

**MENNONITE CENTRAL COMMITTEE U.S.  
AND SUBSIDIARIES**

**YEARS ENDED  
MARCH 31, 2015 AND 2014**

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

YEARS ENDED MARCH 31, 2015 AND 2014

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## Independent Auditors' Report

Members  
Mennonite Central Committee U.S.  
Akron, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Mennonite Central Committee U.S. and subsidiaries (nonprofit organizations), which comprise the consolidated statements of financial position as of March 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization'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 Organization's internal controls. 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mennonite Central Committee U.S. and subsidiaries as of March 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Brown Schultz Steindam's Fritz*

July 9, 2015

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2015 AND 2014

ASSETS

|                                                                                                                          | <u>2015</u>                 | <u>2014</u>                 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Cash and cash equivalents:                                                                                               |                             |                             |
| Cash                                                                                                                     | \$ 742,035                  | \$ 776,215                  |
| Cash equivalents in investment accounts                                                                                  | 2,913,882                   | 3,736,407                   |
| Cash in overseas accounts or held by agents                                                                              | <u>1,365,818</u>            | <u>1,651,881</u>            |
| Total cash and cash equivalents                                                                                          | 5,021,735                   | 6,164,503                   |
| Accounts receivable:                                                                                                     |                             |                             |
| Trade and others, net of allowance for doubtful<br>accounts of \$18,686 for 2015 and 2014                                | 245,980                     | 263,342                     |
| MCCC                                                                                                                     | 412,769                     | 384,856                     |
| Grants receivable                                                                                                        | 275,544                     | 76,215                      |
| Inventory                                                                                                                | 1,996,035                   | 1,602,534                   |
| Prepaid expenses                                                                                                         | 505,245                     | 379,851                     |
| Investments                                                                                                              | 21,939,189                  | 15,686,101                  |
| Loans receivable                                                                                                         | 4,635                       | 6,863                       |
| Interest in MASP reserve                                                                                                 | 866,438                     | 991,671                     |
| Beneficial interest in perpetual trusts                                                                                  | 393,474                     | 395,738                     |
| Property and equipment, net of accumulated depreciation<br>of \$7,491,407 and \$6,962,801 in 2015 and 2014, respectively | <u>7,448,283</u>            | <u>7,110,574</u>            |
| Total assets                                                                                                             | <u><u>\$ 39,109,327</u></u> | <u><u>\$ 33,062,248</u></u> |

See notes to consolidated financial statements.

## LIABILITIES AND NET ASSETS

|                                  | <u>2015</u>          | <u>2014</u>          |
|----------------------------------|----------------------|----------------------|
| Liabilities:                     |                      |                      |
| Payables:                        |                      |                      |
| Trade and others                 | \$ 1,075,334         | \$ 1,141,610         |
| Service workers                  | 509,108              | 511,139              |
| Noninterest-bearing demand notes | 15,000               | 15,000               |
| Accrued salaries and benefits    | 873,374              | 867,482              |
| Deferred income                  | <u>76,314</u>        | <u>          </u>    |
| Total liabilities                | <u>2,549,130</u>     | <u>2,535,231</u>     |
| <br>                             |                      |                      |
| Net assets:                      |                      |                      |
| Unrestricted                     | 32,348,587           | 25,684,687           |
| Restricted:                      |                      |                      |
| Temporarily                      | 3,141,081            | 3,882,174            |
| Permanently                      | <u>1,070,529</u>     | <u>960,156</u>       |
| Total net assets                 | <u>36,560,197</u>    | <u>30,527,017</u>    |
| Total liabilities and net assets | <u>\$ 39,109,327</u> | <u>\$ 33,062,248</u> |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2015 AND 2014

|                                       | 2015              |                        |                        | 2014              |                   |                        |                        |                   |
|---------------------------------------|-------------------|------------------------|------------------------|-------------------|-------------------|------------------------|------------------------|-------------------|
|                                       | Unrestricted      | Temporarily restricted | Permanently restricted | Total             | Unrestricted      | Temporarily restricted | Permanently restricted | Total             |
| Revenue:                              |                   |                        |                        |                   |                   |                        |                        |                   |
| Contributions                         | \$ 22,584,942     | \$ 6,050,552           | \$ 200                 | \$ 28,635,694     | \$ 18,051,538     | \$ 6,209,790           | \$ 97,284              | \$ 24,358,612     |
| Grants, nongovernment                 | 1,271,098         |                        |                        | 1,271,098         | 790,269           |                        |                        | 790,269           |
| Investment earnings                   | 154,887           |                        | 143,507                | 298,394           | 324,747           |                        | 11,919                 | 336,666           |
| Other program and miscellaneous       | 2,152,459         |                        |                        | 2,152,459         | 2,133,556         |                        |                        | 2,133,556         |
| Material resources donated in-kind    | 2,880,184         |                        |                        | 2,880,184         | 2,943,673         |                        |                        | 2,943,673         |
| Net assets released from restrictions | 6,824,979         | (6,791,645)            | (33,334)               | -                 | 6,457,250         | (6,457,250)            |                        | -                 |
| <b>Total revenue</b>                  | <b>35,868,549</b> | <b>(741,093)</b>       | <b>110,373</b>         | <b>35,237,829</b> | <b>30,701,033</b> | <b>(247,460)</b>       | <b>109,203</b>         | <b>30,562,776</b> |
| Expenses:                             |                   |                        |                        |                   |                   |                        |                        |                   |
| Programs:                             |                   |                        |                        |                   |                   |                        |                        |                   |
| Disaster relief                       | 5,384,997         |                        |                        | 5,384,997         | 6,677,803         |                        |                        | 6,677,803         |
| Justice and peacebuilding             | 4,637,943         |                        |                        | 4,637,943         | 3,558,995         |                        |                        | 3,558,995         |
| Sustainable community development     | 12,594,859        |                        |                        | 12,594,859        | 11,973,682        |                        |                        | 11,973,682        |
| General administration                | 5,016,970         |                        |                        | 5,016,970         | 5,268,814         |                        |                        | 5,268,814         |
| Fund-raising                          | 1,569,880         |                        |                        | 1,569,880         | 1,546,695         |                        |                        | 1,546,695         |
| <b>Total expenses</b>                 | <b>29,204,649</b> |                        |                        | <b>29,204,649</b> | <b>29,025,989</b> |                        |                        | <b>29,025,989</b> |
| Change in net assets                  | 6,663,900         | (741,093)              | 110,373                | 6,033,180         | 1,675,044         | (247,460)              | 109,203                | 1,536,787         |
| Net assets:                           |                   |                        |                        |                   |                   |                        |                        |                   |
| Beginning of year                     | 25,684,687        | 3,882,174              | 960,156                | 30,527,017        | 24,009,643        | 4,129,634              | 850,953                | 28,990,230        |
| End of year                           | \$ 32,348,587     | \$ 3,141,081           | \$ 1,070,529           | \$ 36,560,197     | \$ 25,684,687     | \$ 3,882,174           | \$ 960,156             | \$ 30,527,017     |

