

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

**YEARS ENDED
MARCH 31, 2018 AND 2017**

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

YEARS ENDED MARCH 31, 2018 AND 2017

CONTENTS

	Page
Independent auditors' report	1-2
Consolidated financial statements:	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	5
Statements of cash flows	6-7
Notes to consolidated financial statements	8-25
Independent auditors' report on consolidating information	26
Accompanying information to financial statements:	
Consolidating statements of financial position	27-30
Consolidating statements of activities	31-34



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) (the Organization), which comprise the consolidated statements of financial position as of March 31, 2018 and 2017, 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 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 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, 2018 and 2017, 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 Steidan & Fritz

Lancaster, Pennsylvania
July 19, 2018

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents:		
Cash	\$ 3,315,532	\$ 2,159,939
Cash equivalents in investment accounts	632,823	1,743,145
Cash in overseas accounts or held by agents	<u>1,321,303</u>	<u>1,329,230</u>
Total cash and cash equivalents	5,269,658	5,232,314
Accounts receivable, trade and others, net of allowance for doubtful accounts of \$18,000 for 2018 and 2017	353,425	532,549
Grants receivable	824,653	711,552
Inventory	3,163,481	2,593,932
Prepaid expenses	626,381	712,400
Investments	33,238,997	28,150,165
Loan receivable	50,000	
Interest in MASP reserve	944,784	861,186
Beneficial interest in perpetual trusts	378,327	370,085
Property and equipment, net of accumulated depreciation	<u>6,451,588</u>	<u>6,780,343</u>
Total assets	<u>\$ 51,301,294</u>	<u>\$ 45,944,526</u>

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS

	2018	2017
Liabilities:		
Payables:		
Trade and others	\$ 1,212,096	\$ 1,121,506
Service workers	666,270	681,745
Accrued salaries and benefits	1,137,106	1,026,140
Deferred income	25,513	6,590
Capital lease liability	107,773	
Total liabilities	3,148,758	2,835,981
Net assets:		
Unrestricted	42,777,278	37,877,332
Restricted:		
Temporarily	4,201,530	4,101,468
Permanently	1,173,728	1,129,745
Total net assets	48,152,536	43,108,545
Total liabilities and net assets	\$ 51,301,294	\$ 45,944,526

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2018 AND 2017

	2018				2017			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenue:								
Contributions	\$ 26,368,865	\$ 6,095,785		\$ 32,464,650	\$ 20,170,834	\$ 6,390,056		\$ 26,560,890
Grants, nongovernment	324,171			324,171	465,090			465,090
Investment earnings	1,290,002		\$ 68,278	1,358,280	1,389,931		\$ 65,607	1,455,538
Other program and miscellaneous	1,777,859			1,777,859	2,340,941			2,340,941
Material resources donated in-kind	3,913,397			3,913,397	3,788,584			3,788,584
Net assets released from restrictions	6,020,018	(5,995,723)	(24,295)	-	6,280,340	(6,280,340)	-	-
Total revenue	39,694,312	100,062	43,983	39,838,357	34,435,720	109,716	65,607	34,611,043
Expenses:								
Programs:								
Disaster relief	6,637,137			6,637,137	5,555,631			5,555,631
Justice and peacebuilding	6,158,671			6,158,671	5,973,953			5,973,953
Sustainable community development	15,809,364			15,809,364	15,216,694			15,216,694
Total program expenses	28,605,172			28,605,172	26,746,278			26,746,278
General administration	3,869,278			3,869,278	3,414,333			3,414,333
Fundraising	2,319,916			2,319,916	2,140,943			2,140,943
Total expenses	34,794,366			34,794,366	32,301,554			32,301,554
Change in net assets	4,899,946	100,062	43,983	5,043,991	2,134,166	109,716	65,607	2,309,489
Net assets:								
Beginning of year	37,877,332	4,101,468	1,129,745	43,108,545	35,743,166	3,991,752	1,064,138	40,799,056
End of year	\$ 42,777,278	\$ 4,201,530	\$ 1,173,728	\$ 48,152,536	\$ 37,877,332	\$ 4,101,468	\$ 1,129,745	\$ 43,108,545

