614)	187,904
Increase/(Decrease) in payables-related parties	2,990	43,680
Decrease in deferred revenue	(552)	(286)
Increase in annuity obligation	7,763	7,925
Net cash provided by operating activities	99,002	59,190
INVESTING ACTIVITIES		
Purchases of property assets	(44,280)	(13,862)
Purchases of investment securities	(66,124)	(152,175)
Distributions from beneficial interest in charitable remainder trust	27,977	216,295
Proceeds from sale of investment securities	61,680	177,107
Repayment of student loans receivable	4,519	2,990
Repayment of notes receivable	-	10,000
Net cash provided/(used) by investing activities	(16,228)	240,355
FINANCING ACTIVITIES		
Contributions restricted for long term purposes	1,670	2,200
Payment on annuity obligation	(13,088)	(13,428)
Net cash used by financing activities	(11,418)	(11,228)
Net increase in cash and equivalents	71,356	288,317
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	1,065,241	776,924
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 1,136,597	\$ 1,065,241

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

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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 and developing/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
- Church-wide 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
- Mennonite Men
- Convention Planning
- Iglesia Menonita Hispana*
- The Corinthian Plan
- Native Mennonite Ministries

*Effective August 1, 2016, all activity and balances of Iglesia Menonita Hispana have been included. A transfer of \$8,800 was recognized to reflect the beginning balance of Iglesia Menonita Hispana for the year ended July 31, 2017.

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. Additionally, the financial statements do not include the balances or activity of the African American Mennonite Association.

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-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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 Executive Board'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, 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 net assets.

Fund accounting:

Revenues and expenses of the Executive Board's 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-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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 position.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

1. Summary of Significant Accounting Policies (Continued)

Federal income taxes (Continued):

At July 31, 2018 and 2017, 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 statement of financial position date (July 31, 2018) through January 15, 2019, the date the financial statements were available to be issued.

Reclassification:

Certain 2017 amounts have been reclassified to conform with the 2018 financial statement presentation.

Recent Accounting Pronouncements:

In August 2016, The Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 948), which will change how not-for-profit organizations will report and present certain items in their financial statements. The new guidance will take effect for the year ending July 31, 2020. The significant changes are:

- Simplification of net asset presentation – net assets will now be presented in two classes, “Net assets with donor restrictions,” and “Net assets without donor restrictions.”
- All not-for-profit organizations will be required to present expenses in their natural classification (advertising, payroll, rent, etc.) and by function (program, general and administrative and fund raising).
- Enhanced disclosure requirements related to presenting liquidity information and simplification of existing disclosure requirements related to investment returns and long lived assets purchased with donor-restricted funds.

The Executive Board has not yet determined the effect of applying the requirements of the new standard on the financial statements.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

2. Other Receivables

Accounts receivable amounted to \$23,687 and \$110,529 at July 31, 2018 and 2017, respectively, and are unsecured.

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 allowance for doubtful accounts is determined based on management's evaluation of the collectability of individual loans.

The balances of student loans outstanding at July 31 are as follows:

	<u>2018</u>	<u>2017</u>
Student loans receivable	\$ 73,273	\$ 84,073
Allowance for doubtful accounts	(8,718)	(10,000)
	<u>\$ 64,555</u>	<u>\$ 74,073</u>

3. Receivables – Related Parties

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

	<u>2018</u>	<u>2017</u>
Mennonite Mission Network-		
Health Plan	\$ 160,455	\$ 165,556
Other	9,992	12,494
MennoMedia	843	8,972
Mennonite Education Agency	2,413	5,025
Everence	-	3,029
The Mennonite	18,185	18,397
Various	-	38,215
	<u>\$ 191,888</u>	<u>\$ 251,688</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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:

	2018				2017
	Fair Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	
Investment securities					
Money market account	\$ 11,491	\$ 11,491	\$ -	\$ -	\$ 10,825
Mutual funds-stock	365,716	365,716	-	-	342,629
Mutual funds-bonds	169,612	169,612	-	-	155,650
Mutual funds-tactical	40,130	40,130	-	-	37,133
Mutual funds-commodities	13,176	13,176	-	-	12,569
Mortgage-backed securities	21,802	-	21,802	-	21,731
Pooled income fund	37,563	-	37,563	-	36,124
Mortgage notes	-	-	-	-	20,200
Total investment securities	659,490	600,125	59,365	-	636,861
Beneficial interest in charitable remainder trust	497,261	-	497,261	-	484,552
	<u>\$ 1,156,751</u>	<u>\$ 600,125</u>	<u>\$ 556,626</u>	<u>\$ -</u>	<u>\$ 1,121,413</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

