

**FRANCONIA MENNONITE CONFERENCE
T/A MOSAIC MENNONITE CONFERENCE
AND FRANCONIA MENNONITE BOARD OF
MISSIONS AND CHARITIES
T/A FMC PROPERTIES**

Consolidated Reviewed Financial Statements

**For The Years Ended
January 31, 2026 and 2025**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Conference Board
Franconia Mennonite Conference
T/A Mosaic Mennonite Conference and
Franconia Mennonite Board of Missions and Charities
T/A FMC Properties

We have reviewed the accompanying consolidated financial statements of Franconia Mennonite Conference T/A Mosaic Mennonite Conference (a nonprofit organization) and Franconia Mennonite Board of Missions and Charities T/A FMC Properties (a nonprofit organization), which comprise the consolidated statements of financial position as of January 31, 2026 and 2025, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Franconia Mennonite Conference T/A Mosaic Mennonite Conference and Franconia Mennonite Board of Missions and Charities T/A FMC Properties and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

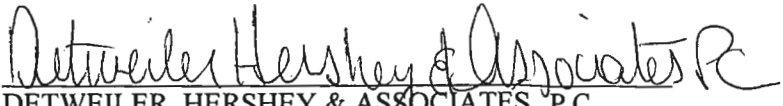
Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in Schedules I - III are presented for purposes of additional analysis and are not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our reviews of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

September 1, 2026


DETWEILER, HERSHEY & ASSOCIATES, P.C.
Certified Public Accountants

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Consolidated Statements of Financial Position
January 31, 2026 and 2025

See Independent Accountant's Review Report

	<u>2026</u>	<u>2025</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 514,256	\$ 378,972
Cash and Cash Equivalents - Savings	92,778	92,719
Accounts and Rent Receivable	4,591	8,500
Prepaid Expenses	73,314	73,633
Total Current Assets	<u>684,939</u>	<u>553,824</u>
Property and Equipment, Net of Accumulated Depreciation	<u>6,285,927</u>	<u>2,716,754</u>
Other Assets:		
Investments	4,323,329	4,532,560
Loans Receivable (Net of Allowance for Credit Losses of \$30,000 - 2026 and 2025)	69,476	277,274
Right of Use - Operating Lease	546,795	578,697
Church Buildings	55,014	615,014
Total Other Assets	<u>4,994,614</u>	<u>6,003,545</u>
Total Assets	<u><u>\$ 11,965,480</u></u>	<u><u>\$ 9,274,123</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 40,548	\$ 83,626
Accrued Wages and Payroll Taxes	14,119	15,095
Agency Funds	47,344	43,715
Current Portion of Operating Lease Liability	32,478	31,902
Total Current Liabilities	<u>134,489</u>	<u>174,338</u>
Long Term Liabilities:		
Operating Lease Liability	<u>514,317</u>	<u>546,795</u>
Total Liabilities	<u>648,806</u>	<u>721,133</u>
Net Assets:		
Without Donor Restrictions	9,862,794	6,843,057
With Donor Restrictions	1,453,880	1,709,933
Total Net Assets	<u>11,316,674</u>	<u>8,552,990</u>
Total Liabilities and Net Assets	<u><u>\$ 11,965,480</u></u>	<u><u>\$ 9,274,123</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Consolidated Statements of Activities
For the Years Ended January 31, 2026 and 2025

See Independent Accountant's Review Report

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support:			
Contributions - Congregations	\$ 386,293	\$ --	\$ 386,293
Contributions - Other	144,398	85,037	229,435
Noncash Contribution - Property	3,575,141	--	3,575,141
Vibrant Lilly Grant	--	--	--
Equipping Event Income	5,793	--	5,793
Rental and Maintenance Income	1,029,637	--	1,029,637
Investment Income	319,614	59,150	378,764
Gain (Loss) On Sale of Property	(13,579)	--	(13,579)
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	400,240	(400,240)	--
Total Revenue, Gains and Other Support	<u>5,847,537</u>	<u>(256,053)</u>	<u>5,591,484</u>
Expenses and Losses:			
Program Services:			
Credentialing Leaders	74,676	--	74,676
Leadership Equipping & Development	1,145,313	--	1,145,313
Conference-wide Ministries & Communication	231,259	--	231,259
Collaborative & Regional Ministries	136,409	--	136,409
Contribution - Philadelphia Praise Center	212,052	--	212,052
Property Expense	552,505	--	552,505
Total Program Services	<u>2,352,214</u>	<u>--</u>	<u>2,352,214</u>
Supporting Services:			
General and Administrative	422,212	--	422,212
Property Expense	53,374	--	53,374
Total Supporting Services	<u>475,586</u>	<u>--</u>	<u>475,586</u>
Total Expenses and Losses	<u>2,827,800</u>	<u>--</u>	<u>2,827,800</u>
Change in Net Assets	3,019,737	(256,053)	2,763,684
Net Assets at Beginning of Year	<u>6,843,057</u>	<u>1,709,933</u>	<u>8,552,990</u>
Net Assets at End of Year	<u>\$ 9,862,794</u>	<u>\$ 1,453,880</u>	<u>\$ 11,316,674</u>

The accompanying notes are an integral part of the consolidated financial statements.

2025

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 405,258	\$ --	\$ 405,258
111,410	113,123	224,533
560,000	--	560,000
--	1,250,000	1,250,000
7,925	--	7,925
1,045,058	--	1,045,058
233,614	47,588	281,202
--	--	--
250,420	(250,420)	--
<u>2,613,685</u>	<u>1,160,291</u>	<u>3,773,976</u>
41,969	--	41,969
569,921	--	569,921
242,583	--	242,583
366,854	--	366,854
--	--	--
455,383	--	455,383
<u>1,676,710</u>	<u>--</u>	<u>1,676,710</u>
207,591	--	207,591
71,182	--	71,182
<u>278,773</u>	<u>--</u>	<u>278,773</u>
<u>1,955,483</u>	<u>--</u>	<u>1,955,483</u>
658,202	1,160,291	1,818,493
<u>6,184,855</u>	<u>549,642</u>	<u>6,734,497</u>
<u><u>\$ 6,843,057</u></u>	<u><u>\$ 1,709,933</u></u>	<u><u>\$ 8,552,990</u></u>

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Consolidated Statement of Functional Expenses
For the Year Ended January 31, 2026