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED MARCH 31, 2018 AND 2017

2018	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 1,804,191	\$ 3,259,160	\$ 5,563,460	\$ 2,650,246	\$ 1,483,451	\$ 14,760,508
Travel	221,318	594,189	1,021,210	246,458	66,677	2,149,852
Grants	1,771,233	1,243,535	4,934,509		8,000	7,957,277
Freight	255,929	81	100,452			356,462
Occupancy	214,017	190,855	332,493	7,153	152,019	896,537
Supplies	423,564	46,013	411,454	173,411	13,956	1,068,398
Communications	48,246	72,953	210,348	69,706	63,533	464,786
Meetings and seminars	67,753	341,660	321,561	68,493	20,316	819,783
Professional fees	97,702	83,170	191,618	104,687	101,435	578,612
Other	471,533	327,055	633,815	549,124	410,529	2,392,056
Material resources donated in-kind	1,261,651		2,088,444			3,350,095
Total 2018	\$ 6,637,137	\$ 6,158,671	\$ 15,809,364	\$ 3,869,278	\$ 2,319,916	\$ 34,794,366
2017						
Salaries and benefits	\$ 1,581,637	\$ 2,846,976	\$ 5,309,182	\$ 2,414,854	\$ 1,292,324	\$ 13,444,973
Travel	178,720	667,290	914,844	203,288	88,365	2,052,507
Grants	1,237,917	1,343,197	4,977,756		8,000	7,566,870
Freight	174,703	149	107,076			281,928
Occupancy	209,092	251,398	407,380	42,013	152,652	1,062,535
Supplies	362,281	35,410	435,529	159,031	10,963	1,003,214
Communications	42,822	70,107	197,582	65,895	69,681	446,087
Meetings and seminars	41,582	342,935	299,150	54,104	63,045	800,816
Professional fees	83,868	86,046	185,937	149,088	69,156	574,095
Other	469,005	330,445	609,979	326,060	386,757	2,122,246
Material resources donated in-kind	1,174,004		1,772,279			2,946,283
Total 2017	\$ 5,555,631	\$ 5,973,953	\$ 15,216,694	\$ 3,414,333	\$ 2,140,943	\$ 32,301,554

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Changes in net assets	<u>\$ 5,043,991</u>	<u>\$ 2,309,489</u>
Adjustments:		
Depreciation	904,337	853,394
Unrealized gain on investments	(43,812)	(482,041)
Realized gain on investments	(770,193)	(540,959)
Gain on disposal of property and equipment	(24,893)	(121,375)
Foreign exchange rate (gains) losses	(31,034)	113,412
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, trade and others	179,124	(341,076)
Grants receivable	(113,101)	(171,665)
Inventory	(569,549)	(380,343)
Prepaid expenses	86,019	(295,619)
Loan receivable	(50,000)	2,268
Interest in MASP reserve	(83,598)	(60,274)
Beneficial interest in perpetual trusts	(8,242)	(13,287)
Increase (decrease) in:		
Payables:		
Trade and others	90,590	150,993
Service workers	(15,475)	82,207
Accrued salaries and benefits	110,966	79,929
Deferred income	<u>18,923</u>	<u>(12,038)</u>
Total adjustments	<u>(319,938)</u>	<u>(1,136,474)</u>
Net cash provided by operating activities	<u>4,724,053</u>	<u>1,173,015</u>
Cash flows from investing activities:		
Proceeds from sale of:		
Property and equipment	33,622	714,370
Investments	6,213,138	6,976,185
Purchases of:		
Investments	(10,487,965)	(7,059,490)
Property and equipment	<u>(458,750)</u>	<u>(683,378)</u>
Net cash used in investing activities	<u>(4,699,955)</u>	<u>(52,313)</u>

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from financing activities:		
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ 31,034	\$ (113,412)
Noninterest-bearing demand notes		(15,000)
Payments made on capital leases	<u>(17,788)</u>	<u> </u>
Net cash used in financing activities	<u>13,246</u>	<u>(128,412)</u>
Net increase in cash and cash equivalents	37,344	992,290
Cash and cash equivalents:		
Beginning	<u>5,232,314</u>	<u>4,240,024</u>
Ending	<u>\$ 5,269,658</u>	<u>\$ 5,232,314</u>

During 2018, the entity entered into a capital lease for vehicles with a net present value of \$124,916.

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and 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.

Effective April 1, 2012, MCCC and MCC U.S. entered into a covenant to share the operations and all related assets including property, relationships, reputation, knowledge, experience and supporting systems of the MCC international programs (internally referred to as Shared Program). 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.

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, included in contributions, together provided approximately 24% (\$9,687,497) and 32% (\$10,922,336) of the Organization's total revenue for the years ended March 31, 2018 and 2017, 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and summary of significant accounting policies (continued):

Estimates:

The preparation of financial statements in accordance 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 net realizable value which approximates fair value at the time of donation.

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 gain included in the statements of activities for the year ended March 31, 2018 is \$31,034, and amount of foreign exchange loss included in the statements of activities for the year ended 2017 is a loss of \$113,412.

Investments:

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

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and summary of significant accounting policies (continued):

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 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.

