



**Mennonite  
Central  
Committee**

**YEARS ENDED  
MARCH 31, 2025 AND 2024**



**Brown Plus**  
ACCOUNTANTS + ADVISORS

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

YEARS ENDED MARCH 31, 2025 AND 2024

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## Independent Auditor's Report

Board of Directors  
Mennonite Central Committee U.S. and Subsidiaries  
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, 2025 and 2024 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, 2025 and 2024 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 14, 2025

# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
<b>Cash and cash equivalents:</b>		
Cash	\$ 3,927,313	\$ 2,532,225
Cash equivalents in investment accounts	3,821,796	4,321,273
Cash in overseas accounts or held by agents	<u>817,346</u>	<u>996,276</u>
<b>Total cash and cash equivalents</b>	<b>8,566,455</b>	<b>7,849,774</b>
Accounts receivable, trade and others, net	590,059	340,844
Grants and estates receivable	1,196,178	2,281,624
Inventory	3,150,602	3,247,853
Prepaid expenses	818,121	726,013
Investments	60,740,843	63,573,307
Loans receivable	2,544,559	1,814,447
Interest in MASP reserve	607,950	297,784
Beneficial interest in perpetual trusts	1,387,137	1,392,560
Property and equipment, net of accumulated depreciation	9,922,280	8,331,694
Operating lease right-of-use assets, net of amortization	<u>144,619</u>	<u>105,811</u>
<b>Total assets</b>	<b><u>\$ 89,668,803</u></b>	<b><u>\$ 89,961,711</u></b>
LIABILITIES AND NET ASSETS		
<b>Liabilities:</b>		
Payables:		
Trade and others	\$ 2,212,085	\$ 2,041,569
Service workers	402,652	587,278
Accrued salaries and benefits	1,214,097	1,035,538
Deferred income	37,063	39,499
Lease liabilities:		
Operating	144,619	105,811
Finance	<u>38,355</u>	<u>54,026</u>
<b>Total liabilities</b>	<b><u>4,048,871</u></b>	<b><u>3,863,721</u></b>
<b>Net assets:</b>		
Without donor restrictions:		
Designated by Mennonite Central Committee	38,221,981	33,608,493
Undesignated	<u>39,060,057</u>	<u>42,496,571</u>
Total without donor restrictions	77,282,038	76,105,064
With donor restrictions	<u>8,337,894</u>	<u>9,992,926</u>
<b>Total net assets</b>	<b><u>85,619,932</u></b>	<b><u>86,097,990</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 89,668,803</u></b>	<b><u>\$ 89,961,711</u></b>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MARCH 31, 2025 AND 2024**

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenue:</b>						
Contributions	\$ 29,944,163	\$ 7,191,025	\$ 37,135,188	\$ 29,609,839	\$ 9,023,834	\$ 38,633,673
Grants	-	939,471	939,471	-	905,188	905,188
Investment earnings (losses)	3,654,154	(5,423)	3,648,731	8,054,875	(76,709)	7,978,166
Other program and miscellaneous	1,750,209	-	1,750,209	1,455,605	-	1,455,605
Material resources donated in-kind	4,848,381	-	4,848,381	4,735,827	-	4,735,827
Net assets released from restrictions	9,780,105	(9,780,105)	-	10,603,306	(10,603,306)	-
<b>Total revenue</b>	<b>49,977,012</b>	<b>(1,655,032)</b>	<b>48,321,980</b>	<b>54,459,452</b>	<b>(750,993)</b>	<b>53,708,459</b>
<b>Expenses:</b>						
Program services:						
Disaster relief	11,980,560	-	11,980,560	14,480,724	-	14,480,724
Justice and peacebuilding	8,244,294	-	8,244,294	7,680,837	-	7,680,837
Sustainable community development	18,226,914	-	18,226,914	17,885,987	-	17,885,987
<b>Total program services</b>	<b>38,451,768</b>	<b>-</b>	<b>38,451,768</b>	<b>40,047,548</b>	<b>-</b>	<b>40,047,548</b>
Supporting services:						
General administration	6,755,867	-	6,755,867	6,168,903	-	6,168,903
Fundraising	3,592,403	-	3,592,403	3,300,680	-	3,300,680
<b>Total supporting services</b>	<b>10,348,270</b>	<b>-</b>	<b>10,348,270</b>	<b>9,469,583</b>	<b>-</b>	<b>9,469,583</b>
<b>Total expenses</b>	<b>48,800,038</b>	<b>-</b>	<b>48,800,038</b>	<b>49,517,131</b>	<b>-</b>	<b>49,517,131</b>
<b>Change in net assets</b>	<b>1,176,974</b>	<b>(1,655,032)</b>	<b>(478,058)</b>	<b>4,942,321</b>	<b>(750,993)</b>	<b>4,191,328</b>
<b>Net assets:</b>						
Beginning of year	76,105,064	9,992,926	86,097,990	71,162,743	10,743,919	81,906,662
<b>End of year</b>	<b>\$ 77,282,038</b>	<b>\$ 8,337,894</b>	<b>\$ 85,619,932</b>	<b>\$ 76,105,064</b>	<b>\$ 9,992,926</b>	<b>\$ 86,097,990</b>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2025

