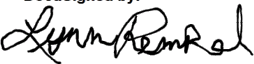



MENNONITE CENTRAL COMMITTEE (ONTARIO)
FINANCIAL STATEMENTS
MARCH 31, 2023

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Approved on behalf of the board of directors:

DocuSigned by:

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Chair

DocuSigned by:

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Treasurer



INDEPENDENT AUDITOR'S REPORT

To the Directors of Mennonite Central Committee (Ontario)

Qualified Opinion

I have audited the financial statements of **Mennonite Central Committee (Ontario)**, which comprise the statement of financial position as at **March 31, 2023**, and the statements of operations and changes in net assets for the Operating Fund and the Capital Fund, and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of **Mennonite Central Committee (Ontario)** as at **March 31, 2023** and its consolidated results of operations, changes in net assets, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis of Qualified Opinion

In common with many charitable organizations, **Mennonite Central Committee (Ontario)** derives a portion of its revenues from the general public in the form of donations and sales of donated goods, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenues from these sources was limited to accounting for the amounts recorded in the records of **Mennonite Central Committee (Ontario)**. Therefore, I was not able to determine whether any adjustments might be necessary to revenues, excess (deficit) of revenues over expenses, and cash flows for the years ended **March 31, 2023 and 2022**, current assets as at **March 31, 2023 and 2022**, and net assets as at **April 1, 2021 and March 31, 2023 and 2022**. My audit opinion on the financial statements for the year ended **March 31, 2022** was also modified because of the possible effects of the same limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

E.M. Simon CPA

Professional Corporation

September 14, 2023

Waterloo, ON

E.M. Simon CPA Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

22 King Street South, Waterloo, ON N2J 1N8

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MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2023****With comparative figures as at March 31, 2022**

(the accompanying notes are an integral part of these financial statements)

ASSETS	2023			2022		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
CURRENT						
Cash - General Operating Fund	5,794,503	-	5,794,503	8,842,803	-	8,842,803
Cash - Operating Reserve (notes 1 and 5)	374,058	-	374,058	3,055,717	-	3,055,717
Cash - Capital Asset Reserve	-	892,645	892,645	-	2,769,620	2,769,620
Investment - Operating Reserve (notes 1, 2 and 5)	3,108,796	-	3,108,796	300,000	-	300,000
Investment - General Operating (notes 1 and 2)	4,008,521	-	4,008,521	-	-	-
Investment - Capital Asset Reserve (note 2)	-	4,373,320	4,373,320	-	275,167	275,167
Accounts receivable	377,937	54,255	432,192	626,613	-	626,613
Investment - Capital Improvement Fund (note 2)	-	53,034	53,034	-	59,610	59,610
	13,663,815	5,373,254	19,037,069	12,825,133	3,104,397	15,929,530
LONG-TERM						
Real estate, equipment and vehicles (note 3)						
Cost	-	25,678,137	25,678,137	-	24,983,673	24,983,673
Accumulated amortization	-	10,026,961	10,026,961	-	9,204,150	9,204,150
	-	15,651,176	15,651,176	-	15,779,523	15,779,523
	\$13,663,815	\$21,024,430	\$34,688,245	\$12,825,133	\$18,883,920	\$31,709,053
LIABILITIES						
CURRENT						
Accounts payable	276,324	-	276,324	373,079	-	373,079
Deferred income (note 6)	9,046,510	-	9,046,510	8,221,934	-	8,221,934
Current portion of long-term debt (note 4)	-	2,897,771	2,897,771	-	3,218,474	3,218,474
	9,322,834	2,897,771	12,220,605	8,595,013	3,218,474	11,813,487
LONG-TERM (note 4)	-	3,923,377	3,923,377	-	4,070,613	4,070,613
TOTAL LIABILITIES	9,322,834	6,821,148	16,143,982	8,595,013	7,289,087	15,884,100
NET ASSETS						
OPERATING FUND (page 4)						
Unrestricted	799,696	-	799,696	874,403	-	874,403
Internally Restricted						
Operating Reserve (notes 1 and 5)	3,541,285	-	3,541,285	3,355,717	-	3,355,717
CAPITAL FUND (page 4)						
Internally restricted						
Capital Asset Reserve (note 1)	-	5,373,254	5,373,254	-	3,104,397	3,104,397
Investment in Property, Equipment and Vehicles	-	8,830,028	8,830,028	-	8,490,436	8,490,436
	4,340,981	14,203,282	18,544,263	4,230,120	11,594,833	15,824,953
	\$13,663,815	\$21,024,430	\$34,688,245	\$12,825,133	\$18,883,920	\$31,709,053