See notes to consolidated financial statements.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED MARCH 31, 2015 AND 2014

| 2015                               | Disaster<br>relief  | Justice<br>and<br>peacebuilding | Sustainable<br>community<br>development | General<br>administration | Fund-raising        | Total<br>expenses    |
|------------------------------------|---------------------|---------------------------------|-----------------------------------------|---------------------------|---------------------|----------------------|
| Salaries and benefits              | \$ 1,438,998        | \$ 2,301,851                    | \$ 4,106,372                            | \$ 3,323,919              | \$ 949,459          | \$ 12,120,599        |
| Travel                             | 227,072             | 469,736                         | 826,876                                 | 246,870                   | 98,567              | 1,869,121            |
| Grants                             | 2,043,889           | 1,003,270                       | 3,866,516                               | 11,700                    | 7,288               | 6,932,663            |
| Freight                            | 119,205             |                                 | 142,484                                 |                           |                     | 261,689              |
| Occupancy                          | 180,688             | 169,000                         | 253,662                                 | 179,335                   | 54,529              | 837,214              |
| Supplies                           | 310,439             | 26,258                          | 403,725                                 | 173,636                   | 8,486               | 922,544              |
| Other                              | 447,898             | 667,828                         | 1,053,808                               | 1,081,510                 | 451,551             | 3,702,595            |
| Material resources donated in-kind | 616,808             |                                 | 1,941,416                               |                           |                     | 2,558,224            |
| <b>Total 2015</b>                  | <b>\$ 5,384,997</b> | <b>\$ 4,637,943</b>             | <b>\$ 12,594,859</b>                    | <b>\$ 5,016,970</b>       | <b>\$ 1,569,880</b> | <b>\$ 29,204,649</b> |
| <b>2014</b>                        |                     |                                 |                                         |                           |                     |                      |
| Salaries and benefits              | \$ 985,777          | \$ 1,971,721                    | \$ 3,188,576                            | \$ 3,264,370              | \$ 1,037,118        | \$ 10,447,562        |
| Travel                             | 145,352             | 331,334                         | 639,346                                 | 288,696                   | 89,477              | 1,494,205            |
| Grants                             | 4,019,285           | 688,289                         | 4,746,928                               | 9,049                     | 7,000               | 9,470,551            |
| Freight                            | 73,684              | 110                             | 74,502                                  |                           |                     | 148,296              |
| Occupancy                          | 78,802              | 69,487                          | 191,230                                 | 316,618                   | 33,074              | 689,211              |
| Supplies                           | 284,961             | 18,887                          | 344,553                                 | 122,013                   | 9,463               | 779,877              |
| Other                              | 377,725             | 479,167                         | 696,859                                 | 1,268,068                 | 370,563             | 3,192,382            |
| Material resources donated in-kind | 712,217             |                                 | 2,091,688                               |                           |                     | 2,803,905            |
| <b>Total 2014</b>                  | <b>\$ 6,677,803</b> | <b>\$ 3,558,995</b>             | <b>\$ 11,973,682</b>                    | <b>\$ 5,268,814</b>       | <b>\$ 1,546,695</b> | <b>\$ 29,025,989</b> |

See notes to consolidated financial statements.



**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2015 AND 2014

|                                                     | <u>2015</u>        | <u>2014</u>      |
|-----------------------------------------------------|--------------------|------------------|
| Cash flows from operating activities:               |                    |                  |
| Changes in net assets                               | \$ 6,033,180       | \$ 1,536,787     |
| Adjustments:                                        |                    |                  |
| Depreciation                                        | 780,176            | 774,621          |
| Unrealized (gain) loss on investments               | 136,804            | (83,960)         |
| Realized gain on investments                        | (306,272)          | (139,188)        |
| Gain on disposal of property and equipment          | (106,080)          | (3,696)          |
| Foreign exchange rate gains                         | (100,376)          | (19,500)         |
| Changes in assets and liabilities:                  |                    |                  |
| (Increase) decrease in:                             |                    |                  |
| Accounts receivable:                                |                    |                  |
| Trade and others                                    | 17,362             | (144,267)        |
| MCCC                                                | (27,913)           | (197,480)        |
| Grants receivable                                   | (199,329)          | (48,747)         |
| Inventory                                           | (393,501)          | (279,097)        |
| Prepaid expenses                                    | (125,394)          | 166,815          |
| Loans receivable                                    | 2,228              | 2,601            |
| Interest in MASP reserve                            | 125,233            | 40,394           |
| Beneficial interest in perpetual trusts             | 2,264              | (11,919)         |
| Increase (decrease) in:                             |                    |                  |
| Payables:                                           |                    |                  |
| Trade and others                                    | (66,276)           | 529,391          |
| Service workers                                     | (2,032)            | (49,353)         |
| MCCC                                                |                    | (57,628)         |
| Accrued salaries and benefits                       | 5,892              | (283,170)        |
| Deferred Income                                     | 76,314             |                  |
| Total adjustments                                   | <u>(180,900)</u>   | <u>195,817</u>   |
| Net cash provided by operating activities           | <u>5,852,280</u>   | <u>1,732,604</u> |
| Cash flows from investing activities:               |                    |                  |
| Proceeds from sale of:                              |                    |                  |
| Property and equipment                              | 145,618            | 5,000            |
| Investments                                         | 19,693,093         | 29,893,592       |
| Purchases of:                                       |                    |                  |
| Investments                                         | (25,776,716)       | (28,250,275)     |
| Property and equipment                              | <u>(1,157,419)</u> | <u>(702,414)</u> |
| Net cash provided by (used in) investing activities | <u>(7,095,424)</u> | <u>945,903</u>   |