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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and summary of significant accounting policies (continued):

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 not been satisfied. Therefore, no amounts are reflected in the accompanying statements of activities.

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 promotion, insurance, memberships, staff development, amortization and other classifications.

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. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements.

Pension benefits:

The Organization sponsors a defined contribution plan that covers salaried employees after six months of employment, domestic service workers after two years of service and international service workers after three years of service. 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, 2018 and 2017 totaled \$991,815 and \$870,660, 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and summary of significant accounting policies (continued):

Revenue:

Financial Accounting Standards Board Accounting Standards Update (FASB ASU) 2014-09, *Revenue from Contracts and Customers (Topic 606)*, with effective dates amended by FASB ASU 2015-14, is effective for the Organization's March 31, 2020 fiscal year end and identifies specific steps to be applied to properly recognize revenue from customer contracts. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when or as the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. The Organization is evaluating the effect that ASU 2014-09 will have on the Company's financial statements. The Company has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

Leases:

FASB ASU 2016-02, *Leases*, is effective for the Organization's March 31, 2021 fiscal year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the balance sheet. Recognition of these lease assets and lease liabilities represents a change from previous generally accepted accounting principles (GAAP), which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures along with specific quantitative disclosures will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

The Organization will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the Organization may elect to apply. At adoption, the Organization will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The Organization is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

1. Description of organization and summary of significant accounting policies (continued):

Not-for-profit entities:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which provides more relevant information about available resources (and the changes in those resources) to donors, grantors, creditors and other users. The most significant aspects of the ASU are as follows: (1) the ASU replaces the current presentation of three classes of net assets (unrestricted, temporarily restricted and permanently restricted) with two classes of net assets – net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets, (2) the ASU expands the disclosures about the nature and amount of any donor restrictions, board designations of net assets without donor restrictions, as well as any underwater endowment funds, (3) the ASU requires expenses to be presented by nature and function, as well as an analysis of the allocation of these expenses and (4) the ASU requires specific quantitative and qualitative disclosures to improve the ability of financial statement users to assess the entity's available financial resources and the methods by which it manages liquidity and liquidity risk. ASU 2016-14 is to be applied retrospectively and is effective for the Organization's March 31, 2019 fiscal year end. The Organization will be evaluating the impact this standard will have on its financial statements and related disclosures.

Endowments:

The Organization's endowments consist of individual funds established for a variety of purposes. Its endowments include funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization may annually spend up to 4% of the average market value of the fund for the previous five years, using June 30 valuations, unless otherwise restricted by the donor.

Subsequent events:

MCC U.S. has evaluated subsequent events through July 19, 2018, the date which the financial statements were available to be issued.

2. Cash and cash equivalents:

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2018, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$3,085,000. 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, 2018 AND 2017

3. Grants receivable:

Unconditional grants receivable of \$824,653 were due as of March 31, 2018. At March 31, 2017, there was \$711,552 of unconditional grants receivable.

4. Investment valuation and investments:

Investments for which market prices are readily available (common stock) 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). The Organization does not hold any level 3 investments as of March 31, 2018 or 2017.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

4. Investment valuation and investments (continued):

The fair values of investments measured on a recurring basis at March 31, 2018 and 2017 are as follows:

Valuation inputs	Investment in securities	
	2018	2017
Level 1 - Quoted prices	\$ 15,308,539	\$ 10,903,349
Level 2 - Other significant observable inputs	17,930,458	17,246,816
	\$ 33,238,997	\$ 28,150,165

Investments are comprised of the following:

	2018		2017	
	Cost	Carrying value	Cost	Carrying value
Investments held:				
Government agency securities	\$ 350,686	\$ 349,671	\$ 450,777	\$ 448,746
Common stock	8,871,106	9,755,729	7,602,974	8,344,003
Corporate and municipal bonds	13,783,809	13,641,086	14,845,572	14,811,428
Other	193,904	273,996	289,590	391,425
	23,199,505	24,020,482	23,188,913	23,995,602
Endowment funds held:				
Common stock	5,180,327	5,552,810	2,284,652	2,559,346
Corporate and municipal bonds	3,559,162	3,477,550	1,534,742	1,514,189
Other	195,402	188,155	81,069	81,028
	8,934,891	9,218,515	3,900,463	4,154,563
	\$ 32,134,396	\$ 33,238,997	\$ 27,089,376	\$ 28,150,165

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

4. Investment valuation and investments (continued):

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 672,948	\$ 543,306
Realized gain	770,193	540,959
Unrealized gains	43,812	482,041
Expenses	<u>(128,673)</u>	<u>(110,868)</u>
	<u>\$ 1,358,280</u>	<u>\$ 1,455,438</u>

5. Property and equipment:

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Land and buildings	\$ 10,000,619	\$ 9,893,624
Construction in progress	23,401	10,033
Furniture and equipment	2,575,025	2,520,211
Vehicles	<u>2,235,536</u>	<u>2,109,266</u>
	14,834,581	14,533,134
Accumulated depreciation	<u>8,382,993</u>	<u>7,752,791</u>
Total property and equipment	<u>\$ 6,451,588</u>	<u>\$ 6,780,343</u>

Depreciation charged to expense during the years ended March 31, 2018 and 2017 totaled \$904,337 and \$853,394, respectively.

