



Mennonite Central Committee

YEARS ENDED
MARCH 31, 2024 AND 2023



Brown Plus
ACCOUNTANTS + ADVISORS

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

YEARS ENDED MARCH 31, 2024 AND 2023

TABLE OF CONTENTS

	Page
Independent auditor's report	1-2
Consolidated financial statements:	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	5-6
Statements of cash flows	7-8
Notes to consolidated financial statements	9-26
Independent auditor's report on consolidating information	27
Accompanying information to financial statements:	
Consolidating statements of financial position	28-31
Consolidating statements of activities	32-35

Independent Auditor's Report

Members
Mennonite Central Committee U.S.
Akron, Pennsylvania

Opinion

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, 2024 and 2023 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.

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, 2024 and 2023 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance; and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Brown Plus

Lancaster, Pennsylvania
August 5, 2024

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents:		
Cash	\$ 2,532,225	\$ 3,502,846
Cash equivalents in investment accounts	4,321,273	1,818,103
Cash in overseas accounts or held by agents	<u>996,276</u>	<u>1,032,337</u>
Total cash and cash equivalents	7,849,774	6,353,286
Accounts receivable, trade and others, net	340,844	559,382
Grants receivable	2,281,624	2,166,628
Inventory	3,247,853	3,912,028
Prepaid expenses	726,013	689,616
Investments	63,573,307	61,984,880
Loan receivable	1,814,447	1,943,621
Interest in MASP reserve	297,784	536,575
Beneficial interest in perpetual trusts	1,392,560	334,195
Property and equipment, net of accumulated depreciation	8,331,694	6,347,385
Operating lease right-of-use assets, net of amortization	<u>105,811</u>	<u>188,313</u>
Total assets	<u>\$ 89,961,711</u>	<u>\$ 85,015,909</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Payables:		
Trade and others	\$ 2,041,569	\$ 1,345,186
Service workers	587,278	630,464
Accrued salaries and benefits	1,035,538	897,421
Deferred income	39,499	2,500
Lease liabilities	<u>159,837</u>	<u>233,676</u>
Total liabilities	<u>3,863,721</u>	<u>3,109,247</u>
Net assets:		
Without donor restrictions:		
Designated by Mennonite Central Committee	33,608,493	34,094,378
Undesignated	<u>42,496,571</u>	<u>37,068,365</u>
Total without donor restrictions	76,105,064	71,162,743
With donor restrictions	<u>9,992,926</u>	<u>10,743,919</u>
Total net assets	<u>86,097,990</u>	<u>81,906,662</u>
Total liabilities and net assets	<u>\$ 89,961,711</u>	<u>\$ 85,015,909</u>

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2024 AND 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue:						
Contributions	\$ 29,609,839	\$ 9,023,834	\$ 38,633,673	\$ 31,654,120	\$ 10,127,061	\$ 41,781,181
Grants		905,188	905,188		1,473,162	1,473,162
Investment earnings (losses)	8,054,875	(76,709)	7,978,166	(3,277,856)	(42,259)	(3,320,115)
Other program and miscellaneous	1,455,605		1,455,605	2,039,744		2,039,744
Material resources donated in-kind	4,735,827		4,735,827	5,406,309		5,406,309
Net assets released from restrictions	10,603,306	(10,603,306)	-	9,768,629	(9,768,629)	-
Total revenue	54,459,452	(750,993)	53,708,459	45,590,946	1,789,335	47,380,281
Expenses:						
Programs:						
Disaster relief	14,480,724		14,480,724	12,883,520		12,883,520
Justice and peacebuilding	7,680,837		7,680,837	6,843,349		6,843,349
Sustainable community development	17,885,987		17,885,987	15,688,228		15,688,228
Total program expenses	40,047,548		40,047,548	35,415,097		35,415,097
General administration	6,168,903		6,168,903	5,351,285		5,351,285
Fundraising	3,300,680		3,300,680	2,887,572		2,887,572
Total expenses	49,517,131		49,517,131	43,653,954		43,653,954
Change in net assets	4,942,321	(750,993)	4,191,328	1,936,992	1,789,335	3,726,327
Net assets:						
Beginning of year	71,162,743	10,743,919	81,906,662	69,225,751	8,954,584	78,180,335
End of year	\$ 76,105,064	\$ 9,992,926	\$ 86,097,990	\$ 71,162,743	\$ 10,743,919	\$ 81,906,662