See Independent Accountant's Review Report

Program Services

	<u>Credentiailling Leaders</u>	<u>Leadership Equipping & Development</u>	<u>Conference-wide Ministries & Communication</u>	<u>Collaborative & Regional Ministries</u>	<u>FMC Properties</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries & Benefits	\$ 32,601	\$ 314,860	\$ 146,499	\$ 69,176	\$ --	\$ 563,136	\$ 280,609	\$ 843,745
Contractors	775	119,083	10,249	10,631	--	140,738	1,360	142,098
Travel	3,864	127,569	33,972	20,036	--	185,441	34,389	219,830
Professional Development	22,220	19,472	1,863	175	--	43,730	4,438	48,168
Training & Counseling	9,219	78,408	50	18,035	--	105,712	--	105,712
Grants	3,825	455,776	3,850	12,172	--	475,623	--	475,623
Publications & Other								
Communications	--	50	168	--	--	218	721	939
Events	--	599	23,162	562	--	24,323	98	24,421
Utilities	--	170	--	--	13,199	13,369	--	13,369
Real Estate Taxes	--	--	--	--	120,097	120,097	--	120,097
Repairs & Maintenance	--	--	--	--	51,597	51,597	594	52,191
Groundskeeping	--	--	--	--	63,072	63,072	--	63,072
Rent	1,623	15,673	7,292	3,444	--	28,032	13,968	42,000
Contribution - PPC	--	--	--	--	212,052	212,052	--	212,052
Management Fee	--	--	--	--	--	--	50,000	50,000
Professional Fees	--	--	--	--	--	--	34,842	34,842
Office	549	13,397	4,055	1,512	--	19,513	34,599	54,112
Insurance	--	--	--	--	47,956	47,956	5,283	53,239
Depreciation	--	--	--	--	256,584	256,584	9,385	265,969
Service Charges	--	--	99	19	--	118	4,985	5,103
Miscellaneous	--	256	--	647	--	903	315	1,218
Totals	<u>\$ 74,676</u>	<u>\$1,145,313</u>	<u>\$ 231,259</u>	<u>\$ 136,409</u>	<u>\$ 764,557</u>	<u>\$2,352,214</u>	<u>\$ 475,586</u>	<u>\$ 2,827,800</u>

The accompanying notes are an integral part of the consolidated financial statements.

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Consolidated Statement of Functional Expenses
For the Year Ended January 31, 2025

See Independent Accountant's Review Report

Program Services

	<u>Credentiailling Leaders</u>	<u>Leadership Equipping & Development</u>	<u>Conference-wide Ministries & Communication</u>	<u>Collaborative & Regional Ministries</u>	<u>FMC Properties</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries & Benefits	\$ 32,888	\$ 300,364	\$ 170,893	\$ 140,512	\$ --	\$ 644,657	\$ 125,852	\$ 770,509
Contractors	--	70,298	8,283	9,580	--	88,161	--	88,161
Travel	--	65,734	7,012	28,056	--	100,802	31,414	132,216
Professional Development	--	3,020	1,960	--	--	4,980	700	5,680
Training & Counseling	1,991	23,877	--	12,000	--	37,868	--	37,868
Grants	1,000	72,183	--	153,669	--	226,852	--	226,852
Publications & Other								
Communications	--	--	6,125	--	--	6,125	--	6,125
Events	610	--	11,837	9,413	--	21,860	--	21,860
Utilities	--	--	--	--	7,236	7,236	--	7,236
Real Estate Taxes	--	--	--	--	116,816	116,816	--	116,816
Repairs & Maintenance	--	--	--	--	31,874	31,874	--	31,874
Groundskeeping	--	--	--	--	46,196	46,196	--	46,196
Rent	1,793	16,373	9,315	7,659	--	35,140	6,860	42,000
Management Fee	--	--	--	--	--	--	62,700	62,700
Professional Fees	--	--	--	--	--	--	16,682	16,682
Office	3,072	16,661	16,136	--	--	35,869	16,965	52,834
Insurance	--	--	--	--	40,212	40,212	4,430	44,642
Depreciation	--	--	--	--	213,049	213,049	9,897	222,946
Service Charges	--	--	--	--	--	--	384	384
Miscellaneous	615	1,411	11,022	5,965	--	19,013	2,889	21,902
Totals	<u>\$ 41,969</u>	<u>\$ 569,921</u>	<u>\$ 242,583</u>	<u>\$ 366,854</u>	<u>\$ 455,383</u>	<u>\$ 1,676,710</u>	<u>\$ 278,773</u>	<u>\$ 1,955,483</u>

The accompanying notes are an integral part of the consolidated financial statements.

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**

**Consolidated Statements of Cash Flows
For the Years Ended January 31, 2026 and 2025**

See Independent Accountant's Review Report

	<u>2026</u>	<u>2025</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 2,763,684	\$ 1,818,493
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	265,969	222,946
Loss on Disposal of Church Buildings	13,579	--
Unrealized (Gain) Loss on Investments	(153,217)	(121,445)
Realized (Gain) Loss on Investments	(41,369)	(29,425)
Reinvestment of Investment Income	(177,045)	(274,574)
Change in Right of Use - Operating Lease	31,902	31,336
Noncash Contribution Received - Property	(3,575,141)	(560,000)
(Increase) Decrease in Operating Assets:		
Accounts and Rents Receivable	3,909	(5,418)
Prepaid Expenses	319	5,048
Increase (Decrease) in Operation Liabilities:		
Operating Lease Liability	(31,902)	(31,336)
Accounts Payable and Accrued Expenses	(43,078)	23,284
Accrued Wages and Payroll Taxes	(976)	7,509
Agency Funds	3,629	(163,671)
Net Cash Provided (Used) by Operating Activities	<u>(939,737)</u>	<u>922,747</u>
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	(260,001)	(8,349)
Proceeds from Sale of Church Buildings	546,421	--
Advance of Loans Receivable	--	(207,624)
Repayments on Loan Receivable	207,798	62,917
Proceeds from Investments	580,862	318,050
Purchase of Investments	--	(1,087,569)
Net Cash Provided (Used) by Investing Activities	<u>1,075,080</u>	<u>(922,575)</u>
Net Increase in Cash and Cash Equivalents	135,343	172
Cash and Cash Equivalents- Beginning of Year	<u>471,691</u>	<u>471,519</u>
Cash and Cash Equivalents - End of Year	<u>\$ 607,034</u>	<u>\$ 471,691</u>
<u>Cash Reconciliation</u>		
Cash and Cash Equivalents	\$ 514,256	\$ 378,972
Cash and Cash Equivalents - Savings	92,778	92,719
Total Cash, Cash Equivalents, and Savings	<u>\$ 607,034</u>	<u>\$ 471,691</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash Paid During the Period for Interest	\$ --	\$ --

The accompanying notes are an integral part of the consolidated financial statements.

**FRANCONIA MENNONITE CONFERENCE T/A MOSIAC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Notes To Consolidated Financial Statements
January 31, 2026 and 2025

See Independent Accountant's Review Report

Note 1 - General Information and Summary of Significant Accounting Policies:

General Information

Franconia Mennonite Conference T/A Mosaic Mennonite Conference (Conference) is an association of Mennonite congregations, centered chiefly in southeastern Pennsylvania and other northeastern states and a few in California and Florida. Its purpose is to share financial and personnel resources, to nurture member congregations and support approved mission programs. The Conference provides the framework through which congregations can join together and participate in the meetings and service of the Mennonite denomination.