	Program services				Supporting services		Total expenses
	Disaster relief	Justice and peacebuilding	Sustainable community development	Total	General administration	Fundraising	
Salaries and benefits	\$ 3,678,910	\$ 4,801,265	\$ 7,294,720	\$ 15,774,895	\$ 4,791,570	\$ 2,782,710	\$ 23,349,175
Travel	349,700	730,922	1,159,524	2,240,146	278,849	160,048	2,679,043
Grants	2,309,864	1,342,450	5,446,685	9,098,999	-	9,400	9,108,399
Freight	393,283	13	123,932	517,228	-	-	517,228
Occupancy	266,596	192,662	413,103	872,361	302,311	25,748	1,200,420
Supplies	514,628	47,499	495,685	1,057,812	121,555	13,114	1,192,481
Communications	56,499	56,079	138,205	250,783	112,021	99,475	462,279
Meetings and seminars	78,129	514,913	489,648	1,082,690	93,150	25,475	1,201,315
Professional fees	159,774	204,335	317,097	681,206	298,715	48,983	1,028,904
Other	734,272	354,156	909,165	1,997,593	757,696	427,450	3,182,739
Material resources donated in-kind	3,438,905	-	1,439,150	4,878,055	-	-	4,878,055
<b>Total</b>	<b>\$ 11,980,560</b>	<b>\$ 8,244,294</b>	<b>\$ 18,226,914</b>	<b>\$ 38,451,768</b>	<b>\$ 6,755,867</b>	<b>\$ 3,592,403</b>	<b>\$ 48,800,038</b>

See notes to consolidated financial statements.

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2024

	Program services				Supporting services		
	Disaster relief	Justice and peacebuilding	Sustainable community development	Total	General administration	Fundraising	Total expenses
Salaries and benefits	\$ 3,646,248	\$ 4,376,041	\$ 6,036,274	\$ 14,058,563	\$ 4,417,331	\$ 2,538,050	\$ 21,013,944
Travel	368,754	675,261	907,439	1,951,454	276,755	174,737	2,402,946
Grants	4,254,811	1,325,393	6,906,490	12,486,694	-	9,512	12,496,206
Freight	419,803	-	108,319	528,122	-	-	528,122
Occupancy	264,803	181,034	365,741	811,578	213,390	14,228	1,039,196
Supplies	734,239	47,526	460,210	1,241,975	111,521	11,474	1,364,970
Communications	74,737	61,577	115,180	251,494	112,621	90,751	454,866
Meetings and seminars	90,910	464,907	452,625	1,008,442	81,452	25,956	1,115,850
Professional fees	176,086	128,977	222,811	527,874	329,153	40,096	897,123
Other	727,292	420,121	585,114	1,732,527	626,680	395,876	2,755,083
Material resources donated in-kind	3,723,041	-	1,725,784	5,448,825	-	-	5,448,825
<b>Total</b>	<b>\$ 14,480,724</b>	<b>\$ 7,680,837</b>	<b>\$ 17,885,987</b>	<b>\$ 40,047,548</b>	<b>\$ 6,168,903</b>	<b>\$ 3,300,680</b>	<b>\$ 49,517,131</b>

See notes to consolidated financial statements.



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

## CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (478,058)	\$ 4,191,328
Adjustments:		
Depreciation	1,086,991	818,468
Unrealized (gains) on investments	(709,328)	(6,359,737)
Realized (gains) losses on investments	(1,190,374)	30,497
(Gain) on disposal of property and equipment	(26,048)	(11,215)
Foreign exchange rate gains	(17,072)	(70,488)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, trade and others	(249,215)	218,538
Grants and estates receivable	1,085,446	(114,996)
Inventory	97,251	664,175
Prepaid expenses	(92,108)	(36,397)
Loans receivable	(730,112)	129,174
Interest in MASP reserve	(310,166)	238,791
Beneficial interest in perpetual trusts	5,423	(1,058,365)
Increase (decrease) in:		
Payables:		
Trade and others	170,516	696,383
Service workers	(184,626)	(43,186)
Accrued salaries and benefits	178,559	138,117
Deferred income	(2,436)	36,999
Total adjustments	(887,299)	(4,723,242)
<b>Net cash used in operating activities</b>	<b>(1,365,357)</b>	<b>(531,914)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of:		
Property and equipment	31,400	11,998
Investments	15,401,598	24,113,333
Purchases of:		
Investments	(10,669,432)	(19,372,520)
Property and equipment	(2,682,929)	(2,803,560)
<b>Net cash provided by investing activities</b>	<b>2,080,637</b>	<b>1,949,251</b>

(continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED MARCH 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from financing activities:</b>		
Effect of foreign currency exchange rate changes on cash and cash equivalents	\$ 17,072	\$ 70,488
Addition (reduction) of finance lease liabilities	<u>(15,671)</u>	<u>8,663</u>
<b>Net cash provided by financing activities</b>	<u><b>1,401</b></u>	<u><b>79,151</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>716,681</b>	<b>1,496,488</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>7,849,774</u>	<u>6,353,286</u>
<b>Ending of year</b>	<u><b>\$ 8,566,455</b></u>	<u><b>\$ 7,849,774</b></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 1,788	\$ 2,341

See notes to consolidated financial statements.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

#### *Nature of the Organization and principles of consolidation:*

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 consolidated 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 consolidated 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 25% (\$12,168,647) and 22% (\$11,771,786) of the Organization's total revenue for the years ended March 31, 2025 and 2024, 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, 2025 AND 2024

### 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 consolidated 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 consolidated 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 fall into categories of trade, grants and estates and loans receivable. Receivables are stated at the amount management expects to collect from outstanding balances. Management uses the expected loss method to estimate losses. 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. Management's evaluation of the adequacy of the allowance is based on the Organization's past experience, current economic conditions and reasonable and supportable forecasts. The Organization has determined that any credit losses would be immaterial and there was no valuation allowance recorded at March 31, 2025 and March 31, 2024.

Receivables consisted of the following at March 31:

	<u>Accounts receivable, trade and others, net</u>		<u>Grants and estates receivable</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 340,844	\$ 559,382	\$ 2,281,624	\$ 2,166,628
End of year	590,059	340,844	1,196,178	2,281,624

#### *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, 2025 AND 2024

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

#### *Foreign currency:*

The consolidated 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 gains included in the consolidated statements of activities was \$17,072 and \$70,488 for the years ended March 31, 2025 and 2024, 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.

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 over the following estimated useful lives:

Buildings	8 to 32 years
Furniture and equipment	3 to 10 years
Vehicles	3 to 10 years

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, 2025 AND 2024**

### **1. Nature of the 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.

#### *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, net of amortization and operating lease liabilities in the consolidated statements of financial position. Finance leases are included in property, plant and equipment, net of accumulated depreciation and finance lease liabilities in the consolidated 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 consolidated 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 generally recognized as revenue when received or pledged. 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 consolidated 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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

#### *Revenue recognition:*

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 consolidated 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.

#### *Contributed nonfinancial assets:*

MCC U.S. records gifts of meat, clothing, bedding and other donated items as material resources donated in-kind in the accompanying consolidated statements of activities at their estimated fair value on the date received. The fair value technique used to estimate the fair value of contributed nonfinancial assets includes utilizing the estimated U.S. wholesale prices of identical or similar products using pricing data under a "like-kind" methodology considering the goods condition and utility for use at the time of the contribution.

Donated services are reflected in the consolidated 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, 2025 and 2024, no amounts for the value of these services have been recognized in the consolidated statements of activities because the criteria for recognition under GAAP have not been satisfied.

#### *Functional allocation of expenses:*

Expenses are summarized and categorized based on their natural classification of expense by function in the consolidated statements of functional expenses. The costs of providing the various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program and supporting services 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 consolidated financial statements.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

#### *Income taxes:*

The Organization is recognized as a church, convention or association of churches within the meaning of Section 170 (b)(1)(A)(i) of the Internal Revenue Code. As such, the Organization is not required to file a Form 990, *Return of Organization Exempt from Income Tax*, with the United States government annually.

#### *Use of estimates:*

The preparation of the consolidated 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 consolidated 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 consolidated financial statements include management's estimate of the fair value of donated inventory and the functional allocation of expenses.

#### *Reclassifications:*

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

### **2. Cash and cash equivalents:**

MCC U.S. maintains several bank accounts which may at times exceed the federally insured limits. At March 31, 2025, the amount of deposits in cash held at various banks exceeded the Federal Deposit Insurance Corporation (FDIC) limit by approximately \$3,492,000. 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, 2025, the amount of cash and cash equivalents held in brokerage accounts exceeded the SIPC limit by approximately \$3,267,000.



