



# Mennonite Central Committee

**YEARS ENDED  
MARCH 31, 2020 AND 2019**



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

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

YEARS ENDED MARCH 31, 2020 AND 2019

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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, 2020 and 2019 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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, 2020 and 2019, 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 Steidman & Fritz*

Lancaster, Pennsylvania  
July 23, 2020

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
<b>Cash and cash equivalents:</b>		
Cash	\$ 7,576,595	\$ 5,705,337
Cash equivalents in investment accounts	450,540	657,773
Cash in overseas accounts or held by agents	998,901	1,246,804
<b>Total cash and cash equivalents</b>	<b>9,026,036</b>	<b>7,609,914</b>
Accounts receivable, trade and others, net	549,399	848,945
Grants receivable	835,227	768,754
Inventory	3,000,322	2,751,299
Prepaid expenses	462,468	667,461
Investments	26,307,070	29,091,018
Loan receivable	2,952,805	376,770
Interest in MASP reserve	856,341	960,251
Beneficial interest in perpetual trusts	341,990	371,952
Property and equipment, net of accumulated depreciation	5,944,667	5,990,066
<b>Total assets</b>	<b><u>\$ 50,276,325</u></b>	<b><u>\$ 49,436,430</u></b>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2020 AND 2019

LIABILITIES AND NET ASSETS

	<u>2020</u>	<u>2019</u>
<b>Liabilities:</b>		
Payables:		
Trade and others	\$ 1,194,970	\$ 1,627,031
Service workers	617,804	632,600
Accrued salaries and benefits	937,088	1,087,025
Deferred income	1,500	36,835
Capital lease liability	78,896	90,109
	<u>2,830,258</u>	<u>3,473,600</u>
<b>Total liabilities</b>		
	<u><b>2,830,258</b></u>	<u><b>3,473,600</b></u>
<b>Net assets:</b>		
Without donor restrictions	43,531,845	40,688,254
With donor restrictions	3,914,222	5,274,576
	<u>47,446,067</u>	<u>45,962,830</u>
<b>Total net assets</b>		
	<u><b>47,446,067</b></u>	<u><b>45,962,830</b></u>
<b>Total liabilities and net assets</b>		
	<u><u><b>\$ 50,276,325</b></u></u>	<u><u><b>\$ 49,436,430</b></u></u>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF ACTIVITIES  
YEARS ENDED MARCH 31, 2020 AND 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenue:</b>						
Contributions	\$ 21,800,743	\$ 7,259,500	\$ 29,060,243	\$ 21,448,746	\$ 5,430,854	\$ 26,879,600
Grants, nongovernment	547,822		547,822	1,232,017		1,232,017
Investment earnings	(986,187)	(63,216)	(1,049,403)	945,683	2,584	948,267
Other program and miscellaneous	4,728,534		4,728,534	2,412,010		2,412,010
Material resources donated in-kind	3,662,600		3,662,600	3,400,043		3,400,043
Net assets released from restrictions	8,556,638	(8,556,638)	-	5,534,120	(5,534,120)	-
<b>Total revenue</b>	<b>38,310,150</b>	<b>(1,360,354)</b>	<b>36,949,796</b>	<b>34,972,619</b>	<b>(100,682)</b>	<b>34,871,937</b>
<b>Expenses:</b>						
Programs:						
Disaster relief	5,960,297		5,960,297	5,659,523		5,659,523
Justice and peacebuilding	6,451,910		6,451,910	6,435,210		6,435,210
Sustainable community development	16,028,740		16,028,740	18,379,479		18,379,479
<b>Total program expenses</b>	<b>28,440,947</b>		<b>28,440,947</b>	<b>30,474,212</b>		<b>30,474,212</b>
General administration	4,359,988		4,359,988	4,173,412		4,173,412
Fundraising	2,665,624		2,665,624	2,414,019		2,414,019
<b>Total expenses</b>	<b>35,466,559</b>		<b>35,466,559</b>	<b>37,061,643</b>		<b>37,061,643</b>
<b>Change in net assets</b>	<b>2,843,591</b>	<b>(1,360,354)</b>	<b>1,483,237</b>	<b>(2,089,024)</b>	<b>(100,682)</b>	<b>(2,189,706)</b>
<b>Net assets:</b>						
Beginning of year	40,688,254	5,274,576	45,962,830	42,777,278	5,375,258	48,152,536
<b>End of year</b>	<b>\$ 43,531,845</b>	<b>\$ 3,914,222</b>	<b>\$ 47,446,067</b>	<b>\$ 40,688,254</b>	<b>\$ 5,274,576</b>	<b>\$ 45,962,830</b>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED MARCH 31, 2020 AND 2019