(continued)

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED MARCH 31, 2015 AND 2014

|                                                                                  | <u>2015</u>         | <u>2014</u>         |
|----------------------------------------------------------------------------------|---------------------|---------------------|
| Effect of foreign currency exchange rate changes<br>on cash and cash equivalents | \$ 100,376          | \$ 19,500           |
| Net increase (decrease) in cash and cash equivalents                             | (1,142,768)         | 2,698,007           |
| Cash and cash equivalents:                                                       |                     |                     |
| Beginning                                                                        | <u>6,164,503</u>    | <u>3,466,496</u>    |
| Ending                                                                           | <u>\$ 5,021,735</u> | <u>\$ 6,164,503</u> |

See notes to consolidated financial statements.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014

**1. Summary of significant accounting policies:**

*General:*

Mennonite Central Committee U.S. (MCC U.S. or Organization), a worldwide ministry of Anabaptist churches, shares God's love and compassion for all in the name of Christ by responding to basic human needs and working for peace and justice. MCC U.S. envisions communities worldwide in the right relationship with God, one another and creation. MCC U.S. is governed by its board of directors which is appointed primarily by participating church denominations and Mennonite Central Committee U.S. regional boards of directors.

The financial statements include the accounts of Mennonite Central Committee U.S., a Pennsylvania nonprofit corporation, as well as the following controlled corporations: Mennonite Central Committee East Coast (MCC East Coast), a Pennsylvania nonprofit corporation; Mennonite Central Committee Central States, Inc. (MCC Central States), a Kansas nonprofit corporation; Mennonite Central Committee Great Lakes, Inc. (MCC Great Lakes), an Indiana nonprofit corporation and West Coast Mennonite Central Committee, Inc. (West Coast MCC), a California nonprofit corporation. As described below, the financial statements also include the Organization's share of assets, liabilities and activities of the international operations as outlined by the covenant between MCC U.S. and Mennonite Central Committee Canada (MCCC). All material interorganizational transactions and balances have been eliminated.

Much of the Organization's support comes from a variety of generous individuals and churches. MCC U.S. is strongly supported by Mennonite, Brethren in Christ and Amish communities of faith, as well as by many churches and individuals who are not Anabaptist. MCC U.S. thrift shops and relief sales together provided approximately 30% and 31% of the Organization's total contributions for the years ended 2015 and 2014, respectively. Volunteer-initiated events from bike rides to bake sales provide consistent ongoing financial support. Gifts in kind include donations of items such as school, relief and health kits, blankets and other material aid.

To March 31, 2012, Mennonite Central Committee Canada (MCCC) and Mennonite Central Committee U.S. (MCC U.S.) performed the majority of their international work through MCC Binational (MCCBN) located in Akron, Pennsylvania. During the year ended March 31, 2012, MCCBN, MCCC and the MCC U.S. reorganized so as to continue the international operations of MCC as a shared program, while continuing their respective domestic programs. Under the terms of the reorganization, the by-laws of MCCBN were changed such that the Board of MCCBN transferred control of its corporate status, assets, liabilities and net assets to a new Board on March 30, 2012 and became known as MCC U.S. Through a document called "Principles of Sharing MCC Binational's Assets and Liabilities", the respective Boards of MCCC and MCC U.S. and their respective delegate bodies, approved the transfer of the former MCCBN assets to MCCC and MCC U.S. effective April 1, 2012.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**1. Summary of significant accounting policies (continued):**

*General (continued):*

Effective April 1, 2012, MCCC and MCC U.S. entered into a covenant to share the operations of the MCC U.S. international programs in each country that the former MCCBN operated and all related assets including property, relationships, reputation, knowledge, experience and supporting systems located in those countries. It is intended that the share that each national entity owns under this arrangement in each country program will be an undivided share.

Both MCCC and MCC U.S. have agreed to collaborate and work together in the operation of the shared program so that it will be seen as one integrated MCC shared program. This commitment does not preclude either entity from agreeing occasionally to fund and manage on its own an entire project or an entire country program. In addition to the international program MCCC and MCC U.S. agreed to resource and manage other programs on a shared basis.

*Estimates:*

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

*Cash and cash equivalents:*

For purposes of the statements of cash flows, all repurchase agreements and other highly liquid investments, including money market mutual funds and government agency securities with maturities of three months or less when purchased as well as variable rate demand notes, are considered to be cash equivalents. All cash equivalents held in investment accounts are Level 1 measurements.

*Receivables:*

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

*Inventory valuation:*

Inventories of material resources donated in-kind are valued at the lower of cost or market which approximates fair value at the time of donation.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**1. Summary of significant accounting policies (continued):**

*Foreign currency:*

The statement of financial position reflects foreign accounts in the U.S. dollar equivalent using the rate of exchange at year-end. Contributions and expenses are converted using the average exchange rate in the month of the transaction. The amount of foreign exchange losses included in the statements of activities for the years ended March 31, 2015 and 2014 are \$100,376 and \$19,500, respectively.

*Investments:*

Investments are carried at fair value. Unrealized gains and losses are included in the change in net assets.

*Property and equipment:*

Property and equipment are stated at cost. Expenditures that significantly extend the useful life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is computed primarily by the straight-line depreciation method at rates based on estimated service lives.

Donations of property and equipment, including related contributed labor and services, are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted net assets. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

*Contributions, including grants:*

Contributions and grants are recorded as unrestricted, temporarily restricted and permanently restricted support depending on the existence or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor restrictions.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**1. Summary of significant accounting policies (continued):**

*Grants and pledges receivable and grants payable:*

MCC U.S. records unconditional grants and other contributions receivable due in subsequent years as temporarily restricted support. Unconditional grants and pledges due in subsequent years are recorded at net realizable present value, using a risk-free interest rate to discount the amounts. An allowance for uncollectible grants and pledges is provided based on management's evaluation of potential uncollectible grants and pledges receivable at year-end.

Similarly, MCC U.S. records unconditional grants and pledges it has made to other organizations as expenses in the year the commitment has been made. Unconditional grants and pledges payable in subsequent years are recorded at the present value of the future cash outflows.

*Material resources donated in-kind:*

MCC U.S. records gifts of meat, clothing, bedding and other donated items at fair value when they are received.

