



Mennonite Central Committee

YEARS ENDED
MARCH 31, 2021 AND 2020



BROWN SCHULTZ
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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

YEARS ENDED MARCH 31, 2021 AND 2020

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Independent Auditor's 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, 2021 and 2020 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.

Auditor's 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 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 consolidated financial statements. The procedures selected depend on the auditor's 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 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 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, 2021 and 2020 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
August 17, 2021

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

	2021	2020
ASSETS		
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents:		
Cash	\$ 5,198,994	\$ 7,576,595
Cash equivalents in investment accounts	1,270,115	450,540
Cash in overseas accounts or held by agents	788,512	998,901
	<u>7,257,621</u>	<u>9,026,036</u>
Total cash and cash equivalents	7,257,621	9,026,036
Accounts receivable, trade and others, net	215,781	549,399
Grants receivable	1,544,115	835,227
Inventory	2,842,842	3,000,322
Prepaid expenses	358,165	462,468
Investments	47,474,985	26,307,070
Loan receivable	2,846,364	2,952,805
Interest in MASP reserve	928,868	856,341
Beneficial interest in perpetual trusts	393,548	341,990
Property and equipment, net of accumulated depreciation	5,317,260	5,944,667
	<u>5,317,260</u>	<u>5,944,667</u>
Total assets	<u>\$ 69,179,549</u>	<u>\$ 50,276,325</u>

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
Liabilities:		
Payables:		
Trade and others	\$ 1,214,998	\$ 1,194,970
Service workers	485,452	617,804
Accrued salaries and benefits	1,006,432	937,088
Deferred income	325	1,500
Capital lease liability	33,628	78,896
Payroll Protection Program loan	1,480,018	
	<u>4,220,853</u>	<u>2,830,258</u>
Total liabilities		
	<u>4,220,853</u>	<u>2,830,258</u>
Net assets:		
Without donor restrictions	58,341,604	43,531,845
With donor restrictions	6,617,092	3,914,222
	<u>64,958,696</u>	<u>47,446,067</u>
Total net assets		
	<u>64,958,696</u>	<u>47,446,067</u>
Total liabilities and net assets		
	<u>\$ 69,179,549</u>	<u>\$ 50,276,325</u>

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2021 AND 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue:						
Contributions	\$ 25,147,789	\$ 8,350,233	\$ 33,498,022	\$ 24,663,885	\$ 7,259,500	\$ 31,923,385
Grants	1,613,922		1,613,922	547,822		547,822
Investment earnings	7,710,545	310,373	8,020,918	(986,187)	(63,216)	(1,049,403)
Other program and miscellaneous	1,257,786		1,257,786	1,865,392		1,865,392
Material resources donated in-kind	2,954,689		2,954,689	3,662,600		3,662,600
Net assets released from restrictions	5,957,736	(5,957,736)	-	8,556,638	(8,556,638)	-
Total revenue	44,642,467	2,702,870	47,345,337	38,310,150	(1,360,354)	36,949,796
Expenses:						
Programs:						
Disaster relief	5,635,597		5,635,597	5,960,297		5,960,297
Justice and peacebuilding	4,761,341		4,761,341	6,451,910		6,451,910
Sustainable community development	13,138,060		13,138,060	16,028,740		16,028,740
Total program expenses	23,534,998		23,534,998	28,440,947		28,440,947
General administration	3,922,466		3,922,466	4,359,988		4,359,988
Fundraising	2,375,244		2,375,244	2,665,624		2,665,624
Total expenses	29,832,708		29,832,708	35,466,559		35,466,559
Change in net assets	14,809,759	2,702,870	17,512,629	2,843,591	(1,360,354)	1,483,237
Net assets:						
Beginning of year	43,531,845	3,914,222	47,446,067	40,688,254	5,274,576	45,962,830
End of year	\$ 58,341,604	\$ 6,617,092	\$ 64,958,696	\$ 43,531,845	\$ 3,914,222	\$ 47,446,067