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024

2024	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 3,646,248	\$ 4,376,041	\$ 6,036,274	\$ 4,417,331	\$ 2,538,050	\$ 21,013,944
Travel	368,754	675,261	907,439	276,755	174,737	2,402,946
Grants	4,254,811	1,325,393	6,906,490		9,512	12,496,206
Freight	419,803		108,319			528,122
Occupancy	264,803	181,034	365,741	213,390	14,228	1,039,196
Supplies	734,239	47,526	460,210	111,521	11,474	1,364,970
Communications	74,737	61,577	115,180	112,621	90,751	454,866
Meetings and seminars	90,910	464,907	452,625	81,452	25,956	1,115,850
Professional fees	176,086	128,977	222,811	329,153	40,096	897,123
Other	727,292	420,121	585,114	626,680	395,876	2,755,083
Material resources donated in-kind	3,723,041		1,725,784			5,448,825
Total	\$ 14,480,724	\$ 7,680,837	\$ 17,885,987	\$ 6,168,903	\$ 3,300,680	\$ 49,517,131

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2023

2023	Disaster relief	Justice and peacebuilding	Sustainable community development	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 3,158,232	\$ 3,852,291	\$ 5,880,399	\$ 3,618,085	\$ 2,147,826	\$ 18,656,833
Travel	299,575	505,284	810,704	278,398	118,237	2,012,198
Grants	3,872,766	1,297,234	4,826,080		8,465	10,004,545
Freight	404,361		126,795			531,156
Occupancy	212,849	171,288	368,670	250,470	15,783	1,019,060
Supplies	989,514	57,296	428,846	337,923	14,455	1,828,034
Communications	55,631	58,131	145,028	108,976	104,719	472,485
Meetings and seminars	75,131	417,339	390,059	100,875	12,760	996,164
Professional fees	123,874	100,742	225,917	155,677	31,672	637,882
Other	775,844	383,744	644,504	500,881	433,655	2,738,628
Material resources donated in-kind	2,915,743		1,841,226			4,756,969
Total	\$ 12,883,520	\$ 6,843,349	\$ 15,688,228	\$ 5,351,285	\$ 2,887,572	\$ 43,653,954

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,191,328	\$ 3,726,327
Adjustments:		
Depreciation	818,468	775,004
Unrealized (gain) loss on investments	(6,359,737)	4,082,761
Realized loss on investments	30,497	395,592
Gain on disposal of property and equipment	(11,215)	(38,278)
Foreign exchange rate gains	(70,488)	(88,679)
Operating lease right-of-use assets, net of amortization	24,437	41,625
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, trade and others	218,538	(421,073)
Grants receivable	(114,996)	(562,515)
Inventory	664,175	6,830
Prepaid expenses	(36,397)	(220,405)
Loan receivable	129,174	711,464
Interest in MASP reserve	238,791	272,661
Beneficial interest in perpetual trusts	(1,058,365)	42,259
Increase (decrease) in:		
Payables:		
Trade and others	696,383	(69,058)
Service workers	(43,186)	53,146
Accrued salaries and benefits	138,117	(260,038)
Deferred income	36,999	(3,940)
Total adjustments	<u>(4,698,805)</u>	<u>4,717,356</u>
Net cash provided by (used in) operating activities	<u>(507,477)</u>	<u>8,443,683</u>
Cash flows from investing activities:		
Proceeds from sale of:		
Property and equipment	11,998	78,704
Investments	24,113,333	32,635,849
Purchases of:		
Investments	(19,372,520)	(38,675,527)
Property and equipment	<u>(2,803,560)</u>	<u>(1,954,178)</u>
Net cash provided by (used in) investing activities	<u>1,949,251</u>	<u>(7,915,152)</u>

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from financing activities:		
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ 70,488	\$ 88,679
Repayment of lease liabilities	<u>(15,774)</u>	<u>(12,148)</u>
Net cash provided by financing activities	<u>54,714</u>	<u>76,531</u>
Net increase in cash and cash equivalents	1,496,488	605,062
Cash and cash equivalents:		
Beginning of year	<u>6,353,286</u>	<u>5,748,224</u>
Ending of year	<u><u>\$ 7,849,774</u></u>	<u><u>\$ 6,353,286</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 2,341	\$ 2,814

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

1. Nature of the Organization and summary of significant accounting policies:

Nature of the Organization:

Mennonite Central Committee U.S. (MCC U.S. or the 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 International 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 International Program so that it will be seen as one integrated MCC International 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 22% (\$11,771,786) and 26% (\$12,518,678) of the Organization's total revenue for the years ended March 31, 2024 and 2023, 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.

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, the donor-imposed restrictions have expired or subject to self-imposed limits by action of the board.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

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

Basis of presentation:

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.

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. Receivables fall into categories of trade, grants and loans receivable. 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. Trade receivables are generally collected within a few weeks of accrual. Loan receivables are granted after an application process during which the credit risks are evaluated. Loans are evaluated for collectability by tracking payments. If payments fall behind the amortization schedule, they are considered past due. 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. Expected credit losses are determined by applying an estimated loss rate to the asset's amortized cost basis. The Organization has not incurred significant bad debts and, therefore, there was no valuation allowance recorded at March 31, 2024 and March 31, 2023.

