



World Renew

Financial Statements and Supplementary Information Years Ended June 30, 2015 and 2014

World Renew

Financial Statements and Supplementary Information
Years Ended June 30, 2015 and 2014

World Renew

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Independent Auditor's Report

Governing Board
World Renew
Grand Rapids, Michigan

We have audited the accompanying financial statements of World Renew (the Organization), which comprise the statements of financial position as of June 30, 2015 and 2014, the related statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 financial statements referred to above present fairly, in all material respects, the financial position of World Renew, as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

November 2, 2015

Financial Statements

World Renew

Statements of Financial Position

<i>June 30, 2015</i>	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated	Total			
Assets						
Cash and cash equivalents	\$ 6,546,993	\$ -	\$ 6,546,993	\$ -	\$ -	\$ 6,546,993
Investments held by CRCNA Funds, LLC	1,425,517	4,088,475	5,513,992	1,531,602	23,391	7,068,985
Other investments	35,602	-	35,602	-	-	35,602
Field advances	459,040	-	459,040	-	-	459,040
Due from Christian Reformed Church in North America	7,200	1,000,000	1,007,200	-	-	1,007,200
Due from World Renew in Canada	1,031,528	-	1,031,528	-	-	1,031,528
Due from other Christian Reformed Church in North America agencies	7,556	-	7,556	-	-	7,556
Grants receivable	486	-	486	-	-	486
Interest and other receivables	51,685	-	51,685	-	-	51,685
Prepaid expenses	145,372	-	145,372	-	-	145,372
Property and equipment	761,220	-	761,220	155,206	-	916,426
Less: accumulated depreciation	(531,437)	-	(531,437)	(49,050)	-	(580,487)
Total Assets	\$ 9,940,762	\$ 5,088,475	\$ 15,029,237	\$ 1,637,758	\$ 23,391	\$ 16,690,386
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 386,236	\$ -	\$ 386,236	\$ -	\$ -	\$ 386,236
Overseas severance accrual	191,834	-	191,834	-	-	191,834
Due to Christian Reformed Church in North America	82,897	-	82,897	-	-	82,897
Due to other Christian Reformed Church in North America agencies	47,499	-	47,499	-	-	47,499
Annuities payable	209,182	-	209,182	-	-	209,182
Total Liabilities	917,648	-	917,648	-	-	917,648
Net Assets						
Unrestricted	9,023,114	5,088,475	14,111,589	-	-	14,111,589
Temporarily restricted	-	-	-	1,637,758	-	1,637,758
Permanently restricted	-	-	-	-	23,391	23,391
Total Net Assets	9,023,114	5,088,475	14,111,589	1,637,758	23,391	15,772,738
Total Liabilities and Net Assets	\$ 9,940,762	\$ 5,088,475	\$ 15,029,237	\$ 1,637,758	\$ 23,391	\$ 16,690,386