4. Investments (Continued)

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

	<u>2018</u>	<u>2017</u>
Investment securities		
Interest & dividend income	\$ 26,555	\$ 19,375
Realized & unrealized gain	18,213	42,812
Change in beneficial interest in charitable trust	40,686	50,111
Total investment income	<u>\$ 85,454</u>	<u>\$ 112,298</u>

Beneficial Interest in charitable trust

The Executive Board has a 15% beneficial interest in the assets of a charitable trust. The Executive Board expects to receive quarterly distributions aggregating 5%, of the fair value of the Executive Board's proportional share of the charitable trust's investments on an annual basis from the trust. The present value of the quarterly distributions is estimated to equal the fair market value of the beneficial interest of the underlying investments held by the trust. The fair value of the beneficial interest in the charitable trust at July 31, 2018 and 2017 was \$497,261 and \$484,552, respectively.

5. Property Assets

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

	<u>2018</u>	<u>2017</u>
Furniture, fixtures and equipment	\$ 412,123	\$ 406,455
Building	181,510	181,510
Building improvements	297,757	268,047
Land	20,000	20,000
Total	911,390	876,012
Less accumulated depreciation	(675,656)	(640,688)
Net property assets	<u>\$ 235,734</u>	<u>\$ 235,324</u>
Depreciation expense	<u>\$ 38,627</u>	<u>\$ 39,280</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

6. Accounts Payable – Related Parties

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

	2018			2017
	Forwardings (Contributions)	Operating Activities	Total	Total
Mennonite Mission Network	\$ 86,397	\$ 22,481	\$ 108,878	\$ 108,061
MennoMedia	4,388	-	4,388	4,420
Mennonite Education Agency	15,051	987	16,038	17,404
Various	8,127	7,502	15,629	12,058
	<u>\$ 113,963</u>	<u>\$ 30,970</u>	<u>\$ 144,933</u>	<u>\$ 141,943</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 2017 convention was held in Orlando, Florida. The 2019 convention is slated to be held in Kansas City, preparations for which were commenced during fiscal year 2018.

The following table summarizes the activity of the 2017 Orlando convention and the initial preparations for 2019:

	Kansas City		Orlando		Total
	Year Ended July 31 2018	Year Ended July 31 2017	Year Ended July 31 2016		
Contributions	\$ 1,880	\$ 29,679	\$ -	\$ 29,679	\$ 29,679
Interest income	2,487	236	122	358	358
Convention revenue recognized	29,090	1,030,406	2,849	1,033,255	1,033,255
Expenses recognized	(179,744)	(849,505)	(263,481)	(1,112,986)	(1,112,986)
Transfers	293	296	-	296	296
Revenue over/(under) expenses	<u>\$ (145,994)</u>	<u>\$ 211,112</u>	<u>\$ (260,510)</u>	<u>\$ (49,398)</u>	<u>\$ (49,398)</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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 July 31, 2018 and 2017 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, 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>
Balance at beginning of period	\$ 62,127	\$ 67,630
Payments to annuitants	(13,088)	(13,428)
Amortization and adjustment of annuity liability	7,763	7,925
Balance at end of year	<u>\$ 56,802</u>	<u>\$ 62,127</u>

There were no contributions recognized as revenue from gift annuities received during the year ended July 31, 2018 and 2017. Net annuity expense/ (benefit) amounted to \$7,763 and \$7,925 for the year ended July 31, 2018 and 2017, respectively.

9. Line of Credit

The Executive Board has an unsecured \$435,000 line of credit that is renewed annually and matures on May 1, 2019. 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.

