

Mennonite Church USA-Executive Board

**Financial Report
And
Supplemental Information**

**For the Year Ended July 31, 2023
(With summarized financial information as of July 31, 2022)**



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INDEPENDENT AUDITOR'S REPORT

To the Executive Board
Mennonite Church USA, Inc.
Newton, Kansas

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Mennonite Church USA, Inc.-Executive Board, which comprise the statements of financial position as of July 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Mennonite Church USA, Inc.-Executive Board as of July 31, 2023, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As described in Note 1 of the Notes to Financial Statements, certain affiliated organizations are not consolidated and, accordingly, the accompanying financial statements do not present the assets, liabilities, net assets, revenues, expenditures, or related commitments or contingencies related to the operation of these affiliated organizations. The effect of not consolidating affiliated organizations has not been determined. Accordingly, the accompanying financial statements are not in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of Mennonite Church USA, Inc.-Executive Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Mennonite Church USA-Executive Board'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 Mennonite Church USA-Executive Board'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.

Report on Summarized Comparative Information

We have previously audited Mennonite Church USA, Inc.-Executive Board's 2022 financial statements, and our report dated January 26, 2023, expressed a qualified opinion on those audited financial statements for reasons consistent with that expressed in this report. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2022, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 24 to 29 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of not consolidating certain affiliated organizations as explained in the basis for qualified opinion paragraph, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Regina Can E. Mowal, CPA

Wichita, Kansas
February 16, 2024

Mennonite Church USA-Executive Board
Statements of Position
July 31, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents:		
Cash	\$ 1,559,758	\$ 1,920,082
Temporary investments	242,974	238,978
Total cash and cash equivalents	1,802,732	2,159,060
Accounts receivable	174,957	23,764
Receivables-related parties	153,962	173,040
Investments		
Investment securities	620,096	620,896
Beneficial interest in charitable trust	499,161	473,379
Student loans receivable, net of allowance for doubtful accounts in 2023 and 2022 of \$8,718 and \$8,718, respectively	60,649	60,649
Property assets		
Property and equipment, net	135,117	146,751
Beneficial interest in land	890,000	890,000
Other assets and prepaid assets	27,348	110,299
Total assets	\$ 4,364,022	\$ 4,657,838
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 190,227	\$ 202,981
Payables-related parties	202,192	170,703
Deferred revenue	8,396	8,223
Annuity contracts payable	12,088	14,220
Total liabilities	412,903	396,127
Net assets:		
Without donor restrictions		
Undesignated	958,546	1,102,999
Board designated	500,441	741,022
Total without donor restrictions	1,458,987	1,844,021
With donor restrictions		
Purpose and time restrictions	2,286,398	2,212,156
Perpetual restrictions	205,734	205,534
Total with donor restrictions	2,492,132	2,417,690
Total net assets	3,951,119	4,261,711
Total liabilities & net assets	\$ 4,364,022	\$ 4,657,838

The notes to the Financial Statements are an integral part of this statements.

Mennonite Church USA-Executive Board
Statements of Activity
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

	2023							2022 Total
	Without Donor Restrictions				With Donor Restrictions		Total	
	Undesignated	Board Designated	Eliminations	Sub-Total	Purpose & Time	Perpetual		
SUPPORT AND REVENUE								
Contributions								
Firstfruit-related party	\$ 875,698	\$ -	\$ (4,800)	\$ 870,898	\$ -	\$ -	\$ 870,898	\$ 1,010,688
Other grants & contributions	578,324	6,185	-	584,509	202,784	200	787,493	617,748
Other grants & contributions-related party	157,051	-	(12,000)	145,051	-	-	145,051	125,354
Estate & annuity	94,182	355,792	(94,182)	355,792	-	-	355,792	352,892
Total contributions	<u>1,705,255</u>	<u>361,977</u>	<u>(110,982)</u>	<u>1,956,250</u>	<u>202,784</u>	<u>200</u>	<u>2,159,234</u>	<u>2,106,682</u>
Other income:								
Investment income (loss)	22,889	916	-	23,805	68,602	-	92,407	(148,025)
Convention revenue	571,209	-	-	571,209	-	-	571,209	144,813
Rental income	6,340	-	-	6,340	-	-	6,340	-
Rent income-related party	47,471	-	(11,111)	36,360	-	-	36,360	36,478
Sale of services/reimbursements-related party	265,350	-	(6,617)	258,733	-	-	258,733	261,339
Miscellaneous	69,300	-	-	69,300	-	-	69,300	9,021
Total other income	<u>982,559</u>	<u>916</u>	<u>(17,728)</u>	<u>965,747</u>	<u>68,602</u>	<u>-</u>	<u>1,034,349</u>	<u>303,626</u>
Total support and revenue	<u>2,687,814</u>	<u>362,893</u>	<u>(128,710)</u>	<u>2,921,997</u>	<u>271,386</u>	<u>200</u>	<u>3,193,583</u>	<u>2,410,308</u>
NET ASSETS RELEASED FROM DESIGNATIONS & RESTRICTIONS	<u>405,962</u>	<u>(208,818)</u>	<u>-</u>	<u>197,144</u>	<u>(197,144)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES								
Program services	2,755,337	394,656	(128,710)	3,021,283	-	-	3,021,283	2,246,035
Supporting services	482,892	-	-	482,892	-	-	482,892	397,959
Total expenses	<u>3,238,229</u>	<u>394,656</u>	<u>(128,710)</u>	<u>3,504,175</u>	<u>-</u>	<u>-</u>	<u>3,504,175</u>	<u>2,643,994</u>
Change in net assets	(144,453)	(240,581)	-	(385,034)	74,242	200	(310,592)	(233,686)
NET ASSETS-BEGINNING OF YEAR	<u>1,102,999</u>	<u>741,022</u>	<u>-</u>	<u>1,844,021</u>	<u>2,212,156</u>	<u>205,534</u>	<u>4,261,711</u>	<u>4,495,397</u>
NET ASSETS-END OF YEAR	<u>\$ 958,546</u>	<u>\$ 500,441</u>	<u>\$ -</u>	<u>\$ 1,458,987</u>	<u>\$ 2,286,398</u>	<u>\$ 205,734</u>	<u>\$ 3,951,119</u>	<u>\$ 4,261,711</u>

The notes to the Financial Statements are an integral part of this statements.