*Contributed services:*

The Organization receives a significant amount of donated services from volunteers who assist in various program activities for which the criteria for recognition of these services under generally accepted accounting principles have and have not been satisfied. However, no amounts are reflected in the accompanying statements of activities due to immateriality.

*Functional allocation of expenses:*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The significant classifications included in other expenses are communications, meetings/conferences and professional fees. In addition, other expenses include promotion, insurance, memberships, staff development, foreign exchange loss, amortization and other classifications.

For fiscal 2015, the Share Program functional expenses by natural classification were allocated to MCCC and MCC U.S. based on a percentage allocation applied separately to each expense category. In fiscal 2014, the Shared Program functional expenses by natural classification were allocated based on the overall percentage of the total expenses allocated to each of MCCC and MCC U.S. The most significant impact of this change was that more salaries were allocated to MCC U.S. and more grants were allocated to MCCC. As this was a modification of the allocation of functional expenses to the national entities, the change has been applied prospectively. While the allocation of the components of functional expenses has been changed, each of MCCC and MCC U.S.'s overall share of the Shared Program expenses has not changed.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**1. Summary of significant accounting policies (continued):**

*Income taxes:*

The organizations have been recognized as corporations exempt from United States federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

MCC U.S. follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, to account for uncertainty in income taxes. MCC U.S. is recognized as an association of churches within the meaning of Section 170 (b)(1)(A)(i) of the Internal Revenue Code. As such, MCC U.S. is not required to file a Form 990, *Return of Organization Exempt from Income Tax*, and Form 990-T, *Exempt Organization Business Income Tax Return*, with the United States government annually.

*Pension benefits:*

The Organization sponsors a defined contribution plan which covers all employees after three years of qualifying service (two years of service if considered a domestic service worker). The Organization contributes an amount equal to 7% of the employee's eligible compensation. For employees who were active members of the Organization's pension plan on December 31, 1991, and who have continued service without interruption, MCC U.S.'s contributions will be 10% of salary during employment years in which workers are 50 years old or older. Contributions to the plan for the years ended March 31, 2015 and 2014 totaled \$750,873 and \$769,661, respectively.

*Other postemployment benefits:*

MCC U.S. provides certain medical benefits to former employees. In accordance with generally accepted accounting principles, these costs are accounted for on the accrual basis. The benefit obligation is calculated using a discount rate of 4% over the expected lives of the participants.

*Reclassifications:*

Certain 2014 amounts have been reclassified to conform with the 2015 financial statement presentation.

**2. Cash and cash equivalents:**

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2015, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$3,270,000. The Organization has experienced no losses related to uninsured balances. Cash in overseas accounts or held by agents and cash equivalents in investment accounts are not federally insured.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**3. Grants receivable:**

Unconditional grants receivable of \$275,544 are due in the fiscal year ending March 31, 2016. At March 31, 2014, there was \$76,215 of unconditional grants receivable.

**4. Investment valuation and investments:**

Investments for which market prices are readily available (common stock and mutual funds) are valued by reference to quoted market prices.

Investments for which market prices are not readily available include fixed income securities (U.S. government bonds, corporate and municipal bonds) and other investments. The fixed income securities are valued by the broker using a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to calculate an estimated market value.

These methodologies are consistent with methodologies previously used to value investments.

FASB ASC 820, clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. ASC 820 also establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset. Observable inputs reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or developed based on the best information available in the circumstances. The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Quoted prices in active markets for identical investment

Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments)



**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**4. Investment valuation and investments (continued):**

The fair values of investments measured on a recurring basis at March 31, 2015 and 2014 are as follows:

| Valuation inputs                              | Investment in securities |               |
|-----------------------------------------------|--------------------------|---------------|
|                                               | 2015                     | 2014          |
| Level 1 - Quoted prices                       | \$ 5,102,845             | \$ 1,992,295  |
| Level 2 - Other significant observable inputs | 16,836,344               | 13,693,806    |
|                                               | \$ 21,939,189            | \$ 15,686,101 |

Investments are comprised of the following:

|                               | 2015          |                | 2014          |                |
|-------------------------------|---------------|----------------|---------------|----------------|
|                               | Cost          | Carrying value | Cost          | Carrying value |
| Government agency securities  | \$ 2,802,809  | \$ 2,802,650   | \$ 1,200,354  | \$ 1,198,670   |
| Common stock                  | 4,713,643     | 5,102,845      | 1,465,375     | 1,992,295      |
| Corporate and municipal bonds | 13,788,973    | 13,800,283     | 12,342,711    | 12,349,514     |
| Other                         | 165,427       | 233,411        | 72,520        | 145,622        |
|                               | \$ 21,470,852 | \$ 21,939,189  | \$ 15,080,960 | \$ 15,686,101  |

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended March 31, 2015 and 2014:

|                           | 2015       | 2014       |
|---------------------------|------------|------------|
| Interest and dividends    | \$ 128,926 | \$ 113,518 |
| Realized gain             | 306,272    | 139,188    |
| Unrealized gains (losses) | (136,804)  | 83,960     |
|                           | \$ 298,394 | \$ 336,666 |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**5. Property and equipment:**

Property and equipment consist of the following:

|                              | 2015          | 2014          |
|------------------------------|---------------|---------------|
| Land and buildings           | \$ 10,332,018 | \$ 10,349,171 |
| Construction in progress     | 201,354       | 39,001        |
| Furniture and equipment      | 2,854,839     | 2,264,111     |
| Vehicles                     | 1,551,479     | 1,421,092     |
|                              | 14,939,690    | 14,073,375    |
| Accumulated depreciation     | 7,491,407     | 6,962,801     |
| Total property and equipment | \$ 7,448,283  | \$ 7,110,574  |

Depreciation charged to expense during the years ended March 31, 2015 and 2014 totaled \$780,176 and \$774,621, respectively.

**6. Beneficial interest in perpetual trusts:**

MCC U.S. is an income beneficiary of several perpetual trusts held by third parties. Under the terms of these trusts, MCC U.S. has the irrevocable right to receive the income earned on the trust assets in perpetuity. The beneficial interest in perpetual trusts is reflected as permanently restricted on the accompanying statements of financial position and is valued at the present value of its estimated future cash receipts, which approximates the fair value of the trust assets. Fair values are determined using quoted market prices. Changes in value for the period are recognized as an element of the change in permanently restricted net assets.