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Financial Position

<i>June 30, 2014</i>	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated	Total			
Assets						
Cash and cash equivalents	\$ 2,841,664	\$ -	\$ 2,841,664	\$ -	\$ -	\$ 2,841,664
Investments held by CRCNA Funds, LLC	1,993,253	3,284,026	5,277,279	1,359,543	23,391	6,660,213
Other investments	35,648	-	35,648	-	-	35,648
Field advances	514,593	-	514,593	-	-	514,593
Due from Christian Reformed Church in North America	7,200	2,000,000	2,007,200	-	-	2,007,200
Due from World Renew in Canada	2,172,302	-	2,172,302	-	-	2,172,302
Due from other Christian Reformed Church in North America agencies	9,225	-	9,225	-	-	9,225
Grants receivable	90,141	-	90,141	-	-	90,141
Interest and other receivables	17,902	-	17,902	-	-	17,902
Prepaid expenses	83,980	-	83,980	-	-	83,980
Property and equipment	821,100	-	821,100	155,206	-	976,306
Less: accumulated depreciation	(586,877)	-	(586,877)	(47,250)	-	(634,127)
Total Assets	\$ 8,000,131	\$ 5,284,026	\$ 13,284,157	\$ 1,467,499	\$ 23,391	\$ 14,775,047
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 386,661	\$ -	\$ 386,661	\$ -	\$ -	\$ 386,661
Overseas severance accrual	177,929	-	177,929	-	-	177,929
Due to Christian Reformed Church in North America	70,372	-	70,372	-	-	70,372
Due to other Christian Reformed Church in North America agencies	83,060	-	83,060	-	-	83,060
Annuities payable	221,195	-	221,195	-	-	221,195
Total Liabilities	939,217	-	939,217	-	-	939,217
Net Assets						
Unrestricted	7,060,914	5,284,026	12,344,940	-	-	12,344,940
Temporarily restricted	-	-	-	1,467,499	-	1,467,499
Permanently restricted	-	-	-	-	23,391	23,391
Total Net Assets	7,060,914	5,284,026	12,344,940	1,467,499	23,391	13,835,830
Total Liabilities and Net Assets	\$ 8,000,131	\$ 5,284,026	\$ 13,284,157	\$ 1,467,499	\$ 23,391	\$ 14,775,047

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Activities

Year ended June 30, 2015	Unrestricted			Temporarily Restricted	Total
	Operating	Designated	Total		
Revenues and Other Support					
Contributions - churches and individuals:					
Development programs	\$ 1,881,817	\$ -	\$ 1,881,817	\$ 642,256	\$ 2,524,073
Disaster programs	-	2,053,884	2,053,884	-	2,053,884
Donated services for disaster programs	1,412,415	-	1,412,415	-	1,412,415
Unspecified	5,134,709	1,374,607	6,509,316	232,371	6,741,687
Total contributions - churches and individuals	8,428,941	3,428,491	11,857,432	874,627	12,732,059
Other revenues:					
Direct government grants	130,544	-	130,544	-	130,544
Grants from others	-	-	-	633,743	633,743
Investment income and other	458,727	-	458,727	-	458,727
Net assets released from restrictions	1,338,111	-	1,338,111	(1,338,111)	-
Transfer	3,624,042	(3,624,042)	-	-	-
Total Revenues and Other Support	13,980,365	(195,551)	13,784,814	170,259	13,955,073
Expenses					
Program services:					
Overseas development	4,809,085	-	4,809,085	-	4,809,085
Disaster programs	4,112,463	-	4,112,463	-	4,112,463
Domestic development	300,000	-	300,000	-	300,000
Education and justice	949,164	-	949,164	-	949,164
Total program services	10,170,712	-	10,170,712	-	10,170,712
Support services:					
Resource development	1,321,794	-	1,321,794	-	1,321,794
Management and general	525,659	-	525,659	-	525,659
Total support services	1,847,453	-	1,847,453	-	1,847,453
Total Expenses	12,018,165	-	12,018,165	-	12,018,165
Changes in Net Assets	\$ 1,962,200	\$ (195,551)	\$ 1,766,649	\$ 170,259	\$ 1,936,908