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	67,525	150,350	889,489
Supplies	371,860	51,032	423,086	209,230	9,269	1,064,477
Communications	47,700	71,648	167,982	79,224	73,615	440,169
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
<b>Total 2020</b>	<b>\$ 5,960,297</b>	<b>\$ 6,451,910</b>	<b>\$ 16,028,740</b>	<b>\$ 4,359,988</b>	<b>\$ 2,665,624</b>	<b>\$ 35,466,559</b>

(continued)



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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)  
YEARS ENDED MARCH 31, 2020 AND 2019

2019	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 1,747,276	\$ 3,272,900	\$ 5,665,885	\$ 2,765,076	\$ 1,619,897	\$ 15,071,034
Travel	177,733	655,064	1,035,779	322,599	45,503	2,236,678
Grants	805,236	1,393,122	6,921,639	(5,980)	8,000	9,122,017
Freight	201,705		156,554			358,259
Occupancy	193,188	172,276	263,382	66,609	155,089	850,544
Supplies	501,989	45,975	423,617	200,245	8,285	1,180,111
Communications	47,337	74,982	202,950	79,354	71,678	476,301
Meetings and seminars	50,550	431,949	311,974	67,501	33,720	895,694
Professional fees	70,926	82,534	234,168	104,203	93,398	585,229
Other	501,805	306,408	699,646	573,805	378,449	2,460,113
Material resources donated in-kind	1,361,778		2,463,885			3,825,663
<b>Total 2019</b>	<b>\$ 5,659,523</b>	<b>\$ 6,435,210</b>	<b>\$ 18,379,479</b>	<b>\$ 4,173,412</b>	<b>\$ 2,414,019</b>	<b>\$ 37,061,643</b>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Changes in net assets	\$ 1,483,237	\$ (2,189,706)
Adjustments:		
Depreciation	908,058	917,545
Unrealized (gain) loss on investments	2,526,787	(254,942)
Realized gain on investments	(854,970)	(55,808)
Gain on disposal of property and equipment	(28,688)	(17,763)
Foreign exchange rate gains	(73,694)	(57,892)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, trade and others	299,546	(495,520)
Grants receivable	(66,473)	55,899
Inventory	(249,023)	412,182
Prepaid expenses	204,993	(41,080)
Loan receivable	(2,576,035)	(326,770)
Interest in MASP reserve	103,910	(15,467)
Beneficial interest in perpetual trusts	29,962	6,375
Increase (decrease) in:		
Payables:		
Trade and others	(432,061)	414,935
Service workers	(14,796)	(33,670)
Accrued salaries and benefits	(149,937)	(50,081)
Deferred income	(35,335)	11,322
<b>Total adjustments</b>	<b>(407,756)</b>	<b>469,265</b>
<b>Net cash provided by (used in) operating activities</b>	<b>1,075,481</b>	<b>(1,720,441)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of:		
Property and equipment	39,716	23,822
Investments	12,393,305	11,520,259
Purchases of:		
Investments	(11,281,174)	(7,061,530)
Property and equipment	(860,394)	(458,434)
<b>Net cash provided by investing activities</b>	<b>291,453</b>	<b>4,024,117</b>

(continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from financing activities:</b>		
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ 73,694	\$ 57,892
Payments made on capital leases	(24,506)	(21,312)
<b>Net cash provided by financing activities</b>	<b><u>49,188</u></b>	<b><u>36,580</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>1,416,122</b>	<b>2,340,256</b>
<b>Cash and cash equivalents:</b>		
Beginning	<u>7,609,914</u>	<u>5,269,658</u>
<b>Ending</b>	<b><u>\$ 9,026,036</u></b>	<b><u>\$ 7,609,914</u></b>

During 2020 and 2019, the Organization entered into capital leases for vehicles with a net present value of \$16,942 and \$3,648 respectively.