On February 1, 2020, Franconia Mennonite Conference (FMC) and Eastern District Conference (EDC) merged together. A new Conference Board and management team were created in order to run the unified conference. All the assets, liabilities and net assets of both conferences were merged into the new unified conference, which utilizes FMC's employer identification number. The legal name, as registered with the Commonwealth of Pennsylvania, is Franconia Mennonite Conference, dba Mosaic Mennonite Conference.

During 2003, the Conference implemented Conference Related Ministries (CRM) in which participating not-for-profit organizations, meeting certain criteria, receive benefits and services from the Conference. The CRMs contribute towards these benefits and services voluntarily.

Franconia Mennonite Board of Missions and Charities T/A FMC Properties (FMC Properties) is a real estate holding company.

One small organization (Worm Project) was included under the Conference's 501(c)(3) blanket exemption. The Worm Project has its own board of directors and is self-governing and sustaining. No Worm Project financial activity is included in these consolidated financial statements. The organization obtained its own 501(c)(3) recognition during the year ended January 31, 2025.

Basis of Accounting

The consolidated financial statements of the Franconia Mennonite Conference T/A Mosaic Mennonite Conference and Franconia Mennonite Board of Missions and Charities T/A FMC Properties have been prepared on the accrual basis except for depreciation of church buildings as explained in Note 2.

Basis of Accounting

The Organizations' financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which requires the Organizations to report information regarding their financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organizations. These net assets may be used at the discretion of the Organizations' management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**FRANCONIA MENNONITE CONFERENCE T/A MOSIAC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Notes To Consolidated Financial Statements - Continued
January 31, 2026 and 2025

See Independent Accountant's Review Report

Note 1 - Continued:

Federal Income Taxes

The Organizations are exempt from Federal Income Taxes as defined in Section 501(c)(3) of the Internal Revenue Code. The Organizations are not private foundations as defined in section 509 of the Internal Revenue Code.

Consolidated Financial Statements

The accompanying consolidated financial statements include the net assets and financial activities of the Conference and FMC Properties. All significant balances and transactions between the Organizations have been eliminated.

Since the officers of both the Conference and FMC Properties consist of substantially the same individuals, the Organizations are considered financially interrelated, and accordingly consolidated in the accompanying consolidated financial statements in order to present their financial information in conformity with accounting principles generally accepted in the United States of America for financially interrelated organizations.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organizations' programs, interest and dividends earned on investments and rental activity. Nonoperation activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

Functional Allocation of Expenses

The costs of providing various programs and activities of the Organizations have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Maintenance and Repairs	Square Footage
Rent	Square Footage
Telephone	Square Footage
Insurance	Square Footage
Network/Web Site	Square Footage
Office Supplies	Square Footage

Accounts, Rent and Loans Receivable

Accounts, rents, and loans receivable are stated at the amount management expects to collect. Management believes that historical information for accounts and rents receivable indicate that no credit losses are expected as they are due in one year or less. However, based on historical information, management believes that they have a reasonable base on which to determine expected credit losses for loan receivables held at January 31, 2026 and 2025. Also, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was originally recorded. Accordingly, the allowance for credit losses on loans receivable was \$30,000 as of January 31, 2026 and 2025.

**FRANCONIA MENNONITE CONFERENCE T/A MOSIAC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Notes To Consolidated Financial Statements - Continued
January 31, 2026 and 2025

See Independent Accountant's Review Report

Note 1 - Continued:

Risks and Uncertainties

The Organizations invest in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially and adversely affect the Organizations' investment balances.

Land, Church Buildings, Property, Equipment and Depreciation

Land, church buildings, property and equipment are carried at cost on the date when they are purchased or the fair market value on the date of donation. Major renewals and betterments are charged to the property accounts while replacements; maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed currently. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for 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 support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organizations reclassify net assets with donor restrictions to net assets without donor restrictions at that time.

The Organizations use the straight-line method of depreciation to recover the cost of property and equipment during their estimated useful lives. When assets are retired or otherwise disposed of, the cost and related depreciation are removed from the books, and any resulting gain or loss is reflected in income for the period. Depreciation is not recognized on the church buildings since title will ultimately be transferred to the established congregations.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of temporary cash investments. The Organizations place their temporary cash investments with financial institutions. At times, such investments may be in excess of the FDIC insurance limit of \$250,000. The Organizations also have a "sweep account" in which excess deposits are transferred by the bank to earn higher interest. The funds in the sweep account are also covered by bank's FDIC insurance. At January 31, 2026 and 2025, the Organizations exceeded the insured amount by \$256,200 and \$690,918, respectively. FMC Properties receives 83.6% and 78.5% of their rental income from one organization for years ended January 31, 2026 and 2025, respectively.

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, demand deposits at banks, money market accounts and highly liquid debt instruments purchased with a maturity of three months or less.

Revenue and Revenue Recognition

The Organizations have the following type of revenue, besides contributions:

Rental and Maintenance Income – Rental and Maintenance Income comes from the properties held by FMC Properties. This income from the leasing of the properties is recognized on a monthly basis.

Equipping Event Income – Mosaic offers training events which can be attended by pastors and leaders through donating to Mosaic. This income is recognized when the event occurs.

**FRANCONIA MENNONITE CONFERENCE T/A MOSIAC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Notes To Consolidated Financial Statements - Continued
January 31, 2026 and 2025

See Independent Accountant's Review Report

Note 1 - Continued:

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

In-Kind Donations

The Organizations periodically receive contributed services and materials in connection with its program services. These contributions, when received, have been recorded by the Organizations with the exception of periodic services of volunteers since these do not meet the requirements of FASB ASC-958. For the year ended January 31, 2025, FMC Properties received a property (McKean St). The fair market value of McKean St was determined based on knowledge of the location and based on historical sales of comparable properties by the organization. For the year ended January 31, 2026, FMC Properties purchased a property (Levittown) for less than fair market value. The fair market value of Levittown was determined based on knowledge of the location and county property valuation data. During the years ended January 31, 2026 and 2025, the Organizations received total in-kind donations of \$3,575,141 and \$560,000, respectively.

Management Estimates

The preparation of consolidated financial statements in conformity 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.

Reclassifications

Certain reclassifications have been made to the 2025 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

Management has evaluated subsequent events through September 1, 2026, the date the consolidated financial statements were available to be issued.

Note 2 - Church Buildings:

Details of church building costs at January 31, 2026 and 2025 follow:

	<u>2026</u>	<u>2025</u>
Whitehall Mennonite Church, Whitehall, PA	\$ 30,014	\$ 30,014
Project Haven, E. Greenville, PA	25,000	25,000
McKean St, Philadelphia, PA	--	560,000
Total	<u>\$ 55,014</u>	<u>\$615,014</u>

Church building costs represent actual amounts invested by the Conference to assist various groups in obtaining a church building. The purpose of owning the church buildings is to ultimately transfer the title to established congregations. In 2012, Project Haven was established and began to use the East Greenville building. Project Haven will cover all operating costs for the property.