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Activities

<i>Year ended June 30, 2014</i>	Unrestricted			Temporarily Restricted	Total
	Operating	Designated	Total		
Revenues and Other Support					
Contributions - churches and individuals:					
Development programs	\$ 1,703,502	\$ -	\$ 1,703,502	\$ 572,819	\$ 2,276,321
Disaster programs	-	2,409,733	2,409,733	-	2,409,733
Donated services for disaster programs	1,688,772	-	1,688,772	-	1,688,772
Unspecified	4,858,968	931,692	5,790,660	72,173	5,862,833
Total contributions - churches and individuals	8,251,242	3,341,425	11,592,667	644,992	12,237,659
Other revenues:					
Direct government grants	253,280	-	253,280	-	253,280
Grants from others	1,000	-	1,000	842,787	843,787
Investment income and other	905,672	-	905,672	-	905,672
Net assets released from restrictions	1,727,711	-	1,727,711	(1,727,711)	-
Transfer	2,946,385	(2,946,385)	-	-	-
Total Revenues and Other Support	14,085,290	395,040	14,480,330	(239,932)	14,240,398
Expenses					
Program services:					
Overseas development	4,936,892	-	4,936,892	-	4,936,892
Disaster programs	3,741,825	-	3,741,825	-	3,741,825
Domestic development	500,000	-	500,000	-	500,000
Education and justice	867,242	-	867,242	-	867,242
Total program services	10,045,959	-	10,045,959	-	10,045,959
Support services:					
Resource development	1,215,748	-	1,215,748	-	1,215,748
Management and general	470,908	-	470,908	-	470,908
Total support services	1,686,656	-	1,686,656	-	1,686,656
Total Expenses	11,732,615	-	11,732,615	-	11,732,615
Changes in Net Assets	\$ 2,352,675	\$ 395,040	\$ 2,747,715	\$ (239,932)	\$ 2,507,783

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Functional Expenses

Year ended June 30, 2015	Program Services					Support Services			
	Overseas Development	Disaster Programs	Domestic Development	Education and Justice	Total	Resource Development	Management and General	Total	Total
Expenses									
Salaries	\$ 1,079,150	\$ 432,585	\$ -	\$ 297,019	\$ 1,808,754	\$ 586,330	\$ 300,876	\$ 887,206	\$ 2,695,960
Employee benefits	405,865	140,642	-	112,484	658,991	193,851	102,354	296,205	955,196
Home office costs									
Operations	417,476	(211,820)	-	298,902	504,558	275,493	46,341	321,834	826,392
Printed materials	143	11,211	-	82,014	93,368	70,995	-	70,995	164,363
Travel	37,057	6,185	-	57,763	101,005	58,886	25,810	84,696	185,701
Facilities and equipment	39,638	107,374	-	63,199	210,211	90,530	45,518	136,048	346,259
Training/education	65,203	32,815	-	6,221	104,239	4,074	4,760	8,834	113,073
Promotional events and mailings	-	1,419	-	31,562	32,981	41,635	-	41,635	74,616
Total home office costs	559,517	(52,816)	-	539,661	1,046,362	541,613	122,429	664,042	1,710,404
Field costs									
Travel	257,694	130,747	-	-	388,441	-	-	-	388,441
Vehicle	111,859	47,184	-	-	159,043	-	-	-	159,043
Housing	148,471	97,907	-	-	246,378	-	-	-	246,378
Field office costs	172,790	73,820	-	-	246,610	-	-	-	246,610
Capital expenses	60,053	(14)	-	-	60,039	-	-	-	60,039
Training/education	54,878	5,160	-	-	60,038	-	-	-	60,038
National staff costs	509,985	1,412,415	-	-	1,922,400	-	-	-	1,922,400
Objective costs:									
Food production	493,423	-	-	-	493,423	-	-	-	493,423
Income generation	58,805	-	-	-	58,805	-	-	-	58,805
Health	263,434	-	-	-	263,434	-	-	-	263,434
HIV/AIDS awareness and prevention	90,761	-	-	-	90,761	-	-	-	90,761
Literacy	45,136	-	-	-	45,136	-	-	-	45,136
Community development	260,492	-	300,000	-	560,492	-	-	-	560,492
Diaconal development	20,740	-	-	-	20,740	-	-	-	20,740
Justice	99,287	-	-	-	99,287	-	-	-	99,287
Disaster relief	-	1,824,833	-	-	1,824,833	-	-	-	1,824,833
Other	116,745	-	-	-	116,745	-	-	-	116,745
Total field costs	2,764,553	3,592,052	300,000	-	6,656,605	-	-	-	6,656,605
Total Expenses	\$ 4,809,085	\$ 4,112,463	\$ 300,000	\$ 949,164	\$ 10,170,712	\$ 1,321,794	\$ 525,659	\$ 1,847,453	\$ 12,018,165