See notes to consolidated financial statements.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **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 29% (\$10,769,662) and 30% (\$10,532,464) of the Organization's total revenue for the years ended March 31, 2020 and 2019, 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, 2020 AND 2019

#### **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. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors may permit all or part of the income earned on any related investments be used for general or specific purposes. The Organization has no net assets with permanent donor restrictions at December 31, 2019.

##### *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, 2020 AND 2019

#### **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 gain included in the statements of activities was \$73,694 and \$57,892 for the years ended March 31, 2020 and 2019, respectively.

##### *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, 2020 AND 2019

#### **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.

##### *Contributions, including grants:*

Contributions and grants are recorded as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the donor restrictions.

##### *Grants and pledges receivable and grants payable:*

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

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

##### *Material resources donated in-kind:*

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

##### *Contributed services:*

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

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

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

##### *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. 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, 2020 and 2019 totaled \$1,215,572 and \$1,014,029, respectively.

##### *Other postemployment benefits:*

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

##### *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, 2020 AND 2019

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

*Recently issued accounting standards:*

#### Revenue:

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts and Customers (Topic 606)*, with effective dates amended by FASB ASU 2020-05, is effective for the Organization's March 31, 2021 fiscal year end and identifies specific steps to be applied to properly recognize revenue from customer contracts. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when or as the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. The Organization is evaluating the effect that FASB ASU 2014-09 will have on the Organization's financial statements. The Organization has not yet selected a transition method, nor has it determined the effect of the standard on its ongoing financial reporting.

#### Leases:

FASB ASU 2016-02, *Leases*, 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. Cash and cash equivalents:**

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2020, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$6,915,000. The Organization has experienced no losses related to uninsured balances. Cash in overseas accounts or held by agents and cash equivalents in investment accounts are not federally insured.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **3. Financial assets and liquidity resources:**

As of March 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents (1)	\$ 8,990,561	\$ 7,580,050
Marketable securities (1)	16,557,165	18,991,242
Receivables:		
Trade	549,399	848,945
Grant	835,227	768,754
Current portion loans	<u>2,952,805</u>	<u>376,770</u>
 Total financial assets available within one year	 29,885,157	 28,565,761
 Liquidity resources, line of credit	 3,000,000	 3,000,000
 Net assets with donor restrictions (1)	 (2,801,327)	 (4,098,365)
 Net assets without donor restrictions, board designated	 <u>(15,242,564)</u>	 <u>(6,651,070)</u>
 Total financial assets and liquidity resources available within one year	 <u>\$ 14,841,266</u>	 <u>\$ 20,816,326</u>

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

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

To manage unanticipated liquidity needs, MCC 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 had no draws on the line of credit in 2020 or 2019.

#### **4. Grants receivable:**

Unconditional grants receivable of \$835,227 were due as of March 31, 2020. At March 31, 2019, there was \$768,754 of unconditional grants receivable.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **5. 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.

#### **6. Investment valuation and investments:**

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

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

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

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

Level 1 – Quoted prices in active markets for identical investment

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

Level 3 – Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments). The Organization does not hold any Level 3 investments as of March 31, 2020 or 2019.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2020 AND 2019

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

The fair values of investments measured on a recurring basis at March 31, 2020 and 2019 are as follows:

Valuation inputs	Investment in securities	
	2020	2019
Level 1 - Quoted prices	\$ 12,882,986	\$ 14,665,509
Level 2 - Other significant observable inputs	13,424,084	14,425,509
	<u>\$ 26,307,070</u>	<u>\$ 29,091,018</u>

Investments are comprised of the following:

	2020		2019	
	Cost	Carrying value	Cost	Carrying value
Investments held:				
Common stock	\$ 7,868,303	\$ 7,622,876	\$ 7,264,210	\$ 8,371,033
Corporate and municipal bonds	8,751,221	8,715,338	10,393,230	10,368,012
Other	183,213	218,951	177,249	252,197
	<u>16,802,737</u>	<u>16,557,165</u>	<u>17,834,689</u>	<u>18,991,242</u>
Endowment funds held:				
Common stock	6,261,778	5,260,110	6,084,945	6,294,476
Corporate and municipal bonds	4,240,278	4,329,592	3,639,318	3,614,870
Other	188,345	160,203	172,523	190,430
	<u>10,690,401</u>	<u>9,749,905</u>	<u>9,896,786</u>	<u>10,099,776</u>
	<u>\$ 27,493,138</u>	<u>\$ 26,307,070</u>	<u>\$ 27,731,475</u>	<u>\$ 29,091,018</u>

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **6. Investment valuation and investments (continued):**

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest, dividends and expenses	\$ 622,414	\$ 637,517
Realized gain	854,970	55,808
Unrealized gains (losses)	<u>(2,526,787)</u>	<u>254,942</u>
	<u><u>\$ (1,049,403)</u></u>	<u><u>\$ 948,267</u></u>

#### **7. Property and equipment:**

Property and equipment consist of the following:

	<u>2020</u>	<u>2019</u>
Land and buildings	\$ 10,709,028	\$ 10,190,777
Construction in progress	53,127	38,624
Furniture and equipment	2,498,427	2,513,375
Vehicles	<u>2,113,068</u>	<u>2,190,790</u>
	15,373,650	14,933,566
Accumulated depreciation	<u>9,428,983</u>	<u>8,943,500</u>
Total property and equipment	<u><u>\$ 5,944,667</u></u>	<u><u>\$ 5,990,066</u></u>

Depreciation charged to expense during the years ended March 31, 2020 and 2019 totaled \$908,058 and \$917,545, respectively.

#### **8. 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 3.17% at March 31, 2020 or an interest rate floor of 4%. There were no borrowings on the line of credit at March 31, 2020.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **9. 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.

#### **10. Net assets with donor restrictions:**

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

	<u>2020</u>	<u>2019</u>
Endowment funds	\$ 770,905	\$ 804,259
Beneficial interests in third-party trusts	341,990	371,952
Time restrictions	692,431	342,624
Program restrictions	<u>2,108,896</u>	<u>3,755,741</u>
	<u>\$ 3,914,222</u>	<u>\$ 5,274,576</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.

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, 2020 AND 2019

**10. Net assets with donor restrictions (continued):**

Changes in endowment-related activities for the years ended 2020 and 2019 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
April 1, 2018	\$ 8,454,909	\$ 795,300	\$ 9,250,209
Net investment income	116,331	8,959	125,290
Contributions	754,140		754,140
March 31, 2019	9,325,380	804,259	10,129,639
Net investment income	(390,000)	(33,354)	(423,354)
Contributions	87,904		87,904
Distributions			
March 31, 2020	<u>\$ 9,023,284</u>	<u>\$ 770,905</u>	<u>\$ 9,794,189</u>

Net assets released from restrictions were as follows:

	<u>2020</u>	<u>2019</u>
Released from:		
Time restrictions expired	\$ 692,431	\$ 476,692
Program restrictions, other international activities	7,864,207	5,057,428
	<u>\$ 8,556,638</u>	<u>\$ 5,534,120</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2020 AND 2019

**11. 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>2020</u>	<u>2019</u>
Applied to long-term assets:		
Invested in property and equipment	\$ 5,944,667	\$ 5,990,066
Other unrestricted	<u>13,321,330</u>	<u>18,721,738</u>
	<u>19,265,997</u>	<u>24,711,804</u>
 Reserved by board action (not available for current operations):		
Board designated endowments	9,023,284	9,325,380
Bequests	1,827,830	2,451,140
Pension reserve	337,290	337,290
Capital reserve	3,077,444	2,862,640
Centennial reserve	1,000,000	1,000,000
Ten Thousand Villages Reserve	<u>9,000,000</u>	
	<u>24,265,848</u>	<u>15,976,450</u>
 Total unrestricted net assets	<u><u>\$ 43,531,845</u></u>	<u><u>\$ 40,688,254</u></u>

**12. 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, 2020 AND 2019

#### **12. 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 \$856,341 and \$960,251 at March 31, 2020 and 2019, respectively.