**7. Line of credit:**

The Organization has a \$3,000,000 line of credit with Fulton Bank. The line is secured by the assets held in an investment account managed by Fulton Financial Advisors. Interest is calculated at London Interbank Offered Rate (LIBOR) plus 2.25%, which was 2.40% at March 31, 2015 or an interest rate floor of 4%. There were no borrowings on the line of credit at March 31, 2015.

**8. Permanently restricted net assets:**

Net assets of \$1,070,529 were permanently restricted for general endowment purposes as of March 31, 2015. This includes \$677,055 in endowment funds and \$393,474, in beneficial interests in third-party trusts.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**9. Temporarily restricted net assets:**

Temporarily restricted net assets are available for the following purposes or periods:

|                      | <u>2015</u>         | <u>2014</u>         |
|----------------------|---------------------|---------------------|
| Time restrictions    | \$ 198,832          | \$ 164,661          |
| Program restrictions | <u>2,942,249</u>    | <u>3,717,513</u>    |
|                      | <u>\$ 3,141,081</u> | <u>\$ 3,882,174</u> |

Net assets released from temporary restriction were as follows:

|                                                      | <u>2015</u>         | <u>2014</u>         |
|------------------------------------------------------|---------------------|---------------------|
| Released from:                                       |                     |                     |
| Time restrictions expired                            | \$ 94,068           | \$ 289,612          |
| Program restrictions, other international activities | <u>6,697,577</u>    | <u>6,167,638</u>    |
|                                                      | <u>\$ 6,791,645</u> | <u>\$ 6,457,250</u> |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**10. Unrestricted net assets:**

Unrestricted net assets consist of amounts which are applied to long-term assets, reserved by the MCC U.S. Board for special purposes and available for operations. Unrestricted net assets are summarized as follows:

|                                                                     | 2015          | 2014          |
|---------------------------------------------------------------------|---------------|---------------|
| Applied to long-term assets:                                        |               |               |
| Invested in property and equipment                                  | \$ 7,448,283  | \$ 7,110,574  |
| Other unrestricted                                                  | 16,615,537    | 12,074,588    |
|                                                                     | 24,063,820    | 19,185,162    |
| Reserved by Board Action<br>(not available for current operations): |               |               |
| Bequests                                                            | 6,091,761     | 3,972,770     |
| Pension reserve                                                     | 337,290       | 362,640       |
| Capital reserve                                                     | 1,855,716     | 2,164,115     |
|                                                                     | 8,284,767     | 6,499,525     |
| Total unrestricted net assets                                       | \$ 32,348,587 | \$ 25,684,687 |

**11. MASP employee healthcare assistance benefit program:**

The Organization participates in a self-funded employee healthcare assistance benefit program, Mutual Aid Sharing Program (MASP). The MASP is a not-for-profit employee benefit plan whereby mission and service agencies of the Anabaptist Community share with each other the cost of providing healthcare assistance and death benefits to their employees.

Under the MASP, the Organization is responsible for claims up to the retention of \$30,000 per person (retained claims). Claims in excess of the retention up to \$280,000 will be pooled with the other agencies. Claims in excess of the retention plus the \$280,000 are reinsured by a stop loss policy that covers all MASP agencies. The stop loss reinsurance defines a claim as the total medical claims per individual per MASP fiscal year (October 1 through September 30). The Organization has expensed its retained claims and its monthly payments to the MASP for its expected share of pooled claims and administrative costs including stop loss premiums. The payments include the actuarially projected amount to cover claims that exceed the agency retention up to \$280,000. The actual amount may differ from this estimate based on the Organization's and pooled agencies' actual experience.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**11. MASP employee healthcare assistance benefit program (continued):**

The MASP maintains a reserve fund, which can be drawn upon in the event of a large single claim or a series of large claims or if the MASP chooses to allocate a portion of the reserve fund to lower the aggregate shared claims limit. Claims are expensed as incurred. The Organization has determined its estimated share of the reserve fund to be \$866,438 and \$991,671 at March 31, 2015 and 2014, respectively.

**12. Foreign assets and liabilities:**

Foreign assets and liabilities consist of the following:

|                               | 2015         | 2014         |
|-------------------------------|--------------|--------------|
| Cash                          | \$ 1,321,808 | \$ 1,565,395 |
| Accounts receivable           | \$ 154,066   | \$ 94,091    |
| Prepaid expenses              | \$ 218,586   | \$ 90,852    |
| Property and equipment, net   | \$ 546,374   | \$ 426,515   |
| Payables and accrued benefits | \$ 784,375   | \$ 772,557   |

**13. Commitments:**

The Organization leases office facilities under month-to-month lease agreements. The Organization leases a facility from a church organization affiliated with a member of the MCC U.S. Board of Directors through 2016. Rent expense for this facility was \$21,111 and \$21,466 for the years ended March 31, 2015 and 2014, respectively. The Organization also leases a facility from another church organization with a lease term expiring April 30, 2018. Rent expense for this facility was \$20,051 and \$18,555 for the years ended March 31, 2015 and 2014, respectively.

As part of the shared program, MCC U.S., along with MCCC, have entered into agreements to lease premises for various periods until March 2018.

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED MARCH 31, 2015 AND 2014

**13. Commitments (continued):**

Future minimum lease payments under these agreements are as follows:

|                                      |                   |
|--------------------------------------|-------------------|
| 2016                                 | \$ 170,567        |
| 2017                                 | 144,696           |
| 2018                                 | 115,052           |
| 2019                                 | 47,575            |
| 2020                                 | <u>2,536</u>      |
| Total minimum future rental payments | <u>\$ 480,426</u> |

Rent expense totaled \$170,685 and \$166,161 for the years ended March 31, 2015 and 2014, respectively.

In June 2013, MCC U.S. guaranteed a line of credit for Mennonite World Conference for expenses related to the global assembly in Harrisburg, PA, in July 2015. The guarantee is for up to \$500,000.

**14. Subsequent events:**

MCC U.S. has evaluated subsequent events through July 9, 2015, the date which the financial statements were available to be issued.