Receivables consisted of the following at December 31:

	Accounts receivable, trade and others, net		Grants receivable	
	2024	2023	2024	2023
Beginning of year	\$ 559,382	\$ 138,309	\$ 2,166,628	\$ 1,604,113
End of year	340,844	559,382	2,281,624	2,166,628

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, 2024 AND 2023

1. Nature of the 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 \$70,488 for the year ended March 31, 2024. The amount of foreign exchange gain included in the statements of activities was \$88,679 for the year ended March 31, 2023.

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.

The Organization has interpreted the Pennsylvania Uniform Principal and Income Act and Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the receipt date of the donor-restricted endowment funds, to the extent that there are no donor stipulations to the contrary. The Organization classifies the original value of gifts donated to the endowments that are perpetual in nature and the original value of subsequent gifts made to the endowments as with donor restrictions. The earnings of the donor-restricted endowment funds are classified as without donor restrictions.

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.

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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

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

Leases:

The Organization categorizes leases at their inception as either operating or finance leases. Lease agreements cover real estate, vehicles and equipment. Operating leases are included in operating lease right-of-use assets and lease liabilities in the statements of financial position. Finance leases are included in property, plant and equipment, net and lease liabilities in the statements of financial position.

Leased assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. The Organization combines and accounts for lease and non-lease components as a single lease component for leases of real estate, vehicles and equipment. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization used a risk-free treasury rate as the discount rate for present value of lease payments, as the discount rates implicit in the Organization's leases cannot be readily determined. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain variable payments dependent upon an index or rate, nor any material residual value guarantees or material restrictive covenants. Leases that have a term of 12 months or less upon commencement date are considered short-term in nature. Accordingly, short-term leases are not included on the statements of financial position and are expensed on a straight-line basis over the lease term, which commences on the date the Organization has the right to control the property. See Note 15 for more information.

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 statements 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 statements 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.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

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

Contributed nonfinancial assets:

MCC U.S. records gifts of meat, clothing, bedding and other donated items as contributions in the accompanying statements of activities at their estimated fair value on the date received.

Donated services are reflected in the financial statements at the fair value of the services received. Donated services are recognized as contributions in accordance with generally accepted accounting principles (GAAP), if the services received: (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, the Organization receives a significant amount of donated services from unpaid volunteers who assist in program and fundraising activities. For the years ended March 31, 2024 and 2023, no amounts for the value of these services have been recognized in the statements of activities because the criteria for recognition under GAAP have not been satisfied.

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 Internal Revenue Code. 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, 2024 and 2023 totaled \$1,370,728 and \$1,232,476, 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. The most sensitive accounting estimates affecting the financial statements are: fair value of donated inventory, investments valued by management, accrual for self-funded employee healthcare costs and the Organization's share of the Mutual Aid Sharing Program (MASP) net assets available for benefits, depreciation of property and equipment, functional allocation of indirect expenses.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

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

Reclassifications:

Certain amounts in the prior period have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

2. Adoption of new accounting pronouncements:

On April 1, 2023, the Organization adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Organization adopted ASC 326 and all related subsequent amendments thereto effective April 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The change resulted in enhanced disclosures.

3. Cash and cash equivalents:

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2024, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$1,990,000. 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.

The Securities Investor Protection Corporation (SIPC) insures securities in brokerage accounts up to \$500,000, limited to \$250,000 in cash. At March 31, 2024, the amount of cash and cash equivalents held in brokerage accounts exceeded the SIPC limit by approximately \$3,760,000.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

4. Financial assets and liquidity resources:

As of March 31, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, payments on notes payable and purchases of property and equipment were as follows:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents (1)	\$ 6,420,180	\$ 5,472,053
Investments (1)	30,512,122	36,994,117
Receivables:		
Trade	340,844	559,382
Grant	2,281,624	2,166,628
Current portion loans	<u>19,705</u>	<u>141,991</u>
 Total financial assets available within one year	 39,574,475	 45,334,171
 Net assets without donor restrictions, board designated (1)	 (2,656,875)	 (10,482,040)
 Net assets with donor restrictions (1)	 <u>(5,061,204)</u>	 <u>(6,956,712)</u>
 Total financial assets and liquidity resources available within one year	 <u>\$ 31,856,396</u>	 <u>\$ 27,895,419</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 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 2024 or 2023.

5. Grants receivable:

Unconditional grants receivable of \$2,281,624 and \$2,166,628 were due as of March 31, 2024 and March 31, 2023, respectively. Historically, the Organization has not incurred significant bad debts related to grants and, therefore, no allowance for credit losses related to grants is included in the accompanying financial statements for the years ended March 31, 2024 and 2023.

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. Expected credit losses are determined by applying an estimated loss rate to the asset's amortized cost basis and, therefore, no allowance for credit losses related to loans receivable is included in the accompanying financial statements for the years ended March 31, 2024 and 2023.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

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.