#### **13. Commitments:**

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

Future minimum lease payments under these agreements are as follows:

2021	\$ 181,195
2022	108,571
2023	50,099
2024	24,434
2025	<u>13,470</u>
Total minimum future rental payments	<u>\$ 377,769</u>

Rent expense totaled \$128,912 and \$235,150 for the years ended March 31, 2020 and 2019, respectively.

The Company leases vehicles under agreements that are classified as capital leases. The cost of equipment under capital leases is included in the statements of financial position as vehicles was \$237,763 and \$149,583 at March 31, 2020 and 2019, respectively. Accumulated amortization of the leased equipment at March 31, 2020 and 2019 was \$81,012 and \$40,246, 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, 2020 AND 2019

#### **13. 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, 2020, are as follows:

2021	\$ 34,823
2022	34,823
2023	19,071
2024	5,618
2025	<u>3,561</u>
Total minimum lease payments	97,896
Less: Amount representing maintenance included in total amounts above	<u>(3,950)</u>
Net minimum lease payments	93,946
Less: Amount representing interest	<u>(15,050)</u>
Present value of net minimum lease payments	<u><u>\$ 78,896</u></u>

#### **14. 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.

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **14. Related parties (continued):**

As of March 31, 2020, MCC U.S. is contingently liable as guarantor with respect to \$10,932,856 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 \$12,552,010. The Organization's guarantee is secured by three properties that were appraised at a combined value of \$10,270,000 at the time the guarantee was obtained, 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, 2020. As of February 2018, TTV has consented to the execution of a contingent mortgage to secure its obligation to MCC U.S. arising from MCC U.S.'s guarantee of payment or performance of TTV's obligations to Fulton Bank.

TTV reimbursed MCC U.S. for various operating expenses throughout the year. Amounts due from TTV at March 31, 2020 and 2019 were \$21,395 and \$7,589, respectively.

During fiscal year 2019, MCC U.S. made unrestricted contributions to TTV and TTV Canada totaling \$1,500,000 and \$500,000, respectively. There were no contributions made to TTV or TTV Canada during fiscal year 2020.

Amounts due from MCC Canada at March 31, 2020 and 2019 were \$341,579 and \$104,563, respectively. This balance was included in accounts receivable.

#### **15. Foreign assets and liabilities:**

Foreign assets and liabilities consist of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 989,124	\$ 1,217,950
Accounts receivable	\$ 73,308	\$ 68,725
Grant receivable	\$ 154,997	\$ 527,911
Prepaid expenses	\$ 165,323	\$ 286,244
Property and equipment, net	\$ 365,477	\$ 416,311
Payables and accrued benefits	\$ 1,016,335	\$ 978,032

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2020 AND 2019

**16. Domestic and international program expenses:**

Domestic and international program expenses consisted of the following:

	2020			2019		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Salaries and benefits	\$ 4,511,310	\$ 6,444,165	\$ 10,955,475	\$ 4,407,770	\$ 6,278,291	\$ 10,686,061
Travel	485,419	1,179,401	1,664,820	574,523	1,294,053	1,868,576
Grants	791,293	6,966,496	7,757,789	2,489,485	6,630,512	9,119,997
Freight	59,810	347,118	406,928	57,342	300,917	358,259
Occupancy	225,491	446,123	671,614	180,665	448,181	628,846
Supplies	475,447	370,531	845,978	538,334	433,247	971,581
Communications	127,653	159,677	287,330	141,230	184,039	325,269
Meetings and seminars	173,013	581,818	754,831	167,417	627,056	794,473
Professional fees	130,408	241,653	372,061	134,292	253,336	387,628
Other	590,799	651,606	1,242,405	635,316	872,543	1,507,859
Material resources donated in-kind	222,716	3,259,000	3,481,716	126,651	3,699,012	3,825,663
<b>Total</b>	<b>\$ 7,793,359</b>	<b>\$ 20,647,588</b>	<b>\$ 28,440,947</b>	<b>\$ 9,453,025</b>	<b>\$ 21,021,187</b>	<b>\$ 30,474,212</b>
Total expenses by priority						
	Domestic program	International program	Total program	Domestic program	International program	Total program
Disaster relief	\$ 2,077,484	\$ 3,882,813	\$ 5,960,297	\$ 1,846,508	\$ 3,813,015	\$ 5,659,523
Justice and peacebuilding	2,103,352	4,348,558	6,451,910	2,115,692	4,319,518	6,435,210
Sustainable community development	3,612,523	12,416,217	16,028,740	5,490,825	12,888,654	18,379,479
	<b>\$ 7,793,359</b>	<b>\$ 20,647,588</b>	<b>\$ 28,440,947</b>	<b>\$ 9,453,025</b>	<b>\$ 21,021,187</b>	<b>\$ 30,474,212</b>