Mennonite Church USA-Executive Board
Statements of Functional Expenses
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

	2023				2022 Total
	Undesignated	Board Designated	Eliminations	Total	
Program services:					
Salaries & benefits	\$ 1,215,461	\$ -	\$ -	\$ 1,215,461	\$ 1,186,968
Travel	271,393	-	-	271,393	131,208
Office	44,512	-	-	44,512	41,492
Occupancy	279,730	11,634	(37,782)	253,582	140,296
Promotion & publications	73,832	-	-	73,832	50,604
Contracted services	80,199	215	(5,165)	75,249	65,557
Conferences	21,260	-	-	21,260	2,684
Contributions	114,683	382,807	(85,763)	411,727	414,553
Other expenses	154,251	-	-	154,251	147,626
Convention expense	500,016	-	-	500,016	65,047
Total program services	<u>2,755,337</u>	<u>394,656</u>	<u>(128,710)</u>	<u>3,021,283</u>	<u>2,246,035</u>
Supporting services:					
Salaries & benefits	282,020	-	-	282,020	230,356
Travel	40,490	-	-	40,490	10,500
Office	12,626	-	-	12,626	11,350
Occupancy	59,950	-	-	59,950	61,350
Professional fees	24,849	-	-	24,849	24,795
Contracted services	48,593	-	-	48,593	49,019
Other expenses	14,364	-	-	14,364	10,589
Total supporting services	<u>482,892</u>	<u>-</u>	<u>-</u>	<u>482,892</u>	<u>397,959</u>
Total expenses	<u>\$ 3,238,229</u>	<u>\$ 394,656</u>	<u>\$ (128,710)</u>	<u>\$ 3,504,175</u>	<u>\$ 2,643,994</u>

The notes to the Financial Statements are an integral part of this statements.

Mennonite Church USA-Executive Board
Statements of Cash Flows
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

	2023	2022
OPERATING ACTIVITIES		
Decrease in net assets:	\$ (310,592)	\$ (233,686)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for long term purposes	(200)	(350)
Realized and unrealized (gain)/loss on investments	(3,007)	100,201
(Increase)/Decrease in beneficial interest in charitable trust	(52,797)	83,611
Depreciation	28,555	31,015
Gain on retirement of property assets	(250)	(750)
(Increase)/Decrease in accounts receivable	(151,193)	110,571
(Increase)/Decrease in receivables-related parties	19,078	(11,437)
(Increase)/Decrease in other assets and prepaid assets	82,951	(23,993)
Increase/(Decrease) in accounts payable	(12,754)	102,104
Increase in payables-related parties	31,489	34,565
Increase in deferred revenue	173	4,686
Increase/(Decrease) in annuity obligation	4,159	(3,651)
Net cash provided/(used) by operating activities	(364,388)	192,886
INVESTING ACTIVITIES		
Purchases of property assets	(16,921)	(11,788)
Proceeds from disposition of property assets	250	750
Purchases of investment securities	(214,407)	(95,351)
Distributions from beneficial interest in charitable remainder trust	27,015	26,993
Proceeds from sale of investment securities	218,214	125,933
Net cash provided by investing activities	14,151	46,537
FINANCING ACTIVITIES		
Receipt of contributions restricted for long term purposes	200	350
Payment on annuity obligation	(6,291)	(7,181)
Net cash used by financing activities	(6,091)	(6,831)
Net increase/(decrease) in cash and equivalents	(356,328)	232,592
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	2,159,060	1,926,468
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 1,802,732	\$ 2,159,060

The notes to the Financial Statements are an integral part of this statements.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Mennonite Church USA, Inc.-Executive Board (Executive Board) are prepared using the accrual method of accounting. The significant policies are described below to enhance the usefulness of the financial statements to the reader.

Nature of operations:

The purpose of Mennonite Church USA, Inc. (an Indiana nonprofit corporation) is joining in God's activity in the world and developing/nurturing missional Mennonite congregations of many cultures.

The Executive Board serves as the board of directors of Mennonite Church USA and was organized to give leadership and to act on behalf of Mennonite Church USA.

The Executive Board consists of the following primary teams:

- Executive Director
- Church Vitality
- Communications
- Archives
- Church-wide Operations
- Convention Planning
- Racial Ethnic Engagement
- Transformative Peacemaking

These financial statements also include several funds which are administered by the Executive Board. These funds include:

- Mennonite Women
- Mennonite Men
- The Corinthian Plan
- Native Mennonite Ministries
- Iglesia Menonita Hispana
- Convention Planning

In addition to the Executive Board, Mennonite Church USA includes three additional program agencies which are devoted to serving the Mennonite Church USA's mission. These program agencies:

- Mennonite Mission Network
- Mennonite Education Agency
- MennoMedia

In addition to the Executive Board, Mennonite Church USA includes two additional ministry partners devoted to serving the Mennonite Church USA's mission. These ministry partners are:

- Everence
- MHS Association

These financial statements do not include the assets, liabilities, net assets, revenues, expenditures or related commitments or contingencies related to the operation of these five additional program agencies and ministry partners. Additionally, the financial statements do not include the balances or activity of the African American Mennonite Association.

FASB codification adoption:

The Executive Board follows accounting standards established by the Financial Accounting Standards Board to ensure consistent reporting of financial condition, results of operation, and cash flows.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

1. Summary of Significant Accounting Policies (Continued)

Unconsolidated entities:

As noted above, these financial statements do not include the activity of six additional agencies and entities of Mennonite Church USA, over which Executive Board exercises control. The Executive Board's treatment of these related entities is at variance with GAAP, which require that such affiliated entities be consolidated, with all material intercompany activity eliminated.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Display of net assets by class:

For financial reporting purposes, the Executive Board follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

- Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of contributions without donor restrictions, fees for service and related expenses associated with core activities of the Executive Board.
- With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Executive Board or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Satisfaction or expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including board-designated amounts, are legally unrestricted and are reported as part of the without donor restriction class. Amounts received that are designated for future periods or restricted by the donor for specific purposes or amount of time are reported as being with donor restrictions. When the donor imposed restrictions of time or purpose is satisfied the assets are reclassified to the without donor restriction class of net assets.

Perpetually restricted net assets consist of various contributions whereby the donor has designated that the original contribution be invested in perpetuity. Earnings from the invested principal may be further restricted by the donor, or may be unrestricted by the donor. Restricted earnings are recognized and recorded as net assets with donor restrictions. Earnings which unrestricted by the donor are initially recognized as net assets with donor restrictions, and then reflected as being released from donor restrictions based upon the Executive Board's spending policy.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

1. Summary of Significant Accounting Policies (Continued)

Fund accounting:

Revenues and expenses of the Executive Board's activities are maintained by funds. These funds are designated in accordance with specific objectives or activities.

Gains and losses arising from the sale, collection or disposition of investments and other non-cash assets are accounted for in the office in which such assets are recorded. Ordinary income generated from Executive Board assets is accounted for in the office controlling the assets.

Substantially all internal fund transfers have been eliminated from receipts and disbursements.

Cash and cash equivalents:

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, temporary investments, consisting of repurchase agreements and money market funds, and certificates of deposit with an original maturity of less than ninety days.

Foreign funds:

All foreign funds held by the Executive Board have been restated to U.S. dollars, using the U.S. equivalent exchange rate in effect as of that date. Foreign revenue and expense activity has been restated using the U.S. equivalent exchange rate in effect at the end of each month, and foreign fund transfer activity is stated at the rate in effect on the transfer date.

Other receivables-allowance for loss:

An allowance for uncollectible accounts is maintained at a level adequate to absorb probable losses. Management determines the adequacy of the allowance based upon reviews of individual activity, current economic conditions and other pertinent factors.