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2021

2021	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 2,071,894	\$ 3,081,718	\$ 5,477,873	\$ 2,651,979	\$ 1,691,035	\$ 14,974,499
Travel	73,167	115,069	288,006	38,667	2,776	517,685
Grants	1,006,690	952,939	3,897,370			5,856,999
Freight	185,854		147,690			333,544
Occupancy	218,343	155,860	278,159	155,615	138,929	946,906
Supplies	315,368	19,770	309,741	129,447	4,891	779,217
Communications	43,501	56,752	149,641	62,673	72,418	384,985
Meetings and seminars	10,005	178,057	69,801	26,157	6,008	290,028
Professional fees	67,163	48,517	146,257	127,913	104,037	493,887
Other	427,452	152,659	470,952	730,015	355,150	2,136,228
Material resources donated in-kind	1,216,160		1,902,570			3,118,730
Total	\$ 5,635,597	\$ 4,761,341	\$ 13,138,060	\$ 3,922,466	\$ 2,375,244	\$ 29,832,708

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2020

2020	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 1,877,952	\$ 3,412,970	\$ 5,664,553	\$ 2,906,888	\$ 1,823,116	\$ 15,685,479
Travel	196,321	596,673	871,826	298,601	47,399	2,010,820
Grants	1,400,227	1,381,219	4,976,343		8,000	7,765,789
Freight	237,684	14	169,230			406,928
Occupancy	217,400	191,106	263,108	67,524	150,350	889,488
Supplies	371,860	51,032	423,086	209,230	9,269	1,064,477
Communications	47,700	71,648	167,982	79,225	73,615	440,170
Meetings and seminars	49,770	420,670	284,391	61,815	23,928	840,574
Professional fees	79,190	87,960	204,911	148,863	120,398	641,322
Other	444,661	238,618	559,126	587,842	409,549	2,239,796
Material resources donated in-kind	1,037,532		2,444,184			3,481,716
Total	\$ 5,960,297	\$ 6,451,910	\$ 16,028,740	\$ 4,359,988	\$ 2,665,624	\$ 35,466,559

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Changes in net assets	\$ 17,512,629	\$ 1,483,237
Adjustments:		
Depreciation	851,863	908,058
Unrealized (gain) loss on investments	(4,914,699)	2,526,787
Realized gain on investments	(2,285,207)	(854,970)
Gain on disposal of property and equipment	(78,204)	(28,688)
Foreign exchange rate (gains) loss	20,127	(73,694)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, trade and others	333,618	299,546
Grants receivable	(708,888)	(66,473)
Inventory	157,480	(249,023)
Prepaid expenses	104,303	204,993
Loan receivable	106,441	(2,576,035)
Interest in MASP reserve	(72,527)	103,910
Beneficial interest in perpetual trusts	(51,558)	29,962
Increase (decrease) in:		
Payables:		
Trade and others	20,028	(432,061)
Service workers	(132,352)	(14,796)
Accrued salaries and benefits	69,344	(149,937)
Deferred income	(1,175)	(35,335)
Total adjustments	<u>(6,581,406)</u>	<u>(407,756)</u>
Net cash provided by operating activities	<u>10,931,223</u>	<u>1,075,481</u>
Cash flows from investing activities:		
Proceeds from sale of:		
Property and equipment	122,354	39,716
Investments	16,098,957	12,393,305
Purchases of:		
Investments	(30,066,966)	(11,281,174)
Property and equipment	(268,606)	(860,394)
Net cash provided by (used in) investing activities	<u>(14,114,261)</u>	<u>291,453</u>

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from financing activities:		
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ (20,127)	\$ 73,694
Payments made on capital leases	(45,268)	(24,506)
Proceeds from Payroll Protection Program loan	1,480,018	
	<u>1,414,623</u>	<u>49,188</u>
Net cash provided by financing activities	1,414,623	49,188
Net increase (decrease) in cash and cash equivalents	(1,768,415)	1,416,122
Cash and cash equivalents:		
Beginning of year	9,026,036	7,609,914
Ending of year	<u>\$ 7,257,621</u>	<u>\$ 9,026,036</u>

During 2020, the Organization entered into capital leases for vehicles with a net present value of \$16,942.

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

1. Nature of organization and summary of significant accounting policies:

Nature of organization:

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 MCC U.S. regional boards of directors.

The financial statements include the accounts of MCC 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.