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

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2020 AND 2019

#### **17. Subsequent events:**

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 has the potential to cause business disruption to the Organization beginning March 2020, due to state government-imposed shutdowns of business and other results of the illness. While the Organization expects this matter may negatively impact its results, the extent of the impact of the 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, all of which are highly uncertain and cannot be predicted. The Organization has projected a decline in revenue and support of 25%. While the Organization has implemented cost reduction measures, it will also make use of federal stimulus funds and draw down on reserves to reduce the impact of the decrease in revenue and support. 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.

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 expects that at least 90% of the loan will be forgiven based on its initial projections. The remaining amount will bear interest at 1.00% and have a two-year amortization.

MCC U.S. has evaluated subsequent events through July 23, 2020, 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, 2020 and 2019 and our report thereon dated July 23, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on the consolidating statements of financial position and the consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Brown Schultz Sheridan & Fritz*

Lancaster, Pennsylvania  
July 23, 2020

**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
<b>Cash and cash equivalents:</b>							
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
<b>Total cash and cash equivalents</b>	<b>8,891,214</b>	<b>34,288</b>	<b>4,152</b>	<b>49,350</b>	<b>47,032</b>		<b>9,026,036</b>
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
Loan 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
<b>Total assets</b>	<b>\$ 46,055,101</b>	<b>\$ 2,977,595</b>	<b>\$ 2,003,832</b>	<b>\$ 2,809,646</b>	<b>\$ 1,044,140</b>	<b>\$(4,613,989)</b>	<b>\$ 50,276,325</b>

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
<b>Liabilities:</b>							
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
<b>Total liabilities</b>	<b>6,780,339</b>	<b>189,708</b>	<b>192,138</b>	<b>147,871</b>	<b>134,191</b>	<b>(4,613,989)</b>	<b>2,830,258</b>
<b>Net assets:</b>							
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
<b>Total net assets</b>	<b>39,274,762</b>	<b>2,787,887</b>	<b>1,811,694</b>	<b>2,661,775</b>	<b>909,949</b>		<b>47,446,067</b>
<b>Total liabilities and net assets</b>	<b>\$ 46,055,101</b>	<b>\$ 2,977,595</b>	<b>\$ 2,003,832</b>	<b>\$ 2,809,646</b>	<b>\$ 1,044,140</b>	<b>\$(4,613,989)</b>	<b>\$ 50,276,325</b>

See notes to consolidated financial statements.



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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

(See independent accountant's report on supplementary information)