Mennonite Church USA-Executive Board
Notes to Financial Statements
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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>2018</u>	<u>2017</u>
Executive Board		
Other Ministries	\$ 2,290	\$ 29,694
Racial/Ethnic Ministries	111,015	110,361
Student Aid	106,256	106,521
Leadership Development	72,998	73,125
Transformative Peacemaking	30,875	40,720
Beneficial interest in charitable trust	497,261	484,552
Archives	6,713	6,731
Endowment (from permanently restricted funds)	150	-
	<u>827,558</u>	<u>851,704</u>
Mennonite Women		
Sister Care	39,214	50,171
Other Projects	927	1,928
Endowment	57,894	47,666
	<u>98,035</u>	<u>99,765</u>
Native Mennonite Ministries		
Leadership	120,886	115,109
Other Projects	64,736	63,322
	<u>185,622</u>	<u>178,431</u>
	<u>\$ 1,111,215</u>	<u>\$ 1,129,900</u>

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>2018</u>	<u>2017</u>
Executive Board	\$ 36,830	\$ 36,830
Mennonite Women	166,334	164,664
	<u>\$ 203,164</u>	<u>\$ 201,494</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

11. Permanently Restricted Net Assets In Endowment Funds (Continued)

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, 2018 and 2017 are as follows:

	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment on July 31, 2016	\$ 26,285	\$ 30,617	\$ 199,294	\$ 256,196
Contributions	-	-	2,200	2,200
Investment income/(loss)	3,018	24,678	-	27,696
Expenditures	(255)	(4,352)	-	(4,607)
Other transfers	(4,000)	(3,277)	-	(7,277)
Endowment on July 31, 2017	<u>25,048</u>	<u>47,666</u>	<u>201,494</u>	<u>274,208</u>
Contributions	-	-	1,670	1,670
Investment income/(loss)	1,849	17,959	-	19,808
Expenditures	(243)	(2,271)	-	(2,514)
Other transfers	(3,418)	(5,310)	-	(8,728)
Endowment on July 31, 2018	<u>\$ 23,236</u>	<u>\$ 58,044</u>	<u>\$ 203,164</u>	<u>\$ 284,444</u>

12. Employee 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 \$77,305 and \$83,779 for the years ended July 31, 2018 and 2017, respectively.

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.

Mennonite Church USA-Executive Board
Notes to Financial Statements
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13. Group Health Plan (Continued)

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, 2018 and 2017 was \$5,101 and \$(8,796), respectively. The aggregate receivable at July 31, 2018 and 2017 was \$160,455 and \$165,556, 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 church-wide 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, 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>
Mennonite Church USA Agencies		
Mennonite Mission Network	\$ 538,617	\$ 331,538
Mennonite Education Agency	67,607	71,680
Everence	253,680	253,129
Mennonite Health Services Alliance	20,000	20,000
Area conferences	394,021	379,683
	<u>\$ 1,273,925</u>	<u>\$ 1,056,030</u>

Other grants and contributions:

The Executive Board also received other grants and contributions from related entities during the year ended July 31, 2018 and 2017 respectively:

	<u>2018</u>				<u>Total</u>	<u>2017</u> <u>Total</u>
	<u>Executive Board</u>	<u>Native Mennonite Ministries</u>	<u>Iglesia Menonita Hispana</u>	<u>Eliminations</u>		
Mennonite Mission Network	\$ 10,350	\$ -	\$ -	\$ -	\$ 10,350	\$ 8,000
Everence	-	-	-	-	-	30,000
Executive Board	-	6,000	6,000	(12,000)	-	-
Other	5,350	-	-	-	5,350	40,000
	<u>\$ 15,700</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ (12,000)</u>	<u>\$ 15,700</u>	<u>\$ 78,000</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

14. Other Related Party Transactions (Continued)

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, 2018 and 2017:

	<u>2018</u>		<u>2017</u>	
	<u>Rental Income</u>	<u>Sale of Services/ Reimbursements</u>	<u>Rental Income</u>	<u>Sale of Services/ Reimbursements</u>
Executive Board				
Mennonite Mission Network	\$ 31,700	\$ 107,729	\$ 29,343	\$ 107,273
Everence	-	3,298	-	3,298
MennoMedia	4,872	(5,893)	6,746	11,786
Mennonite Education Agency	-	34,849	-	11,060
Other related entities	19,936	55,926	8,480	72,436
	<u>56,508</u>	<u>195,909</u>	<u>44,569</u>	<u>205,853</u>
Corinthian Plan				
Everence	-	124,625	-	124,144
	<u>\$ 56,508</u>	<u>\$ 320,534</u>	<u>\$ 44,569</u>	<u>\$ 329,997</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-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