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Functional Expenses

Year ended June 30, 2014	Program Services					Support Services			
	Overseas Development	Disaster Programs	Domestic Development	Education and Justice	Total	Resource Development	Management and General	Total	Total
Expenses									
Salaries	\$ 977,417	\$ 419,868	\$ -	\$ 341,469	\$ 1,738,754	\$ 566,362	\$ 292,143	\$ 858,505	\$ 2,597,259
Employee benefits	384,501	148,285	-	125,233	658,019	199,805	96,959	296,764	954,783
Home office costs									
Operations	153,048	(81,642)	-	171,753	243,159	191,053	728	191,781	434,940
Printed materials	50	10,835	-	90,551	101,436	90,222	-	90,222	191,658
Travel	21,473	13,401	-	57,192	92,066	65,011	16,441	81,452	173,518
Facilities and equipment	32,870	120,232	-	52,564	205,666	73,012	62,252	135,264	340,930
Training/education	37,733	32,036	-	3,838	73,607	1,591	2,385	3,976	77,583
Promotional events and mailings	-	331	-	24,642	24,973	28,692	-	28,692	53,665
Total home office costs	245,174	95,193	-	400,540	740,907	449,581	81,806	531,387	1,272,294
Field costs									
Travel	237,715	235,012	-	-	472,727	-	-	-	472,727
Vehicle	102,789	69,501	-	-	172,290	-	-	-	172,290
Housing	140,965	276,829	-	-	417,794	-	-	-	417,794
Field office costs	171,572	91,948	-	-	263,520	-	-	-	263,520
Capital expenses	297,689	723	-	-	298,412	-	-	-	298,412
Training/education	84,619	1,316	-	-	85,935	-	-	-	85,935
National staff costs	472,978	1,688,772	-	-	2,161,750	-	-	-	2,161,750
Objective costs:									
Food production	635,096	-	-	-	635,096	-	-	-	635,096
Income generation	48,422	-	-	-	48,422	-	-	-	48,422
Health	503,397	-	-	-	503,397	-	-	-	503,397
HIV/AIDS awareness and prevention	116,654	-	-	-	116,654	-	-	-	116,654
Literacy	46,914	-	-	-	46,914	-	-	-	46,914
Community development	226,762	-	500,000	-	726,762	-	-	-	726,762
Small business development	2,200	-	-	-	2,200	-	-	-	2,200
Diaconal development	35,147	-	-	-	35,147	-	-	-	35,147
Justice	48,182	-	-	-	48,182	-	-	-	48,182
Disaster relief	-	714,378	-	-	714,378	-	-	-	714,378
Other	158,699	-	-	-	158,699	-	-	-	158,699
Total field costs	3,329,800	3,078,479	500,000	-	6,908,279	-	-	-	6,908,279
Total Expenses	\$ 4,936,892	\$ 3,741,825	\$ 500,000	\$ 867,242	\$ 10,045,959	\$ 1,215,748	\$ 470,908	\$ 1,686,656	\$ 11,732,615

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Changes in Net Assets

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2013	\$ 9,597,225	\$ 1,707,431	\$ 23,391	\$ 11,328,047
Changes in net assets	2,747,715	(239,932)	-	2,507,783
Balance, June 30, 2014	12,344,940	1,467,499	23,391	13,835,830
Changes in net assets	1,766,649	170,259	-	1,936,908
Balance, June 30, 2015	\$ 14,111,589	\$ 1,637,758	\$ 23,391	\$ 15,772,738

See accompanying independent auditor's report and notes to financial statements.