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 15% (\$7,014,725) and 29% (\$10,769,662) of the Organization's total revenue for the years ended March 31, 2021 and 2020, 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 YEARS ENDED MARCH 31, 2021 AND 2020

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

Basis of presentation:

Financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities in up to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions - are those not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions - are those subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

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

Foreign currency:

The statements of financial position reflect 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 loss included in the statements of activities was \$20,127 for the year ended March 31, 2021. The amount of foreign exchange gain included in the statements of activities was \$73,694 for the year ended March 31, 2020.

Investments:

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

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.

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 contributions without donor restrictions, 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 net assets with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions at that time.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

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

Property and equipment:

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.

Revenue recognition:

The Organization's primary sources of revenues are contributions and grants from individuals, foundations and businesses.

Contributions are considered non-exchange transactions and are recognized when received. Contributions received are recorded as support without donor restrictions, unless they are restricted by donor-imposed stipulations. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. For restricted contributions where the restrictions are satisfied in the same period as receipt of contributions, the Organization reports these contributions as support without donor restrictions.

The Organization receives grants from various parties. Some of the grants are reimbursement based. The Organization will perform the work outlined in the agreements and then submit for reimbursement for the costs incurred to fulfill the performance obligations outlined in the agreements. The Organization recognizes revenue at the point in time when the performance obligation is met. Other grants are received and specified to be used in a particular time period or for a particular project. This grant revenue is reported as support without donor restrictions, unless the funds are received with grantor stipulations that limit the use of the grant funds. When stipulations of use exist, the grant revenue is reported as support with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other program and miscellaneous revenue are included as other revenue and are recognized at a point in time or over time based on the nature of the transaction.

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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

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

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

Functional 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 generally based on payroll or actual cost for each program and supporting service benefited.

The significant classifications included in other expenses are promotion, insurance, memberships, staff development, amortization and other classifications.

Income taxes:

The Organization has been recognized as corporations exempt from United States federal income taxes under Section 501(c)(3) of the IRC. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements.

Retirement plan:

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. This contribution was suspended from August 2020 through January 2021. 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, 2021 and 2020 totaled \$748,400 and \$1,215,572, respectively.

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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

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

Reclassifications:

Certain reclassifications have been made to the 2020 financial statement amounts in order to conform to the 2021 presentation.

Recently issued accounting standards:

Leases:

FASB Accounting Standards Update (ASU) 2016-02, *Leases*, with effective dates amended by FASB ASU 2020-05, is effective for the Organization's March 31, 2023 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 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.

2. Adoption of new accounting pronouncements:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASC-606), which amends previous guidance. The core principle of ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

2. Adoption of new accounting pronouncements (continued):

Effective April 1, 2020, the Organization adopted ASU 2014-09 and ASU 2018-08 using the full retrospective method. There was no quantitative impact as a result of adopting ASU 2014-09 and ASU 2018-08.

3. Cash and cash equivalents:

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2021, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$4,626,000. 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.

4. Financial assets and liquidity resources:

As of March 31, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, payments on notes payable, and purchases of property and equipment were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents (1)	\$ 7,201,422	\$ 8,990,561
Marketable securities (1)	32,036,001	16,557,165
Receivables:		
Trade	215,781	549,399
Grant	1,544,115	835,227
Current portion loans	<u>2,846,364</u>	<u>2,952,805</u>
Total financial assets available within one year	43,843,683	29,885,157
Net assets with donor restrictions (1)	(2,688,822)	(2,801,327)
Net assets without donor restrictions, board designated	<u>(13,149,983)</u>	<u>(15,242,564)</u>
Total financial assets and liquidity resources available within one year	<u>\$ 28,004,878</u>	<u>\$ 11,841,266</u>

(1) Excluding amounts held for endowment and beneficial interests in third-party trusts.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

4. Financial assets and liquidity resources (continued):

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due.

To manage unanticipated liquidity needs, MCC U.S. maintains a \$3,000,000 line of credit with a bank that can be drawn upon as needed during the year to manage cash flows. MCC U.S. had no draws on the line of credit in 2021 or 2020.

5. Grants receivable:

Unconditional grants receivable of \$1,544,115 and \$835,227 were due as of March 31, 2021 and March 31, 2020, respectively.