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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

As of March 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents (1)	\$ 6,889,101	\$ 6,420,180
Investments (1)	26,365,948	30,512,122
Receivables:		
Trade	590,059	340,844
Grant	1,196,178	2,281,624
Current portion loans	<u>606,497</u>	<u>19,705</u>
 Total financial assets available within one year	 35,647,783	 39,574,475
 Net assets without donor restrictions, board designated (1)	 (2,368,338)	 (2,656,875)
 Net assets with donor restrictions (1)	 <u>(3,404,995)</u>	 <u>(5,061,204)</u>
 Total financial assets and liquidity resources available within one year	 <u>\$ 29,874,450</u>	 <u>\$ 31,856,396</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 2025 or 2024.

#### **4. Grants and estates receivable:**

Unconditional grants and estates receivable of \$1,196,178 and \$2,281,624 were due as of March 31, 2025 and March 31, 2024, respectively. Historically, the Organization has not incurred significant bad debts related to grants and estates and, therefore, no allowance for credit losses related to grants and estates is included in the accompanying consolidated financial statements for the years ended March 31, 2025 and 2024.

#### **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. 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 consolidated financial statements for the years ended March 31, 2025 and 2024.

# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024

### 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 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, 2025 or 2024.

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, 2025 and 2024 were as follows:

Valuation inputs	2025	2024
Level 1 - Quoted prices	\$ 34,856,782	\$ 36,035,146
Level 2 - Other significant observable inputs	27,271,198	28,930,721
	<u>\$ 62,127,980</u>	<u>\$ 64,965,867</u>
Reconciliation to the consolidated statements of financial position:		
Investments	\$ 60,740,843	\$ 63,573,307
Beneficial interest in perpetual trusts	1,387,137	1,392,560
	<u>\$ 62,127,980</u>	<u>\$ 64,965,867</u>

# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024

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

Investments were comprised of the following:

	2025		2024	
	Cost	Carrying value	Cost	Carrying value
Investments held:				
Common stock	\$ 12,339,252	\$ 14,705,456	\$ 13,486,365	\$ 16,374,648
Corporate and municipal bonds	11,241,369	10,744,365	14,024,818	13,214,212
Other	817,326	916,127	877,812	923,262
	<u>24,397,947</u>	<u>26,365,948</u>	<u>28,388,995</u>	<u>30,512,122</u>
Endowment funds held:				
Common stock	16,220,661	20,151,326	16,209,151	19,660,498
Corporate and municipal bonds	12,328,998	11,862,513	11,795,896	11,136,892
Other	2,078,627	2,361,056	2,147,497	2,263,795
	<u>30,628,286</u>	<u>34,374,895</u>	<u>30,152,544</u>	<u>33,061,185</u>
	<u>\$ 55,026,233</u>	<u>\$ 60,740,843</u>	<u>\$ 58,541,539</u>	<u>\$ 63,573,307</u>

The following schedule summarizes the investment earnings and its classification in the consolidated statements of activities for the years ended March 31, 2025 and 2024:

	2025	2024
Interest and dividends, net of investment expenses	\$ 1,749,029	\$ 1,648,926
Realized gains (losses)	1,190,374	(30,497)
Unrealized gains	<u>709,328</u>	<u>6,359,737</u>
Total investment earnings	<u>\$ 3,648,731</u>	<u>\$ 7,978,166</u>

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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

Property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Land and buildings	\$ 14,679,766	\$ 11,864,018
Construction in progress	551,589	2,138,482
Furniture and equipment	3,918,442	3,012,519
Vehicles	<u>2,480,212</u>	<u>2,170,557</u>
	21,630,009	19,185,576
Accumulated depreciation	<u>11,707,729</u>	<u>10,853,882</u>
Total property and equipment	<u><u>\$ 9,922,280</u></u>	<u><u>\$ 8,331,694</u></u>

Depreciation expense during the years ended March 31, 2025 and 2024 totaled \$1,086,991 and \$818,468, 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 Secured Overnight Financing Rate (SOFR) plus 2.25% or an interest rate floor of 4%. SOFR was 4.39% at March 31, 2025. There was no outstanding balance on the line of credit at March 31, 2025 and 2024.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

### **9. Contributed nonfinancial assets:**

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

	<u>2025</u>	<u>2024</u>
	Total, all without donor restriction	Total, all without donor restriction
Canned meat	\$ 2,733,379	\$ 1,912,436
Grocery bags	600	22,872
Health kits	332,356	305,809
Medical supplies	41,370	45,600
Relief kits	540,357	426,005
School kits	298,775	508,216
Clothing	304,339	301,802
Bedding	<u>597,205</u>	<u>1,213,087</u>
	<u><u>\$ 4,848,381</u></u>	<u><u>\$ 4,735,827</u></u>

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

### **10. 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 consolidated 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 6.

### **11. 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, 2025 and 2024 totaled \$1,464,091 and \$1,370,728, respectively.