14. Other Related Party Transactions (Continued)

Contributions to related parties (Continued):

Following is a summary of contribution expense for the years ended July 31, 2018 and 2017:

	2018			2017
	Bequests & Estates	Other	Total	
Mennonite Church USA Agencies				
Mennonite Mission Network	\$ 124,535	\$ -	\$ 124,535	\$ 329,153
Mennonite Education Agency	24,113	-	24,113	34,819
MennoMedia	5,167	-	5,167	7,461
Other related entities	10,486	32,343	42,829	105,365
	<u>\$ 164,301</u>	<u>\$ 32,343</u>	<u>\$ 196,644</u>	<u>\$ 476,798</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, 2018 and 2017, there was \$0 and \$750 of contribution revenue was recognized from donors, respectively. The campaign was fully concluded as of July 31, 2017.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2018
(with summarized financial information for the year ended July 31, 2017)

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, 2018 and 2017, the Executive Board reimbursed Mennonite Mission Network approximately \$61,000 and \$93,000, 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 years ended July 31, 2018 and 2017.

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.

17. Subsequent Events

Subsequent events were evaluated through January 15, 2019 which is the date the financial statements were available to be issued.

Supplemental Information

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Financial Position by Fund
July 31, 2018

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Sub-Total	Convention Planning	Total
ASSETS									
Cash and cash equivalents									
Cash	\$ 719,208	\$ 49,369	\$ 84,875	\$ 12,781	\$ (5,492)	\$ 27,097	\$ 887,838	\$ 16,540	\$ 904,378
Temporary investments	197,149	-	-	-	3,525	-	200,674	-	200,674
Certificates of deposit	-	31,545	-	-	-	-	31,545	-	31,545
Accounts receivable	13,045	63	-	10,125	-	454	23,687	-	23,687
Receivables-related parties	191,888	-	-	-	-	-	191,888	-	191,888
Investments	259,006	247,465	-	-	153,019	-	659,490	-	659,490
Beneficial interest in charitable trust	497,261	-	-	-	-	-	497,261	-	497,261
Student loans receivable, net allowance	64,555	-	-	-	-	-	64,555	-	64,555
Property assets, net	235,734	-	-	-	-	-	235,734	-	235,734
Other assets and prepaid assets	27,903	1,840	13	13	-	-	29,769	5,034	34,803
Total assets	<u>\$ 2,205,749</u>	<u>\$ 330,282</u>	<u>\$ 84,888</u>	<u>\$ 22,919</u>	<u>\$ 151,052</u>	<u>\$ 27,551</u>	<u>\$ 2,822,441</u>	<u>\$ 21,574</u>	<u>\$ 2,844,015</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 60,821	\$ 1,797	\$ 244	\$ 4,074	\$ 50	\$ 439	\$ 67,425	\$ 571	\$ 67,996
Payables-related parties	144,933	-	-	-	-	-	144,933	-	144,933
Deferred revenue	4,017	-	-	-	-	-	4,017	-	4,017
Annuity contracts payable	56,802	-	-	-	-	-	56,802	-	56,802
Total liabilities	<u>266,573</u>	<u>1,797</u>	<u>244</u>	<u>4,074</u>	<u>50</u>	<u>439</u>	<u>273,177</u>	<u>571</u>	<u>273,748</u>
Net assets									
Unrestricted									
Undesignated	376,486	40,880	84,644	18,845	(34,620)	27,112	513,347	21,003	534,350
Board designated	698,302	23,236	-	-	-	-	721,538	-	721,538
Total unrestricted	<u>1,074,788</u>	<u>64,116</u>	<u>84,644</u>	<u>18,845</u>	<u>(34,620)</u>	<u>27,112</u>	<u>1,234,885</u>	<u>21,003</u>	<u>1,255,888</u>
Temporarily restricted	827,558	98,035	-	-	185,622	-	1,111,215	-	1,111,215
Permanently restricted	36,830	166,334	-	-	-	-	203,164	-	203,164
Total net assets	<u>1,939,176</u>	<u>328,485</u>	<u>84,644</u>	<u>18,845</u>	<u>151,002</u>	<u>27,112</u>	<u>2,549,264</u>	<u>21,003</u>	<u>2,570,267</u>
Total liabilities and net assets	<u>\$ 2,205,749</u>	<u>\$ 330,282</u>	<u>\$ 84,888</u>	<u>\$ 22,919</u>	<u>\$ 151,052</u>	<u>\$ 27,551</u>	<u>\$ 2,822,441</u>	<u>\$ 21,574</u>	<u>\$ 2,844,015</u>