Investments:

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair values based on quoted prices in active markets in the statement of financial position. Investment earnings (including realized and unrealized gains on investments, interest and dividends) are included in the statement of activities as increases or decreases in net assets without donor restrictions unless the earnings or losses are restricted by the donor.

Property assets:

The Executive Board has capitalized significant fixed asset acquisitions relating to the operation of its central offices. The property assets are recorded at cost when acquired, or fair market value if donated. Property assets are depreciated using the straight-line method over their estimated useful lives.

Charitable gift annuities:

Contributions of certain assets are received by the Executive Board in exchange for gift annuity contracts. An annuity contract payable is recorded for the present value of the estimated annuity payments, based on the donor's life expectancy, with the excess of the fair value of the assets received over the annuity liability being recorded as contribution income in the period received.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

1. Summary of Significant Accounting Policies (Continued)

Federal income taxes:

The Executive Board is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. The Executive Board is not classified as a private foundation.

The Executive Board adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Executive Board may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. At July 31, 2023 and 2022, respectively, there were no unrecognized tax benefits identified or recorded as liabilities.

Change in Accounting Principle:

Leases

Effective August 1, 2022, the Executive Board adopted *ASU No. 2016-02, Leases (Topic 842)* and has elected to apply the changes retrospectively at the beginning of the period of adoption, August 1, 2022. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases are required to be classified as either financing or operating, with the classification affecting the pattern of expense recognition in the statement of activities. Previously, leases were classified as either capital or operating, with only capital lease obligations recognized on the statement of financial position. The Executive Board has elected to adopt the package of practical expedients in relation to its contracts and leases existing at the transition date and has also elected the short-term lease exemption.

There was no material impact resulting from the implementation of this standard.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

2. Liquidity and Availability of Resources

The following schedule reflects the Executive Board's financial assets available for general expenditure as of July 31, 2023 and 2022, reduced by amounts that are not available for general use due to donor-imposed and board designated restrictions within one year of the statement of financial position date:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,802,732	\$ 2,159,060
Accounts receivable	328,919	196,804
Investments	1,119,257	1,094,275
Total financial assets	3,250,908	3,450,139
Less those unavailable for general expenditures within one year, due to:		
Board designated cash and investment reserves		
Executive Board	365,324	594,271
Donor restricted by purpose and time		
Executive Board	1,021,853	968,274
Mennonite Women	152,431	130,986
Native Mennonite Ministries	222,114	222,896
Total donor restricted by purpose and time	1,396,398	1,322,156
Donor restricted for perpetuity		
Executive Board	36,830	36,830
Mennonite Women	168,904	168,704
Total donor restricted for perpetuity	205,734	205,534
Total financial assets unavailable for general expenditures within one year	1,967,456	2,121,961
Liquidity resources:		
Bank line of credit	435,000	435,000
Total financial assets available to meet cash needs for general purpose expenditures within one year	\$ 1,718,452	\$ 1,763,178

As part of the Executive Board's liquidity plan, the financial assets are structured to be available as general expenditures, liabilities, and other obligations become due. Cash in excess of daily requirements is invested in various money market and mutual funds. In the event of a liquidity need, the Executive Board could also draw upon an available line of credit with available borrowing of \$435,000.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

3. Other Receivables

Accounts receivable amounted to \$174,957 and \$23,764 at July 31, 2023 and 2022, respectively, and are unsecured.

Student loans receivable also require varying payments and bear interest at various rates. Principal repayments are not required while the student borrower is attending college. The allowance for doubtful accounts is determined based on management's evaluation of the collectability of individual loans.

Consistent with the Federal student loan program, in recent years the Executive Board has allowed a pause on student loan repayment, interest, and collections.

The balances of student loans outstanding at July 31 are as follows:

	2023	2022
Student loans receivable	\$ 69,367	\$ 69,367
Allowance for doubtful accounts	(8,718)	(8,718)
	\$ 60,649	\$ 60,649

4. Receivables – Related Parties

Accounts receivable due from related parties are as follows as of July 31:

	2023	2022
Mennonite Mission Network-		
Health Plan	\$ 137,728	\$ 158,554
Other	16,234	14,486
	\$ 153,962	\$ 173,040

5. Investments

Investment securities are carried at fair value. Fair value determinations are defined by the following three categories:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investment securities in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the statement of financial position.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

5. Investments (Continued)

The following table presents the fair value measurements of investment securities measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at July 31:

	2023				2022
	Fair Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	
Investment securities					
Money market account	\$ 26,986	\$ 26,986	\$ -	\$ -	\$ 50,590
Mutual funds-stock	324,707	324,707	-	-	338,756
Mutual funds-bonds	177,923	177,923	-	-	118,308
Mutual funds-tactical	14,078	14,078	-	-	38,304
Mortgage-backed securities	36,330	-	36,330	-	35,330
Pooled income fund	40,072	-	40,072	-	39,608
Total investment securities	620,096	543,694	76,402	-	620,896
Beneficial interest in charitable remainder trust	499,161	-	499,161	-	473,379
	<u>\$1,119,257</u>	<u>\$543,694</u>	<u>\$575,563</u>	<u>\$ -</u>	<u>\$1,094,275</u>

Investment income consists of the following for the years ended July 31:

	2023	2022
Investment securities		
Interest & dividend income	\$ 36,603	\$ 35,787
Realized & unrealized gain/(loss)	3,007	(100,201)
Change in beneficial interest in charitable trust	52,797	(83,611)
Total investment income (loss)	<u>\$ 92,407</u>	<u>\$ (148,025)</u>

Beneficial interest in charitable trust

The Executive Board has a 15% beneficial interest in the assets of a charitable trust. The Executive Board expects to receive quarterly distributions aggregating 5%, of the fair value of the Executive Board's proportional share of the charitable trust's investments on an annual basis from the trust. The present value of the quarterly distributions is estimated to equal the fair market value of the beneficial interest of the underlying investments held by the trust. The fair value of the beneficial interest in the charitable trust at July 31, 2023 and 2022 was \$499,161 and \$473,379, respectively.

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

6. Property Assets

Property and equipment, net

Property and equipment as of July 31, consists of the following:

	<u>2023</u>	<u>2022</u>
Furniture, fixtures and equipment	\$ 417,578	\$ 411,037
Building	181,510	181,510
Building improvements	298,977	293,192
Land	<u>20,000</u>	<u>20,000</u>
Total	918,065	905,739
Less accumulated depreciation	<u>(782,948)</u>	<u>(758,988)</u>
Net property assets	<u>\$ 135,117</u>	<u>\$ 146,751</u>
Depreciation expense	<u>\$ 28,555</u>	<u>\$ 31,015</u>

Beneficial interest in land

During the year ended July 31, 2019, the Executive Board recognized a beneficial interest in land. The Executive Board is a 35% beneficiary of a trust and will receive the net farm income generated from the trust for a 10 year period, and 35% of the net assets of the trust at the end of the 10 year period. Due to the uncertainty of the farm income to be received, no amounts have been recognized as a beneficial interest related to any potential earnings from the land. Proceeds from farm income will be recognized as received. The estimated fair value of the 35% interest in the underlying land held in the trust at the time of the contribution was \$890,000. The farm income, and ultimately the value of the land, has been restricted by the donor to be used for missions.