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2023****With comparative figures for the year ended March 31, 2022**

(the accompanying notes are an integral part of these financial statements)

	<u>2023</u>			<u>2022</u>		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
EXCESS (DEFICIT) OF INCOME OVER EXPENSES	3,711,584	(992,274)	2,719,310	3,899,562	(1,037,054)	2,862,508
Interfund transfers						
Operating Fund - budgeted capital funding	(108,477)	108,477	-	(73,421)	73,421	-
Thrift Shop forwardings for mortgage payments	(497,610)	497,610	-	(471,703)	471,703	-
Thrift RePurpose and Hazelglen costs	-	-	-	(561,119)	561,119	-
Transfers from Operating Reserve	(432,671)	432,671	-	-	-	-
Thrift Shops - capital assets, shared occupancy	(2,561,965)	2,561,965	-	(47,374)	47,374	-
CHANGE IN NET ASSETS	110,861	2,608,449	2,719,310	2,745,945	116,563	2,862,508
OPENING NET ASSETS	4,230,120	11,594,833	15,824,953	1,484,175	11,478,270	12,962,445
CLOSING NET ASSETS	\$4,340,981	\$14,203,282	\$18,544,263	\$4,230,120	\$11,594,833	15,824,953
REPRESENTED BY:						
Unrestricted:						
Thrift Shops (page 14)	1,055,053	-	1,055,053	1,171,980	-	1,171,980
Alumni Loan Fund	3,635	-	3,635	3,580	-	3,580
General Operations	(258,992)	-	(258,992)	(301,157)	-	(301,157)
Investment in Property, Equipment and Vehicles	-	8,830,028	8,830,028	-	8,490,436	8,490,436
	799,696	8,830,028	9,629,724	874,403	8,490,436	9,364,839
Internally Restricted:						
Operating Reserve (note 5)	3,541,285	-	3,541,285	3,355,717	-	3,355,717
Capital Asset Reserve						
50 Kent Capital Maintenance	-	1,050,849	1,050,849	-	1,549,491	1,549,491
Equipment and Vehicle Capital Replacement	-	644,163	644,163	-	388,156	388,156
Thrift Shop Capital Expansion	-	3,678,242	3,678,242	-	1,166,750	1,166,750
	3,541,285	5,373,254	8,914,539	3,355,717	3,104,397	6,460,114
	\$4,340,981	\$14,203,282	\$18,544,263	\$4,230,120	\$11,594,833	\$15,824,953

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - OPERATING FUND****FOR THE YEAR ENDED MARCH 31, 2023****With comparative figures for the year ended March 31, 2022**

(the accompanying notes are an integral part of these financial statements)