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Note 2 - Church Buildings Continued:

The Conference also owns a property in Philadelphia managed by Crossroad. The property is recorded at a \$0 cost basis. The Conference has ownership of a property in Mexico. There are certain restrictions on it. The property is recorded at a \$0 cost basis. The Conference intends to sell the property and use the proceeds for missions in Mexico.

Compared to Whitehall Mennonite Church and Project Haven, McKean St. is being treated differently internally as it is a property held for resale. FMC Properties recorded the property based on fair market value at the date of donation. McKean St was sold during September 2025 for \$560,000.

Note 3 - Property and Equipment:

A summary of the property and equipment as of January 31, 2026 and 2025 follows:

	<u>2026</u>	<u>2025</u>
Office Furniture and Equipment	\$ 33,992	\$ 33,992
Leasehold Improvements	127,397	127,397
Land and Buildings – Indian Creek Farm	529,429	529,429
Land and Buildings – Levittown	3,827,844	--
Land and Buildings – Souderton Shopping Center	<u>6,533,797</u>	<u>6,526,499</u>
	11,052,459	7,217,317
Less: Accumulated Depreciation	<u>(4,766,532)</u>	<u>(4,500,563)</u>
Net Property and Equipment	<u>\$ 6,285,927</u>	<u>\$ 2,716,754</u>

Depreciation expense for the year ended January 31, 2026 and 2025 was \$265,969 and \$222,946, respectively.

Note 4 - Loan Receivable:

	<u>2026</u>	<u>2025</u>
Nation's Worship, 0%, to be repaid when property sold or transferred, secured by property mortgage - Conference	\$ 40,126	\$ 40,126
Crossroad Community Center, 0%, advance on property renovations - Conference	7,000	15,000
Philadelphia Praise Center, \$198,915 initial balance, 5%, secured by second mortgage on property, interest accrues monthly, balloon payment of principal plus interest accrued due July 2029 - repaid October 2025 - FMC Properties	--	203,888
Centro de Alabanza, 0%, no set maturity date, to be repaid when the organization leaves the conference, secured by property mortgage - FMC Properties	30,000	30,000
CIEAMM, 0%, no set maturity date, unsecured, advance on property settlement costs, \$4,090 increase this year to cover additional operational expenses - FMC Properties	<u>22,350</u>	<u>18,260</u>
Total Loans Receivable	99,476	307,274
Less: Allowance for Credit Losses	<u>(30,000)</u>	<u>(30,000)</u>
Total Loans Receivable Net of Allowance	69,476	277,274
Less: Current Portion	--	--
Long Term Portion	<u>\$ 69,476</u>	<u>\$ 277,274</u>

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Note 5 - Investments:

Investments with readily determinable fair market values are stated at fair market value. Unrealized gains and losses are included in the changes in net assets in the accompanying consolidated statements of activities. Investment fees for the years ended January 31, 2026 and 2025 were \$23,224 and \$22,659, respectively. Investments are managed by Everence - The Mennonite Foundation, Inc. (Ministry Resource Fund, Church Plant Fund, Leadership Training Fund), Everence Federal Credit Union (FMC Properties), MMA Praxis Funds (FMC Properties), Univest Bank and Trust Company (Ministerial Retirement Plan and FMC Properties) and FIFS/SEI (Annuities and FMC Properties). The fund managers are not liable for a decline in market value of any investment or for a loss sustained which is not attributable to their own negligence or wrongdoing. The fund managers make all investment decisions within investment guidelines approved by the Organizations.

A summary of investments at January 31, 2026 and 2025, by major components, follows:

	<u>2026</u>	<u>2025</u>
Univest Bank and Trust Company:		
Business Bank Accounts	\$ 60,522	\$ 64,366
Certificate of Deposit – 4.9%, Matured June 2025	--	156,918
Certificate of Deposit – 4.9%, Matured February 2025	--	250,000
Certificate of Deposit – 4.9%, Matured August 2025	--	250,000
Business Bank Accounts	<u>60,522</u>	<u>721,284</u>
Everence - The Mennonite Foundation, Inc.:		
Cash and Cash Equivalents	7,830	13,480
Domestic Bond Funds	746,474	694,361
Domestic Equities	478,630	501,034
International Equities	249,051	238,920
Real Estate	104,725	101,255
Alternative Investments	41,113	39,138
Total	<u>1,627,823</u>	<u>1,588,188</u>
Everence Federal Credit Union – Certificate of Deposit		
4.3%, Matured April 2026	<u>253,556</u>	<u>--</u>
SEI (Capital Reserve Fund):		
Cash and Cash Equivalents	13,015	42,117
Domestic Fixed Income	646,598	584,281
Domestic Equities	365,562	315,727
International Fixed Income	109,391	85,813
Total	<u>1,134,566</u>	<u>1,027,938</u>
FIFS:		
Oceanview Annuity – 2 years, 5.35%		
Anticipated Redemption: August 2026	243,035	230,693
American General Annuity – 4 years, 5.00%		
Anticipated Redemption: August 2028	161,163	153,489
American National Annuity – 3 years, 5.30%		
Anticipated Redemption: August 2027	269,835	256,253
Total	<u>674,033</u>	<u>640,435</u>
MMA Praxis Funds – Money Market Funds	<u>572,839</u>	<u>554,715</u>
Total Investments	<u>\$4,323,329</u>	<u>\$4,532,560</u>

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Note 5 - Investments Continued:

The components of investment income (including interest from cash and loan receivables) are as follows:

	<u>2026</u>	<u>2025</u>
Interest and Dividends	\$ 207,402	\$ 152,981
Realized Gain	41,369	29,425
Unrealized Gain	<u>153,217</u>	<u>121,455</u>
Investment Income	401,988	303,861
Fees	<u>(23,224)</u>	<u>(22,659)</u>
Net Investment Income	<u>\$ 378,764</u>	<u>\$ 281,202</u>

Note 6 - Ministerial Retirement Fund:

The Conference has designated funds amounting to \$60,522 and \$64,366 as of January 31, 2026 and 2025, respectively, which are included in investments, to help support retired church workers and their spouses. The support given to individuals is reviewed annually based on need. The amounts paid for support, during the years ended January 31, 2026 and 2025, was \$3,875 and \$8,250, respectively.

Note 7 - Forwarding Accounts:

The Conference receives funds from churches and individuals to be forwarded to various non-profit organizations. The Conference does not recognize these funds as revenue, but records them as a liability until the money is disbursed to those organizations. The amount outstanding at January 31, 2026 and 2025 was \$14,595 and \$25,671, respectively.