World Renew

Statements of Cash Flows

<i>Year ended June 30,</i>	2015	2014
Cash Flows From (for) Operating Activities		
Changes in net assets	\$ 1,936,908	\$ 2,507,783
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Change in value of annuity	18,277	6,845
Depreciation	40,506	38,014
Net gain on investments	(236,724)	(712,848)
Changes in assets and liabilities:		
Field advances	55,553	(55,425)
Due to/from Christian Reformed Church of North America	1,012,525	137,259
Due to/from other Christian Reformed Church of North America agencies	(33,892)	39,763
Due to/from World Renew in Canada	1,140,774	(1,572,012)
Grants receivable	89,655	(14,676)
Interest and other receivables	(33,783)	56,203
Prepaid expenses	(61,392)	(4,565)
Accounts payable and accrued expenses	(425)	(146,384)
Overseas severance accrual	13,905	(4,426)
Net Cash From Operating Activities	3,941,887	275,531
Cash Flows for Investing Activities		
Purchases of equipment	(34,266)	(13,737)
Purchases of investments	(172,002)	(1,149,758)
Net Cash for Investing Activities	(206,268)	(1,163,495)
Cash Flows for Financing Activity		
Payments on annuity agreements	(30,290)	(32,608)
Net increase (decrease) in cash and cash equivalents	3,705,329	(920,572)
Cash and Cash Equivalents, beginning of year	2,841,664	3,762,236
Cash and Cash Equivalents, end of year	\$ 6,546,993	\$ 2,841,664

See accompanying independent auditor's report and notes to financial statements.

World Renew

Notes to Financial Statements

1. Organization

World Renew, (a Michigan nonprofit corporation) (the Organization) operates under the direction of the Synod of the Christian Reformed Church. The purpose of the Organization is to provide technical and rehabilitation assistance as well as disaster relief on a worldwide basis.

The Organization's Program Services are described as follows:

- Overseas Development - The Organization works overseas on community development by training people in agriculture, health, income earnings, literacy, small business development and leadership skills in order to transform communities and improve lives. This is accomplished, in large part, through mentoring local non-government organizations in under-served communities.
- Disaster Programs - The Organization provides disaster survivors with assistance. Overseas relief focuses on food, medicine and other material aid. Domestic relief efforts focus on either granting funds to long-term recovery organizations or facilitating volunteer teams in order to conduct clean-up, needs assessment and home reconstruction/repair to communities in disaster areas.
- Domestic Development - The Organization works domestically on community development by training people in agriculture, health, income earnings, literacy, small business development and leadership skills in order to transform communities and improve lives. This is accomplished through strategic partnership with Communities First Association, a 501(c)(3) charitable organization.
- Education and Justice - The Organization educates constituency and provides opportunities, through work groups and volunteer positions, for people to serve in North America and overseas in community development.

2. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets which are not subject to donor-imposed stipulations. Included in unrestricted net assets are net assets that have been designated by the Board for certain projects.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Net assets are temporarily restricted for certain community development projects.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of these assets have stipulated that the net assets be invested and that any income earned be utilized for unrestricted purposes.

World Renew

Notes to Financial Statements

Revenues, contributions, grants and investment income are reported as follows:

- Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor-imposed restrictions where the restrictions are met in the same year as the contribution is received are reported as unrestricted revenues.
- Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid debt instruments with original maturities of less than three months when purchased.

Investments

Investments are carried at fair value as determined by quoted market prices and other measurement inputs. See Notes 4 and 5 for additional disclosures on investments.

Field Advances

Field advances represent holdings of overseas offices for use of current and future programs consisting of reconciled overseas bank accounts, petty cash holdings, staff advances and, in certain offices, emergency evacuation funds.

Property, Equipment and Depreciation

Property and equipment are carried at cost less accumulated depreciation. Property and equipment purchases of \$1,000 or more are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 2 to 40 years. Property and equipment for use in international fields are expensed at the time of purchase.