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

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

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

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

	<u>2025</u>	<u>2024</u>
Endowment funds	\$ 3,545,762	\$ 3,539,162
Beneficial interests in third-party trusts	1,387,137	1,392,560
Time restrictions	661,015	1,351,194
Program restrictions	<u>2,743,980</u>	<u>3,710,010</u>
	<u>\$ 8,337,894</u>	<u>\$ 9,992,926</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, 2025 AND 2024

### 12. Net assets with donor restrictions (continued):

#### Endowment fund:

Changes in endowment-related activities for the years ended March 31, 2025 and 2024 were as follows:

	Without donor restrictions (board designated)	With donor restrictions	Total
April 1, 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
Net investment income	3,373,659		3,373,659
Contributions	2,028,366	6,600	2,034,966
Distributions	(500,000)		(500,000)
March 31, 2025	<u>\$ 35,853,643</u>	<u>\$ 3,545,762</u>	<u>\$ 39,399,405</u>

Net assets released from restrictions during the years ended March 31, 2025 and 2024 were as follows:

	2025	2024
Released from:		
Time restrictions expired	\$ 9,912	\$ 8,239
Program restrictions, other international activities	<u>9,770,193</u>	<u>10,595,067</u>
	<u>\$ 9,780,105</u>	<u>\$ 10,603,306</u>

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024**

### **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 as of March 31, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>
Applied to long-term assets, invested in property and equipment	\$ 9,922,280	\$ 8,331,694
Other unrestricted	<u>29,137,777</u>	<u>34,164,877</u>
	<u>39,060,057</u>	<u>42,496,571</u>
Reserved by board action (not available for current operations):		
Board-designated endowments	35,853,643	30,951,618
Capital reserve	<u>2,368,338</u>	<u>2,656,875</u>
	<u>38,221,981</u>	<u>33,608,493</u>
Total net assets without donor restrictions	<u><u>\$ 77,282,038</u></u>	<u><u>\$ 76,105,064</u></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.

Under the MASP, the Organization is responsible for claims up to the retention of \$60,000 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 \$607,950 and \$297,784 at March 31, 2025 and 2024, respectively.



# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024

### 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 consolidated financial statement line items, as of March 31, 2025 and 2024, were as follows:

Lease-related assets and liabilities	Financial statement line items	March 31, 2025	March 31, 2024
Right-of-use assets:			
Operating leases	Operating lease right-of-use assets, net of amortization	\$ 144,619	\$ 105,811
Finance leases	Property and equipment, net of accumulated depreciation	<u>50,907</u>	<u>76,937</u>
Total right-of-use assets		<u>\$ 195,526</u>	<u>\$ 182,748</u>
Lease liabilities:			
Operating leases	Operating lease liabilities	\$ 144,619	\$ 105,811
Finance leases	Finance lease liabilities	<u>38,355</u>	<u>54,026</u>
Total lease liabilities		<u>\$ 182,974</u>	<u>\$ 159,837</u>

Rent expense totaled \$160,509 and \$115,016 for the years ended March 31, 2025 and 2024, respectively, and is included in occupancy expenses on the consolidated statements of functional expenses.

Amortization and interest expense on the finance leases totaled \$26,030 and \$1,788, respectively, during the year ended March 31, 2025. Amortization and interest expense on the finance leases totaled \$35,222 and \$2,341, respectively, during the year ended March 31, 2024. Amortization and interest expense are included in other expenses on the consolidated statements of functional expenses.

The weighted-average discount rate and lease term assumptions used in determining the liability for the year ended March 31, 2025 were as follows:

Weighted-average remaining lease term:	
Operating leases	2.56 years
Finance leases	2.74 years
Weighted-average discount rate:	
Operating leases	3.83 %
Finance leases	3.70 %

# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024

### 15. Leases (continued):

Future minimum lease payments under these noncancelable lease agreements (with initial or remaining lease terms in excess of one year) as of March 31, 2025 are as follows:

Year ending March 31,	Operating leases	Finance leases	Total	International program
2026	\$ 61,619	\$ 15,931	\$ 77,550	\$ 67,587
2027	61,619	15,931	77,550	53,606
2028	26,073	5,896	31,969	46,635
2029	3,206	2,747	5,953	36,685
2030	-	-	-	27,190
Total future undiscounted lease payments	152,517	40,505	193,022	<u>\$ 231,703</u>
Less imputed interest	<u>7,898</u>	<u>2,150</u>	<u>10,048</u>	
Total lease liabilities	<u>\$ 144,619</u>	<u>\$ 38,355</u>	<u>\$ 182,974</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. In March 2025, the bylaws of TTV were amended to change the Organization's representation on the TTV board from one (1) less than a majority to 20% of the 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.