6. Loans receivable:

Loans are extended to thrift shops to help finance construction. Payment terms on the loans generally vary from several months to ten years, and interest rates vary from interest free to prime minus 1%. For larger loans receivable, collateral includes the properties owned by the thrift shop. Management believes the loans will be collected.

7. 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

7. Investment valuation and investments (continued):

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 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, 2021 or 2020.

The fair values of investments measured on a recurring basis at March 31, 2021 and 2020 were as follows:

Valuation inputs	Investment in securities	
	2021	2020
Level 1 - Quoted prices	\$ 24,268,664	\$ 12,882,986
Level 2 - Other significant observable inputs	23,206,321	13,424,084
	<u>\$ 47,474,985</u>	<u>\$ 26,307,070</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

7. Investment valuation and investments (continued):

Investments were comprised of the following:

	2021		2020	
	Cost	Carrying value	Cost	Carrying value
Investments held:				
Common stock	\$ 13,370,722	\$ 15,005,180	\$ 7,868,303	\$ 7,622,876
Corporate and municipal bonds	16,745,721	16,773,567	8,751,221	8,715,338
Other	203,993	257,254	183,213	218,951
	<u>30,320,436</u>	<u>32,036,001</u>	<u>16,802,737</u>	<u>16,557,165</u>
Endowment funds held:				
Common stock	7,381,114	9,263,484	6,261,778	5,260,110
Corporate and municipal bonds	5,792,891	5,866,487	4,240,278	4,329,592
Other	271,670	309,013	188,345	160,203
	<u>13,445,675</u>	<u>15,438,984</u>	<u>10,690,401</u>	<u>9,749,905</u>
	<u>\$ 43,766,111</u>	<u>\$ 47,474,985</u>	<u>\$ 27,493,138</u>	<u>\$ 26,307,070</u>

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended March 31, 2021 and 2020:

	2021	2020
Interest, dividends and expenses	\$ 821,012	\$ 622,414
Realized gain	2,285,207	854,970
Unrealized gains (losses)	4,914,699	(2,526,787)
	<u>\$ 8,020,918</u>	<u>\$(1,049,403)</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

8. Property and equipment:

Property and equipment consisted of the following:

	2021	2020
Land and buildings	\$ 10,811,007	\$ 10,709,028
Construction in progress	3,742	53,127
Furniture and equipment	2,536,766	2,498,427
Vehicles	1,893,727	2,113,068
	15,245,242	15,373,650
Accumulated depreciation	9,927,982	9,428,983
Total property and equipment	<u>\$ 5,317,260</u>	<u>\$ 5,944,667</u>

Depreciation charged to expense during the years ended March 31, 2021 and 2020 totaled \$851,863 and \$908,058, respectively.

9. Line of credit:

The Organization has a \$3,000,000 line of credit with Fulton Bank. The line is secured by the assets held in an investment account managed by Fulton Financial Advisors. Interest is calculated at London Interbank Offered Rate (LIBOR) plus 2.25%, which was 2.36% at March 31, 2021 or an interest rate floor of 4%. There were no borrowings on the line of credit at March 31, 2021.

10. Payroll Protection Program loan:

In April 2020, the Organization secured and received funding totaling \$1,480,018 from the Paycheck Protection Program, a government program authorizing loans to small businesses to cover payroll costs, rent and utility costs over an eight-week period. The loan may become due if the Organization uses funds for anything besides these costs or does not incur enough of the qualified costs. The organization received forgiveness for the full balance of the funding received subsequent to year-end.

11. 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 net assets with donor restrictions 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 net assets with donor restrictions.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

12. Net assets with donor restrictions:

Net assets with donor restrictions included the following at March 31:

	<u>2021</u>	<u>2020</u>
Endowment funds	\$ 3,534,722	\$ 770,905
Beneficial interests in third-party trusts	393,548	341,990
Time restrictions	620,646	692,431
Program restrictions	<u>2,068,176</u>	<u>2,108,896</u>
	<u>\$ 6,617,092</u>	<u>\$ 3,914,222</u>

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.