7. Accounts Payable – Related Parties

Accounts payable due to related parties at July 31 are as follows:

	<u>2023</u>			<u>2022</u>
	<u>Forwardings</u>	<u>Operating</u>	<u>Total</u>	<u>Total</u>
	<u>(Contributions)</u>	<u>Activities</u>		
Mennonite Mission Network	\$ 136,080	\$ -	\$ 136,080	\$ 75,112
MennoMedia	23,629	-	23,629	15,638
Mennonite Education Agency	34,760	-	34,760	66,977
Various	<u>6,265</u>	<u>1,458</u>	<u>7,723</u>	<u>12,976</u>
	<u>\$ 200,734</u>	<u>\$ 1,458</u>	<u>\$ 202,192</u>	<u>\$ 170,703</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
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(with summarized financial information for the year ended July 31, 2022)

8. Annuity Contracts Payable

As part of the integration process, the Executive Board assumed the annuity contracts of the former General Conference Mennonite Church Trust Funds. Under these agreements, individuals had contributed assets with an agreement that the donors would be paid specified amounts during their lifetime. These assets were recognized at fair market value at the time of their receipt. Contribution revenue was recognized based upon the fair market value of the gift at the time it was received, less the estimated liability. An actuarial present value of the payments to be made based upon the donor's life expectancy and recent interest rates is used to estimate the liability. The interest rate used at July 31, 2023 and 2022 was 3.25%, which is based upon an average of historical prime rates.

The following summarizes activity in the annuity contracts payable during the year ended July 31, 2023 and 2022, respectively:

	<u>2023</u>	<u>2022</u>
Balance at beginning of period	\$ 14,220	\$ 25,052
Payments to annuitants	(6,291)	(7,181)
Amortization and adjustment of annuity liability	4,159	(3,651)
Balance at end of year	<u>\$ 12,088</u>	<u>\$ 14,220</u>

There were no contributions recognized as revenue from gift annuities received during the year ended July 31, 2023 and 2022. Net annuity expense amounted to \$4,337 and \$(3,452) for the year ended July 31, 2023 and 2022, respectively.

9. Line of Credit

The Executive Board has an unsecured \$435,000 line of credit that is renewed annually. The line of credit was renewed on January 16, 2024 and matures on January 16, 2025. The variable interest rate may be adjusted monthly and equals the lender's prime rate plus 1.00%, with interest due monthly and principal due upon maturity. There have been no draws on the line of credit.

Mennonite Church USA-Executive Board
Notes to Financial Statements
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(with summarized financial information for the year ended July 31, 2022)

10. Board Designated Net Assets

At July 31, net assets without donor restrictions were designated by the Executive Board as follows:

	<u>2023</u>	<u>2022</u>
Executive Board		
Investment in property assets	\$ 135,117	\$ 146,751
Cash and investment reserves		
PPP loan proceeds to be forgiven	59,539	238,038
Annuity reserves	-	12,500
Nationwide demutualization reserve	-	24,749
Church Extension Services reserve	216,797	229,996
Emergency reserve	<u>88,988</u>	<u>88,988</u>
Total cash and investment reserves	<u>365,324</u>	<u>594,271</u>
Total board designated net assets	<u>\$ 500,441</u>	<u>\$ 741,022</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

11. Net Assets with Donor Restrictions

At July 31, donor restricted net assets were restricted for the following purposes or times consistent with their mission:

	<u>2023</u>	<u>2022</u>
Executive Board		
Beneficial interest in land	\$ 890,000	\$ 890,000
Cash and investment reserves		
Other Ministries	67,374	71,997
Racial/Ethnic Ministries	58,750	49,750
Student Aid	104,600	104,600
Leadership Development	189,409	141,681
Transformative Peacemaking	98,039	117,261
Beneficial interest in charitable trust	499,161	473,379
Archives	2,568	7,246
Endowment	1,952	2,360
Total cash and investment reserves	<u>1,021,853</u>	<u>968,274</u>
Subtotal	<u>1,911,853</u>	<u>1,858,274</u>
Mennonite Women		
Cash and investment reserves		
Sister Care	79,587	54,115
Other Projects	928	928
Endowment	71,916	75,943
Total cash and investment reserves	<u>152,431</u>	<u>130,986</u>
Native Mennonite Ministries		
Cash and investment reserves		
Leadership	144,579	145,378
Other Projects	77,535	77,518
Total cash and investment reserves	<u>222,114</u>	<u>222,896</u>
Total net assets restricted by purpose/time	<u>\$ 2,286,398</u>	<u>\$ 2,212,156</u>

At July 31, the earnings from net assets with perpetual donor restrictions are restricted for use by the following offices for general purposes consistent with their mission:

	<u>2023</u>	<u>2022</u>
Executive Board	\$ 36,830	\$ 36,830
Mennonite Women	168,904	168,704
	<u>\$ 205,734</u>	<u>\$ 205,534</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
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12. Endowments

Executive Board's endowment funds consist of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Executive Board to function as endowments (board-designated endowment funds). As required by GAAP and interpretation of applicable state laws governing donor-restricted endowment funds, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in endowment assets for the years ending July 31, 2023 and 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
	Board Designated	Purpose		
		& Time	Perpetual	
Endowment on July 31, 2021	\$ 30,845	\$ 120,923	\$ 205,184	\$ 356,952
Contributions	-	-	350	350
Investment loss	(301)	(29,550)	-	(29,851)
Expenditures	(69)	(4,695)	-	(4,764)
Other transfers	(30,475)	(8,375)	-	(38,850)
Endowment on July 31, 2022	-	78,303	205,534	283,837
Contributions	-	-	200	200
Investment income	-	10,730	-	10,730
Expenditures	-	(6,420)	-	(6,420)
Other transfers	-	(8,745)	-	(8,745)
Endowment on July 31, 2023	<u>\$ -</u>	<u>\$ 73,868</u>	<u>\$ 205,734</u>	<u>\$ 279,602</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
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13. Convention Revenue

The Convention Planning fund of Mennonite Church USA is responsible for the administration of the Mennonite Church USA biennial convention. Activities related to the convention have occurred over a two year period beginning with the year preceding the convention and the year of the actual convention. Non-refundable expenses related to the convention and its planning are recognized as they are incurred. This has resulted in expenses being recognized as incurred, however, the majority of the revenue is recognized every other year, which results in alternating years of revenue recognition.

The July 2023 convention was held in Kansas City, Missouri. The July 2021 convention was held in Cincinnati, Ohio.