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Financial Position by Fund
July 31, 2017

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Sub-Total	Convention Planning	Total
ASSETS									
Cash and cash equivalents									
Cash	\$ 504,655	\$ 69,143	\$ 48,672	\$ (9,702)	\$ (15,199)	\$ 30,037	\$ 627,606	\$ 213,422	\$ 841,028
Temporary investments	189,260	-	-	-	3,549	-	192,809	-	192,809
Certificates of deposit	-	31,404	-	-	-	-	31,404	-	31,404
Accounts receivable	14,927	25	-	10,750	-	2,850	28,552	81,977	110,529
Receivables-related parties	251,688	-	-	-	-	-	251,688	-	251,688
Investments	251,684	239,374	-	-	145,803	-	636,861	-	636,861
Beneficial interest in charitable trust	484,552	-	-	-	-	-	484,552	-	484,552
Student loans receivable, net allowance	74,073	-	-	-	-	-	74,073	-	74,073
Property assets, net	235,324	-	-	-	-	-	235,324	-	235,324
Other assets and prepaid assets	18,281	4,294	13	12	13	-	22,613	5,107	27,720
Total assets	<u>\$ 2,024,444</u>	<u>\$ 344,240</u>	<u>\$ 48,685</u>	<u>\$ 1,060</u>	<u>\$ 134,166</u>	<u>\$ 32,887</u>	<u>\$ 2,585,482</u>	<u>\$ 300,506</u>	<u>\$ 2,885,988</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 94,509	\$ 1,410	\$ -	\$ 3	\$ 50	\$ 12,129	\$ 108,101	\$ 133,509	\$ 241,610
Payables-related parties	141,943	-	-	-	-	-	141,943	-	141,943
Deferred revenue	4,569	-	-	-	-	-	4,569	-	4,569
Annuity contracts payable	62,127	-	-	-	-	-	62,127	-	62,127
Total liabilities	<u>303,148</u>	<u>1,410</u>	<u>-</u>	<u>3</u>	<u>50</u>	<u>12,129</u>	<u>316,740</u>	<u>133,509</u>	<u>450,249</u>
Net assets									
Unrestricted									
Undesignated	128,710	53,353	48,685	1,057	(44,315)	20,758	208,248	166,997	375,245
Board designated	704,052	25,048	-	-	-	-	729,100	-	729,100
Total unrestricted	832,762	78,401	48,685	1,057	(44,315)	20,758	937,348	166,997	1,104,345
Temporarily restricted	851,704	99,765	-	-	178,431	-	1,129,900	-	1,129,900
Permanently restricted	36,830	164,664	-	-	-	-	201,494	-	201,494
Total net assets	<u>1,721,296</u>	<u>342,830</u>	<u>48,685</u>	<u>1,057</u>	<u>134,116</u>	<u>20,758</u>	<u>2,268,742</u>	<u>166,997</u>	<u>2,435,739</u>
Total liabilities and net assets	<u>\$ 2,024,444</u>	<u>\$ 344,240</u>	<u>\$ 48,685</u>	<u>\$ 1,060</u>	<u>\$ 134,166</u>	<u>\$ 32,887</u>	<u>\$ 2,585,482</u>	<u>\$ 300,506</u>	<u>\$ 2,885,988</u>

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Activity by Fund
For the Year Ended July 31, 2018