6. 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 4.13% at March 31, 2018 or an interest rate floor of 4%. There were no borrowings on the line of credit at March 31, 2018.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

7. 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 fair value using quoted market prices. Changes in value for the period are recognized as an element of the change in permanently restricted net assets.

8. Permanently restricted net assets and board designated endowment funds:

Permanently restricted net assets include the following at March 31:

	2018	2017
Endowment funds	\$ 795,300	\$ 759,660
Beneficial interests in third-party trusts	378,428	370,085
	\$ 1,173,728	\$ 1,129,745

Endowment fund:

The long-term objective of the endowment fund is to pursue a set of objectives designed to maximize the returns of the endowment fund without exposing it to undue risk. In order to meet its goals, the investment strategy of the endowment fund is to emphasize total return, that is, the aggregate return from capital appreciation and dividend and interest income. The objective shall be achieved by investing in a mix of cash equivalents, fixed income instruments and equity securities that meet the investment strategy. The objective may also be achieved by use of alternative investment that meets the investment strategy.

Investment strategies employed by the managers shall conserve and enhance the capital value of the endowment fund in real terms through asset appreciation and income generation while maintaining an appropriate investment risk profile.

In order to achieve its objectives for its assets, the endowment fund will experience volatility of returns and fluctuations of market value. A level of volatility similar to a comparable market index is deemed acceptable in order to achieve the investment objectives of the endowment fund.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

8. Permanently restricted net assets and board designated endowment funds (continued):

Changes in endowment-related activities for the years ended 2018 and 2017 are as follows:

	Board designated unrestricted	Permanently restricted	Total
April 1, 2016	\$ 750,974	\$ 707,340	\$ 1,458,314
Net investment income	267,482	52,220	319,702
Contributions	<u>2,455,418</u>	<u>100</u>	<u>2,455,518</u>
March 31, 2017	3,473,874	759,660	4,233,534
Net investment income	351,270	60,035	411,305
Contributions	4,696,260	4,696,260	4,696,260
Distributions	<u>(66,495)</u>	<u>(24,395)</u>	<u>(90,890)</u>
March 31, 2018	<u>\$ 8,454,909</u>	<u>\$ 795,300</u>	<u>\$ 9,250,209</u>

9. Temporarily restricted net assets:

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

	<u>2018</u>	<u>2017</u>
Time restrictions	\$ 601,473	\$ 328,911
Program restrictions	<u>3,600,057</u>	<u>3,772,557</u>
	<u>\$ 4,201,530</u>	<u>\$ 4,101,468</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

9. Temporarily restricted net assets (continued):

Net assets released from temporary restriction were as follows:

	2018	2017
Released from:		
Time restrictions expired	\$ 204,129	\$ 271,905
Program restrictions, other international activities	5,791,594	6,008,435
	\$ 5,995,723	\$ 6,280,340

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:

	2018	2017
Applied to long-term assets:		
Invested in property and equipment	\$ 6,451,588	\$ 6,780,343
Other unrestricted	20,737,152	20,624,298
	27,188,740	27,404,641
Reserved by board action (not available for current operations):		
Board designated endowments	8,455,010	3,473,974
Bequests	3,411,207	3,803,628
Pension reserve	337,290	337,290
Capital reserve	2,385,031	1,857,799
Centennial reserve	1,000,000	1,000,000
	15,588,538	10,472,691
Total unrestricted net assets	\$ 42,777,278	\$ 37,877,332

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

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 \$250,000 will be pooled with the other agencies. Claims in excess of the retention and the \$250,000 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 \$250,000. The actual amount may differ from this estimate based on the Organization's and pooled agencies' actual experience.

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 \$944,784 and \$861,186 at March 31, 2018 and 2017, respectively.

12. Commitments:

The Organization has agreements to lease premises for various periods until October 2022.

Future minimum lease payments under these agreements are as follows:

2019	\$ 194,331
2020	157,771
2021	119,208
2022	62,659
2023	<u>17,981</u>
Total minimum future rental payments	<u>\$ 551,950</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

12. Commitments (continued):

Rent expense totaled \$191,415 and \$155,605 for the years ended March 31, 2018 and 2017, respectively.