Note 8 - Availability and Liquidity:

The following represents the Organizations' financial assets at January 31, 2026 and 2025:

Financial Assets at January 31, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Cash and Cash Equivalents	\$ 514,256	\$ 378,972
Investments	4,323,329	4,532,560
Accounts and Rent Receivable	<u>4,591</u>	<u>8,500</u>
Total Financial Assets	<u>4,842,176</u>	<u>4,920,032</u>

Less Those Unavailable for General Expenditures within One Year,
Due to:

Contractual or Donor-Imposed Restrictions:		
Subject to Appropriation and Satisfaction of Donor Restrictions	(1,508,978)	(1,709,933)
Board Designations	<u>(468,048)</u>	<u>(475,420)</u>
Total Unavailable	<u>(1,977,026)</u>	<u>(2,185,353)</u>

Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>\$ 2,865,150</u>	<u>\$ 2,734,679</u>
--	---------------------	---------------------

The Organizations are substantially supported by donations which include both without donor restrictions and with donor restrictions, investment income, rental income, and other sources. The Organizations try to maintain sufficient resources to meet the obligations of its donors. The Organizations have a line of credit (as further discussed in Note 9) available to meet cash flow needs.

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Note 9 - Line of Credit:

The Conference has a line of credit available through Univest Bank and Trust Company in the amount of \$200,000, which is due on demand. Interest is at bank's prime rate (6.75% - 2026 and 7.5% - 2025). The line of credit is unsecured. Amount outstanding at January 31, 2026 and 2025, was \$0. Total interest costs incurred and expensed on all debt for the years ended January 31, 2026 and 2025 was \$0.

Note 10 - Agency Funds:

The Conference holds cash and provides bookkeeping services for several organizations, whose mission is similar to that of the Conference. The consolidated financial statements do not include the assets, liabilities, and activities of these organizations. These organizations have their own governing boards.

Note 11 - Net Assets:

Net assets without donor restrictions at January 31, 2026 and 2025 are as follows:

Franconia Mennonite Conference:	<u>2026</u>	<u>2025</u>
Designated – Ministerial Retirement Plan	\$ 60,522	\$ 64,366
Designated – Church Planting	212,225	234,461
Designated – Leadership Training	195,301	176,593
Undesignated – Mosaic Mennonite Conference	986,107	821,249
Undesignated – FMC Properties	<u>8,408,639</u>	<u>5,546,388</u>
Total Net Assets without Donor Restrictions	<u>\$ 9,862,794</u>	<u>\$ 6,843,057</u>

Net assets with donor restrictions at January 31, 2026 and 2025 are as follows:

Subject to Purpose Restrictions:	<u>2026</u>	<u>2025</u>
Missions Fund	\$ 509,837	\$ 532,086
Shalom Mutual Aid Fund	18,324	2,226
Oasis Gathering	--	9,500
Funds to Assist Various Congregations	--	2,277
Pastoral Assistance Fund	2,888	2,599
Vibrant Lilly Grant	915,849	1,141,027
Hope Scholarship Fund	5,000	10,000
Miscellaneous	<u>1,982</u>	<u>10,218</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,453,880</u>	<u>\$ 1,709,933</u>

Net assets released from net assets with donor restrictions are as follows:

Satisfaction of Purpose Restrictions:	<u>2026</u>	<u>2025</u>
Missions Fund	\$ 81,400	\$ 20,000
Shalom Mutual Aid Fund	--	5,500
Mosaic Institute	--	8,754
Ambassador Program	43,590	41,353
Vibrant Lilly Grant	225,178	108,973
Hope Scholarship Fund	5,000	10,000
Miscellaneous	<u>45,072</u>	<u>55,840</u>
Total Satisfaction of Purpose Restrictions	<u>\$ 400,240</u>	<u>\$ 250,420</u>

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Note 12 - Fundraising Expenses:

The Organizations obtain contributions from church congregations and individual donors throughout the year. There is minimal staff time and office expense expended for fundraising type activities. During the years ended January 31, 2026 and 2025, the Organizations incurred approximately \$430 in fundraising costs which are included under general and administrative expenses.

Note 13 - Employee Retirement Plan:

The Conference participates in the Mennonite Retirement Plan, a defined contribution pension plan. Under this plan, all employees employed at least 1,000 hours annually are eligible to contribute based on IRS regulations. Participants' interests in the plan are vested immediately. The Conference makes annual contributions to the plan based on 8% of participants' annual salaries for the years ended January 31, 2026 and 2025. Total retirement plan contributions for the years ended January 31, 2026 and 2025 was \$38,561 and \$39,322, respectively.

Note 14 - Leases:

Property Leased From Others:

Beginning on December 1, 2020, the Conference signed a five-year lease for office space from Dock Mennonite Academy. Monthly rent is \$3,500 and the Conference can renew the lease for three additional five-year terms. The Conference renewed the lease for five years in December of 2025. The Conference also rents on a month-to-month basis storage space for amount ranging from \$104 to \$94 per month for the years ended January 31, 2026 and 2025, respectively. Operating lease expenses for each of the years ended January 31, 2026 and 2025 were \$42,000. In determining the discount rate, the Organization uses the risk-free rate based on US Treasury notes or bond rates for a similar term. The right of use assets and liabilities include the Conference exercising the renewal periods. The following summarizes the line items in the statement of financial position which includes the amounts for the operating lease as of January 31, 2026 and 2025:

The weighted average remaining lease term is 14.8 years. The weighted average discount rate is 1.79%.

	<u>2026</u>	<u>2025</u>
Operating Leases Right of Use Assets	\$ 546,795	\$ 578,696
Current Portion of Operating Lease Liability	32,478	31,902
Long Term Portion of Operating Lease Liability	514,317	546,795

Minimum annual rental payments (including optional renewals) due on the lease are as follows:

<u>January 31,</u>	
2027	\$ 42,000
2028	42,000
2029	42,000
2030	42,000
2031	42,000
Thereafter	<u>413,000</u>
Total Lease Payments	623,000
Less Imputed Interest (1.79%)	<u>(76,205)</u>
Present Value of Lease Liability	<u>\$ 546,795</u>

Properties Leased to Others:

Church Building

FMC Properties leased the East Greenville church building to Project Haven/Bike and Sol on a month-to-month basis. Rental income for the years ended January 31, 2026 and 2025 was \$2,112 and \$1,936, respectively.

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Note 14 - Continued:

Souderton Shopping Center

FMC Properties leased an office to an organization (Weaver, Reckner & Reinhart) under a lease expiring December 2023. After expiration, the lease was month to month. As of January 31, 2024, monthly rent payments were \$6,080. The lessee also paid a monthly CAM of \$1,600; this is being included with rental income on the consolidated statements of activities. The lessee also paid the proportional (by size of space) increase in real estate taxes, which in fiscal year ended January 31, 2025 was \$708. Rental income for the years ended January 31, 2026 and 2025 was \$0 and \$69,120, respectively. The lessee moved out of the Shopping Center in October of 2024.

FMC Properties leases an office to an organization (Tri-Valley) under a lease expiring in December 2028. Monthly rent payments are \$6,080 plus an annual adjustment for CPI. As of January 31, 2026, monthly rent payments are \$6,994. The lessee also pays an annual CAM of \$22,388 which is adjusted at end of period to actual expenses incurred; the CAM is being included with rental income on the consolidated statements of activities. The lessee also pays the proportional (by size of space) increase in real estate taxes, which in fiscal years ended January 31, 2026 and 2025 was \$197 and \$82, respectively. Rental income for the years ended January 31, 2026 and 2025 was \$106,312 and \$94,215, respectively.