INCOME	<u>2023</u>	<u>2022</u>
Donations		
General fund	4,911,772	4,959,232
Designated for forwarding	6,835,321	6,242,322
	11,747,093	11,201,554
Other		
Thrift Shops (page 13)	10,327,505	8,097,447
Operating Reserve (note 5)	2,218,441	2,828,783
Relief Sales	420,870	284,409
Interest income	187,786	40,954
	13,154,602	11,251,593
Direct Support for Ontario Programs		
Designated donations	3,237,373	1,204,789
Grants and other income (note 6)	686,815	1,472,108
	3,924,188	2,676,897
TOTAL INCOME	28,825,883	25,130,044
FORWARDED TO MCC (CANADA)		
Designated donations	6,835,321	6,242,322
General donations	6,456,985	5,101,830
	13,292,306	11,344,152
INCOME RETAINED FOR ONTARIO	15,533,577	13,785,892
ONTARIO EXPENSES (page 14)		
Programs	4,202,117	3,182,365
Fundraising Coordination	974,097	723,223
Fundraising Projects	60,426	70,684
General administration and board	991,411	934,177
Thrift Shops	5,593,942	4,975,881
	11,821,993	9,886,330
EXCESS OF INCOME OVER EXPENSES	\$3,711,584	\$3,899,562

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - CAPITAL FUND****FOR THE YEAR ENDED MARCH 31, 2023****With comparative figures for the year ended March 31, 2022**

(the accompanying notes are an integral part of these financial statements)

	<u>2023</u>	<u>2022</u>
INCOME		
Donations	157,478	31,000
Investment income	96,987	30,792
Rent and Capital Asset Reserve contributions	272,981	262,396
	<u>527,446</u>	<u>324,188</u>
EXPENSES		
Amortization of property and equipment costs:		
Programs and administration:		
Equipment	72,046	78,539
Vehicles	7,677	10,968
Buildings	369,208	388,640
	<u>448,931</u>	<u>478,147</u>
Thrift Shops:		
Equipment	66,029	61,422
Vehicles	1,163	1,662
Leasehold improvements	73,964	92,455
Buildings	232,724	231,143
	<u>373,880</u>	<u>386,682</u>
Total Amortization	822,811	864,829
Property tax reassessment	452,661	0
Mortgage interest	244,248	252,816
Write off Thrift Re-Purpose and Hazelglen costs (note 9), and other expenses	0	243,597
	<u>1,519,720</u>	<u>1,361,242</u>
EXCESS (DEFICIT) OF INCOME OVER EXPENSES	<u>(\$992,274)</u>	<u>(\$1,037,054)</u>

MERRIMOTE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2023**

With comparative figures for the year ended March 31, 2022

(the accompanying notes are an integral part of these financial statements)

SOURCES (USES) OF CASH:	2023			2022		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
OPERATING ACTIVITIES						
Excess of income over expenses for the year	3,711,584	(992,274)	2,719,310	3,899,562	(1,037,054)	2,862,508
Items not affecting cash flows:						
Amortization - capital assets	-	822,811	822,811	-	864,829	864,829
Write off Thrift Re-Purpose and Hazelglen costs	-	-	-	-	243,597	243,597
	3,711,584	(169,463)	3,542,121	3,899,562	71,372	3,970,934
Change in current assets and liabilities:						
Investments	(6,817,317)	(4,098,153)	(10,915,470)	-	(6,850)	(6,850)
Accounts receivable	248,676	(54,255)	194,421	539,150	-	539,150
Mortgage receivable	-	6,576	6,576	-	14,440	14,440
Accounts payable	(96,755)	-	(96,755)	141,265	-	141,265
Deferred income	824,576	-	824,576	1,909,214	-	1,909,214
	(2,129,236)	(4,315,295)	(6,444,531)	6,489,191	78,962	6,568,153
INVESTING ACTIVITIES						
Additions to buildings, equipment and vehicles	-	(694,464)	(694,464)	-	(92,149)	(92,149)
FINANCING ACTIVITIES						
Long-term debt repaid	-	(881,944)	(881,944)	-	(831,627)	(831,627)
Long-term debt obtained	-	414,005	414,005	-	-	-
Interfund transfers	(3,600,723)	3,600,723	-	(1,153,617)	1,153,617	-
	(3,600,723)	3,132,784	(467,939)	(1,153,617)	321,990	(831,627)
CHANGE IN CASH FOR THE YEAR	(5,729,959)	(1,876,975)	(7,606,934)	5,335,574	308,803	5,644,377
CASH ON HAND - beginning of the year	11,898,520	2,769,620	14,668,140	6,562,946	2,460,817	9,023,763
CASH ON HAND - end of the year	6,168,561	892,645	7,061,206	11,898,520	2,769,620	14,668,140
REPRESENTED BY:						
Cash - General Operating Fund	5,794,503	-	5,794,503	8,842,803	-	8,842,803
Cash - Operating Reserve (notes 1 and 5)	374,058	-	374,058	3,055,717	-	3,055,717
Cash - Capital Asset Reserve	-	892,645	892,645	-	2,769,620	2,769,620
	\$6,168,561	\$892,645	\$7,061,206	\$11,898,520	\$2,769,620	\$14,668,140