Endowment fund:

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
YEARS ENDED MARCH 31, 2021 AND 2020

12. Net assets with donor restrictions (continued):

Changes in endowment-related activities for the years ended 2021 and 2020 were as follows:

	Without donor restrictions (board designated)	With donor restrictions	Total
April 1, 2019	\$ 9,325,380	\$ 804,259	\$ 10,129,639
Net investment income	(390,000)	(33,354)	(423,354)
Contributions	87,904		87,904
March 31, 2020	9,023,284	770,905	9,794,189
Net investment income	2,890,264	258,815	3,149,079
Contributions	389,002	2,505,002	2,894,004
Distributions			
March 31, 2021	\$ 12,302,550	\$ 3,534,722	\$ 15,837,272

Net assets released from restrictions were as follows:

	2021	2020
Released from:		
Time restrictions expired	\$ 653,684	\$ 692,431
Program restrictions, other international activities	5,304,052	7,864,207
	\$ 5,957,736	\$ 8,556,638

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

13. Net assets without donor restrictions:

Net assets without donor restrictions consist of amounts which are applied to long-term assets, reserved by the MCC U.S. Board for special purposes and available for operations. Net assets without donor restrictions are summarized as follows:

	<u>2021</u>	<u>2020</u>
Applied to long-term assets:		
Invested in property and equipment	\$ 5,317,260	\$ 5,944,667
Other unrestricted	<u>27,571,811</u>	<u>13,321,330</u>
	<u>32,889,071</u>	<u>19,265,997</u>
Reserved by board action (not available for current operations):		
Board designated endowments	12,302,550	9,023,284
Bequests		1,827,830
Pension reserve		337,290
Capital reserve	3,744,983	3,077,444
Centennial reserve	405,000	1,000,000
Ten Thousand Villages reserve	<u>9,000,000</u>	<u>9,000,000</u>
	<u>25,452,533</u>	<u>24,265,848</u>
Total unrestricted net assets	<u>\$ 58,341,604</u>	<u>\$ 43,531,845</u>

14. 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

14. MASP employee healthcare assistance benefit program (continued):

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 \$928,868 and \$856,341 at March 31, 2021 and 2020, respectively.

15. Commitments:

The Organization has agreements to lease premises for various periods until March 2025.

Future minimum lease payments under these agreements are as follows:

2022	\$ 103,432
2023	83,797
2024	50,992
2025	24,370
2026	<u>15,500</u>
Total minimum future rental payments	<u>\$ 278,091</u>

Rent expense totaled \$174,135 and \$128,912 for the years ended March 31, 2021 and 2020, respectively.

The Company leases vehicles under agreements that are classified as capital leases. The cost of equipment under capital leases, included in the statements of financial position as vehicles, was \$170,818 and \$237,763 at March 31, 2021 and 2020, respectively. Accumulated amortization of the leased equipment at March 31, 2021 and 2020 was \$84,383 and \$81,012, respectively. Amortization of assets under capital leases is included in depreciation expense.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

15. Commitments (continued):

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of March 31, 2021 are as follows:

2022	\$ 21,256
2023	13,301
2024	4,932
2025	<u>3,108</u>
Total minimum lease payments	42,597
Less amount representing maintenance included in total amounts above	<u>(2,765)</u>
Net minimum lease payments	39,832
Less amount representing interest	<u>(6,204)</u>
Present value of net minimum lease payments	<u><u>\$ 33,628</u></u>

16. Related parties:

The Organization is named in Ten Thousand Villages' (TTV) adopted restated bylaws effective October 29, 2016, whereby the number of MCC 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, 2021, MCC U.S. is contingently liable, as guarantor, with respect to \$8,990,030 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 \$12,499,825. The Organization's guarantee is secured by two properties that were appraised at a combined value of \$8,800,000 during the most recent appraisal, as well as being secured by the inventory and personal property of TTV. The Company feels that the guarantee on the loan is substantially secure with these properties. TTV is current with their debt payments at March 31, 2021. 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

16. Related parties (continued):

TTV reimbursed MCC U.S. for various operating expenses throughout the year. Amounts due from TTV at March 31, 2021 and 2020 were \$19,831 and \$21,395, respectively.

Amounts payable to MCC Canada at March 31, 2021 totaled \$0. This balance was included in accounts payable.

Amounts due from MCC Canada at March 31, 2020 totaled \$341,579. This balance was included in accounts receivable.