The Company leases vehicles under agreements that are classified as capital leases. The cost of equipment under capital leases is included in the statement of financial position as vehicles was \$124,916 at March 31, 2018. There were no capital leases at March 31, 2017. Accumulated amortization of the leased equipment at March 31, 2018 was \$15,263. Amortization of assets under capital leases is included in depreciation expense.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of March 31, 2018, are as follows:

2019	\$ 29,205
2020	29,205
2021	29,205
2022	29,205
2023	<u>13,453</u>
Total minimum lease payments	130,273
Less: Amount representing maintenance included in total amounts above	<u>(1,975)</u>
Net minimum lease payments	128,298
Less: Amount representing interest	<u>(20,525)</u>
Present value of net minimum lease payments	<u><u>\$ 107,773</u></u>

13. Derivative transactions:

MCC U.S. is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, MCCC and MCC U.S. incur international expenditures denominated in various foreign currencies and have agreed to share the currency risk related to these expenditures equally. On behalf of both national entities, MCCC entered into structured options to mitigate this risk during the years ended March 31, 2018 and 2017. As of March 31, 2018, MCCC had no foreign exchange contracts outstanding. MCC U.S. has recognized \$11,288 of unrealized gain on these foreign exchange contracts for year ending March 31, 2017. Fair value of contracts outstanding are measured using other observable inputs (Level 2).

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

14. Related parties:

The Organization is named in Ten Thousand Villages' (TTV) adopted restated bylaws effective October 29, 2016, whereby the number of Mennonite Central Committee U.S. appointed representatives shall at all times be one (1) less than a majority of the then current number of directors of TTV.

TTV has entered into an agreement with the Organization whereby the Organization guarantees TTV's bank line of credit and mortgage loans, which were entered into in January 2017. The Organization is committed to the sustainable livelihoods of artisans who produce the TTV's products, as well as the long-term stewardship of their constituency's investment in significant amounts of volunteer and financial resources in support of the ministries of the Organization and TTV.

As of March 31, 2018, MCC U.S. is contingently liable as guarantor with respect to \$10,221,387 of indebtedness of TTV. At any time, should TTV fail to pay debt payments when due, MCC U.S. will be obligated to perform under the guarantee by primarily making the required payments, including late fees and penalties. The maximum potential amount of future payments that the Company is required to make under the guarantee is \$13,920,188. TTV is current with their debt payments at March 31, 2018, and MCC U.S. and TTV are in compliance with their joint debt covenant. As of February 2018, TTV has consented to the execution of a contingent mortgage to secure its obligation to MCC U.S. arising from MCC U.S.'s guarantee of payment or performance of TTV's obligations to Fulton Bank.

TTV reimbursed MCC U.S. for various operating expenses throughout the year. Amounts due from TTV at March 31, 2018 and 2017 were \$7,644 and \$5,773, respectively.

During 2017, MCC U.S. provided a grant to TTV totaling \$100,000 to assist with the revolving loan fund for contract stores.

Amounts due from MCC Canada at March 31, 2018 and 2017 were \$75,802 and \$94,087, respectively. This balance was included in accounts receivable.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

15. Foreign assets and liabilities:

Foreign assets and liabilities consist of the following:

	<u>2018</u>	<u>2017</u>
Cash	<u>\$ 1,262,684</u>	<u>\$ 1,242,993</u>
Accounts receivable	<u>\$ 90,027</u>	<u>\$ 97,965</u>
Grant receivable	<u>\$ 342,192</u>	<u>\$ 429,428</u>
Prepaid expenses	<u>\$ 227,668</u>	<u>\$ 343,169</u>
Property and equipment, net	<u>\$ 544,131</u>	<u>\$ 516,040</u>
Payables and accrued benefits	<u>\$ 1,031,832</u>	<u>\$ 1,024,286</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

16. Domestic and international program expenses:

Domestic and international program expenses consist of the following:

	2018			2017		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Salaries and benefits	\$ 3,229,900	\$ 7,396,911	\$ 10,626,811	\$ 2,887,007	\$ 6,850,788	\$ 9,737,795
Travel	441,198	1,395,519	1,836,717	499,927	1,260,927	1,760,854
Grants	412,368	7,536,909	7,949,277	490,924	7,067,946	7,558,870
Freight	61,724	294,738	356,462	44,776	237,152	281,928
Occupancy	336,758	400,607	737,365	493,088	374,782	867,870
Supplies	400,705	480,326	881,031	493,954	339,266	833,220
Communications	49,881	281,666	331,547	48,850	261,661	310,511
Meetings and seminars	127,720	603,254	730,974	92,601	591,066	683,667
Professional fees	73,762	298,728	372,490	107,265	248,586	355,851
Other	556,282	876,121	1,432,403	601,602	807,827	1,409,429
Material resources donated in-kind	195,111	3,154,984	3,350,095	76,426	2,869,857	2,946,283
Total	\$ 5,885,409	\$ 22,719,763	\$ 28,605,172	\$ 5,836,420	\$ 20,909,858	\$ 26,746,278
	Total expenses by priority					
	Domestic program	International program	Total program	Domestic program	International program	Total program
Disaster relief	\$ 1,542,598	\$ 5,094,539	\$ 6,637,137	\$ 1,545,491	\$ 4,010,140	\$ 5,555,631
Justice and peacebuilding	1,830,935	4,327,736	6,158,671	1,778,929	4,195,024	5,973,953
Sustainable community development	2,511,876	13,297,488	15,809,364	2,512,000	12,704,694	15,216,694
	\$ 5,885,409	\$ 22,719,763	\$ 28,605,172	\$ 5,836,420	\$ 20,909,858	\$ 26,746,278

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED MARCH 31, 2018 AND 2017

17. Joint costs (allocated to multiple functions):

The Organization operates a communications department that aims to keep donors, constituents and the general public informed about the Organization's activities, and invites participation in and support of the Organization's work through prayer, service, advocacy and giving. The department's major operating costs are salaries, benefits, occupancy travel and production costs, notably printing and mailing. The communications department costs are allocated as follows:

	<u>2018</u>	<u>2017</u>
Disaster relief	\$ 88,772	\$ 84,209
Justice and peacebuilding	84,545	80,200
Sustainable community development	249,407	236,588
General administration	563,632	534,662
Fundraising	<u>422,724</u>	<u>400,997</u>
Total joint costs	<u>\$ 1,409,080</u>	<u>\$ 1,336,656</u>



Independent Accountants' Report on Consolidating 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, 2018 and 2017 and our report thereon dated July 19, 2018, 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 consolidating information on the consolidating statements of financial position and the consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and it 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Brown Schultz Sheridan & Fritz

Lancaster, Pennsylvania
July 19, 2018

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

(See independent accountants' report on supplementary information)

ASSETS							
	U.S. and shared program	East coast	Central states	Great lakes	West coast	Eliminations	Total
Cash and cash equivalents:							
Cash	\$ 3,149,478	\$ 41,680	\$ 39,420	\$ 40,657	\$ 44,297		\$ 3,315,532
Cash equivalents in investment accounts	631,789	1,557		(523)			632,823
Cash in overseas accounts or held by agents	1,266,684	77	21	53,951	570		1,321,303
Total cash and cash equivalents	5,047,951	43,314	39,441	94,085	44,867		5,269,658
Accounts receivable, trade and others, net	331,892	20,141	(278)	1,364	306		353,425
Due from related entity		1,637,143	1,449,550	1,548,823	488,468	\$(5,123,984)	-
Grants receivable	824,653						824,653
Inventory	2,944,458				219,023		3,163,481
Prepaid expenses	558,275	9,658	822	50,887	6,739		626,381
Investments	31,788,521	875,472		575,004			33,238,997
Loan receivable	50,000						50,000
Interest in MASP reserve	944,784						944,784
Beneficial interest in perpetual trusts	378,327						378,327
Property and equipment, net	4,853,228	582,128	543,762	177,801	294,669		6,451,588
Total assets	\$ 47,722,089	\$ 3,167,856	\$ 2,033,297	\$ 2,447,964	\$ 1,054,072	\$(5,123,984)	\$ 51,301,294

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

MARCH 31, 2018

(See independent accountants' report on supplementary information)

LIABILITIES AND NET ASSETS

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Eliminations	Total
Liabilities:							
Payables:							
Trade and others	\$ 994,514	\$ 12,255	\$ 145,710	\$ 58,704	\$ 913		\$ 1,212,096
Service workers	637,691			28,579			666,270
Due to related entity	5,123,984					\$(5,123,984)	-
Accrued salaries and benefits	740,576	141,913	84,101	102,478	68,038		1,137,106
Deferred income	21,663			3,850			25,513
Capital lease liability	107,773						107,773
Total liabilities	<u>7,626,201</u>	<u>154,168</u>	<u>229,811</u>	<u>193,611</u>	<u>68,951</u>	<u>(5,123,984)</u>	<u>3,148,758</u>
Net assets:							
Unrestricted	34,749,937	3,010,618	1,790,672	2,241,530	984,521		42,777,278
Restricted:							
Temporarily	4,172,223	3,070	12,814	12,823	600		4,201,530
Permanently	1,173,728						1,173,728
Total net assets	<u>40,095,888</u>	<u>3,013,688</u>	<u>1,803,486</u>	<u>2,254,353</u>	<u>985,121</u>		<u>48,152,536</u>
Total liabilities and net assets	<u>\$ 47,722,089</u>	<u>\$ 3,167,856</u>	<u>\$ 2,033,297</u>	<u>\$ 2,447,964</u>	<u>\$ 1,054,072</u>	<u>\$(5,123,984)</u>	<u>\$ 51,301,294</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2017