MENNONITE CENTRAL COMMITTEE (ONTARIO)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

PURPOSE

Mennonite Central Committee (MCC), a worldwide ministry of Anabaptist churches, shares God's love and compassion for all in the name Christ by responding to basic human needs and working for peace and justice. Mennonite Central Committee (Ontario), (MCCO) engages in a number of programs which are consistent with MCC'S ministry. MCCO is incorporated in Ontario, without share capital, is a registered charity, and as such does not pay income tax.

1. ACCOUNTING POLICIES

Basis of presentation - These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

Fund Accounting - MCCO maintains its accounts in accordance with the principles of fund accounting, wherein resources for various purposes are classified in accordance with activities or objectives as specified by the Board, management or donors.

The **Operating Fund** reflects the assets, liabilities, income and expenses related to all ongoing programs of MCCO. The Operating Reserve is a pool of funding contained within the Operating Fund which is used to stabilize the often fluctuating cash flows available for Operating Fund expenditures. All undesignated bequests are deposited into the Operating Reserve. Accumulated bequests and interest are transferred to the Operating Fund bank account monthly based on a formula which restricts minimum and maximum balances in net assets available for operations. The **Capital Fund** reflects MCCO's net Investment in Capital Assets, plus the net assets restricted by donors or the Board in the Capital Asset Reserve. The Capital Asset Reserve has three components - 50 Kent Capital Maintenance, which is a reserve of assets designed to enable maintenance of MCCO's head office, Equipment and Vehicle Capital Replacement, which is a reserve of assets designed to enable the replacement of equipment and vehicles, and Thrift Shop Capital Expansion, which is a reserve of funds which are advanced to Thrift Shops to enable expansion. The 50 Kent Capital Maintenance portion of the reserve receives rent from tenants, capital donations, capital loans, and transfers from Thrift Shops, and disburses funds on mortgage payments and maintenance of the head office. The Equipment and Vehicle Capital Replacement portion of the reserve receives annual budgeted allocations from the Operating Fund for equipment and vehicle replacement. The Thrift Shop Capital Expansion portion of the reserve receives donations, loans and transfers from Thrift Shops, which are used to enable capital expansion at Thrift Shops.

Income Recognition - MCCO uses the restricted fund method of accounting, whereby restricted (designated) contributions to the Capital Fund, are reflected as income when received or receivable, and the accumulated amount of such contributions, net of respective expenditures, is reflected as restricted net assets in the appropriate restricted fund (the Capital Fund) on the statement of financial position until the funds are spent as designated.

All Operating Fund receipts which are designated (restricted) by the donor for a specific purpose (such as government grants and donations designated for programs) are reflected as deferred income on the statement of financial position until expended as designated, whereupon the funds are reflected as income. Each year, MCCO enters into an agreement with MCC Canada as to what portion of general donations will be retained for use for Ontario programs and overhead costs (the provincial allotment). Program expenditures are funded in the following order - income generated by the program, grants restricted to the program for the specific fiscal period, the provincial allotment, and then grants and donations which are designated for the program but are not restricted to the fiscal period. Undesignated receipts are reflected as income when received or receivable, provided collection is reasonably assured and amounts reasonably estimable. When MCCO receives restricted contributions which are conditional on MCCO obtaining funding from third parties in addition to the restricted contributions (matching funding), expenses are funded first with matching funds, then with donor restricted funds.