	ASSETS						
	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
<b>Cash and cash equivalents:</b>							
Cash	\$ 5,555,539	\$ 13,490	\$ 37,163	\$ 44,067	\$ 55,078		\$ 5,705,337
Cash equivalents in investment accounts	654,865	509		2,399			657,773
Cash in overseas accounts or held by agents	1,217,950		21	28,263	570		1,246,804
<b>Total cash and cash equivalents</b>	<b>7,428,354</b>	<b>13,999</b>	<b>37,184</b>	<b>74,729</b>	<b>55,648</b>		<b>7,609,914</b>
Accounts receivable, trade and others, net	800,803	30,088	8,165	9,782	107		848,945
Due from related entity		1,483,520	1,190,850	1,512,740	551,814	\$ (4,738,924)	-
Grants receivable	768,754						768,754
Inventory	2,518,838				232,461		2,751,299
Prepaid expenses	614,963	6,646	1,416	41,306	3,130		667,461
Investments	27,473,274	886,942		730,802			29,091,018
Loans receivable	76,770		300,000				376,770
Interest in MASP reserve	960,251						960,251
Beneficial interest in perpetual trusts	371,952						371,952
Property and equipment, net	4,347,697	636,946	542,529	198,549	264,345		5,990,066
<b>Total assets</b>	<b>\$ 45,361,656</b>	<b>\$ 3,058,141</b>	<b>\$ 2,080,144</b>	<b>\$ 2,567,908</b>	<b>\$ 1,107,505</b>	<b>\$(4,738,924)</b>	<b>\$ 49,436,430</b>

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

(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
<b>Liabilities:</b>							
Payables:							
Trade and others	\$ 1,394,147	\$ 27,461	\$ 144,403	\$ 47,644	\$ 13,376		\$ 1,627,031
Service workers	595,465			37,135			632,600
Due to related entity	4,738,924					\$(4,738,924)	-
Accrued salaries and benefits	678,293	168,582	79,781	92,894	67,475		1,087,025
Deferred income	36,835						36,835
Capital lease liability	90,109						90,109
<b>Total liabilities</b>	<b>7,533,773</b>	<b>196,043</b>	<b>224,184</b>	<b>177,673</b>	<b>80,851</b>	<b>(4,738,924)</b>	<b>3,473,600</b>
<b>Net assets:</b>							
Without donor restrictions	32,597,547	2,857,251	1,838,250	2,371,152	1,024,054		40,688,254
With donor restrictions	5,230,336	4,847	17,710	19,083	2,600		5,274,576
<b>Total net assets</b>	<b>37,827,883</b>	<b>2,862,098</b>	<b>1,855,960</b>	<b>2,390,235</b>	<b>1,026,654</b>		<b>45,962,830</b>
<b>Total liabilities and net assets</b>	<b>\$ 45,361,656</b>	<b>\$ 3,058,141</b>	<b>\$ 2,080,144</b>	<b>\$ 2,567,908</b>	<b>\$ 1,107,505</b>	<b>\$(4,738,924)</b>	<b>\$ 49,436,430</b>

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
<b>Activities without donor restrictions:</b>						
<b>Revenue:</b>						
Contributions	\$ 15,888,125	\$ 1,925,032	\$ 1,306,402	\$ 1,748,916	\$ 932,268	\$ 21,800,743
Grants, nongovernment	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	3,878,151	256,602	62,708	192,766	338,307	4,728,534
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
<b>Total revenue</b>	<b>31,315,310</b>	<b>2,312,227</b>	<b>1,498,722</b>	<b>1,937,506</b>	<b>1,246,385</b>	<b>38,310,150</b>
<b>Expenses:</b>						
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
<b>Total expenses</b>	<b>28,383,392</b>	<b>2,395,245</b>	<b>1,663,011</b>	<b>1,662,834</b>	<b>1,362,077</b>	<b>35,466,559</b>
<b>Change in net assets without donor restrictions</b>	<b>2,931,918</b>	<b>(83,018)</b>	<b>(164,289)</b>	<b>274,672</b>	<b>(115,692)</b>	<b>2,843,591</b>

(continued)

**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
<b>Donor restricted activities:</b>						
Revenue:						
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)
<b>Change in net assets with donor restrictions</b>	<b>(1,485,039)</b>	<b>8,807</b>	<b>120,023</b>	<b>(3,132)</b>	<b>(1,013)</b>	<b>(1,360,354)</b>
<b>Change in net assets</b>	<b>1,446,879</b>	<b>(74,211)</b>	<b>(44,266)</b>	<b>271,540</b>	<b>(116,705)</b>	<b>1,483,237</b>
<b>Net assets:</b>						
Beginning of year	37,827,883	2,862,098	1,855,960	2,390,235	1,026,654	45,962,830
<b>End of year</b>	<b>\$ 39,274,762</b>	<b>\$ 2,787,887</b>	<b>\$ 1,811,694</b>	<b>\$ 2,661,775</b>	<b>\$ 909,949</b>	<b>\$ 47,446,067</b>