(See independent accountants' report on supplementary information)

ASSETS

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Eliminations	Total
Cash and cash equivalents:							
Cash	\$ 1,999,669	\$ 65,288	\$ 25,347	\$ 30,761	\$ 38,874		\$ 2,159,939
Cash equivalents in investment accounts	1,737,956	777		4,412			1,743,145
Cash in overseas accounts or held by agents	1,247,993			81,094	143		1,329,230
Total cash and cash equivalents	4,985,618	66,065	25,347	116,267	39,017		5,232,314
Accounts receivable, trade and others, net	406,631	6,738	109,036	290	9,854		532,549
Due from related entity		925,856	1,561,305	1,843,692	503,742	\$(4,834,595)	-
Grants receivable	711,552						711,552
Inventory	2,381,156				212,776		2,593,932
Prepaid expenses	681,921	7,376	6,244	14,090	2,769		712,400
Investments	27,556,221	164,293		429,651			28,150,165
Interest in MASP reserve	861,186						861,186
Beneficial interest in perpetual trusts	370,085						370,085
Property and equipment, net	5,155,896	641,337	586,727	101,476	294,907		6,780,343
Total assets	<u>\$ 43,110,266</u>	<u>\$ 1,811,665</u>	<u>\$ 2,288,659</u>	<u>\$ 2,505,466</u>	<u>\$ 1,063,065</u>	<u>\$(4,834,595)</u>	<u>\$ 45,944,526</u>

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)

MARCH 31, 2017

(See independent accountants' report on supplementary information)

LIABILITIES AND NET ASSETS

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Eliminations	Total
Liabilities:							
Payables:							
Trade and others	\$ 801,681	\$ 12,315	\$ 243,531	\$ 50,455	\$ 13,524		\$ 1,121,506
Service workers	661,140			20,605			681,745
Due to related entity	4,834,595					\$(4,834,595)	-
Accrued salaries and benefits	675,057	142,528	66,094	73,331	69,130		1,026,140
Deferred income	5,090			1,500			6,590
	<u>6,977,563</u>	<u>154,843</u>	<u>309,625</u>	<u>145,891</u>	<u>82,654</u>	<u>(4,834,595)</u>	<u>2,835,981</u>
Total liabilities							
Net assets:							
Unrestricted	30,921,748	1,655,436	1,965,194	2,354,543	980,411		37,877,332
Restricted:							
Temporarily	4,081,210	1,386	13,840	5,032			4,101,468
Permanently	1,129,745						1,129,745
	<u>36,132,703</u>	<u>1,656,822</u>	<u>1,979,034</u>	<u>2,359,575</u>	<u>980,411</u>		<u>43,108,545</u>
Total net assets							
Total liabilities and net assets	<u>\$ 43,110,266</u>	<u>\$ 1,811,665</u>	<u>\$ 2,288,659</u>	<u>\$ 2,505,466</u>	<u>\$ 1,063,065</u>	<u>\$(4,834,595)</u>	<u>\$ 45,944,526</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2018

(See independent accountants' report on supplementary information)

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Total
Unrestricted activities:						
Revenue:						
Contributions	\$ 20,186,693	\$ 3,034,886	\$ 1,097,138	\$ 1,172,853	\$ 877,295	\$ 26,368,865
Grants, nongovernment	289,896	28,483	500	300	4,992	324,171
Investment earnings	1,026,960	82,659	45,491	98,170	36,722	1,290,002
Other program and miscellaneous	933,319	324,266	59,839	180,312	280,123	1,777,859
Material resources donated in-kind	3,718,286	165,430		29,681		3,913,397
Net assets released from restrictions	5,980,805	11,784	15,641	11,788		6,020,018
Total revenue	32,135,959	3,647,508	1,218,609	1,493,104	1,199,132	39,694,312
Expenses:						
Programs:						
Disaster relief	5,810,211	498,275	177,936	145,960	4,755	6,637,137
Justice and peacebuilding	5,243,137	322,878	267,061	200,156	125,439	6,158,671
Sustainable community development	13,847,990	699,854	328,676	721,406	211,438	15,809,364
General administration	1,917,198	509,470	409,244	310,969	722,397	3,869,278
Fundraising	1,489,234	261,849	210,214	227,626	130,993	2,319,916
Total expenses	28,307,770	2,292,326	1,393,131	1,606,117	1,195,022	34,794,366
Change in unrestricted net assets	3,828,189	1,355,182	(174,522)	(113,013)	4,110	4,899,946