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, 2024 or 2023.

The beneficial interest in perpetual trusts are included in Level 2 on the following fair value table and are reported separately from investments on the consolidated statements of financial position. The fair values of investments measured on a recurring basis at March 31, 2024 and 2023 were as follows:

Valuation inputs	Investment in securities	
	2024	2023
Level 1 - Quoted prices	\$ 36,035,146	\$ 31,808,352
Level 2 - Other significant observable inputs	28,930,721	30,510,723
	<u>\$ 64,965,867</u>	<u>\$ 62,319,075</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023

7. Investment valuation and investments (continued):

Investments were comprised of the following:

	2024		2023	
	Cost	Carrying value	Cost	Carrying value
Investments held:				
Common stock	\$ 13,486,365	\$ 16,374,648	\$ 16,776,136	\$ 16,932,659
Corporate and municipal bonds	14,024,818	13,214,212	20,422,501	19,162,772
Other	877,812	923,262	884,623	898,686
	<u>28,388,995</u>	<u>30,512,122</u>	<u>38,083,260</u>	<u>36,994,117</u>
Endowment funds held:				
Common stock	16,209,151	19,660,498	14,499,756	14,875,693
Corporate and municipal bonds	11,795,896	11,136,892	9,054,235	8,457,920
Other	2,147,497	2,263,795	1,675,935	1,657,150
	<u>30,152,544</u>	<u>33,061,185</u>	<u>25,229,926</u>	<u>24,990,763</u>
	<u>\$ 58,541,539</u>	<u>\$ 63,573,307</u>	<u>\$ 63,313,186</u>	<u>\$ 61,984,880</u>

The following schedule summarizes the investment earnings and its classification in the statements of activities for the years ended March 31, 2024 and 2023:

	2024	2023
Interest, dividends and expenses	\$ 1,648,926	\$ 1,158,238
Realized loss	(30,497)	(395,592)
Unrealized gains (losses)	<u>6,359,737</u>	<u>(4,082,761)</u>
	<u>\$ 7,978,166</u>	<u>\$ (3,320,115)</u>

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

8. Property and equipment:

Property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>
Land and buildings	\$ 11,864,018	\$ 11,046,182
Construction in progress	2,138,482	1,398,263
Furniture and equipment	3,012,519	2,305,081
Vehicles	<u>2,170,557</u>	<u>1,943,376</u>
	19,185,576	16,692,902
Accumulated depreciation	<u>10,853,882</u>	<u>10,345,517</u>
Total property and equipment	<u><u>\$ 8,331,694</u></u>	<u><u>\$ 6,347,385</u></u>

Depreciation charged to expense during the years ended March 31, 2024 and 2023 totaled \$818,468 and \$775,004, 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 Secured Overnight Financing Rate (SOFR) plus 2.25% or an interest rate floor of 4%. SOFR was 5.35% at March 31, 2024. There were no borrowings on the line of credit at March 31, 2024.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023

10. Contributed nonfinancial assets:

Contributed nonfinancial assets of material resources included in the financial statements were as follows for the year ended March 31:

	<u>2024</u>	<u>2023</u>
	Total, all without donor restriction	Total, all without donor restriction
Canned meat	\$ 1,912,436	\$ 1,745,117
Grocery bags	22,872	62,500
Health kits	305,809	415,189
Medical supplies	45,600	26,887
Relief kits	426,005	752,054
School kits	508,216	633,024
Clothing	301,802	276,989
Bedding	1,213,087	1,238,234
Supplies		256,315
	<u>\$ 4,735,827</u>	<u>\$ 5,406,309</u>

The Organization did not monetize any contributed nonfinancial assets and distributes the assets as part of its program services.

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. Perpetual trusts are included as Level 2 investments in Note 7.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

12. Net assets with donor restrictions:

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

	2024	2023
Endowment funds	\$ 3,539,162	\$ 3,453,012
Beneficial interests in third-party trusts	1,392,560	334,195
Time restrictions	1,351,194	1,313,353
Program restrictions	3,710,010	5,643,359
	\$ 9,992,926	\$ 10,743,919

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.