The following table summarizes the activity of the 2023 Kansas City convention and the 2021 Cincinnati convention:

	Kansas City		
	Year Ended	Year Ended	Total
	July 31 2023	July 31 2022	
Contributions	\$ 21,728	10,617	\$ 32,345
Interest income	4,305	546	4,851
Convention revenue recognized	571,209	144,813	716,022
Miscellaneous revenue	40,002	331	40,333
Expenses recognized	<u>(792,685)</u>	<u>(258,474)</u>	<u>(1,051,159)</u>
Revenue under expenses	<u>\$ (155,441)</u>	<u>\$ (102,167)</u>	<u>\$ (257,608)</u>
	Cincinnati		
	Year Ended	Year Ended	Total
	July 31 2021	July 31 2020	
Contributions	\$ 36,664	\$ 22,453	\$ 59,117
Interest income	486	2,243	2,729
Convention revenue recognized	276,311	136,061	412,372
Miscellaneous revenue	293	-	293
Paycheck Protection Program revenue	236,011	-	236,011
Expenses recognized	<u>(553,413)</u>	<u>(154,568)</u>	<u>(707,981)</u>
Revenue over/(under) expenses	<u>\$ (3,648)</u>	<u>\$ 6,189</u>	<u>\$ 2,541</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

14. Employee Benefits

The Executive Board has a defined contribution pension plan covering substantially all employees. All costs are funded currently. The total expense, which is based upon compensation of participants, was \$79,001 and \$77,551 for the years ended July 31, 2023 and 2022, respectively.

15. Group Health Plan

The Executive Board participates along with Mennonite Mission Network, a related party, in a self-insured group health plan (the Plan) of Mennonite Church USA. The Plan is administered by Mennonite Mission Network. The plan participates in a risk sharing arrangement for major medical claims sponsored by Mennonite Church USA called the Corinthian Plan. The Corinthian Plan is governed by the Church Benefits Board which is appointed by Mennonite Church USA and is administered by Everence (formerly known as Mennonite Mutual Aid), a ministry partner of Mennonite Church USA. Under the Corinthian Plan, Everence provides reinsurance to the participants in the Corinthian Plan based on the claims experience of all the participants in the Corinthian Plan. The Plan is responsible for eligible claims up to \$20,000 per individual per year. The level of eligible claims for which the Plan is responsible was determined by an actuarial analysis.

The health plan surplus payable by Mennonite Mission Network to the Executive Board for their share of the Plan surplus/ (deficit) for the year ending July 31, 2023 and 2022 was (\$20,826) and \$1,712, respectively. The aggregate receivable at July 31, 2023 and 2022 was \$137,728 and \$158,554, respectively, which would be returned upon the termination of the Plan or at some other time that would be agreed to by the employers participating in the Plan. This amount is included in receivables due from related parties on the Statement of Financial Position.

16. Other Related Party Transactions

Firstfruit contributions received:

The Firstfruits Funding System is a key foundational expression of the new identity of Mennonite Church USA. Its objective is to help families and congregations support the whole of church-wide work beyond themselves. Firstfruit contributions represent contributions from other Mennonite Church USA agencies, area conferences and other related entities.

The following Firstfruit contributions were recognized during the year ended July 31, 2023 and 2022, respectively:

	<u>2023</u>	<u>2022</u>
Mennonite Church USA Agencies		
Mennonite Mission Network	\$ 380,873	\$ 329,296
Mennonite Education Agency	36,498	67,262
Everence	126,412	256,504
Mennonite Health Services Alliance	20,000	20,000
Area conferences	307,115	337,626
	<u>\$ 870,898</u>	<u>\$ 1,010,688</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
For the Year Ended July 31, 2023
(with summarized financial information for the year ended July 31, 2022)

16. Other Related Party Transactions (continued)

Other grants and contributions:

The Executive Board also received other grants and contributions from related entities during the year ended July 31, 2023 and 2022 respectively:

	2023					2022
	Executive Board	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Total	
Mennonite Mission Network	\$ 40,860	\$ -	\$ 1,500	\$ -	\$ 42,360	\$ 38,136
Mennonite Education Agency	64,191	-	-	-	64,191	57,218
Executive Board	-	6,000	6,000	(12,000)	-	-
Everence	32,500	-	6,000	-	38,500	30,000
	<u>\$137,551</u>	<u>\$ 6,000</u>	<u>\$ 13,500</u>	<u>\$(12,000)</u>	<u>\$145,051</u>	<u>\$125,354</u>

Rent income and Sale of services & reimbursements:

The Executive Board shares common expenses with related organizations and other Mennonite Church USA agencies. Included in these common costs are occupancy, administrative salaries and overhead costs. Administrative salaries are reimbursed to Executive Board based upon the respective employees' total salary factored by their estimated percentage of time devoted to each entities duties. Occupancy and overhead costs are reimbursed to Executive Board based upon a monthly amount, which estimates the cost of each entities usage of Executive Board facilities and equipment. The following rent income and sale of services & reimbursements were recognized during the year ended July 31, 2023 and 2022:

	2023		2022	
	Rental Income	Sale of Services/ Reimbursements	Rental Income	Sale of Services/ Reimbursements
Executive Board				
Mennonite Mission Network	\$ 24,854	\$ 46,337	\$ 24,854	\$ 46,337
Everence	-	3,298	-	3,298
MennoMedia	4,968	2,000	4,968	2,000
Mennonite Education Agency	-	8,848	-	8,848
Other related entities	6,538	46,085	6,656	49,033
	<u>36,360</u>	<u>106,568</u>	<u>36,478</u>	<u>109,516</u>
Corinthian Plan				
Everence	-	152,165	-	151,823
	<u>\$ 36,360</u>	<u>\$ 258,733</u>	<u>\$ 36,478</u>	<u>\$ 261,339</u>

Mennonite Church USA-Executive Board
Notes to Financial Statements
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(with summarized financial information for the year ended July 31, 2022)

16. Other Related Party Transactions (Continued)

Contributions to related parties:

The Executive Board is occasionally the recipient of contributions that have been designated for use by, or are consistent with the mission of, a Mennonite Church USA program agency. When received, these contributions are recognized as revenue, and reflected as contribution expense when paid to the related program agency.

Following is a summary of contribution expense for the years ended July 31, 2023 and 2022:

	2023			2022
	Bequests & Estates	Other	Total	Total
Mennonite Church USA Agencies				
Mennonite Mission Network	\$ 129,934	\$ 53,157	\$ 183,091	\$ 205,826
Mennonite Education Agency	33,353	4,000	37,353	86,700
MennoMedia	23,855	16,500	40,355	34,764
Other related entities	10,785	140,143	150,928	87,263
	<u>\$ 197,927</u>	<u>\$ 213,800</u>	<u>\$ 411,727</u>	<u>\$ 414,553</u>

Shared occupancy costs:

During the year ended July 31, 2012, Mennonite Mission Network completed the construction of an office facility in Elkhart, Indiana that is to be shared by Mennonite Church USA agencies and related organizations, including the Executive Board. The Executive Board will reimburse Mennonite Mission Network under a cost sharing arrangement for costs associated with occupancy costs. During the years ended July 31, 2023 and 2022, the Executive Board reimbursed Mennonite Mission Network approximately \$36,000 and \$36,000, respectively.