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
SUPPORT AND REVENUE										
Contributions										
Firstfruit-related party	\$ 1,278,925	\$ -	\$ -	\$ -	\$ -	\$ -	(5,000)	\$ 1,273,925	\$ -	\$ 1,273,925
Other grants & contributions	180,006	174,432	143,321	-	4,906	15,660	-	518,325	1,880	520,205
Other grants & contributions - related party	15,700	-	-	-	6,000	6,000	(12,000)	15,700	-	15,700
Contributions - Purposeful Plan Campaign	-	-	-	-	-	-	-	-	-	-
Estate & annuity	290,664	-	-	-	-	-	(77,170)	213,494	-	213,494
Total contributions	<u>1,765,295</u>	<u>174,432</u>	<u>143,321</u>	<u>-</u>	<u>10,906</u>	<u>21,660</u>	<u>(94,170)</u>	<u>2,021,444</u>	<u>1,880</u>	<u>2,023,324</u>
Other income										
Investment income	56,763	17,650	51	-	9,755	-	-	84,219	1,235	85,454
Convention revenue	-	-	-	-	-	-	-	-	29,090	29,090
Rental income - related party	67,403	-	-	-	-	-	(10,895)	56,508	-	56,508
Sale of services/reimb.	201,853	-	-	124,625	-	-	(5,944)	320,534	-	320,534
Miscellaneous	40,355	25,534	943	-	-	-	-	66,832	1,545	68,377
Total other income	<u>366,374</u>	<u>43,184</u>	<u>994</u>	<u>124,625</u>	<u>9,755</u>	<u>-</u>	<u>(16,839)</u>	<u>528,093</u>	<u>31,870</u>	<u>559,963</u>
Total support and revenue	<u>2,131,669</u>	<u>217,616</u>	<u>144,315</u>	<u>124,625</u>	<u>20,661</u>	<u>21,660</u>	<u>(111,009)</u>	<u>2,549,537</u>	<u>33,750</u>	<u>2,583,287</u>
EXPENSES										
Program services	1,560,031	231,961	108,356	106,837	3,775	15,306	(111,009)	1,915,257	179,744	2,095,001
Supporting services	353,758	-	-	-	-	-	-	353,758	-	353,758
Total expenses	<u>1,913,789</u>	<u>231,961</u>	<u>108,356</u>	<u>106,837</u>	<u>3,775</u>	<u>15,306</u>	<u>(111,009)</u>	<u>2,269,015</u>	<u>179,744</u>	<u>2,448,759</u>
Change in net assets	217,880	(14,345)	35,959	17,788	16,886	6,354	-	280,522	(145,994)	134,528
OTHER TRANSFERS										
Change in net assets	217,880	(14,345)	35,959	17,788	16,886	6,354	-	280,522	(145,994)	134,528
NET ASSETS-BEGINNING OF PERIOD	<u>1,721,296</u>	<u>342,830</u>	<u>48,685</u>	<u>1,057</u>	<u>134,116</u>	<u>20,758</u>	<u>-</u>	<u>2,268,742</u>	<u>166,997</u>	<u>2,435,739</u>
NET ASSETS-END OF PERIOD	<u>\$ 1,939,176</u>	<u>\$ 328,485</u>	<u>\$ 84,644</u>	<u>\$ 18,845</u>	<u>\$ 151,002</u>	<u>\$ 27,112</u>	<u>\$ -</u>	<u>\$ 2,549,264</u>	<u>\$ 21,003</u>	<u>\$ 2,570,267</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Activity by Fund
For the Year Ended July 31, 2017