Changes in endowment-related activities for the years ended 2024 and 2023 were as follows:

	Without donor restrictions (board designated)	With donor restrictions	Total
April 1, 2022	\$ 19,373,533	\$ 3,441,933	\$ 22,815,466
Net investment income	(1,418,600)		(1,418,600)
Contributions	5,657,405	11,079	5,668,484
March 31, 2023	23,612,338	3,453,012	27,065,350
Net investment income	3,883,930		3,883,930
Contributions	4,226,831	86,150	4,312,981
Distributions	(771,481)		(771,481)
March 31, 2024	\$ 30,951,618	\$ 3,539,162	\$ 34,490,780

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023

12. Net assets with donor restrictions (continued):

Net assets released from restrictions were as follows:

	<u>2024</u>	<u>2023</u>
Released from:		
Time restrictions expired	\$ 8,239	\$ 795,368
Program restrictions, other international activities	<u>10,595,067</u>	<u>8,973,261</u>
	<u>\$ 10,603,306</u>	<u>\$ 9,768,629</u>

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>2024</u>	<u>2023</u>
Applied to long-term assets, invested in property and equipment	\$ 8,331,694	\$ 6,347,385
Other unrestricted	<u>34,164,877</u>	<u>30,720,980</u>
	<u>42,496,571</u>	<u>37,068,365</u>
Reserved by board action (not available for current operations):		
Board-designated endowments	30,951,618	23,612,338
Capital reserve	2,656,875	4,482,040
Ten Thousand Villages reserve	<u>6,000,000</u>	<u>6,000,000</u>
	<u>33,608,493</u>	<u>34,094,378</u>
Total net assets without donor restrictions	<u>\$ 76,105,064</u>	<u>\$ 71,162,743</u>

14. MASP employee healthcare assistance benefit program:

The Organization participates in a self-funded employee healthcare assistance benefit 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, 2024 AND 2023

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

Under the MASP, the Organization is responsible for claims up to the retention of \$40,000 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 \$297,784 and \$536,575 at March 31, 2024 and 2023, respectively.

15. Leases:

The Organization has several noncancelable lease agreements for vehicles and real estate.

The assets and liabilities related to operating and finance leases, and the associated financial statement line items, as of March 31, 2024 and 2023 were as follows:

<u>Lease-related assets and liabilities</u>	<u>Financial statement line items</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Right-of-use assets:			
Operating leases	Operating lease right-of-use assets, net of amortization	\$ 105,811	\$ 188,313
Finance leases	Property, plant and equipment, net	<u>76,937</u>	<u>77,722</u>
Total right-of-use assets		<u>\$ 182,748</u>	<u>\$ 266,035</u>
Lease liabilities:			
Operating leases	Lease liabilities	\$ 105,811	\$ 188,313
Finance leases	Lease liabilities	<u>54,026</u>	<u>45,363</u>
Total lease liabilities		<u>\$ 159,837</u>	<u>\$ 233,676</u>

Rent expense totaled \$115,016 and \$82,071 for the years ended March 31, 2024 and 2023, respectively.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

15. Leases (continued):

The weighted-average discount rate and lease term assumptions used in determining the liability for the year ended March 31, 2024 were as follows:

Weighted-average remaining lease term:	
Operating leases	3.41 years
Finance leases	3.61 years
Weighted-average discount rate:	
Operating leases	3.79 %
Finance leases	4.04 %

Future minimum lease payments under these noncancelable lease agreements (with initial or remaining lease terms in excess of one year) as of March 31, 2024 are as follows:

	Operating leases	Finance leases	Total	International program
2025	\$ 40,206	\$ 17,459	\$ 57,665	\$ 74,600
2026	27,000	15,931	42,931	59,371
2027	27,000	15,931	42,931	34,988
2028	20,250	5,896	26,146	28,050
2029	<u> </u>	<u>2,747</u>	<u>2,747</u>	<u>18,600</u>
 Total future undiscounted lease payments	 114,456	 57,964	 172,420	 <u>\$ 215,609</u>
 Less imputed interest	 <u>8,645</u>	 <u>3,938</u>	 <u>12,583</u>	
 Total lease liabilities	 <u>\$ 105,811</u>	 <u>\$ 54,026</u>	 <u>\$ 159,837</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 had entered into an agreement with the Organization, whereby the Organization guaranteed TTV's bank line of credit and mortgage loans, which were entered into in January 2017. On July 18, 2023, TTV sold one of its properties. The proceeds of that sale were sufficient for TTV to pay off all debts to the bank which held the debt secured by the properties, and MCC U.S. was released from all guarantees of the TTV debt. As a result of the release of the MCC U.S. guarantees, MCC U.S. terminated all mortgages on and security interests it held in TTV property.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2024 AND 2023

16. Related parties (continued):

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.

TTV has reimbursed MCC U.S. for various operating expenses throughout the year. There was \$7,705 due from TTV at March 31, 2024 and no amounts due from TTV at March 31, 2023.

There were no amounts payable to MCC Canada at March 31, 2024 and March 31, 2023. There was \$108,961 and \$69,011 due from MCC Canada at March 31, 2024 and 2023, respectively.