Other agreement:

The Executive Board and Mennonite Mission Network agree that it may be desirable for Mennonite Church USA to hold title to the real estate, equipment and furnishings that make up the office facility. Mennonite Mission Network has agreed that upon request from the Executive Board it will transfer title of the office facility to the Executive Board provided that the following condition is met; all loan commitments, liens and obligations related to the office facility have been satisfied and released.

17. Transition-Related Agreements

The integration of the Mennonite Church and the General Conference Mennonite Church has resulted in agreements that may result in future obligations for the Executive Board. Agreements currently in place, may call for future payments to Mennonite Church Canada. These payments would be related to the proceeds received from the sale of real estate, or disposition of other assets that existed at the time of the initial integration. If certain property or assets were sold, Mennonite Church Canada would receive a portion of the proceeds retained by the Executive Board. There were no such payments required during the years ended July 31, 2023 and 2022.

Mennonite Church USA-Executive Board
Notes to Financial Statements
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(with summarized financial information for the year ended July 31, 2022)

18. Concentration and Risk

The Executive Board maintains cash balances in financial institutions, which at times exceed federally insured limits. The Executive Board has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

19. Subsequent Events

Subsequent events were evaluated through February 16, 2024, which is the date the financial statements were available to be issued.

Supplemental Information

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Financial Position by Fund
July 31, 2023

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Sub-Total	Convention Planning	Total
ASSETS									
Cash and cash equivalents									
Cash	\$ 1,001,006	\$ 182,657	\$ 213,719	\$ 80,188	\$ 66,539	\$ 89,787	\$ 1,633,896	\$ (74,138)	\$ 1,559,758
Temporary investments	239,145	-	-	-	3,829	-	242,974	-	242,974
Accounts receivable	137,726	-	688	12,717	-	-	151,131	23,826	174,957
Receivables-related parties	153,962	-	-	-	-	-	153,962	-	153,962
Investments	195,578	240,820	-	-	183,698	-	620,096	-	620,096
Beneficial interest in charitable trust	499,161	-	-	-	-	-	499,161	-	499,161
Student loans receivable, net allowance	60,649	-	-	-	-	-	60,649	-	60,649
Property assets, net	135,117	-	-	-	-	-	135,117	-	135,117
Beneficial interest in land	890,000	-	-	-	-	-	890,000	-	890,000
Other assets and prepaid assets	23,361	3,987	-	-	-	-	27,348	-	27,348
Total assets	<u>\$ 3,335,705</u>	<u>\$ 427,464</u>	<u>\$ 214,407</u>	<u>\$ 92,905</u>	<u>\$ 254,066</u>	<u>\$ 89,787</u>	<u>\$ 4,414,334</u>	<u>\$ (50,312)</u>	<u>\$ 4,364,022</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 135,163	\$ 862	\$ 4,650	\$ 1,386	\$ 50	\$ 1,040	\$ 143,151	\$ 47,076	\$ 190,227
Payables-related parties	201,702	490	-	-	-	-	202,192	-	202,192
Deferred revenue	8,396	-	-	-	-	-	8,396	-	8,396
Annuity contracts payable	12,088	-	-	-	-	-	12,088	-	12,088
Total liabilities	<u>357,349</u>	<u>1,352</u>	<u>4,650</u>	<u>1,386</u>	<u>50</u>	<u>1,040</u>	<u>365,827</u>	<u>47,076</u>	<u>412,903</u>
Net assets									
Without donor restrictions									
Undesignated	529,232	104,777	209,757	91,519	31,902	88,747	1,055,934	(97,388)	958,546
Board designated	500,441	-	-	-	-	-	500,441	-	500,441
Total without donor restrictions	<u>1,029,673</u>	<u>104,777</u>	<u>209,757</u>	<u>91,519</u>	<u>31,902</u>	<u>88,747</u>	<u>1,556,375</u>	<u>(97,388)</u>	<u>1,458,987</u>
With donor restrictions									
Restricted by time/purpose	1,911,853	152,431	-	-	222,114	-	2,286,398	-	2,286,398
Perpetually restricted	36,830	168,904	-	-	-	-	205,734	-	205,734
Total with donor restrictions	<u>1,948,683</u>	<u>321,335</u>	<u>-</u>	<u>-</u>	<u>222,114</u>	<u>-</u>	<u>2,492,132</u>	<u>-</u>	<u>2,492,132</u>
Total net assets	<u>2,978,356</u>	<u>426,112</u>	<u>209,757</u>	<u>91,519</u>	<u>254,016</u>	<u>88,747</u>	<u>4,048,507</u>	<u>(97,388)</u>	<u>3,951,119</u>
Total liabilities and net assets	<u>\$ 3,335,705</u>	<u>\$ 427,464</u>	<u>\$ 214,407</u>	<u>\$ 92,905</u>	<u>\$ 254,066</u>	<u>\$ 89,787</u>	<u>\$ 4,414,334</u>	<u>\$ (50,312)</u>	<u>\$ 4,364,022</u>

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Financial Position by Fund
July 31, 2022

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Sub-Total	Convention Planning	Total
ASSETS									
Cash and cash equivalents									
Cash	\$ 1,284,413	\$ 96,778	\$ 220,634	\$ 74,984	\$ 62,028	\$ 86,342	\$ 1,825,179	\$ 94,903	\$ 1,920,082
Temporary investments	234,703	-	-	-	4,275	-	238,978	-	238,978
Accounts receivable	10,911	-	223	12,630	-	-	23,764	-	23,764
Receivables-related parties	173,040	-	-	-	-	-	173,040	-	173,040
Investments	199,157	242,647	-	-	179,092	-	620,896	-	620,896
Beneficial interest in charitable trust	473,379	-	-	-	-	-	473,379	-	473,379
Student loans receivable, net allowance	60,649	-	-	-	-	-	60,649	-	60,649
Property assets, net	146,751	-	-	-	-	-	146,751	-	146,751
Beneficial interest in land	890,000	-	-	-	-	-	890,000	-	890,000
Other assets and prepaid assets	29,273	-	-	-	-	-	29,273	81,026	110,299
Total assets	<u>\$ 3,502,276</u>	<u>\$ 339,425</u>	<u>\$ 220,857</u>	<u>\$ 87,614</u>	<u>\$ 245,395</u>	<u>\$ 86,342</u>	<u>\$ 4,481,909</u>	<u>\$ 175,929</u>	<u>\$ 4,657,838</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 81,166	\$ 2,242	\$ 1,606	\$ 25	\$ 50	\$ 16	\$ 85,105	\$ 117,876	\$ 202,981
Payables-related parties	170,703	-	-	-	-	-	170,703	-	170,703
Deferred revenue	8,223	-	-	-	-	-	8,223	-	8,223
Annuity contracts payable	14,220	-	-	-	-	-	14,220	-	14,220
Total liabilities	<u>274,312</u>	<u>2,242</u>	<u>1,606</u>	<u>25</u>	<u>50</u>	<u>16</u>	<u>278,251</u>	<u>117,876</u>	<u>396,127</u>
Net assets									
Without donor restrictions									
Undesignated	591,838	37,493	219,251	87,589	22,449	86,326	1,044,946	58,053	1,102,999
Board designated	741,022	-	-	-	-	-	741,022	-	741,022
Total unrestricted	<u>1,332,860</u>	<u>37,493</u>	<u>219,251</u>	<u>87,589</u>	<u>22,449</u>	<u>86,326</u>	<u>1,785,968</u>	<u>58,053</u>	<u>1,844,021</u>
With donor restrictions									
Restricted by time/purpose	1,858,274	130,986	-	-	222,896	-	2,212,156	-	2,212,156
Perpetually restricted	36,830	168,704	-	-	-	-	205,534	-	205,534
Total with donor restrictions	<u>1,895,104</u>	<u>299,690</u>	<u>-</u>	<u>-</u>	<u>222,896</u>	<u>-</u>	<u>2,417,690</u>	<u>-</u>	<u>2,417,690</u>
Total net assets	<u>3,227,964</u>	<u>337,183</u>	<u>219,251</u>	<u>87,589</u>	<u>245,345</u>	<u>86,326</u>	<u>4,203,658</u>	<u>58,053</u>	<u>4,261,711</u>
Total liabilities and net assets	<u>\$ 3,502,276</u>	<u>\$ 339,425</u>	<u>\$ 220,857</u>	<u>\$ 87,614</u>	<u>\$ 245,395</u>	<u>\$ 86,342</u>	<u>\$ 4,481,909</u>	<u>\$ 175,929</u>	<u>\$ 4,657,838</u>