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.

There were no amounts payable to MCC Canada at March 31, 2025 and March 31, 2024. There was \$121,141 and \$108,961 due from MCC Canada at March 31, 2025 and 2024, respectively.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2025 AND 2024

**17. Foreign assets and liabilities:**

Foreign assets and liabilities consisted of the following as of March 31:

	2025	2024
Cash	\$ 817,346	\$ 996,276
Accounts receivable, trade and others, net	122,608	82,731
Grants and estates receivable	538,252	852,973
Prepaid expenses	369,635	311,151
Property and equipment, net of accumulated depreciation	899,855	848,388
Payables:		
Trade and others	303,819	182,465
Service workers	488,421	511,260
Accrued salaries and benefits	402,652	573,278

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED MARCH 31, 2025 AND 2024

### 18. Domestic and international program expenses:

Domestic and international program expenses consisted of the following:

	2025			2024		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Salaries and benefits	\$ 6,219,661	\$ 9,555,234	\$ 15,774,895	\$ 5,476,885	\$ 8,581,678	\$ 14,058,563
Travel	624,807	1,615,339	2,240,146	560,166	1,391,288	1,951,454
Grants	599,256	8,499,743	9,098,999	2,651,114	9,835,580	12,486,694
Freight	105,219	412,009	517,228	80,936	447,186	528,122
Occupancy	340,214	532,147	872,361	287,892	523,686	811,578
Supplies	788,590	269,222	1,057,812	937,466	304,509	1,241,975
Communications	73,419	177,364	250,783	71,841	179,653	251,494
Meetings and seminars	283,312	799,378	1,082,690	227,230	781,212	1,008,442
Professional fees	117,617	563,589	681,206	66,171	461,703	527,874
Other	674,324	1,323,269	1,997,593	516,114	1,216,413	1,732,527
Material resources donated in-kind	180,489	4,697,566	4,878,055	171,339	5,277,486	5,448,825
Total	<u>\$ 10,006,908</u>	<u>\$ 28,444,860</u>	<u>\$ 38,451,768</u>	<u>\$ 11,047,154</u>	<u>\$ 29,000,394</u>	<u>\$ 40,047,548</u>
Total expenses by priority						
	2025			2024		
	Domestic program	International program	Total program	Domestic program	International program	Total program
Disaster relief	\$ 3,189,419	\$ 8,791,141	\$ 11,980,560	\$ 3,219,135	\$ 11,261,589	\$ 14,480,724
Justice and peacebuilding	2,804,893	5,439,401	8,244,294	2,490,335	5,190,502	7,680,837
Sustainable community development	4,012,596	14,214,318	18,226,914	5,337,684	12,548,303	17,885,987
	<u>\$ 10,006,908</u>	<u>\$ 28,444,860</u>	<u>\$ 38,451,768</u>	<u>\$ 11,047,154</u>	<u>\$ 29,000,394</u>	<u>\$ 40,047,548</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2025 AND 2024

**19. Subsequent events:**

MCC U.S. has evaluated subsequent events through August 14, 2025, the date which the consolidated financial statements were available to be issued.

Independent Auditor's Report on Consolidating Information

Board of Directors  
Mennonite Central Committee U.S. and Subsidiaries  
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, 2025 and 2024, and our report thereon dated August 14, 2025, 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 14, 2025

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

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

(See independent auditor's report on consolidating information)

	ASSETS						
	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
<b>Cash and cash equivalents:</b>							
Cash	\$ 3,797,360	\$ -	\$ 37,614	\$ 86,884	\$ 5,455	\$ -	\$ 3,927,313
Cash equivalents in investment accounts	3,480,334	119,229	2,973	217,972	1,288	-	3,821,796
Cash in overseas accounts or held by agents	817,346	-	-	-	-	-	817,346
<b>Total cash and cash equivalents</b>	<b>8,095,040</b>	<b>119,229</b>	<b>40,587</b>	<b>304,856</b>	<b>6,743</b>	<b>-</b>	<b>8,566,455</b>
Accounts receivable, trade and others, net	589,794	184	81	-	-	-	590,059
Due from related entity	-	3,345,431	1,810,012	822,780	1,324,406	(7,302,629)	-
Grants and estates receivable	1,196,178	-	-	-	-	-	1,196,178
Inventory	3,100,499	-	-	-	50,103	-	3,150,602
Prepaid expenses	793,754	12,475	1,554	6,004	4,334	-	818,121
Investments	54,927,976	2,734,896	988,854	1,487,642	601,475	-	60,740,843
Loans receivable	1,726,559	100,000	-	718,000	-	-	2,544,559
Interest in MASP reserve	607,950	-	-	-	-	-	607,950
Beneficial interest in perpetual trusts	1,387,137	-	-	-	-	-	1,387,137
Property and equipment, net of accumulated depreciation	5,652,178	1,528,802	1,961,445	484,283	295,572	-	9,922,280
Operating lease right-of-use assets, net of amortization	74,092	-	-	70,527	-	-	144,619
<b>Total assets</b>	<b>\$ 78,151,157</b>	<b>\$ 7,841,017</b>	<b>\$ 4,802,533</b>	<b>\$ 3,894,092</b>	<b>\$ 2,282,633</b>	<b>\$ (7,302,629)</b>	<b>\$ 89,668,803</b>

See notes to consolidated financial statements.