17. Foreign assets and liabilities:

Foreign assets and liabilities consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 996,276	\$ 1,032,337
Accounts receivable	82,731	77,058
Grant receivable	852,973	799,579
Prepaid expenses	311,151	329,131
Property and equipment, net	848,388	564,042
Payables and accrued benefits	1,267,003	1,168,869

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023

18. Domestic and international program expenses:

Domestic and international program expenses consisted of the following:

	2024			2023		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Salaries and benefits	\$ 5,476,885	\$ 8,581,678	\$ 14,058,563	\$ 4,704,744	\$ 8,186,178	\$ 12,890,922
Travel	560,166	1,391,288	1,951,454	467,651	1,147,912	1,615,563
Grants	2,651,114	9,835,580	12,486,694	763,310	9,232,770	9,996,080
Freight	80,936	447,186	528,122	81,668	449,488	531,156
Occupancy	287,892	523,686	811,578	268,451	484,356	752,807
Supplies	937,466	304,509	1,241,975	855,571	620,085	1,475,656
Communications	71,841	179,653	251,494	54,691	204,099	258,790
Meetings and seminars	227,230	781,212	1,008,442	223,293	659,236	882,529
Professional fees	66,171	461,703	527,874	38,198	412,335	450,533
Other	516,114	1,216,413	1,732,527	716,585	1,087,507	1,804,092
Material resources donated in-kind	171,339	5,277,486	5,448,825		4,756,969	4,756,969
Total	\$ 11,047,154	\$ 29,000,394	\$ 40,047,548	\$ 8,174,162	\$ 27,240,935	\$ 35,415,097
	Total expenses by priority					
	Domestic program	International program	Total program	Domestic program	International program	Total program
Disaster relief	\$ 3,219,135	\$ 11,261,589	\$ 14,480,724	\$ 2,888,358	\$ 9,995,162	\$ 12,883,520
Justice and peacebuilding	2,490,335	5,190,502	7,680,837	2,094,292	4,749,057	6,843,349
Sustainable community development	5,337,684	12,548,303	17,885,987	3,191,512	12,496,716	15,688,228
Total	\$ 11,047,154	\$ 29,000,394	\$ 40,047,548	\$ 8,174,162	\$ 27,240,935	\$ 35,415,097

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023

19. Subsequent events:

MCC U.S. has evaluated subsequent events through August 5, 2024, the date which the financial statements were available to be issued.

Independent Auditor'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, 2024 and 2023, and our report thereon dated August 5, 2024, which expressed an unmodified opinion on those consolidated 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 Plus

Lancaster, Pennsylvania
August 5, 2024

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

(See independent auditor's report on consolidating information)

	ASSETS						
	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
Cash and cash equivalents:							
Cash	\$ 2,351,843		\$ 51,774	\$ 69,263	\$ 59,345		\$ 2,532,225
Cash equivalents in investment accounts	4,091,166	\$ 111,455	29,390	87,891	1,371		4,321,273
Cash in overseas accounts or held by agents	996,276						996,276
Total cash and cash equivalents	7,439,285	111,455	81,164	157,154	60,716		7,849,774
Accounts receivable, trade and others, net	338,203	161	10		2,470		340,844
Due from related entity		3,408,446	1,407,370	926,670	1,285,174	\$(7,027,660)	-
Grants receivable	2,281,624						2,281,624
Inventory	3,195,648				52,205		3,247,853
Prepaid expenses	693,487	9,048	4,267	7,499	11,712		726,013
Investments	57,516,520	2,581,444	912,078	1,991,779	571,486		63,573,307
Loan receivable	1,414,447	100,000		300,000			1,814,447
Interest in MASP reserve	297,784						297,784
Beneficial interest in perpetual trusts	1,392,560						1,392,560
Property and equipment, net	5,317,310	571,065	1,787,312	344,727	311,280		8,331,694
Operating lease right-of-use assets, net of amortization	2,536	8,917		94,358			105,811
Total assets	\$ 79,889,404	\$ 6,790,536	\$ 4,192,201	\$ 3,822,187	\$ 2,295,043	\$(7,027,660)	\$ 89,961,711

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

(See independent auditor's report on consolidating information)

LIABILITIES AND NET ASSETS

	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
Liabilities:							
Payables:							
Trade and others	\$ 1,848,340		\$ 119,791	\$ 63,562	\$ 9,876		\$ 2,041,569
Service workers	587,278						587,278
Due to related entity	7,027,660					\$(7,027,660)	-
Accrued salaries and benefits	645,043	\$ 154,625	64,349	99,030	72,491		1,035,538
Deferred income	39,499						39,499
Lease liabilities	26,193	39,286		94,358			159,837
Total liabilities	10,174,013	193,911	184,140	256,950	82,367	(7,027,660)	3,863,721
Net assets:							
Without donor restrictions:							
Designated by Mennonite Central Committee	33,608,493						33,608,493
Undesignated	26,895,959	6,344,119	3,779,088	3,331,751	2,145,654		42,496,571
Total without donor restrictions	60,504,452	6,344,119	3,779,088	3,331,751	2,145,654		76,105,064
With donor restrictions	9,210,939	252,506	228,973	233,486	67,022		9,992,926
Total net assets	69,715,391	6,596,625	4,008,061	3,565,237	2,212,676		86,097,990
Total liabilities and net assets	\$ 79,889,404	\$ 6,790,536	\$ 4,192,201	\$ 3,822,187	\$ 2,295,043	\$ (7,027,660)	\$ 89,961,711