FMC Properties leases seven stores to an organization (Care and Share) under a lease expiring January 2028. Care and Share does not plan to renew its lease. Monthly rent payments are \$43,355 plus an annual adjustment based on CPI. The lessee also pays a monthly CAM, which is adjusted at end of period to actual expenses incurred. Rental income, including CAM, for the years ended January 31, 2026 and 2025 was \$862,978 and \$814,205, respectively.

Future minimum lease rental income is as follows:

<u>January 31,</u>	
2027	\$ 643,824
2028	<u>643,824</u>
	<u>\$1,287,648</u>

Indian Creek Road Farm

FMC Properties entered into a lease, effective January 1, 2010, with Living Hope Farm, an unrelated nonprofit organization. The lease is for the house, barn, building, and surrounding farmland. The current lease was renewed for five years ending January 2030; rent is being paid at \$2,517 a month. The lessee is responsible for utilities, maintenance, and repairs. Rental income for each of the years ended January 31, 2026 and 2025 amounted to \$30,206. Future minimum rent to be received is \$30,206 for 2027 through 2029, and 2030 is \$27,689.

FMC Properties leases a building to an organization (Indian Creek Foundation, a group home) on a year-to-year basis. Monthly rental income is conditioned upon the annual approval of the Commonwealth of PA. The lessee is responsible for normal maintenance. Starting January 1, 2014, monthly rental income will be \$2,336. Future minimum rent to be received is \$28,030 - 2027. Total rental income for each of the years ended January 31, 2026 and 2025 amounted to \$28,030.

	<u>2026</u>	<u>2025</u>
Rental Income	\$ 58,236	\$ 58,236
Rental Expense	<u>(17,644)</u>	<u>(32,497)</u>
Net	<u>\$ 40,592</u>	<u>\$ 25,739</u>

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Note 15 - Fair Value Measurements:

FASB ASC 820-10, *Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of hierarchy under FASB ASC 820-10 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data for correlation or other means. If the asset or liability has a specified (contractual) term, the level II input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair values for investments are determined by maturity, interest rates, and other relevant information generated by market transactions. During the year ended January 31, 2025, the Conference purchased three annuity contracts. These contracts do not have an active market and the value of the contracts was determined by a third party.

Fair values of assets measured on a recurring basis at January 31, 2026 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 654,196	\$ --	\$ --	\$ 654,196
Certificates of Deposit	--	253,556	--	253,556
Annuities	--	--	674,033	674,033
U.S. Bond Funds	1,393,072	--	--	1,393,072
U.S. Equity Funds	844,192	--	--	844,192
International Equity Fund	358,442	--	--	358,442
Real Estate Funds	104,725	--	--	104,725
Alternative Investment Funds	41,113	--	--	41,113
Total	<u>\$3,395,740</u>	<u>\$253,556</u>	<u>\$674,033</u>	<u>\$4,323,329</u>

Fair values of assets measured on a recurring basis at January 31, 2025 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash and Cash Equivalents	\$ 674,678	\$ --	\$ --	\$ 674,678
Certificates of Deposit	--	656,918	--	656,918
Annuities	--	--	640,435	640,435
U.S. Bond Funds	1,278,642	--	--	1,278,642
U.S. Equity Funds	816,761	--	--	816,761
International Equity Fund	324,733	--	--	324,733
Real Estate Funds	101,255	--	--	101,255
Alternative Investment Funds	39,138	--	--	39,138
Total	<u>\$3,235,207</u>	<u>\$656,918</u>	<u>\$640,435</u>	<u>\$4,532,560</u>

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Note 16 - Related Party Transactions:

Certain members of the Organizations' Board of Directors are related to entities providing services to the Organizations in the ordinary course of business.

FMC Properties pays a management fee to MMC every month for the rental properties, which as of January 31, 2026 and 2025 totaled \$38,081 and \$27,320, respectively. As of January 31, 2026 and 2025, the outstanding receivable balance was \$20,823 and \$720, respectively. These amounts have been eliminated on the consolidated financial statements.

FMC Properties gives a monthly contribution to MMC. As of January 31, 2026 and 2025, the total contributions were \$1,014,369 and \$577,500, respectively. These amounts have been eliminated on the consolidated financial statements.

FMC Properties loaned MMC money to help with furnishing their office space and to provide more short term cashflow. As of January 31, 2026 and 2025, the loan receivable was for \$0 and \$97,500. MMC loaned FMC Properties money related to one of the properties. As of January 31, 2026 and 2025, the loan receivable was for \$4,090 and \$0, respectively. These amounts have been eliminated on the consolidated financial statements.

Note 17 - Subsequent Events:

Subsequent to year ended January 31, 2026, FMC Properties sold the Project Haven property in East Greenville for \$200,000.

Note 18 - Expenses:

Program Service

Credentialing Leaders includes the expenses involved in training and ordaining pastors within the Conference.

Leadership Equipping & Development includes the expenses associated with running events and providing grants to develop the skills and knowledge of those already in positions of leadership.

Conference-wide Ministries and Communications are the expenses to provide support for ministries within the Conference as well as for the newsletter and various publications.

Collaborative and Regional Ministries are the expenses to provide support for ministries within the region and with assisting pastors with new church opportunities.

Contribution expense is related to funds contributed to a conference church related to property sales.

Property Expense is the expense of upkeep for real estate held by FMC Properties other than employee costs.

Supporting Service

General and Administrative expenses refer to the costs associated with the overall management and operation support of the organization. The expenses include salary and benefits of Mosaic Mennonite Conference, office, and related travel costs.

Property expense is the salaries and benefits associated with the management of the properties held by FMC properties, as well as any miscellaneous professional fees incurred.