17. Foreign assets and liabilities:

Foreign assets and liabilities consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 780,945	\$ 989,124
Accounts receivable	\$ 39,619	\$ 73,308
Grant receivable	\$ 868,919	\$ 154,997
Prepaid expenses	\$ 108,238	\$ 165,323
Property and equipment, net	\$ 359,225	\$ 365,477
Payables and accrued benefits	\$ 869,952	\$ 1,016,335

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2021 AND 2020

18. Domestic and international program expenses:

Domestic and international program expenses consisted of the following:

	2021			2020		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Salaries and benefits	\$ 4,285,855	\$ 6,345,630	\$ 10,631,485	\$ 4,511,310	\$ 6,444,165	\$ 10,955,475
Travel	58,542	417,700	476,242	485,419	1,179,401	1,664,820
Grants	435,554	5,421,445	5,856,999	791,293	6,966,496	7,757,789
Freight	35,951	297,593	333,544	59,810	347,118	406,928
Occupancy	172,348	480,014	652,362	225,491	446,123	671,614
Supplies	292,288	352,591	644,879	475,447	370,531	845,978
Communications	113,760	136,134	249,894	127,653	159,677	287,330
Meetings and seminars	93,157	164,706	257,863	173,013	581,818	754,831
Professional fees	90,804	171,133	261,937	130,408	241,653	372,061
Other	567,780	483,283	1,051,063	590,799	651,606	1,242,405
Material resources donated in-kind	179,706	2,939,024	3,118,730	222,716	3,259,000	3,481,716
Total	\$ 6,325,745	\$ 17,209,253	\$ 23,534,998	\$ 7,793,359	\$ 20,647,588	\$ 28,440,947
Total expenses by priority						
	Domestic program	International program	Total program	Domestic program	International program	Total program
Disaster relief	\$ 1,781,169	\$ 3,854,428	\$ 5,635,597	\$ 2,077,484	\$ 3,882,813	\$ 5,960,297
Justice and peacebuilding	1,641,801	3,119,540	4,761,341	2,103,352	4,348,558	6,451,910
Sustainable community development	2,902,775	10,235,285	13,138,060	3,612,523	12,416,217	16,028,740
	\$ 6,325,745	\$ 17,209,253	\$ 23,534,998	\$ 7,793,359	\$ 20,647,588	\$ 28,440,947

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2021 AND 2020

19. Impact of COVID-19 pandemic:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern” and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus caused business disruption to the Organization beginning March 2020, due to state government-imposed shutdowns of business and other results of the illness. The Organization implemented cost reduction measures during 2020 and made use of federal stimulus funds. Although COVID-19 has been a major interruption of the Organization’s international programs, it has found ways to continue implementation of programs and also focus on those made most vulnerable by COVID-19. While the Organization expects this matter may continue to negatively impact its results, the extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Trust’s services, all of which are highly uncertain and cannot be predicted.

20. Subsequent events:

MCC U.S. has evaluated subsequent events through August 17, 2021, the date which the financial statements were available to be issued.

Independent Accountant's 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, 2021 and 2020, and our report thereon dated August 17, 2021, 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
August 17, 2021

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

(See independent accountant's 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	\$ 4,390,727	\$ 306,318	\$ 185,820	\$ 187,481	\$ 128,648		\$ 5,198,994
Cash equivalents in investment accounts	1,254,905	4,427	683	9,572	528		1,270,115
Cash in overseas accounts or held by agents	780,945		(13)	7,010	570		788,512
Total cash and cash equivalents	6,426,577	310,745	186,490	204,063	129,746		7,257,621
Accounts receivable, trade and others, net	192,725	14,347	(506)	8,932	283		215,781
Due from related entity		2,369,437	1,304,748	2,046,790	1,014,352	\$(6,735,327)	-
Grants receivable	1,544,115						1,544,115
Inventory	2,535,681				307,161		2,842,842
Prepaid expenses	320,176	9,570	159	24,153	4,107		358,165
Investments	44,813,633	1,316,754	189,794	1,075,862	78,942		47,474,985
Loan receivable	2,752,102	94,262					2,846,364
Interest in MASP reserve	928,868						928,868
Beneficial interest in perpetual trusts	393,548						393,548
Property and equipment, net	3,655,613	565,450	640,067	243,164	212,966		5,317,260
Total assets	\$ 63,563,038	\$ 4,680,565	\$ 2,320,752	\$ 3,602,964	\$ 1,747,557	\$(6,735,327)	\$ 69,179,549