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

(See independent auditor's report on consolidating information)

	ASSETS						
	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
Cash and cash equivalents:							
Cash	\$ 3,372,783		\$ 71,629	\$ 21,858	\$ 36,576		\$ 3,502,846
Cash equivalents in investment accounts	1,690,036	\$ 68,954	1,378	56,688	1,047		1,818,103
Cash in overseas accounts or held by agents	1,032,337						1,032,337
Total cash and cash equivalents	6,095,156	68,954	73,007	78,546	37,623		6,353,286
Accounts receivable, trade and others, net	550,157	85	1,912	7,228			559,382
Due from related entity		3,102,262	1,344,088	1,520,850	1,347,040	\$(7,314,240)	-
Grants receivable	2,166,628						2,166,628
Inventory	3,822,400				89,628		3,912,028
Prepaid expenses	660,697	4,309	19,360	4,900	350		689,616
Investments	57,437,532	2,000,200	621,782	1,568,801	356,565		61,984,880
Loans receivable	1,643,621			300,000			1,943,621
Interest in MASP reserve	536,575						536,575
Beneficial interest in perpetual trusts	334,195						334,195
Property and equipment, net	3,817,574	579,714	1,361,913	291,379	296,805		6,347,385
Operating lease right-of-use assets, net of amortization	35,133	35,901		117,279			188,313
Total assets	\$ 77,099,668	\$ 5,791,425	\$ 3,422,062	\$ 3,888,983	\$ 2,128,011	\$(7,314,240)	\$ 85,015,909

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

(See independent auditor's report on consolidating information)

LIABILITIES AND NET ASSETS

	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
Liabilities:							
Payables:							
Trade and others	\$ 1,197,803	\$ 2,891	\$ 108,985	\$ 20,925	\$ 14,582		\$ 1,345,186
Service workers	630,464						630,464
Due to related entity	7,314,240					\$(7,314,240)	-
Accrued salaries and benefits	520,122	144,442	73,536	91,609	67,712		897,421
Deferred income				2,500			2,500
Lease liabilities	40,681	75,716		117,279			233,676
Total liabilities	9,703,310	223,049	182,521	232,313	82,294	(7,314,240)	3,109,247
Net assets:							
Without donor restrictions:							
Designated by Mennonite Central Committee	34,094,378						34,094,378
Undesignated	23,318,717	5,339,452	2,988,589	3,441,979	1,979,628		37,068,365
Total without donor restrictions	57,413,095	5,339,452	2,988,589	3,441,979	1,979,628		71,162,743
With donor restrictions	9,983,263	228,924	250,952	214,691	66,089		10,743,919
Total net assets	67,396,358	5,568,376	3,239,541	3,656,670	2,045,717		81,906,662
Total liabilities and net assets	\$ 77,099,668	\$ 5,791,425	\$ 3,422,062	\$ 3,888,983	\$ 2,128,011	\$ (7,314,240)	\$ 85,015,909

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2024

(See independent auditor's report on consolidating information)

	<u>U.S. and international program</u>	<u>East Coast</u>	<u>Central States</u>	<u>Great Lakes</u>	<u>West Coast</u>	<u>Total</u>
Activities without donor restrictions:						
Revenue:						
Contributions	\$ 21,262,176	\$ 2,999,212	\$ 1,930,531	\$ 2,080,273	\$ 1,337,647	\$ 29,609,839
Investment earnings	6,619,307	577,011	260,481	426,258	171,818	8,054,875
Other program and miscellaneous	678,224	396,560	88,698	133,413	158,710	1,455,605
Material resources donated in-kind	4,550,990	170,407		14,430		4,735,827
Net assets released from restrictions	<u>10,268,328</u>	<u>114,706</u>	<u>70,725</u>	<u>139,356</u>	<u>10,191</u>	<u>10,603,306</u>
Total revenue	<u>43,379,025</u>	<u>4,257,896</u>	<u>2,350,435</u>	<u>2,793,730</u>	<u>1,678,366</u>	<u>54,459,452</u>
Expenses:						
Programs:						
Disaster relief	12,233,932	932,055	311,265	854,167	149,305	14,480,724
Justice and peacebuilding	6,484,819	518,887	172,110	197,427	307,594	7,680,837
Sustainable community development	15,273,687	715,105	383,726	1,129,462	384,007	17,885,987
General administration	4,366,050	551,618	363,350	410,241	477,644	6,168,903
Fundraising	<u>1,929,180</u>	<u>535,564</u>	<u>329,485</u>	<u>312,661</u>	<u>193,790</u>	<u>3,300,680</u>
Total expenses	<u>40,287,668</u>	<u>3,253,229</u>	<u>1,559,936</u>	<u>2,903,958</u>	<u>1,512,340</u>	<u>49,517,131</u>
Change in net assets without donor restrictions	<u>3,091,357</u>	<u>1,004,667</u>	<u>790,499</u>	<u>(110,228)</u>	<u>166,026</u>	<u>4,942,321</u>

