

CONNECTIONS

MARCH/APRIL 2008

2007 ANNUAL REPORT

Highlights A lot has happened in the last year at MHS Alliance. Here are just a few of the highlights:

New Faces Over the past year, we welcomed six new executives to our member organizations, and one new MHS Alliance member. Changes at the executive level are happening constantly, whether due to retirement or new opportunities. As a result, our member organizations are turning to our skilled professionals more and more, for executive search services and advice on transition.

Assessment Tools Last year, we provided 30 board and CEO assessment reports — and interest in these practical tools for improving governance and executive leadership is continuing to grow.

Retreat We held a retreat on succession planning for CEOs who are now within 10 years of retirement. The retreat provided opportunities for peers to discuss the challenges that come with planning for smooth transitions into new leadership. The group touched on topics such as fostering communication with the board, and preparing internal staff to take on leadership roles.

Values-Based Leadership Program The 2007 Values-Based Leadership Program drew a record number of participants, including 13 from MHS Alliance member organizations. The program is offered to Mennonite leaders from business and church settings as well as MHS Alliance members, with the goal of finding new ways to combine faith-based values with sound management practice.

Satisfaction Survey Results We are happy to report that our 2007 member survey showed very high satisfaction with services offered, and our ability to address member concerns — with nine programs receiving marks of 100% satisfaction. The programs you told us were most important to you included:

- ◆ Board Self-Assessment Tool
- ◆ Mennonite Health Assembly
- ◆ Peer Consultation
- ◆ Board Governance Consultation
- ◆ Phone Consultation with Staff
- ◆ CEO Performance Assessment Tool

Key issues facing our membership included staff recruitment and retention, financial sustainability, succession planning/leadership development, and maintaining a commitment to faith and values. Therefore, we will be looking for new and enhanced ways to continue helping members address these concerns, while keeping you informed of all the services offered through MHS Alliance.

Thank you to everyone who participated in this year's survey! Your feedback is a vital part of our ability to adapt our programs in ways that continue to address your changing needs.

Learn more about these and other services

With 2008 well underway, we encourage you to consider taking advantage of the resources and programs mentioned here. If you have any questions about these or other MHS Alliance initiatives, and how they can help you achieve your goals, give us a call at 574-534-9689.

MHS ALLIANCE BOARD FACES CHANGES IN 2008

Now, Philhaven has contracted with MHS Alliance to conduct its new CEO search.

LaVern Yutzy Steps Down as Board President

This year, MHS Alliance will be experiencing some changes of our own. LaVern Yutzy, who has served as Board President for the past four years, is retiring from his position as CEO of Philhaven and as a result, will be leaving the MHS Alliance Board as well. We will miss his leadership and valuable contributions to our team.

Over the years, LaVern says he's been pleased to see the accomplishments of the MHS Alliance team, noting, "The redesign of Mennonite Health Services Alliance four years ago enables the Alliance to be more responsive to members and their needs, and to provide services that are of value to its members, while also supporting the development of member-to-member connections."

LaVern also shared his hopes that over time, more and more providers will see the Alliance as a great way to connect to the church, access key resources, and network with other members who are taking similar journeys in their organizations. He has enjoyed the benefits of MHS Alliance in his own work at Philhaven, having frequently received consultation and resources from other mental health providers.

In addition, LaVern says, "Philhaven board members have participated actively in the annual Mennonite Health Assembly, and frequently refer to what they've learned there. Our board and leadership have also benefited from training led by MHS Alliance staff." Now, Philhaven has contracted with MHS Alliance to conduct its new CEO search as well.

After his retirement in June, LaVern says he and his wife, Janie, plan to spend more time with family and friends — even as they continue to serve others. "We enjoy being active — playing tennis, riding our tandem bicycle and traveling. We hope to expand our involvement in volunteer activities as well. I enjoy supporting the growth of persons, boards and organizations,



LaVern Yutzy
Board President

(continued)

WHAT'S HAPPENING IN 2008

New Beginnings With 2008 well underway, MHS Alliance is going through more changes. LaVern Yutzy is retiring from his work at Phillhaven and his position with our board, and he will be missed. We have appreciated his efforts on behalf of our members and have enjoyed working closely with him over the last four years. In his place, Lee Snyder will be our new board chair. We anticipate that she will use her experience as an executive, having previously worked as the President of Bluffton University, to bring a fresh perspective on the health and human services industry, and on ways to help our member organizations work effectively. We look forward to her service.

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ANNUAL REPORT FOR FISCAL YEAR 2007

Income Statement

December 31, 2007

Member Fees & Programs	\$565,706
Consulting Services	406,145
Management Contracts	157,543
Health Assembly	158,340
Investments	26,309

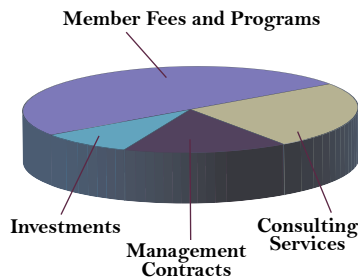
Total Revenue \$1,314,043

Member Services & Overhead	\$665,259
Consulting Services	310,424
Management Contracts	121,569
Health Assembly	149,696
Investments	3,500