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2019

(See independent accountant's report on supplementary information)

	U.S. and shared program	East Coast	Central States	Great Lakes	West Coast	Total
<b>Activities without donor restrictions:</b>						
<b>Revenue:</b>						
Contributions	\$ 16,310,125	\$ 1,509,000	\$ 1,325,277	\$ 1,415,632	\$ 888,712	\$ 21,448,746
Grants, nongovernment	1,160,350	69,893		110	1,664	1,232,017
Investment earnings	537,412	141,291	85,745	112,498	68,737	945,683
Other program and miscellaneous	1,405,569	366,184	65,763	276,157	298,337	2,412,010
Material resources donated in-kind	3,273,392	123,016		3,635		3,400,043
Net assets released from restrictions	5,474,338	30,519	11,663	17,600		5,534,120
<b>Total revenue</b>	<b>28,161,186</b>	<b>2,239,903</b>	<b>1,488,448</b>	<b>1,825,632</b>	<b>1,257,450</b>	<b>34,972,619</b>
<b>Expenses:</b>						
Programs:						
Disaster relief	4,800,129	535,062	185,035	135,579	3,718	5,659,523
Justice and peacebuilding	5,519,998	357,986	256,951	150,106	150,169	6,435,210
Sustainable community development	16,403,960	612,601	360,785	772,296	229,837	18,379,479
General administration	2,063,885	576,391	422,290	372,738	738,108	4,173,412
Fundraising	1,525,604	311,230	215,809	265,291	96,085	2,414,019
<b>Total expenses</b>	<b>30,313,576</b>	<b>2,393,270</b>	<b>1,440,870</b>	<b>1,696,010</b>	<b>1,217,917</b>	<b>37,061,643</b>
<b>Change in net assets without donor restriction:</b>	<b>(2,152,390)</b>	<b>(153,367)</b>	<b>47,578</b>	<b>129,622</b>	<b>39,533</b>	<b>(2,089,024)</b>

(continued)

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

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2019

(See independent accountant's report on supplementary information)

	<u>U.S. and shared program</u>	<u>East Coast</u>	<u>Central States</u>	<u>Great Lakes</u>	<u>West Coast</u>	<u>Total</u>
<b>Donor restricted activities:</b>						
Contributions	\$ 5,356,139	\$ 32,296	\$ 16,559	\$ 23,860	\$ 2,000	\$ 5,430,854
Investment earnings	2,584					2,584
Net assets released from restrictions	<u>(5,474,338)</u>	<u>(30,519)</u>	<u>(11,663)</u>	<u>(17,600)</u>		<u>(5,534,120)</u>
<b>Change in net assets with donor restrictions</b>	<b><u>(115,615)</u></b>	<b><u>1,777</u></b>	<b><u>4,896</u></b>	<b><u>6,260</u></b>	<b><u>2,000</u></b>	<b><u>(100,682)</u></b>
<b>Change in net assets</b>	<b><u>(2,268,005)</u></b>	<b><u>(151,590)</u></b>	<b><u>52,474</u></b>	<b><u>135,882</u></b>	<b><u>41,533</u></b>	<b><u>(2,189,706)</u></b>
<b>Net assets:</b>						
Beginning of year	<u>40,095,888</u>	<u>3,013,688</u>	<u>1,803,486</u>	<u>2,254,353</u>	<u>985,121</u>	<u>48,152,536</u>
<b>End of year</b>	<b><u><u>\$ 37,827,883</u></u></b>	<b><u><u>\$ 2,862,098</u></u></b>	<b><u><u>\$ 1,855,960</u></u></b>	<b><u><u>\$ 2,390,235</u></u></b>	<b><u><u>\$ 1,026,654</u></u></b>	<b><u><u>\$ 45,962,830</u></u></b>

See notes to consolidated financial statements.