Mennonite Church USA-Executive Board
Supplemental Information-Statement of Activity by Fund
For the Year Ended July 31, 2023

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
SUPPORT AND REVENUE										
Contributions										
Firstfruit-related party	\$ 875,698	\$ -	\$ -	\$ -	\$ -	\$ -	(4,800)	\$ 870,898	\$ -	\$ 870,898
Other grants & contributions	383,528	208,279	135,943	-	3,452	34,563	-	765,765	21,728	787,493
Other grants & contributions-related party	137,551	-	-	-	6,000	13,500	(12,000)	145,051	-	145,051
Estate & annuity	449,974	-	-	-	-	-	(94,182)	355,792	-	355,792
Total contributions	<u>1,846,751</u>	<u>208,279</u>	<u>135,943</u>	<u>-</u>	<u>9,452</u>	<u>48,063</u>	<u>(110,982)</u>	<u>2,137,506</u>	<u>21,728</u>	<u>2,159,234</u>
Other income										
Investment income	70,992	9,251	201	-	7,658	-	-	88,102	4,305	92,407
Convention revenue	-	-	-	-	-	-	-	-	571,209	571,209
Rental income	6,340	-	-	-	-	-	-	6,340	-	6,340
Rental income - related party	47,471	-	-	-	-	-	(11,111)	36,360	-	36,360
Sale of services/reimb.	109,077	-	-	156,273	-	-	(6,617)	258,733	-	258,733
Miscellaneous	24,728	2,538	532	-	-	1,500	-	29,298	40,002	69,300
Total other income	<u>258,608</u>	<u>11,789</u>	<u>733</u>	<u>156,273</u>	<u>7,658</u>	<u>1,500</u>	<u>(17,728)</u>	<u>418,833</u>	<u>615,516</u>	<u>1,034,349</u>
Total support and revenue	<u>2,105,359</u>	<u>220,068</u>	<u>136,676</u>	<u>156,273</u>	<u>17,110</u>	<u>49,563</u>	<u>(128,710)</u>	<u>2,556,339</u>	<u>637,244</u>	<u>3,193,583</u>
EXPENSES										
Program services	1,882,451	127,813	146,170	152,343	3,498	45,033	(128,710)	2,228,598	792,685	3,021,283
Supporting services	472,516	3,326	-	-	4,941	2,109	-	482,892	-	482,892
Total expenses	<u>2,354,967</u>	<u>131,139</u>	<u>146,170</u>	<u>152,343</u>	<u>8,439</u>	<u>47,142</u>	<u>(128,710)</u>	<u>2,711,490</u>	<u>792,685</u>	<u>3,504,175</u>
Change in net assets	(249,608)	88,929	(9,494)	3,930	8,671	2,421	-	(155,151)	(155,441)	(310,592)
NET ASSETS-BEGINNING OF PERIOD										
	<u>3,227,964</u>	<u>337,183</u>	<u>219,251</u>	<u>87,589</u>	<u>245,345</u>	<u>86,326</u>	<u>-</u>	<u>4,203,658</u>	<u>58,053</u>	<u>4,261,711</u>
NET ASSETS-END OF PERIOD										
	<u>\$ 2,978,356</u>	<u>\$ 426,112</u>	<u>\$ 209,757</u>	<u>\$ 91,519</u>	<u>\$ 254,016</u>	<u>\$ 88,747</u>	<u>\$ -</u>	<u>\$ 4,048,507</u>	<u>\$ (97,388)</u>	<u>\$ 3,951,119</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Activity by Fund
For the Year Ended July 31, 2022

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
SUPPORT AND REVENUE										
Contributions										
Firstfruit-related party	\$ 1,015,488	\$ -	\$ -	\$ -	\$ -	\$ -	(4,800)	\$ 1,010,688	\$ -	\$ 1,010,688
Other grants & contributions	264,816	138,786	150,392	-	18,621	34,516	-	607,131	10,617	617,748
Other grants & contributions-related party	125,354	-	-	-	6,000	6,000	(12,000)	125,354	-	125,354
Estate & annuity	477,924	-	-	-	-	-	(125,032)	352,892	-	352,892
Total contributions	<u>1,883,582</u>	<u>138,786</u>	<u>150,392</u>	<u>-</u>	<u>24,621</u>	<u>40,516</u>	<u>(141,832)</u>	<u>2,096,065</u>	<u>10,617</u>	<u>2,106,682</u>
Other income										
Investment income	(105,023)	(25,716)	(582)	-	(17,250)	-	-	(148,571)	546	(148,025)
Convention revenue	-	-	-	-	-	-	-	-	144,813	144,813
Rental income - related party	47,589	-	-	-	-	-	(11,111)	36,478	-	36,478
Sale of services/reimb.	108,823	-	-	158,460	-	-	(5,944)	261,339	-	261,339
Miscellaneous	7,599	1,037	54	-	-	-	-	8,690	331	9,021
Total other income	<u>58,988</u>	<u>(24,679)</u>	<u>(528)</u>	<u>158,460</u>	<u>(17,250)</u>	<u>-</u>	<u>(17,055)</u>	<u>157,936</u>	<u>145,690</u>	<u>303,626</u>
Total support and revenue	<u>1,942,570</u>	<u>114,107</u>	<u>149,864</u>	<u>158,460</u>	<u>7,371</u>	<u>40,516</u>	<u>(158,887)</u>	<u>2,254,001</u>	<u>156,307</u>	<u>2,410,308</u>
EXPENSES										
Program services	1,717,076	141,161	138,688	131,674	1,888	15,961	(158,887)	1,987,561	258,474	2,246,035
Supporting services	397,959	-	-	-	-	-	-	397,959	-	397,959
Total expenses	<u>2,115,035</u>	<u>141,161</u>	<u>138,688</u>	<u>131,674</u>	<u>1,888</u>	<u>15,961</u>	<u>(158,887)</u>	<u>2,385,520</u>	<u>258,474</u>	<u>2,643,994</u>
Change in net assets	(172,465)	(27,054)	11,176	26,786	5,483	24,555	-	(131,519)	(102,167)	(233,686)
NET ASSETS-BEGINNING OF PERIOD	<u>3,400,429</u>	<u>364,237</u>	<u>208,075</u>	<u>60,803</u>	<u>239,862</u>	<u>61,771</u>	<u>-</u>	<u>4,335,177</u>	<u>160,220</u>	<u>4,495,397</u>
NET ASSETS-END OF PERIOD	<u>\$ 3,227,964</u>	<u>\$ 337,183</u>	<u>\$ 219,251</u>	<u>\$ 87,589</u>	<u>\$ 245,345</u>	<u>\$ 86,326</u>	<u>\$ -</u>	<u>\$ 4,203,658</u>	<u>\$ 58,053</u>	<u>\$ 4,261,711</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Functional Expense by Fund
For the Year Ended July 31, 2023