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
SUPPORT AND REVENUE										
Contributions										
Firstfruit-related party	\$ 1,061,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,000)	\$ 1,056,030	\$ -	\$ 1,056,030
Other grants & contributions	351,562	183,636	89,578	-	8,900	14,837	-	648,513	29,679	678,192
Other grants & contributions - related party	60,000	-	-	-	13,000	27,000	(22,000)	78,000	-	78,000
Contributions - Purposeful Plan Campaign	750	-	-	-	-	-	-	750	-	750
Estate & annuity	91,481	-	-	-	2,219	2,487	(44,762)	51,425	-	51,425
Total contributions	<u>1,564,823</u>	<u>183,636</u>	<u>89,578</u>	<u>-</u>	<u>24,119</u>	<u>44,324</u>	<u>(71,762)</u>	<u>1,834,718</u>	<u>29,679</u>	<u>1,864,397</u>
Other income										
Investment income	73,043	25,045	33	-	13,941	-	-	112,062	236	112,298
Convention revenue	-	-	-	-	-	-	-	-	1,030,406	1,030,406
Rental income - related party	55,247	-	-	-	-	-	(10,678)	44,569	-	44,569
Sale of services/reimb.	210,797	-	-	124,144	-	-	(4,944)	329,997	-	329,997
Miscellaneous	239,400	66,608	-	-	221	2,180	-	308,409	-	308,409
Total other income	<u>578,487</u>	<u>91,653</u>	<u>33</u>	<u>124,144</u>	<u>14,162</u>	<u>2,180</u>	<u>(15,622)</u>	<u>795,037</u>	<u>1,030,642</u>	<u>1,825,679</u>
Total support and revenue	<u>2,143,310</u>	<u>275,289</u>	<u>89,611</u>	<u>124,144</u>	<u>38,281</u>	<u>46,504</u>	<u>(87,384)</u>	<u>2,629,755</u>	<u>1,060,321</u>	<u>3,690,076</u>
EXPENSES										
Program services	2,093,881	250,245	73,831	123,931	14,042	34,176	(87,384)	2,502,722	849,505	3,352,227
Supporting services	418,857	-	-	-	-	-	-	418,857	-	418,857
Total expenses	<u>2,512,738</u>	<u>250,245</u>	<u>73,831</u>	<u>123,931</u>	<u>14,042</u>	<u>34,176</u>	<u>(87,384)</u>	<u>2,921,579</u>	<u>849,505</u>	<u>3,771,084</u>
Change in net assets	(369,428)	25,044	15,780	213	24,239	12,328	-	(291,824)	210,816	(81,008)
OTHER TRANSFERS										
Change in net assets	127	-	-	-	(53)	8,430	-	8,504	296	8,800
Change in net assets	(369,301)	25,044	15,780	213	24,186	20,758	-	(283,320)	211,112	(72,208)
NET ASSETS-BEGINNING OF PERIOD	<u>2,090,597</u>	<u>317,786</u>	<u>32,905</u>	<u>844</u>	<u>109,930</u>	<u>-</u>	<u>-</u>	<u>2,552,062</u>	<u>(44,115)</u>	<u>2,507,947</u>
NET ASSETS-END OF PERIOD	<u>\$ 1,721,296</u>	<u>\$ 342,830</u>	<u>\$ 48,685</u>	<u>\$ 1,057</u>	<u>\$ 134,116</u>	<u>\$ 20,758</u>	<u>\$ -</u>	<u>\$ 2,268,742</u>	<u>\$ 166,997</u>	<u>\$ 2,435,739</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Functional Expense by Fund
For the Year Ended July 31, 2018

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
Program services:										
Salaries & benefits	\$ 793,011	\$ 129,691	\$ 31,040	\$ 55,314	\$ 1,103	\$ 476	\$ -	\$ 1,010,635	\$ 123,620	\$ 1,134,255
Travel	153,275	24,598	3,513	16,989	-	6,761	-	205,136	7,700	212,836
Office	25,778	17,483	2,512	1,582	-	1,188	-	48,543	11,494	60,037
Occupancy	89,333	2,365	212	5,529	-	-	(10,895)	86,544	2,984	89,528
Promotion & publications	7,093	15,342	58,526	-	-	-	-	80,961	16,290	97,251
Contracted services	72,349	22,296	2,382	27,423	1,064	1,000	(5,944)	120,570	3,706	124,276
Conferences	42,928	4,963	-	-	-	-	-	47,891	-	47,891
Contributions	281,814	2,500	2,500	-	-	4,000	(94,170)	196,644	-	196,644
Grants - Purposeful Plan Campaign	-	-	-	-	-	-	-	-	-	-
Other expenses	94,450	12,723	7,671	-	1,608	1,881	-	118,333	-	118,333
Convention expense	-	-	-	-	-	-	-	-	13,950	13,950
Total program services	<u>1,560,031</u>	<u>231,961</u>	<u>108,356</u>	<u>106,837</u>	<u>3,775</u>	<u>15,306</u>	<u>(111,009)</u>	<u>1,915,257</u>	<u>179,744</u>	<u>2,095,001</u>
Supporting services										
Salaries & benefits	187,581	-	-	-	-	-	-	187,581	-	187,581
Travel	5,270	-	-	-	-	-	-	5,270	-	5,270
Office	17,696	-	-	-	-	-	-	17,696	-	17,696
Occupancy	56,659	-	-	-	-	-	-	56,659	-	56,659
Professional fees	18,575	-	-	-	-	-	-	18,575	-	18,575
Contracted services	57,580	-	-	-	-	-	-	57,580	-	57,580
Other expenses	10,397	-	-	-	-	-	-	10,397	-	10,397
Total supporting services	<u>353,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,758</u>	<u>-</u>	<u>353,758</u>
Total expenses	<u>\$ 1,913,789</u>	<u>\$ 231,961</u>	<u>\$ 108,356</u>	<u>\$ 106,837</u>	<u>\$ 3,775</u>	<u>\$ 15,306</u>	<u>\$ (111,009)</u>	<u>\$ 2,269,015</u>	<u>\$ 179,744</u>	<u>\$ 2,448,759</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Functional Expense by Fund
For the Year Ended July 31, 2017