SUPPLEMENTARY INFORMATION

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	2026			
	<u>Mosaic Mennonite Conference</u>	<u>FMC Properties</u>	<u>Eliminations</u>	<u>Totals</u>
<u>Assets</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 120,232	\$ 394,024	\$ --	\$ 514,256
Cash and Cash Equivalents - Savings	92,778	--	--	92,778
Accounts and Rent Receivable	25,414	--	(20,823)	4,591
Prepaid Expenses	8,112	65,202	--	73,314
Total Current Assets	<u>246,536</u>	<u>459,226</u>	<u>(20,823)</u>	<u>684,939</u>
Property and Equipment, Net of Accumulated Depreciation	<u>90,215</u>	<u>6,195,712</u>	<u>--</u>	<u>6,285,927</u>
Other Assets:				
Investments	2,615,923	1,707,406	--	4,323,329
Loans Receivable (Net of Allowance for Credit Losses of \$30,000 - 2026 and 2025)	51,216	22,350	(4,090)	69,476
Right of Use - Operating Lease	546,795	--	--	546,795
Church Buildings	--	55,014	--	55,014
Total Other Assets	<u>3,213,934</u>	<u>1,784,770</u>	<u>(4,090)</u>	<u>4,994,614</u>
Total Assets	<u><u>\$ 3,550,685</u></u>	<u><u>\$ 8,439,708</u></u>	<u><u>\$ (24,913)</u></u>	<u><u>\$ 11,965,480</u></u>
<u>Liabilities and Net Assets</u>				
Current Liabilities:				
Accounts Payable and Accrued Expenses	\$ 34,392	\$ 26,979	\$ (20,823)	\$ 40,548
Accrued Wages and Payroll Taxes	14,119	--	--	14,119
Agency Funds	47,344	--	--	47,344
Current Portion of Operating Lease Liability	32,478	--	--	32,478
Loan Payable - Related Party	--	4,090	(4,090)	--
Total Current Liabilities	<u>128,333</u>	<u>31,069</u>	<u>(24,913)</u>	<u>134,489</u>
Long Term Liabilities:				
Operating Lease Liability	<u>514,317</u>	<u>--</u>	<u>--</u>	<u>514,317</u>
Total Liabilities	<u>642,650</u>	<u>31,069</u>	<u>(24,913)</u>	<u>648,806</u>
Net Assets:				
Without Donor Restrictions	1,454,155	8,408,639	--	9,862,794
With Donor Restrictions	1,453,880	--	--	1,453,880
Total Net Assets	<u>2,908,035</u>	<u>8,408,639</u>	<u>--</u>	<u>11,316,674</u>
Total Liabilities and Net Assets	<u><u>\$ 3,550,685</u></u>	<u><u>\$ 8,439,708</u></u>	<u><u>\$ (24,913)</u></u>	<u><u>\$ 11,965,480</u></u>

2025

<u>Mosaic Mennonite Conference</u>	<u>FMC Properties</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 144,602	\$ 234,370	\$ --	\$ 378,972
92,719	--	--	92,719
8,072	1,148	(720)	8,500
14,058	59,575	--	73,633
<u>259,451</u>	<u>295,093</u>	<u>(720)</u>	<u>553,824</u>
 99,600	 2,617,154	 --	 2,716,754
 2,792,989	 1,739,571	 --	 4,532,560
55,126	319,648	(97,500)	277,274
578,697	--	--	578,697
--	615,014	--	615,014
<u>3,426,812</u>	<u>2,674,233</u>	<u>(97,500)</u>	<u>6,003,545</u>
<u>\$ 3,785,863</u>	<u>\$ 5,586,480</u>	<u>\$ (98,220)</u>	<u>\$ 9,274,123</u>
 \$ 44,254	 \$ 40,092	 \$ (720)	 \$ 83,626
15,095	--	--	15,095
43,715	--	--	43,715
31,902	--	--	31,902
97,500	--	(97,500)	--
<u>232,466</u>	<u>40,092</u>	<u>(98,220)</u>	<u>174,338</u>
 546,795	 --	 --	 546,795
 779,261	 40,092	 (98,220)	 721,133
 1,296,669	 5,546,388	 --	 6,843,057
1,709,933	--	--	1,709,933
<u>3,006,602</u>	<u>5,546,388</u>	<u>--</u>	<u>8,552,990</u>
<u>\$ 3,785,863</u>	<u>\$ 5,586,480</u>	<u>\$ (98,220)</u>	<u>\$ 9,274,123</u>

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**

**Schedule II - Consolidating Statements of Activities
For the Years Ended January 31, 2026 and 2025**

See Independent Accountant's Review Report

	2026				
	Mosaic Mennonite Conference			FMC Properties	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Consolidated Total
Revenue, Gains and Other Support:					
Contributions - Congregations	\$ 386,293	\$ --	\$ 386,293	\$ --	\$ 386,293
Contributions - Other	156,898	85,037	241,935	--	241,935
Noncash Contributions - Property	--	--	--	3,575,141	3,575,141
Vibrant Lilly Grant	--	--	--	--	--
Equipping Event Income	5,793	--	5,793	--	5,793
Rental and Maintenance Income	--	--	--	1,029,637	1,029,637
Management Fee/Contribution	1,039,950	--	1,039,950	--	1,039,950
Investment Income	178,181	59,150	237,331	141,433	378,764
Gain (Loss) On Sale of Property	--	--	--	(13,579)	(13,579)
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	400,240	(400,240)	--	--	--
Total Revenue, Gains and Other Support	<u>2,167,355</u>	<u>(256,053)</u>	<u>1,911,302</u>	<u>4,732,632</u>	<u>6,643,934</u>
Expenses and Losses:					
Program Services:					
Credentialing Leaders	74,676	--	74,676	--	74,676
Leadership Equipping & Development	1,145,313	--	1,145,313	--	1,145,313
Conference-wide Ministries & Comm.	231,259	--	231,259	--	231,259
Collaborative & Regional Ministries	136,409	--	136,409	--	136,409
Contribution	--	--	--	212,052	212,052
Property Expense	--	--	--	552,505	552,505
Total Program Services	<u>1,587,657</u>	<u>--</u>	<u>1,587,657</u>	<u>764,557</u>	<u>2,352,214</u>
Supporting Services:					
General and Administrative	422,212	--	422,212	--	422,212
Property Expense	--	--	--	53,374	53,374
Contribution/Transfer	--	--	--	1,052,450	1,052,450
Total Supporting Services	<u>422,212</u>	<u>--</u>	<u>422,212</u>	<u>1,105,824</u>	<u>1,528,036</u>
Total Expenses and Losses	<u>2,009,869</u>	<u>--</u>	<u>2,009,869</u>	<u>1,870,381</u>	<u>3,880,250</u>
Change in Net Assets	157,486	(256,053)	(98,567)	2,862,251	2,763,684
Net Assets at Beginning of Year	<u>1,296,669</u>	<u>1,709,933</u>	<u>3,006,602</u>	<u>5,546,388</u>	<u>8,552,990</u>
Net Assets at End of Year	<u>\$ 1,454,155</u>	<u>\$1,453,880</u>	<u>\$ 2,908,035</u>	<u>\$ 8,408,639</u>	<u>\$ 11,316,674</u>