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

(See independent accountant's 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	\$ 1,021,907	\$ 59,803	\$ 108,618	\$ 14,440	\$ 10,230		\$ 1,214,998
Service workers	485,452						485,452
Due to related entity	6,735,327					\$(6,735,327)	-
Accrued salaries and benefits	610,068	163,129	86,535	92,154	54,546		1,006,432
Deferred income	325						325
Capital lease liability	33,628						33,628
Payroll Protection Program loan	850,458	244,095	125,652	157,712	102,101		1,480,018
Total liabilities	9,737,165	467,027	320,805	264,306	166,877	(6,735,327)	4,220,853
Net assets:							
Without donor restrictions	47,410,185	4,195,392	1,862,341	3,295,136	1,578,550		58,341,604
With donor restrictions	6,415,688	18,146	137,606	43,522	2,130		6,617,092
Total net assets	53,825,873	4,213,538	1,999,947	3,338,658	1,580,680		64,958,696
Total liabilities and net assets	\$ 63,563,038	\$ 4,680,565	\$ 2,320,752	\$ 3,602,964	\$ 1,747,557	\$(6,735,327)	\$ 69,179,549

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

(See independent accountant's 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	\$ 7,460,348	\$ 31,354	\$ 3,665	\$ 35,272	\$ 45,956		\$ 7,576,595
Cash equivalents in investment accounts	441,742	2,934	500	4,858	506		450,540
Cash in overseas accounts or held by agents	989,124		(13)	9,220	570		998,901
Total cash and cash equivalents	8,891,214	34,288	4,152	49,350	47,032		9,026,036
Accounts receivable, trade and others, net	519,893	9,596	1,967	17,551	392		549,399
Due from related entity		1,456,842	932,874	1,791,074	433,199	\$ (4,613,989)	-
Grants receivable	835,227						835,227
Inventory	2,699,722				300,600		3,000,322
Prepaid expenses	419,469	7,339	159	32,184	3,317		462,468
Investments	24,685,153	848,463	52,964	698,981	21,509		26,307,070
Loans receivable	2,652,805		300,000				2,952,805
Interest in MASP reserve	856,341						856,341
Beneficial interest in perpetual trusts	341,990						341,990
Property and equipment, net	4,153,287	621,067	711,716	220,506	238,091		5,944,667
Total assets	\$ 46,055,101	\$ 2,977,595	\$ 2,003,832	\$ 2,809,646	\$ 1,044,140	\$(4,613,989)	\$ 50,276,325

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

(See independent accountant's 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	\$ 905,963	\$ 45,910	\$ 117,093	\$ 48,499	\$ 77,505		\$ 1,194,970
Service workers	597,882			19,922			617,804
Due to related entity	4,613,989					\$(4,613,989)	-
Accrued salaries and benefits	582,109	143,798	75,045	79,450	56,686		937,088
Deferred income	1,500						1,500
Capital lease liability	78,896						78,896
Total liabilities	6,780,339	189,708	192,138	147,871	134,191	(4,613,989)	2,830,258
Net assets:							
Without donor restrictions	35,529,465	2,774,233	1,673,961	2,645,824	908,362		43,531,845
With donor restrictions	3,745,297	13,654	137,733	15,951	1,587		3,914,222
Total net assets	39,274,762	2,787,887	1,811,694	2,661,775	909,949		47,446,067
Total liabilities and net assets	\$ 46,055,101	\$ 2,977,595	\$ 2,003,832	\$ 2,809,646	\$ 1,044,140	\$(4,613,989)	\$ 50,276,325

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2021

(See independent accountant's report on supplementary information)