World Renew

Notes to Financial Statements

Donated Services

Donated services are reflected in the statements of activities to the extent that they are in accordance with the Financial Accounting Standards Board (FASB) standard, *Accounting for Contributions Received and Contributions Made*. Skilled volunteer service hours of approximately 61,223 and 74,900 were contributed to the Organization and recorded in the statements of activities in the amounts of \$1,412,415 and \$1,688,772 as revenues and expenses during the years ended June 30, 2015 and 2014, respectively. The skills provided include management, construction trades and accounting. Certain other donated services are not reflected in the financial statements inasmuch as these services do not create or enhance nonfinancial assets or require specialized skills. Volunteer service hours of approximately 152,800 and 169,600 were contributed to the Organization but not reflected during the years ended June 30, 2015 and 2014, respectively, by approximately 2,500 and 2,800 individuals, respectively.

Donated Materials

Donated materials are recorded in the financial statements when such donations are significant and meet the criteria of the FASB standard mentioned above.

Grants From Others

Grants from others are recorded as deferred revenue upon receipt of advances. Grant revenues are recognized as related expenses are incurred.

Cost Allocation Plan

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 incurred for the joint purpose of educating constituents and soliciting financial support has been allocated according to the amount the programs and supporting services benefited. For the 2015 fiscal year, these joint costs totaled \$981,034, with an allocation of \$490,517 to resource development and a \$490,517 allocation to education and justice. For the 2014 fiscal year, these joint costs totaled \$959,932, with an allocation of \$479,966 to resource development and a \$479,966 allocation to education and justice.

Investment Income

Investment income consists of realized and unrealized gains and losses, interest and dividends, and the change in the present value of annuities payable.

Income Taxes

The Organization is exempt from federal income taxes due to its status as a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and contributions are deductible for federal income tax purposes. The Organization is not aware of any material uncertain tax positions.

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Notes to Financial Statements

Subsequent Events

Management has evaluated subsequent events through November 2, 2015, the date the financial statements were available to be issued. Based on evaluation, there were no matters identified that had significant impact on the financial statements presented.

3. Property and Equipment

A summary of property and equipment is as follows:

<i>June 30,</i>	2015	2014
Land	\$ 130,206	\$ 130,206
Buildings and leasehold improvements	275,653	364,557
Vehicles	495,844	450,145
Office equipment	14,723	31,398
Total	\$ 916,426	\$ 976,306

4. Investments

The Organization directs the majority of its investments through CRCNA Funds, LLC (CRCNA Funds). CRCNA Funds holds investments of the participating agencies of the Christian Reformed Church, which are administered and managed by JPMorgan. Participating agencies direct their investments into the balanced portfolio and/or the fixed-income portfolio, and are allocated their share of investment earnings and losses.

Investment Risk

The Organization invests in various securities including government securities, corporate bonds, equity funds, money market funds and other debt instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Investments are summarized as follows:

<i>June 30,</i>	2015	2014
Investments Held by CRCNA Funds		
JPMorgan cash fund	\$ 1,028	\$ 1,028
JPMorgan fixed-income portfolio	25,463	25,150
JPMorgan balanced portfolio	7,042,494	6,634,035
Total Investments Held by CRCNA Funds	\$ 7,068,985	\$ 6,660,213
Total Other Investments	\$ 35,602	\$ 35,648

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Notes to Financial Statements

Investments are carried at fair value. Fair value is determined by closing market prices at fiscal year-end. Unrealized appreciation and depreciation of investments held at fair value as of the fiscal year-end is determined using the beginning of the fiscal year market value or purchase price, if acquired since that date. Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis.

Total investment income of approximately \$413,000 for the year ended June 30, 2015 represented reinvested investment and dividend income of approximately \$176,000 and unrealized gains on investments of approximately \$237,000. Total investment income of approximately \$896,000 for the year ended June 30, 2014 represented reinvested investment and dividend income of approximately \$180,000, realized gains on the sale of investments of approximately \$3,000 and unrealized gains on investments of approximately \$713,000.

5. Fair Value Measurements

In accordance with the FASB standard relating to fair value measurements, the Organization classifies its investments and annuities payable into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities and annuities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities and other investments valued based on significant unobservable inputs. The valuation technique utilized by the Organization for its Level 2 investments is the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets. Annuities payable are valued at present value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy a summary of the Organization's investments and annuities payable measured at fair value on a recurring basis.