2026					2025				
Mosaic Mennonite Conference					FMC Properties				
Eliminations	Total	Without Donor	With Donor	Total	Without Donor	Consolidated	Eliminations	Total	
		Restrictions	Restrictions		Restrictions	Total			
\$ --	\$ 386,293	\$ 405,258	\$ --	\$ 405,258	\$ --	\$ 405,258	\$ --	\$ 405,258	
(12,500)	229,435	118,910	113,123	232,033	--	232,033	(7,500)	224,533	
--	3,575,141	--	--	--	560,000	560,000	--	560,000	
--	--	--	1,250,000	1,250,000	--	1,250,000	--	1,250,000	
--	5,793	7,925	--	7,925	--	7,925	--	7,925	
--	1,029,637	7,345	--	7,345	1,037,713	1,045,058	--	1,045,058	
(1,039,950)	--	570,000	--	570,000	--	570,000	(570,000)	--	
--	378,764	110,653	47,588	158,241	122,961	281,202	--	281,202	
--	(13,579)	--	--	--	--	--	--	--	
--	--	250,420	(250,420)	--	--	--	--	--	
(1,052,450)	5,591,484	1,470,511	1,160,291	2,630,802	1,720,674	4,351,476	(577,500)	3,773,976	
--	74,676	41,969	--	41,969	--	41,969	--	41,969	
--	1,145,313	569,921	--	569,921	--	569,921	--	569,921	
--	231,259	242,583	--	242,583	--	242,583	--	242,583	
--	136,409	366,854	--	366,854	--	366,854	--	366,854	
--	212,052	--	--	--	--	--	--	--	
--	552,505	--	--	--	455,383	455,383	--	455,383	
--	2,352,214	1,221,327	--	1,221,327	455,383	1,676,710	--	1,676,710	
--	422,212	207,591	--	207,591	--	207,591	--	207,591	
--	53,374	--	--	--	71,182	71,182	--	71,182	
(1,052,450)	--	--	--	--	577,500	577,500	(577,500)	--	
(1,052,450)	475,586	207,591	--	207,591	648,682	856,273	(577,500)	278,773	
(1,052,450)	2,827,800	1,428,918	--	1,428,918	1,104,065	2,532,983	(577,500)	1,955,483	
--	2,763,684	41,593	1,160,291	1,201,884	616,609	1,818,493	--	1,818,493	
--	8,552,990	1,255,076	549,642	1,804,718	4,929,779	6,734,497	--	6,734,497	
\$ --	\$11,316,674	\$ 1,296,669	\$ 1,709,933	\$ 3,006,602	\$ 5,546,388	\$ 8,552,990	\$ --	\$ 8,552,990	

**FRANCONIA MENNONITE CONFERENCE T/A MOSAIC MENNONITE CONFERENCE and
FRANCONIA MENNONITE BOARD OF MISSIONS AND CHARITIES T/A FMC PROPERTIES**
Schedule III - Consolidating Statements of Cash Flows
For the Years Ended January 31, 2026 and 2025

See Independent Accountant's Review Report

	2026			
	Mosaic Mennonite Conference	FMC Properties	Eliminations	Total
Cash Flows from Operating Activities:				
Change in Net Assets	\$ (98,567)	\$ 2,862,251	\$ --	\$ 2,763,684
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Depreciation	9,385	256,584	--	265,969
Loss on Disposal of Church Buildings	--	13,579	--	13,579
Unrealized (Gain) Loss on Investments	(69,681)	(83,536)	--	(153,217)
Realized (Gain) Loss on Investments	(35,483)	(5,886)	--	(41,369)
Reinvestment of Investment Income	(132,132)	(44,913)	--	(177,045)
Change in Right of Use - Operating Lease	31,902	--	--	31,902
Noncash Contribution Received - Property	--	(3,575,141)	--	(3,575,141)
(Increase) Decrease in Operating Assets:				
Accounts and Rents Receivable	(17,342)	1,148	20,103	3,909
Prepaid Expenses	5,946	(5,627)	--	319
Increase (Decrease) in Operating Liabilities:				
Operating Lease Liability	(31,902)	--	--	(31,902)
Accounts Payable and Accrued Expenses	(9,862)	(13,113)	(20,103)	(43,078)
Accrued Wages and Payroll Taxes	(976)	--	--	(976)
Agency Funds	3,629	--	--	3,629
Net Cash Provided (Used) by Operating Activities	<u>(345,083)</u>	<u>(594,654)</u>	<u>--</u>	<u>(939,737)</u>
Cash Flows from Investing Activities:				
Acquisition of Property and Equipment	--	(260,001)	--	(260,001)
Proceeds from Sale of Church Buildings	--	546,421	--	546,421
Advance of Loans Receivable	(4,090)	--	4,090	--
Repayments on Loan Receivable	8,000	297,298	(97,500)	207,798
Proceeds from Investments	414,362	166,500	--	580,862
Purchase of Investments	--	--	--	--
Net Cash Provided (Used) by Investing Activities	<u>418,272</u>	<u>750,218</u>	<u>(93,410)</u>	<u>1,075,080</u>
Cash Flows from Financing Activities				
Repayments of Loans Payable	(97,500)	--	97,500	--
Proceeds from Loans Payable	--	4,090	(4,090)	--
Net Cash Provided (Used) by Financing Activities	<u>(97,500)</u>	<u>4,090</u>	<u>93,410</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,311)	159,654	--	135,343
Cash and Cash Equivalents - Beginning of Year	237,321	234,370	--	471,691
Cash and Cash Equivalents - End of Year	<u>\$ 213,010</u>	<u>\$ 394,024</u>	<u>\$ --</u>	<u>\$ 607,034</u>
<u>Cash Reconciliation</u>				
Cash and Cash Equivalents	\$ 120,232	\$ 394,024	\$ --	\$ 514,256
Cash and Cash Equivalents - Savings	92,778	--	--	92,778
Total Cash, Cash Equivalents, and Savings	<u>\$ 213,010</u>	<u>\$ 394,024</u>	<u>\$ --</u>	<u>\$ 607,034</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>				
Cash Paid During the Period for Interest	\$ --	\$ --	\$ --	\$ --

2025

<u>Mosaic Mennonite Conference</u>	<u>FMC Properties</u>	<u>Eliminations</u>	<u>Total</u>
\$ 1,201,884	\$ 616,609	\$ --	\$ 1,818,493
9,897	213,049	--	222,946
--	--	--	--
(54,375)	(67,070)	--	(121,445)
(30,311)	886	--	(29,425)
(222,891)	(51,683)	--	(274,574)
31,336	--	--	31,336
--	(560,000)	--	(560,000)
151	(772)	(4,797)	(5,418)
4,317	731	--	5,048
(31,336)	--	--	(31,336)
33,781	(15,294)	4,797	23,284
7,509	--	--	7,509
(163,671)	--	--	(163,671)
<u>786,291</u>	<u>136,456</u>	<u>--</u>	<u>922,747</u>
--	(8,349)	--	(8,349)
--	--	--	--
--	(257,624)	50,000	(207,624)
62,917	--	--	62,917
159,025	159,025	--	318,050
(1,087,569)	--	--	(1,087,569)
<u>(865,627)</u>	<u>(106,948)</u>	<u>50,000</u>	<u>(922,575)</u>
--	--	--	--
50,000	--	(50,000)	--
<u>50,000</u>	<u>--</u>	<u>(50,000)</u>	<u>--</u>
(29,336)	29,508	--	172
266,657	204,862	--	471,519
<u>\$ 237,321</u>	<u>\$ 234,370</u>	<u>\$ --</u>	<u>\$ 471,691</u>
\$ 144,602	\$ 234,370	\$ --	\$ 378,972
92,719	--	--	92,719
<u>\$ 237,321</u>	<u>\$ 234,370</u>	<u>\$ --</u>	<u>\$ 471,691</u>
\$ --	\$ --	\$ --	\$ --