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2024

(See independent auditor's report on consolidating information)

	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Total
Donor restricted activities:						
Revenue:						
Contributions	\$ 8,693,405	\$ 138,233	\$ 48,746	\$ 132,326	\$ 11,124	\$ 9,023,834
Grants	879,308	55		25,825		905,188
Investment earnings (loss)	(76,709)					(76,709)
Net assets released from restrictions	<u>(10,268,328)</u>	<u>(114,706)</u>	<u>(70,725)</u>	<u>(139,356)</u>	<u>(10,191)</u>	<u>(10,603,306)</u>
Change in net assets with donor restrictions	<u>(772,324)</u>	<u>23,582</u>	<u>(21,979)</u>	<u>18,795</u>	<u>933</u>	<u>(750,993)</u>
Change in net assets	2,319,033	1,028,249	768,520	(91,433)	166,959	4,191,328
Net assets:						
Beginning of year	<u>67,396,358</u>	<u>5,568,376</u>	<u>3,239,541</u>	<u>3,656,670</u>	<u>2,045,717</u>	<u>81,906,662</u>
End of year	<u>\$ 69,715,391</u>	<u>\$ 6,596,625</u>	<u>\$ 4,008,061</u>	<u>\$ 3,565,237</u>	<u>\$ 2,212,676</u>	<u>\$ 86,097,990</u>

See notes to consolidated financial statements.

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED MARCH 31, 2023

(See independent auditor's report on consolidating information)

	<u>U.S. and international program</u>	<u>East Coast</u>	<u>Central States</u>	<u>Great Lakes</u>	<u>West Coast</u>	<u>Total</u>
Activities without donor restrictions:						
Revenue:						
Contributions	\$ 23,311,223	\$ 2,991,980	\$ 1,911,641	\$ 2,085,837	\$ 1,353,439	\$ 31,654,120
Investment loss	(2,638,157)	(257,229)	(115,119)	(191,934)	(75,417)	(3,277,856)
Other program and miscellaneous	1,001,784	545,574	101,026	159,851	231,509	2,039,744
Material resources donated in-kind	5,232,137	174,172				5,406,309
Net assets released from restrictions	9,467,026	62,909	86,865	143,579	8,250	9,768,629
Total revenue	36,374,013	3,517,406	1,984,413	2,197,333	1,517,781	45,590,946
Expenses:						
Programs:						
Disaster relief	11,113,300	1,046,225	280,764	435,103	8,128	12,883,520
Justice and peacebuilding	5,781,620	410,359	276,623	178,354	196,393	6,843,349
Sustainable community development	13,228,980	819,720	255,503	1,006,668	377,357	15,688,228
General administration	3,090,797	576,055	412,302	438,359	833,772	5,351,285
Fundraising	1,605,697	497,520	301,765	345,546	137,044	2,887,572
Total expenses	34,820,394	3,349,879	1,526,957	2,404,030	1,552,694	43,653,954
Change in net assets without donor restrictions	1,553,619	167,527	457,456	(206,697)	(34,913)	1,936,992

(continued)

MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2023

(See independent auditor's report on consolidating information)

	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Total
Donor restricted activities:						
Revenue:						
Contributions	\$ 9,855,764	\$ 60,455	\$ 74,868	\$ 126,215	\$ 9,759	\$ 10,127,061
Grants	1,466,829	6,333				1,473,162
Investment loss	(42,259)					(42,259)
Net assets released from restrictions	<u>(9,467,026)</u>	<u>(62,909)</u>	<u>(86,865)</u>	<u>(143,579)</u>	<u>(8,250)</u>	<u>(9,768,629)</u>
Change in net assets with donor restrictions	<u>1,813,308</u>	<u>3,879</u>	<u>(11,997)</u>	<u>(17,364)</u>	<u>1,509</u>	<u>1,789,335</u>
Change in net assets	3,366,927	171,406	445,459	(224,061)	(33,404)	3,726,327
Net assets:						
Beginning of year	<u>64,029,431</u>	<u>5,396,970</u>	<u>2,794,082</u>	<u>3,880,731</u>	<u>2,079,121</u>	<u>78,180,335</u>
End of year	<u>\$ 67,396,358</u>	<u>\$ 5,568,376</u>	<u>\$ 3,239,541</u>	<u>\$ 3,656,670</u>	<u>\$ 2,045,717</u>	<u>\$ 81,906,662</u>

See notes to consolidated financial statements.