# MENNONITE CENTRAL COMMITTEE U.S. AND SUBSIDIARIES

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

(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
<b>Liabilities:</b>							
Payables:							
Trade and others	\$ 2,063,426	\$ 20,850	\$ 123,942	\$ 2,751	\$ 1,116	\$ -	\$ 2,212,085
Service workers	402,652	-	-	-	-	-	402,652
Due to related entity	7,302,629					(7,302,629)	-
Accrued salaries and benefits	758,571	157,079	79,159	133,043	86,245	-	1,214,097
Deferred income	4,663	-	-	32,400	-	-	37,063
Lease liabilities:							
Operating	74,092	-	-	70,527	-	-	144,619
Finance	17,698	20,657	-	-	-	-	38,355
<b>Total liabilities</b>	<b>10,623,731</b>	<b>198,586</b>	<b>203,101</b>	<b>238,721</b>	<b>87,361</b>	<b>(7,302,629)</b>	<b>4,048,871</b>
<b>Net assets:</b>							
Without donor restrictions:							
Designated by Mennonite Central Committee	38,221,981	-	-	-	-	-	38,221,981
Undesignated	22,473,455	6,762,053	4,316,046	3,376,729	2,131,774	-	39,060,057
Total without donor restrictions	60,695,436	6,762,053	4,316,046	3,376,729	2,131,774	-	77,282,038
With donor restrictions	6,831,990	880,378	283,386	278,642	63,498	-	8,337,894
<b>Total net assets</b>	<b>67,527,426</b>	<b>7,642,431</b>	<b>4,599,432</b>	<b>3,655,371</b>	<b>2,195,272</b>	<b>-</b>	<b>85,619,932</b>
<b>Total liabilities and net assets</b>	<b>\$ 78,151,157</b>	<b>\$ 7,841,017</b>	<b>\$ 4,802,533</b>	<b>\$ 3,894,092</b>	<b>\$ 2,282,633</b>	<b>\$ (7,302,629)</b>	<b>\$ 89,668,803</b>

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)

	ASSETS						
	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Eliminations	Total
<b>Cash and cash equivalents:</b>							
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
<b>Total cash and cash equivalents</b>	<b>7,439,285</b>	<b>111,455</b>	<b>81,164</b>	<b>157,154</b>	<b>60,716</b>	<b>-</b>	<b>7,849,774</b>
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 and estates 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
Loans 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 of accumulated depreciation	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
<b>Total assets</b>	<b>\$ 79,889,404</b>	<b>\$ 6,790,536</b>	<b>\$ 4,192,201</b>	<b>\$ 3,822,187</b>	<b>\$ 2,295,043</b>	<b>\$ (7,027,660)</b>	<b>\$ 89,961,711</b>

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
<b>Liabilities:</b>							
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:							
Operating	2,536	8,917	-	94,358	-		105,811
Finance	23,657	30,369	-	-	-	-	54,026
<b>Total liabilities</b>	<b>10,174,013</b>	<b>193,911</b>	<b>184,140</b>	<b>256,950</b>	<b>82,367</b>	<b>(7,027,660)</b>	<b>3,863,721</b>
<b>Net assets:</b>							
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
<b>Total net assets</b>	<b>69,715,391</b>	<b>6,596,625</b>	<b>4,008,061</b>	<b>3,565,237</b>	<b>2,212,676</b>	<b>-</b>	<b>86,097,990</b>
<b>Total liabilities and net assets</b>	<b>\$ 79,889,404</b>	<b>\$ 6,790,536</b>	<b>\$ 4,192,201</b>	<b>\$ 3,822,187</b>	<b>\$ 2,295,043</b>	<b>\$ (7,027,660)</b>	<b>\$ 89,961,711</b>

See notes to consolidated financial statements.