<i>June 30, 2015</i>	Level 1	Level 2	Level 3	Total
Investments held by CRCNA Funds	\$ 6,005,930	\$ 1,063,055	\$ -	\$ 7,068,985
Other investments	-	-	35,602	35,602
Investments, at fair value	\$ 6,005,930	\$ 1,063,055	\$ 35,602	\$ 7,104,587
Annuities Payable	\$ -	\$ 209,182	\$ -	\$ 209,182
<i>June 30, 2014</i>	Level 1	Level 2	Level 3	Total
Investments held by CRCNA Funds	\$ 5,473,787	\$ 1,186,426	\$ -	\$ 6,660,213
Other investments	-	-	35,648	35,648
Investments, at fair value	\$ 5,473,787	\$ 1,186,426	\$ 35,648	\$ 6,695,861
Annuities Payable	\$ -	\$ 221,195	\$ -	\$ 221,195

The changes in the Organization's Level 3 investments were due to unrealized gains (losses) of \$(46) and \$363 for the years ended June 30, 2015 and 2014, respectively.

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Notes to Financial Statements

6. Annuities Payable

Donors have transferred assets to the Organization in exchange for the right to receive a predetermined return during their lifetime (an annuity). A portion of the transfer is considered to be a charitable contribution for income tax purposes. Upon receipt of the transfer, the Organization records a liability for the annuity payable at the present value of future payments based on life expectancy and the midterm federal rate for U.S. treasury bills for the month the contract is written with the same maturity as the average life expectancy of the annuitants. The difference between the liability recognized for the annuity and the amount of the transfer is recognized as unrestricted contribution income at the date of the gift, unless the gift portion is restricted. Annuity payments are charged against the liability which, at the end of each fiscal year, is adjusted to the present value of future payments based on life expectancy (utilizing the IRS life expectancy Tables for Males and Females) and the interest rate commensurate with the remaining expected term of the contract (3.8% to 8.0% at June 30, 2015). The resulting adjustment is netted against investment income in the statements of activities.

7. Due From World Renew in Canada

Disaster programs, overseas development projects, management and general expenses, and certain fundraising costs are funded jointly by the Organization and World Renew in Canada. Payable to or receivables from World Renew in Canada do result depending upon the original funding source of these shared costs. The amount due from World Renew in Canada was approximately \$1,031,500 for the year ended June 30, 2015. The amount due from World Renew in Canada was approximately \$2,172,300 for the year ended June 30, 2014.

8. Employee Retirement Plan

The Organization contributes to the CRCNA's Employee's Savings Plan (the Plan), a defined contribution retirement plan for the benefit of covered employees. The Organization's obligation for the Plan is limited to a matching contribution of up to 4% of eligible wages, with employer discretionary contributions equaling 6% of eligible wages of qualified employees for the years ended June 30, 2015 and 2014.

Retirement plan contribution expense for the years ended June 30, 2015 and 2014 amounted to approximately \$236,700 and \$231,800, respectively, for the Plan.

9. Transactions With Other Christian Reformed Church Entities

The Organization purchased printed material totaling approximately \$157,800 and \$189,300 in 2015 and 2014, respectively, from the Christian Reformed Church in North America (CRCNA) and also incurred charges of \$828,000 and \$702,900 in 2015 and 2014, respectively, for administrative support, copying, mailing and other services. The Organization also incurred charges during 2015 and 2014 of approximately \$248,400 and \$264,200, respectively, from the CRCNA for support charges related to the financial services function and approximately \$177,000 and \$135,300, respectively, of allocated building occupancy expense. At June 30, 2015 and 2014, due to CRCNA included \$82,900 and \$70,400, respectively, relating to charges from CRCNA.