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
Program services:										
Salaries & benefits	\$ 899,978	\$ 126,749	\$ 23,245	\$ 66,608	\$ 6,432	\$ 2,461	\$ -	\$ 1,125,473	\$ 171,552	\$ 1,297,025
Travel	190,790	23,747	2,207	13,745	566	28,246	-	259,301	22,633	281,934
Office	30,728	25,910	2,357	2,061	-	643	-	61,699	12,822	74,521
Occupancy	70,213	3,263	210	5,529	-	-	(10,678)	68,537	111,146	179,683
Promotion & publications	8,963	21,226	40,813	5,179	-	762	-	76,943	40,981	117,924
Contracted services	12,481	19,353	2,224	30,653	993	-	(4,944)	60,760	10,265	71,025
Conferences	151,048	16,879	-	-	-	2,064	-	169,991	-	169,991
Contributions	535,560	10,500	2,500	-	-	-	(71,762)	476,798	-	476,798
Grants - Purposeful Plan Campaign	750	-	-	-	-	-	-	750	-	750
Other expenses	193,370	2,618	275	156	6,051	-	-	202,470	-	202,470
Convention expense	-	-	-	-	-	-	-	-	480,106	480,106
Total program services	<u>2,093,881</u>	<u>250,245</u>	<u>73,831</u>	<u>123,931</u>	<u>14,042</u>	<u>34,176</u>	<u>(87,384)</u>	<u>2,502,722</u>	<u>849,505</u>	<u>3,352,227</u>
Supporting services										
Salaries & benefits	197,825	-	-	-	-	-	-	197,825	-	197,825
Travel	6,826	-	-	-	-	-	-	6,826	-	6,826
Office	18,203	-	-	-	-	-	-	18,203	-	18,203
Occupancy	79,118	-	-	-	-	-	-	79,118	-	79,118
Professional fees	18,250	-	-	-	-	-	-	18,250	-	18,250
Contracted services	78,453	-	-	-	-	-	-	78,453	-	78,453
Other expenses	20,182	-	-	-	-	-	-	20,182	-	20,182
Total supporting services	<u>418,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,857</u>	<u>-</u>	<u>418,857</u>
Total expenses	<u>\$ 2,512,738</u>	<u>\$ 250,245</u>	<u>\$ 73,831</u>	<u>\$ 123,931</u>	<u>\$ 14,042</u>	<u>\$ 34,176</u>	<u>\$ (87,384)</u>	<u>\$ 2,921,579</u>	<u>\$ 849,505</u>	<u>\$ 3,771,084</u>

EL DORADO	PO BOX 847	EL DORADO, KS 67042-0847	316-321-1150
McALESTER	101 S. 2ND. STE. B	McALESTER, OK 74501-5345	918-426-1234
TUCSON	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
TULSA	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-494-8700
WAGONER	611-D W. CHEROKEE ST.	WAGONER, OK 74467-4618	918-485-5531
WICHITA	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2914	316-264-2335