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
Program services:										
Salaries & benefits	\$ 956,961	\$ 63,176	\$ 43,624	\$ 86,434	\$ -	\$ 4,190	\$ -	\$ 1,154,385	\$ 61,076	\$ 1,215,461
Travel	213,051	17,059	3,671	16,905	-	7,768	-	258,454	12,939	271,393
Office	26,895	4,458	3,752	1,845	-	647	-	37,597	6,915	44,512
Occupancy	56,029	2,656	-	4,260	-	-	(37,782)	25,163	228,419	253,582
Promotion & publications	4,758	3,066	38,560	2,888	-	2,354	-	51,626	22,206	73,832
Contracted services	21,136	14,802	2,588	39,595	1,298	995	(5,165)	75,249	-	75,249
Conferences	18,088	3,172	-	-	-	-	-	21,260	-	21,260
Contributions	486,190	2,300	2,500	-	-	6,500	(85,763)	411,727	-	411,727
Other expenses	82,348	17,124	51,475	416	2,200	688	-	154,251	-	154,251
Convention expense	16,995	-	-	-	-	21,891	-	38,886	461,130	500,016
Total program services	<u>1,882,451</u>	<u>127,813</u>	<u>146,170</u>	<u>152,343</u>	<u>3,498</u>	<u>45,033</u>	<u>(128,710)</u>	<u>2,228,598</u>	<u>792,685</u>	<u>3,021,283</u>
Supporting services										
Salaries & benefits	282,020	-	-	-	-	-	-	282,020	-	282,020
Travel	34,238	-	-	-	4,143	2,109	-	40,490	-	40,490
Office	12,626	-	-	-	-	-	-	12,626	-	12,626
Occupancy	59,950	-	-	-	-	-	-	59,950	-	59,950
Professional fees	24,849	-	-	-	-	-	-	24,849	-	24,849
Contracted services	47,795	-	-	-	798	-	-	48,593	-	48,593
Other expenses	11,038	3,326	-	-	-	-	-	14,364	-	14,364
Total supporting services	<u>472,516</u>	<u>3,326</u>	<u>-</u>	<u>-</u>	<u>4,941.00</u>	<u>2,109.00</u>	<u>-</u>	<u>482,892</u>	<u>-</u>	<u>482,892</u>
Total expenses	<u>\$ 2,354,967</u>	<u>\$ 131,139</u>	<u>\$ 146,170</u>	<u>\$ 152,343</u>	<u>\$ 8,439</u>	<u>\$ 47,142</u>	<u>\$ (128,710)</u>	<u>\$ 2,711,490</u>	<u>\$ 792,685</u>	<u>\$ 3,504,175</u>

Mennonite Church USA-Executive Board
Supplemental Information- Statement of Functional Expense by Fund
For the Year Ended July 31, 2022

	Executive Board	Mennonite Women	Mennonite Men	Corinthian Plan	Native Mennonite Ministries	Iglesia Menonita Hispana	Eliminations	Sub-Total	Convention Planning	Total
Program services:										
Salaries & benefits	\$ 887,114	\$ 79,821	\$ 40,826	\$ 87,932	\$ -	\$ 3,837	\$ -	\$ 1,099,530	\$ 87,438	\$ 1,186,968
Travel	105,466	13,538	2,505	429	-	6,149	-	128,087	3,121	131,208
Office	24,603	3,640	1,956	1,554	-	292	-	32,045	9,447	41,492
Occupancy	56,534	3,204	83	4,170	-	-	(13,180)	50,811	89,485	140,296
Promotion & publications	6,986	7,808	29,043	54	-	2,777	-	46,668	3,936	50,604
Contracted services	15,301	13,572	3,058	37,182	1,388	1,000	(5,944)	65,557	-	65,557
Conferences	300	2,034	350	-	-	-	-	2,684	-	2,684
Contributions	549,016	2,300	2,500	-	-	500	(139,763)	414,553	-	414,553
Other expenses	71,756	15,244	58,367	353	500	1,406	-	147,626	-	147,626
Convention expense	-	-	-	-	-	-	-	-	65,047	65,047
Total program services	<u>1,717,076</u>	<u>141,161</u>	<u>138,688</u>	<u>131,674</u>	<u>1,888</u>	<u>15,961</u>	<u>(158,887)</u>	<u>1,987,561</u>	<u>258,474</u>	<u>2,246,035</u>
Supporting services										
Salaries & benefits	230,356	-	-	-	-	-	-	230,356	-	230,356
Travel	10,500	-	-	-	-	-	-	10,500	-	10,500
Office	11,350	-	-	-	-	-	-	11,350	-	11,350
Occupancy	61,350	-	-	-	-	-	-	61,350	-	61,350
Professional fees	24,795	-	-	-	-	-	-	24,795	-	24,795
Contracted services	49,019	-	-	-	-	-	-	49,019	-	49,019
Other expenses	10,589	-	-	-	-	-	-	10,589	-	10,589
Total supporting services	<u>397,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,959</u>	<u>-</u>	<u>397,959</u>
Total expenses	<u>\$ 2,115,035</u>	<u>\$ 141,161</u>	<u>\$ 138,688</u>	<u>\$ 131,674</u>	<u>\$ 1,888</u>	<u>\$ 15,961</u>	<u>\$ (158,887)</u>	<u>\$ 2,385,520</u>	<u>\$ 258,474</u>	<u>\$ 2,643,994</u>

EL DORADO	117 W. CENTRAL AVE	EL DORADO, KS 67042-0847	316-321-1150
TUCSON	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
TULSA	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-494-8700
WAGONER	509 S. MCQUARRIE AVE	WAGONER, OK 74467-6223	918-485-5531
WICHITA	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2914	316-264-2335