Independent Auditors' Report  
on Accompanying Information

Members  
Mennonite Central Committee U.S.  
Akron, Pennsylvania

We have audited the consolidated financial statements of Mennonite Central Committee U.S. and subsidiaries as of and for the years ended March 31, 2015 and 2014, and our report thereon dated July 9, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying information is presented for the purpose of additional analysis of the consolidated financial statements, rather than to present financial position, results of operations and cash flows for the individual geographical areas and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Brown Schultz Sheridan & Fritz*

July 9, 2015

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2015

|                                                                                                                                                    | <u>U.S.</u>          | <u>Shared<br/>Program</u> | <u>Total</u>         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|----------------------|
| ASSETS                                                                                                                                             |                      |                           |                      |
| Cash and cash equivalents:                                                                                                                         |                      |                           |                      |
| Cash                                                                                                                                               | \$ 742,035           |                           | \$ 742,035           |
| Cash equivalents in investment accounts                                                                                                            | 2,913,882            |                           | 2,913,882            |
| Cash in overseas accounts or held by agents                                                                                                        | <u>44,010</u>        | \$ 1,321,808              | <u>1,365,818</u>     |
| Total cash and cash equivalents                                                                                                                    | 3,699,927            | 1,321,808                 | 5,021,735            |
| Accounts receivable:                                                                                                                               |                      |                           |                      |
| Trade and others, net of allowance for doubtful<br>accounts of \$18,686                                                                            | 91,914               | 154,066                   | 245,980              |
| MCCC                                                                                                                                               | 412,769              |                           | 412,769              |
| Grants receivable                                                                                                                                  | 275,544              |                           | 275,544              |
| Inventory                                                                                                                                          | 1,996,035            |                           | 1,996,035            |
| Prepaid expenses                                                                                                                                   | 286,659              | 218,586                   | 505,245              |
| Investments                                                                                                                                        | 21,939,189           |                           | 21,939,189           |
| Loans receivable                                                                                                                                   | 4,635                |                           | 4,635                |
| Interest in MASP reserve                                                                                                                           | 866,438              |                           | 866,438              |
| Beneficial interest in perpetual trusts                                                                                                            | 393,474              |                           | 393,474              |
| Property and equipment (net of accumulated depreciation of<br>\$6,988,582 and \$502,825 for MCC U.S. and MCC U.S.<br>Shared Program, respectively) | <u>6,901,909</u>     | <u>546,374</u>            | <u>7,448,283</u>     |
| Total assets                                                                                                                                       | <u>\$ 36,868,493</u> | <u>\$ 2,240,834</u>       | <u>\$ 39,109,327</u> |
| LIABILITIES AND NET ASSETS                                                                                                                         |                      |                           |                      |
| Liabilities:                                                                                                                                       |                      |                           |                      |
| Payables:                                                                                                                                          |                      |                           |                      |
| Trade and others                                                                                                                                   | \$ 775,877           | \$ 299,457                | \$ 1,075,334         |
| Service workers                                                                                                                                    | 24,190               | 484,918                   | 509,108              |
| Noninterest-bearing demand notes                                                                                                                   | 15,000               |                           | 15,000               |
| Accrued salaries and benefits                                                                                                                      | 873,374              |                           | 873,374              |
| Deferred income                                                                                                                                    | <u>76,314</u>        |                           | <u>76,314</u>        |
| Total liabilities                                                                                                                                  | <u>1,764,755</u>     | <u>784,375</u>            | <u>2,549,130</u>     |
| Net assets:                                                                                                                                        |                      |                           |                      |
| Unrestricted                                                                                                                                       | 30,892,128           | 1,456,459                 | 32,348,587           |
| Restricted:                                                                                                                                        |                      |                           |                      |
| Temporarily                                                                                                                                        | 3,141,081            |                           | 3,141,081            |
| Permanently                                                                                                                                        | <u>1,070,529</u>     |                           | <u>1,070,529</u>     |
| Total net assets                                                                                                                                   | <u>35,103,738</u>    | <u>1,456,459</u>          | <u>36,560,197</u>    |
| Total liabilities and net assets                                                                                                                   | <u>\$ 36,868,493</u> | <u>\$ 2,240,834</u>       | <u>\$ 39,109,327</u> |



**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2014

|                                                                                                                                                    | <u>U.S.</u>          | <u>Shared<br/>Program</u> | <u>Total</u>         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|----------------------|
| ASSETS                                                                                                                                             |                      |                           |                      |
| Cash and cash equivalents:                                                                                                                         |                      |                           |                      |
| Cash                                                                                                                                               | \$ 776,215           |                           | \$ 776,215           |
| Cash equivalents in investment accounts                                                                                                            | 3,736,407            |                           | 3,736,407            |
| Cash in overseas accounts or held by agents                                                                                                        | <u>86,486</u>        | <u>\$ 1,565,395</u>       | <u>1,651,881</u>     |
| Total cash and cash equivalents                                                                                                                    | 4,599,108            | 1,565,395                 | 6,164,503            |
| Accounts receivable:                                                                                                                               |                      |                           |                      |
| Trade and others, net of allowance for doubtful<br>accounts of \$18,686                                                                            | 169,251              | 94,091                    | 263,342              |
| MCCC                                                                                                                                               | 384,856              |                           | 384,856              |
| Grants receivable                                                                                                                                  | 76,215               |                           | 76,215               |
| Inventory                                                                                                                                          | 1,602,534            |                           | 1,602,534            |
| Prepaid expenses                                                                                                                                   | 288,999              | 90,852                    | 379,851              |
| Investments                                                                                                                                        | 15,686,101           |                           | 15,686,101           |
| Loans receivable                                                                                                                                   | 6,863                |                           | 6,863                |
| Interest in MASP reserve                                                                                                                           | 991,671              |                           | 991,671              |
| Beneficial interest in perpetual trusts                                                                                                            | 395,738              |                           | 395,738              |
| Property and equipment (net of accumulated depreciation of<br>\$6,462,723 and \$500,078 for MCC U.S. and MCC U.S.<br>Shared Program, respectively) | <u>6,684,059</u>     | <u>426,515</u>            | <u>7,110,574</u>     |
| Total assets                                                                                                                                       | <u>\$ 30,885,395</u> | <u>\$ 2,176,853</u>       | <u>\$ 33,062,248</u> |
| LIABILITIES AND NET ASSETS                                                                                                                         |                      |                           |                      |
| Liabilities:                                                                                                                                       |                      |                           |                      |
| Payables:                                                                                                                                          |                      |                           |                      |
| Trade and others                                                                                                                                   | \$ 858,133           | \$ 283,477                | \$ 1,141,610         |
| Service workers                                                                                                                                    | 22,059               | 489,080                   | 511,139              |
| Noninterest-bearing demand notes                                                                                                                   | 15,000               |                           | 15,000               |
| Accrued salaries and benefits                                                                                                                      | <u>867,482</u>       |                           | <u>867,482</u>       |
| Total liabilities                                                                                                                                  | <u>1,762,674</u>     | <u>772,557</u>            | <u>2,535,231</u>     |
| Net assets:                                                                                                                                        |                      |                           |                      |
| Unrestricted                                                                                                                                       | 24,280,391           | 1,404,296                 | 25,684,687           |
| Restricted:                                                                                                                                        |                      |                           |                      |
| Temporarily                                                                                                                                        | 3,882,174            |                           | 3,882,174            |
| Permanently                                                                                                                                        | <u>960,156</u>       |                           | <u>960,156</u>       |
| Total net assets                                                                                                                                   | <u>29,122,721</u>    | <u>1,404,296</u>          | <u>30,527,017</u>    |
| Total liabilities and net assets                                                                                                                   | <u>\$ 30,885,395</u> | <u>\$ 2,176,853</u>       | <u>\$ 33,062,248</u> |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF ACTIVITIES