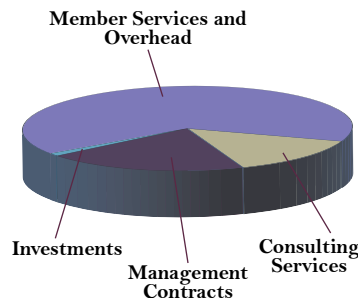
Total Expense \$1,250,448

NET INCOME \$63,596

Revenue



Expense



Balance Sheet

As of December 31, 2007

ASSETS

Current Assets	
Cash and Investments	\$849,356
Accounts Receivable	154,541
Total Current Assets	\$1,003,897

Equipment	13,153
Total Non-Current Assets	\$13,153

TOTAL ASSETS \$1,017,050

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$33,805
Deferred Revenue	16,005
Accrued Expenses	37,565
Total Current Liabilities	\$87,375

Net Assets	
Unrestricted	\$479,994
Temporarily Restricted	274,619
Permanently Restricted	175,063
Total Net Assets	\$929,676

TOTAL LIABILITIES AND NET ASSETS \$1,017,050

Enhanced Services to Address Your Priorities

In addition to addressing the changes on our own board, MHS Alliance continues to look for new ways to enhance our services for members. The 2007 member survey has played a key role in shaping our vision for the future. Organizations across the country are increasingly asking for new ideas and resources to help them effectively integrate their core values into their corporate culture.

In working toward this effort, MHS Alliance will continue to foster relationships with our partnering denominations, with the understanding that health and human service ministry is an important dimension of the church's larger witness in the world. We will also maintain ongoing development of resources to support executive, senior and

board leadership in establishing a firm foundation of faith-based values in their work. In addition, we will continue to streamline the delivery of valuable services from our nationally sponsored organizations.

Throughout 2008, you will also see enhancements to our CEO assessment tools, to help you more clearly define roles and gauge performance. Additionally, new ideas such as executive circles are being explored, in our effort to more fully support our member CEOs. And we're continuing to develop the sophistication and impact of our consulting services, recognizing that spending several months working closely with our members on particular issues will ultimately have greater long-term results.

You can also be on the lookout for new affinity networks designed for safety officers and marketing directors — let us know if those in your organization would like to join.



Rick Stiffney, President/CEO

Our focus for 2008 Overall, this year, we will be working to help you:

- ◆ **Clarify core values, and integrate these values into your operations** — we will be selecting several organizations to participate in a pilot program to test a tool for making values more visible in your day-to-day work
- ◆ **Obtain greater access to resources to improve your operational effectiveness** — through existing shared services such as the Medical Expense Plan, Risk Retention Program, Purchasing Program and other new services, including property and auto insurance
- ◆ **Increase the capacity of your CEO, senior leadership and governing board** — with a growing pool of candidates and enhanced executive searches

As always, our ultimate goal is to ensure that you, as members of MHS Alliance, have the accountability and resources you need in order to be vibrant ministries of the church. We look forward to an exciting period of growth this year.

Please let us know how we can help you.




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and as CEOs and staff of
Anabaptist faith-based
organizations, we are a part of
a mission that is much bigger
than we are.
This is God’s work.”*

LaVern Yutzy,
Retiring Board President

and after a short break I may pursue coaching and consulting opportunities, as well as short-term assignments or projects.” LaVern also plans to remain on the board at Mennonite Mutual Aid, where he currently serves as Chair.

For MHS Alliance staff and members, LaVern reminds us to remain focused on our key goal of being steadfast in our faith as we pursue our work. “As board members, and as CEOs and staff of Anabaptist faith-based organizations,” he says, “we are a part of a mission that is much bigger than we are. This is God’s work. We are stewards of a very precious resource. We must be diligent in our efforts to nurture the faith-based dimensions of these organizations.”

*“The redesign of
Mennonite Health
Services Alliance four
years ago enables the
Alliance to be more
responsive to members
and their needs ...”*

We wish LaVern and his family all the best in the future.



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◆ BOARD & STAFF

MHS Alliance Board of Directors:

Elected Members

Nancy Hopkins-Garriss, Pleasant View, Inc., Broadway, VA

Linda Peters, Bethesda Home, Goessel, KS

F. Jay Shelter, Glencroft, Glendale, AZ

Tim Wiens, Jubilee Association of Maryland, Kensington, MD

LaVern Yutzy, Chair, Philhaven, Mt. Gretna, PA

Margaret Zook, Souderton Mennonite Homes, Souderton, PA

Appointed Members

Jim Alvarez, Mennonite Church USA, Goshen, IN

Virgil Miller, Mennonite Church USA, Archbold, OH

Valerie Rempel, Mennonite Brethren US Conference, Fresno, CA

Lee Snyder, Mennonite Church USA, Harrisonburg, VA

Lenora Stern, Brethren in Christ, Mechanicsburg, PA

Marvin Zehr, Mennonite Church USA, Newton, KS

Staff:

Moniqua Acosta — Program and Member Services Manager

Nila App — Executive Assistant

Tina Fraley — Accounting Manager

Emily Reese — Marketing and Members Services Assistant

Deloris Rhodes — Administrative Assistant

Mim Shirk — Vice President

Tim Stair — Consulting Services Associate

Rick Stiffney — President and CEO

Keith Stuckey — Vice President/President of Anabaptist Providers Group