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

CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2025  
(See independent auditor's report on consolidating information)

	U.S. and international program	East Coast	Central States	Great Lakes	West Coast	Total
<b>Activities without donor restrictions:</b>						
Revenue:						
Contributions	\$ 21,349,000	\$ 3,026,223	\$ 2,006,217	\$ 2,210,441	\$ 1,352,282	\$ 29,944,163
Investment earnings	3,021,602	259,705	110,121	191,186	71,540	3,654,154
Other program and miscellaneous	796,197	357,972	116,777	216,643	262,620	1,750,209
Material resources donated in-kind	4,651,818	192,333	-	4,230	-	4,848,381
Net assets released from restrictions	9,405,945	73,000	63,524	227,560	10,076	9,780,105
Total revenue	39,224,562	3,909,233	2,296,639	2,850,060	1,696,518	49,977,012
Expenses:						
Program services:						
Disaster relief	10,104,050	1,003,706	363,490	365,961	143,353	11,980,560
Justice and peacebuilding	6,910,311	602,223	83,751	197,790	450,219	8,244,294
Sustainable community development	15,142,808	749,788	482,189	1,430,397	421,732	18,226,914
General administration	4,790,764	541,523	471,194	463,426	488,960	6,755,867
Fundraising	2,085,645	594,059	359,057	347,508	206,134	3,592,403
Total expenses	39,033,578	3,491,299	1,759,681	2,805,082	1,710,398	48,800,038
<b>Change in net assets without donor restrictions</b>	<b>190,984</b>	<b>417,934</b>	<b>536,958</b>	<b>44,978</b>	<b>(13,880)</b>	<b>1,176,974</b>

(continued)

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

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED MARCH 31, 2025

(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>
<b>Activities with donor restrictions:</b>						
Revenue:						
Contributions	\$ 6,154,541	\$ 700,872	\$ 117,937	\$ 211,123	\$ 6,552	\$ 7,191,025
Grants	877,878	-	-	61,593	-	939,471
Investment loss	(5,423)	-	-	-	-	(5,423)
Net assets released from restrictions	<u>(9,405,945)</u>	<u>(73,000)</u>	<u>(63,524)</u>	<u>(227,560)</u>	<u>(10,076)</u>	<u>(9,780,105)</u>
<b>Change in net assets with donor restrictions</b>	<b><u>(2,378,949)</u></b>	<b><u>627,872</u></b>	<b><u>54,413</u></b>	<b><u>45,156</u></b>	<b><u>(3,524)</u></b>	<b><u>(1,655,032)</u></b>
<b>Change in net assets</b>	<b>(2,187,965)</b>	<b>1,045,806</b>	<b>591,371</b>	<b>90,134</b>	<b>(17,404)</b>	<b>(478,058)</b>
<b>Net assets:</b>						
Beginning 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>
<b>End of year</b>	<b><u>\$ 67,527,426</u></b>	<b><u>\$ 7,642,431</u></b>	<b><u>\$ 4,599,432</u></b>	<b><u>\$ 3,655,371</u></b>	<b><u>\$ 2,195,272</u></b>	<b><u>\$ 85,619,932</u></b>

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.S. and international program	East Coast	Central States	Great Lakes	West Coast	Total
<b>Activities without donor restrictions:</b>						
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	10,268,328	114,706	70,725	139,356	10,191	10,603,306
<b>Total revenue</b>	<b>43,379,025</b>	<b>4,257,896</b>	<b>2,350,435</b>	<b>2,793,730</b>	<b>1,678,366</b>	<b>54,459,452</b>
Expenses:						
Program services:						
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	1,929,180	535,564	329,485	312,661	193,790	3,300,680
<b>Total expenses</b>	<b>40,287,668</b>	<b>3,253,229</b>	<b>1,559,936</b>	<b>2,903,958</b>	<b>1,512,340</b>	<b>49,517,131</b>
<b>Change in net assets without donor restrictions</b>	<b>3,091,357</b>	<b>1,004,667</b>	<b>790,499</b>	<b>(110,228)</b>	<b>166,026</b>	<b>4,942,321</b>

(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>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>
<b>Activities with donor restrictions:</b>						
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 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>
<b>Change in net assets with donor restrictions</b>	<u><b>(772,324)</b></u>	<u><b>23,582</b></u>	<u><b>(21,979)</b></u>	<u><b>18,795</b></u>	<u><b>933</b></u>	<u><b>(750,993)</b></u>
<b>Change in net assets</b>	<b>2,319,033</b>	<b>1,028,249</b>	<b>768,520</b>	<b>(91,433)</b>	<b>166,959</b>	<b>4,191,328</b>
<b>Net assets:</b>						
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>
<b>End of year</b>	<u><b>\$ 69,715,391</b></u>	<u><b>\$ 6,596,625</b></u>	<u><b>\$ 4,008,061</b></u>	<u><b>\$ 3,565,237</b></u>	<u><b>\$ 2,212,676</b></u>	<u><b>\$ 86,097,990</b></u>

See notes to consolidated financial statements.