MARCH 31, 2015

|                                       | Unrestricted      |                   | Temporarily<br>restricted | Permanently<br>restricted | Total          |                   |
|---------------------------------------|-------------------|-------------------|---------------------------|---------------------------|----------------|-------------------|
|                                       | U.S.              | Shared program    |                           |                           |                | Total             |
| Revenue:                              |                   |                   |                           |                           |                |                   |
| Contributions                         | \$ 22,584,942     |                   | \$ 22,584,942             | \$ 6,050,552              | \$ 200         | \$ 28,635,694     |
| Grants, nongovernment                 | 1,271,098         |                   | 1,271,098                 |                           |                | 1,271,098         |
| Investment earnings                   | 154,887           |                   | 154,887                   |                           | 143,507        | 298,394           |
| Other program and miscellaneous       | 2,152,459         |                   | 2,152,459                 |                           |                | 2,152,459         |
| Material resources donated in-kind    | 2,880,184         |                   | 2,880,184                 |                           |                | 2,880,184         |
| Transfers to shared program           | (17,797,750)      | \$ 17,797,750     | -                         |                           |                | -                 |
| Net assets released from restrictions | 6,824,979         |                   | 6,824,979                 | (6,791,645)               | (33,334)       | -                 |
| <b>Total revenue</b>                  | <b>18,070,799</b> | <b>17,797,750</b> | <b>35,868,549</b>         | <b>(741,093)</b>          | <b>110,373</b> | <b>35,237,829</b> |
| Expenses:                             |                   |                   |                           |                           |                |                   |
| Programs:                             |                   |                   |                           |                           |                |                   |
| Disaster relief                       | 1,421,514         | 3,963,483         | 5,384,997                 |                           |                | 5,384,997         |
| Justice and peacebuilding             | 1,628,330         | 3,009,613         | 4,637,943                 |                           |                | 4,637,943         |
| Sustainable community development     | 1,822,368         | 10,772,491        | 12,594,859                |                           |                | 12,594,859        |
| General administration                | 5,016,970         |                   | 5,016,970                 |                           |                | 5,016,970         |
| Fund-raising                          | 1,569,880         |                   | 1,569,880                 |                           |                | 1,569,880         |
| <b>Total expenses</b>                 | <b>11,459,062</b> | <b>17,745,587</b> | <b>29,204,649</b>         |                           |                | <b>29,204,649</b> |
| Changes in net assets                 | 6,611,737         | 52,163            | 6,663,900                 | (741,093)                 | 110,373        | 6,033,180         |
| Net assets:                           |                   |                   |                           |                           |                |                   |
| Beginning of year                     | 24,280,391        | 1,404,296         | 25,684,687                | 3,882,174                 | 960,156        | 30,527,017        |
| End of year                           | \$ 30,892,128     | \$ 1,456,459      | \$ 32,348,587             | \$ 3,141,081              | \$ 1,070,529   | \$ 36,560,197     |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF ACTIVITIES

MARCH 31, 2014

|                                       | Unrestricted      |                   | Temporarily<br>restricted | Permanently<br>restricted | Total             |
|---------------------------------------|-------------------|-------------------|---------------------------|---------------------------|-------------------|
|                                       | U.S.              | Shared program    |                           |                           |                   |
| Revenue:                              |                   |                   |                           |                           |                   |
| Contributions                         | \$ 18,051,538     |                   | \$ 18,051,538             | \$ 6,209,790              | \$ 24,358,612     |
| Grants, nongovernment                 | 790,269           |                   | 790,269                   |                           | 790,269           |
| Investment earnings                   | 324,747           |                   | 324,747                   | 11,919                    | 336,666           |
| Other program and miscellaneous       | 2,133,556         |                   | 2,133,556                 |                           | 2,133,556         |
| Material resources donated in-kind    | 2,943,673         |                   | 2,943,673                 |                           | 2,943,673         |
| Transfers to shared program           | (18,019,100)      | \$ 18,019,100     | -                         |                           | -                 |
| Net assets released from restrictions | 6,457,250         |                   | 6,457,250                 | (6,457,250)               | -                 |
| <b>Total revenue</b>                  | <b>12,681,933</b> | <b>18,019,100</b> | <b>30,701,033</b>         | <b>(247,460)</b>          | <b>30,562,776</b> |
| Expenses:                             |                   |                   |                           |                           |                   |
| Programs:                             |                   |                   |                           |                           |                   |
| Disaster relief                       | 1,204,397         | 5,473,406         | 6,677,803                 |                           | 6,677,803         |
| Justice and peacebuilding             | 1,541,843         | 2,017,152         | 3,558,995                 |                           | 3,558,995         |
| Sustainable community development     | 1,623,993         | 10,349,689        | 11,973,682                |                           | 11,973,682        |
| General administration                | 5,268,814         |                   | 5,268,814                 |                           | 5,268,814         |
| Fund-raising                          | 1,546,695         |                   | 1,546,695                 |                           | 1,546,695         |
| <b>Total expenses</b>                 | <b>11,185,742</b> | <b>17,840,247</b> | <b>29,025,989</b>         |                           | <b>29,025,989</b> |
| Change in net assets                  | 1,496,191         | 178,853           | 1,675,044                 | (247,460)                 | 1,536,787         |
| Net assets:                           |                   |                   |                           |                           |                   |
| Beginning of year                     | 22,784,200        | 1,225,443         | 24,009,643                | 4,129,634                 | 28,990,230        |
| End of year                           | \$ 24,280,391     | \$ 1,404,296      | \$ 25,684,687             | \$ 3,882,174              | \$ 30,527,017     |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