The Organization held a note receivable from CRCNA in the amount of \$1,000,000 as of June 30, 2015 and \$2,000,000 as of June 30, 2014, which accrues interest at 1.38% per annum and is

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Notes to Financial Statements

included in the due from CRCNA balance. All principal and interest from the June 30, 2015 balance is due December 31, 2015.

The Organization manages its cash in conjunction with the Christian Reformed Church consolidated cash management system, which holds all funds in a single bank. As part of this process, CRCNA may loan or borrow funds of participating entities. In addition to the note receivable, CRCNA borrowed \$7,200 from the Organization as of June 30, 2015 and 2014. The Organization has authorized the use of its funds held in the Christian Reformed Church concentration cash account as collateral for borrowings of CRCNA, up to a \$2,000,000 limit.

10. Term Endowments

The Organization has established two term endowment funds in order to apply certain types of financial support received against the Organization's financial operations over an extended period of time.

The first of these term endowments, called the Joseph Fund, consists of both Board-designated funds representing unrestricted estate monies received and donor-restricted funds - charitable contributions donors have stipulated for the Joseph Fund. In the first year, 10% of the Joseph Funds monies received are released to operations. 15% is then released to the Organization's operations for each of the subsequent six years.

The second of these term endowments, called the Village Savings and Loan Fund, consists of donor-restricted funds - charitable contributions donors have stipulated for the Village Savings and Loan Fund. In the first year and subsequent fourteen years, approximately 6.67% is released to operations meeting certain program criteria.

As required by accounting principles generally accepted in the United States of America, net assets associated with these term endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In the fiscal year ended June 30, 2015, the Organization had the following changes in Board-designated and temporarily restricted term endowments:

	Village Savings and Loan Fund Temporarily Restricted	Joseph Fund Unrestricted Board- Designated	Joseph Fund Temporarily Restricted
Beginning Balance, July 1, 2014	\$ 276,178	\$ 3,379,256	\$ 389,408
Gifts received and adjustments	243,311	1,245,271	31,371
Releases	(243,146)	(1,075,069)	(87,917)
Ending Balance, June 30, 2015	\$ 276,343	\$ 3,549,458	\$ 332,862

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In the fiscal year ended June 30, 2014, the Organization had the following changes in Board-designated and temporarily restricted term endowments:

	Village Savings and Loan Fund Temporarily Restricted	Joseph Fund Unrestricted Board- Designated	Joseph Fund Temporarily Restricted
Beginning Balance, July 1, 2013	\$ 173,008	\$ 3,527,874	\$ 566,233
Gifts received and adjustments	224,461	931,692	72,173
Releases	(121,291)	(1,080,310)	(248,998)
Ending Balance, June 30, 2014	\$ 276,178	\$ 3,379,256	\$ 389,408

Supplementary Information



Independent Auditor's Report on Supplementary Information

Our audits of the financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

BDO USA, LLP

November 2, 2015

World Renew

Details of Overseas Development Program Services

<i>Year ended June 30,</i>	2015		2014	
Bangladesh	\$	298,337	\$	518,241
Cambodia		60,847		119,146
Dominican Republic		35,602		32,558
Guatemala		245,557		217,333
Haiti		272,902		264,652
Honduras		69,119		56,312
India		77,823		104,624
Indonesia		-		5,746
Kenya		508,941		507,442
Laos		25,224		140,134
Malawi		131,866		88,486
Mali		816		46,714
Mexico		23,393		22,524
Mozambique		6,413		35,153
Nicaragua		416,124		359,555
Niger		146,879		176,748
Nigeria		31,601		21,129
Philippines		9,000		5,026
Senegal		1,847		1,320
Sierra Leone		99,668		118,969
Tanzania		98,417		122,622
Uganda		435,336		505,099
Zambia		1,579		11,529
Regional ministries		551,105		600,674
Program development		1,260,689		855,156
Total	\$	4,809,085	\$	4,936,892

See accompanying independent auditor's report on supplementary information.