	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Total
Activities without donor restrictions:						
Revenue:						
Contributions	\$ 18,719,198	\$ 2,457,723	\$ 1,312,997	\$ 1,401,199	\$ 1,256,672	\$ 25,147,789
Grants	1,575,969	37,953				1,613,922
Investment earnings	6,067,359	659,853	264,126	519,244	199,963	7,710,545
Other program and miscellaneous	602,036	289,691	47,082	96,567	222,410	1,257,786
Material resources donated in-kind	2,774,983	166,239		13,467		2,954,689
Net assets released from restrictions	5,845,844	23,041	22,186	66,665		5,957,736
Total revenue	35,585,389	3,634,500	1,646,391	2,097,142	1,679,045	44,642,467
Expenses:						
Programs:						
Disaster relief	4,729,062	536,180	201,835	153,361	15,159	5,635,597
Justice and peacebuilding	4,073,092	260,332	180,052	121,736	126,129	4,761,341
Sustainable community development	11,499,647	626,821	224,021	602,869	184,702	13,138,060
General administration	1,878,578	472,086	638,471	330,240	603,091	3,922,466
Fundraising	1,524,290	317,922	213,632	239,624	79,776	2,375,244
Total expenses	23,704,669	2,213,341	1,458,011	1,447,830	1,008,857	29,832,708
Change in net assets without donor restrictions	11,880,720	1,421,159	188,380	649,312	670,188	14,809,759

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2021

(See independent accountant's report on supplementary information)

	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Total
Donor restricted activities:						
Revenue:						
Contributions	\$ 8,205,862	\$ 27,533	\$ 22,059	\$ 94,236	\$ 543	\$ 8,350,233
Investment earnings	310,373					310,373
Net assets released from restrictions	(5,845,844)	(23,041)	(22,186)	(66,665)		(5,957,736)
Change in net assets with donor restrictions	2,670,391	4,492	(127)	27,571	543	2,702,870
Change in net assets	14,551,111	1,425,651	188,253	676,883	670,731	17,512,629
Net assets:						
Beginning of year	39,274,762	2,787,887	1,811,694	2,661,775	909,949	47,446,067
End of year	\$ 53,825,873	\$ 4,213,538	\$ 1,999,947	\$ 3,338,658	\$ 1,580,680	\$ 64,958,696

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2020

(See independent accountant's report on supplementary information)

	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Total
Activities without donor restrictions:						
Revenue:						
Contributions	\$ 18,751,267	\$ 1,925,032	\$ 1,306,402	\$ 1,748,916	\$ 932,268	\$ 24,663,885
Grants	497,569	47,167	96	2,990		547,822
Investment earnings	(756,611)	(87,823)	(43,172)	(68,221)	(30,360)	(986,187)
Other program and miscellaneous	1,015,009	256,602	62,708	192,766	338,307	1,865,392
Material resources donated in-kind	3,439,884	161,780	57,525	3,411		3,662,600
Net assets released from restrictions	8,368,192	9,469	115,163	57,644	6,170	8,556,638
Total revenue	31,315,310	2,312,227	1,498,722	1,937,506	1,246,385	38,310,150
Expenses:						
Programs:						
Disaster relief	5,065,751	511,762	219,434	159,033	4,317	5,960,297
Justice and peacebuilding	5,559,357	343,266	246,330	148,517	154,440	6,451,910
Sustainable community development	13,780,138	670,825	537,313	694,799	345,665	16,028,740
General administration	2,253,418	530,518	442,668	382,672	750,712	4,359,988
Fundraising	1,724,728	338,874	217,266	277,813	106,943	2,665,624
Total expenses	28,383,392	2,395,245	1,663,011	1,662,834	1,362,077	35,466,559
Change in net assets without donor restrictions	2,931,918	(83,018)	(164,289)	274,672	(115,692)	2,843,591

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MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2020

(See independent accountant's report on supplementary information)

	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Total
Donor restricted activities:						
Contributions	\$ 6,946,369	\$ 18,276	\$ 235,186	\$ 54,512	\$ 5,157	\$ 7,259,500
Investment earnings	(63,216)					(63,216)
Net assets released from restrictions	(8,368,192)	(9,469)	(115,163)	(57,644)	(6,170)	(8,556,638)
Change in net assets with donor restrictions	(1,485,039)	8,807	120,023	(3,132)	(1,013)	(1,360,354)
Change in net assets	1,446,879	(74,211)	(44,266)	271,540	(116,705)	1,483,237
Net assets:						
Beginning of year	37,827,883	2,862,098	1,855,960	2,390,235	1,026,654	45,962,830
End of year	\$ 39,274,762	\$ 2,787,887	\$ 1,811,694	\$ 2,661,775	\$ 909,949	\$ 47,446,067

See notes to consolidated financial statements.