MARCH 31, 2015

|                                    | U.S.                  |                           |                                   |                        |                     | Total expenses       |
|------------------------------------|-----------------------|---------------------------|-----------------------------------|------------------------|---------------------|----------------------|
|                                    | Disaster relief       | Justice and peacebuilding | Sustainable community development | General administration | Fund-raising        |                      |
| Salaries and benefits              | \$ 722,098            | \$ 1,148,355              | \$ 985,906                        | \$ 3,323,919           | \$ 949,459          | \$ 7,129,737         |
| Travel                             | 61,468                | 126,618                   | 122,333                           | 246,870                | 98,567              | 655,856              |
| Grants                             |                       | 24,814                    | 209,722                           | 11,700                 | 7,288               | 253,524              |
| Freight                            | 54,182                |                           |                                   |                        |                     | 54,182               |
| Occupancy                          | 121,460               | 92,624                    | 69,486                            | 179,335                | 54,529              | 517,434              |
| Supplies                           | 280,055               | 8,275                     | 88,127                            | 173,636                | 8,486               | 558,579              |
| Other                              | 182,251               | 227,644                   | 244,279                           | 1,081,510              | 451,551             | 2,187,235            |
| Material resources donated in-kind |                       |                           | 102,515                           |                        |                     | 102,515              |
| <b>Total</b>                       | <b>\$ 1,421,514</b>   | <b>\$ 1,628,330</b>       | <b>\$ 1,822,368</b>               | <b>\$ 5,016,970</b>    | <b>\$ 1,569,880</b> | <b>\$ 11,459,062</b> |
|                                    | <b>Shared Program</b> |                           |                                   |                        |                     |                      |
|                                    | Disaster relief       | Justice and peacebuilding | Sustainable community development | General administration | Fund-raising        | Total expenses       |
| Salaries and benefits              | \$ 716,900            | \$ 1,153,496              | \$ 3,120,466                      |                        |                     | \$ 4,990,862         |
| Travel                             | 165,604               | 343,118                   | 704,543                           |                        |                     | 1,213,265            |
| Grants                             | 2,043,889             | 978,456                   | 3,656,794                         |                        |                     | 6,679,139            |
| Freight                            | 65,023                |                           | 142,484                           |                        |                     | 207,507              |
| Occupancy                          | 59,228                | 76,376                    | 184,176                           |                        |                     | 319,780              |
| Supplies                           | 30,384                | 17,983                    | 315,598                           |                        |                     | 363,965              |
| Other                              | 265,647               | 440,184                   | 809,529                           |                        |                     | 1,515,360            |
| Material resources donated in-kind | 616,808               |                           | 1,838,901                         |                        |                     | 2,455,709            |
| <b>Total</b>                       | <b>\$ 3,963,483</b>   | <b>\$ 3,009,613</b>       | <b>\$ 10,772,491</b>              | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 17,745,587</b> |

**MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES

MARCH 31, 2014

|                                    | U.S.                |                           |                                   |                        |                     | Total expenses       |
|------------------------------------|---------------------|---------------------------|-----------------------------------|------------------------|---------------------|----------------------|
|                                    | Disaster relief     | Justice and peacebuilding | Sustainable community development | General administration | Fund-raising        |                      |
| Salaries and benefits              | \$ 595,145          | \$ 1,162,456              | \$ 956,743                        | \$ 3,264,370           | \$ 1,037,118        | \$ 7,015,832         |
| Travel                             | 42,791              | 109,746                   | 153,272                           | 288,696                | 89,477              | 683,982              |
| Grants                             | 11,693              | 19,331                    | 108,352                           | 9,049                  | 7,000               | 155,425              |
| Freight                            | 40,486              |                           |                                   |                        |                     | 40,486               |
| Occupancy                          | 45,917              | 28,749                    | 53,720                            | 316,618                | 33,074              | 478,078              |
| Supplies                           | 259,982             | 5,856                     | 35,680                            | 122,013                | 9,463               | 432,994              |
| Other                              | 208,383             | 215,705                   | 194,684                           | 1,268,068              | 370,563             | 2,257,403            |
| Material resources donated in-kind |                     |                           | 121,542                           |                        |                     | 121,542              |
| <b>Total</b>                       | <b>\$ 1,204,397</b> | <b>\$ 1,541,843</b>       | <b>\$ 1,623,993</b>               | <b>\$ 5,268,814</b>    | <b>\$ 1,546,695</b> | <b>\$ 11,185,742</b> |
|                                    | Shared Program      |                           |                                   |                        |                     |                      |
|                                    | Disaster relief     | Justice and peacebuilding | Sustainable community development | General administration | Fund-raising        | Total expenses       |
| Salaries and benefits              | \$ 390,632          | \$ 809,265                | \$ 2,231,833                      |                        |                     | \$ 3,431,730         |
| Travel                             | 102,561             | 221,588                   | 486,074                           |                        |                     | 810,223              |
| Grants                             | 4,007,592           | 668,958                   | 4,638,576                         |                        |                     | 9,315,126            |
| Freight                            | 33,198              | 110                       | 74,502                            |                        |                     | 107,810              |
| Occupancy                          | 32,885              | 40,738                    | 137,510                           |                        |                     | 211,133              |
| Supplies                           | 24,979              | 13,031                    | 308,873                           |                        |                     | 346,883              |
| Other                              | 169,342             | 263,462                   | 502,175                           |                        |                     | 934,979              |
| Material resources donated in-kind | 712,217             |                           | 1,970,146                         |                        |                     | 2,682,363            |
| <b>Total</b>                       | <b>\$ 5,473,406</b> | <b>\$ 2,017,152</b>       | <b>\$ 10,349,689</b>              | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 17,840,247</b> |