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2018

(See independent accountants' report on supplementary information)

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Total
Temporarily restricted activities:						
Contributions	\$ 6,047,523	\$ 13,468	\$ 14,615	\$ 19,579	\$ 600	\$ 6,095,785
Net assets released from restrictions	<u>(5,956,510)</u>	<u>(11,784)</u>	<u>(15,641)</u>	<u>(11,788)</u>		<u>(5,995,723)</u>
Change in temporarily restricted net assets	<u>91,013</u>	<u>1,684</u>	<u>(1,026)</u>	<u>7,791</u>	<u>600</u>	<u>100,062</u>
Permanently restricted activities:						
Investment earnings	68,278					68,278
Net assets released from restrictions	<u>(24,295)</u>					<u>(24,295)</u>
Change in permanently restricted net assets	<u>43,983</u>					<u>43,983</u>
Change in net assets	3,963,185	1,356,866	(175,548)	(105,222)	4,710	5,043,991
Net assets:						
Beginning of year	<u>36,132,703</u>	<u>1,656,822</u>	<u>1,979,034</u>	<u>2,359,575</u>	<u>980,411</u>	<u>43,108,545</u>
End of year	<u>\$ 40,095,888</u>	<u>\$ 3,013,688</u>	<u>\$ 1,803,486</u>	<u>\$ 2,254,353</u>	<u>\$ 985,121</u>	<u>\$ 48,152,536</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2017

(See independent accountants' report on supplementary information)

	U.S. and shared program	East coast	Central states	Great lakes	West coast	Total
Unrestricted activities:						
Revenue:						
Contributions	\$ 15,303,534	\$ 1,712,743	\$ 953,221	\$ 1,222,413	\$ 978,923	\$ 20,170,834
Grants, nongovernment	463,503				1,587	465,090
Investment earnings	1,125,473	88,181	48,422	88,176	39,679	1,389,931
Other program and miscellaneous	1,199,181	268,902	57,789	314,572	500,497	2,340,941
Material resources donated in-kind	3,712,158	73,564		2,862		3,788,584
Net assets released from restrictions	6,201,466	37,322	23,413	18,139		6,280,340
Total revenue	28,005,315	2,180,712	1,082,845	1,646,162	1,520,686	34,435,720
Expenses:						
Programs:						
Disaster relief	4,775,842	482,988	172,172	123,182	1,447	5,555,631
Justice and peacebuilding	5,324,258	264,761	225,342	80,091	79,501	5,973,953
Sustainable community development	13,563,901	533,193	276,262	672,045	171,293	15,216,694
General administration	1,386,442	587,566	420,182	322,046	698,097	3,414,333
Fundraising	1,348,660	195,528	184,190	222,363	190,202	2,140,943
Total expenses	26,399,103	2,064,036	1,278,148	1,419,727	1,140,540	32,301,554
Change in unrestricted net assets	1,606,212	116,676	(195,303)	226,435	380,146	2,134,166

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2017

(See independent accountants' report on supplementary information)

	<u>U.S. and shared program</u>	<u>East coast</u>	<u>Central states</u>	<u>Great lakes</u>	<u>West coast</u>	<u>Total</u>
Temporarily restricted activities:						
Contributions	\$ 6,390,056					\$ 6,390,056
Net assets released from restrictions	<u>(6,201,466)</u>	<u>\$ (37,322)</u>	<u>\$ (23,413)</u>	<u>\$ (18,139)</u>		<u>(6,280,340)</u>
Change in temporarily restricted net assets	<u>188,590</u>	<u>(37,322)</u>	<u>(23,413)</u>	<u>(18,139)</u>		<u>109,716</u>
Permanently restricted activities, investment earnings	<u>65,607</u>					<u>65,607</u>
Change in permanently restricted net assets	<u>65,607</u>					<u>65,607</u>
Change in net assets	1,860,409	79,354	(218,716)	208,296	\$ 380,146	2,309,489
Net assets:						
Beginning of year	<u>34,272,294</u>	<u>1,577,468</u>	<u>2,197,750</u>	<u>2,151,279</u>	<u>600,265</u>	<u>40,799,056</u>
End of year	<u>\$ 36,132,703</u>	<u>\$ 1,656,822</u>	<u>\$ 1,979,034</u>	<u>\$ 2,359,575</u>	<u>\$ 980,411</u>	<u>\$ 43,108,545</u>