MCCO receives material-in-kind contributions from supporters which are forwarded to communities in need. MCCO assigns values to these in-kind contributions based on conservative estimates of their market values, and reflects these contributions as contributions designated for forwarding. MCCO also receives many hours of service from its many volunteers. Because it is impractical to determine a fair value for these services, their value is not reflected in these financial statements.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2023**

Financial Instruments - A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. Financial assets and liabilities are initially measured at fair value, except for non-arm's length transactions, if any. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and changes in net assets. Any previously recognized impairment losses may be reversed and reflected in income to the extent of improvement, provided they are no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

Real estate, equipment and vehicles - are reflected at cost, and amortized at the following annual rates:

Buildings	- 5% on the declining balance
Leasehold improvements	- 20% on the declining balance
Equipment	- 20% on the declining balance
Vehicles	- 30% on the declining balance

Use of Estimates - The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations sometimes 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 amount of revenues and expenses during the reporting period. In particular, MCCO includes in income (Donations designated for forwarding), the estimated fair value of donated materials included in material aid shipments made during the year (\$481,849 and \$305,789 in the current and prior years respectively). These estimates are reviewed periodically and adjusted proactively as they become necessary. An identical amount is included in expenses for the year as Forwarded to MCC (Canada). Actual fair values could differ from those estimated. In addition, amortization of property and equipment requires estimates and assumptions related to the useful life of the related assets. Actual results could differ from those estimates.

Allocation of Administrative Expenses to Programs - MCCO allocates certain general administrative expenses, such as telephone and internet charges, office supplies, building maintenance, building and equipment amortization, building insurance, software, computer support and receptionist's payroll costs, to its departments. These expenses are allocated to departments based on the number of full-time-equivalent employees working directly in each department.

2. FINANCIAL INSTRUMENTS

	<u>2023</u>		<u>2022</u>	
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Total</u>
Financial assets reflected at fair value				
Balanced Pool Funds	-	276,122	276,122	275,167
Operating Reserve - Fixed Income Fund	300,000	-	300,000	300,000
Financial assets reflected at amortized cost				
Guaranteed investment certificates bearing interest between 2.8% and 5.15%, maturing between May 2023 and January 2025				
- Operating Reserve	2,808,796	-	2,808,796	-
	3,108,796	276,122	3,384,918	575,167
- General Operating Fund and Capital Fund	4,008,521	4,097,198	8,105,719	-
	7,117,317	4,373,320	11,490,637	575,167
Mortgage receivable - Erie St. Leamington, 3%, quarterly payments of \$10,000 principal plus interest, due Sept. 2023	-	53,034	53,034	59,610
	7,117,317	4,426,354	11,543,671	634,777
Cash and accounts receivable	6,546,498	946,900	7,493,398	15,294,753
	<u>\$13,663,815</u>	<u>\$5,373,254</u>	<u>\$19,037,069</u>	<u>\$15,929,530</u>

As in the prior year, management believes the organization does face some interest rate risk, in that, significant increases in market interest rates could significantly increase interest costs relating to its mortgages and loans payable, upon renewal of these obligations. As in the prior year, management believes it does not face any significant market, credit, currency or liquidity risk with respect to its remaining financial instruments.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2023****3. REAL ESTATE, EQUIPMENT AND VEHICLES**

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Amortization</u>	<u>Net Book</u>	<u>Net Book</u>
			<u>Value</u>	<u>Value</u>
Buildings				
Head office and partner facility - Kitchener - Kent Ave.	11,590,368	4,612,331	6,978,037	7,345,302
Timmins - Pine St. S.	41,955	5,037	36,918	38,860
Thrift Shops: Elmira - Church St.	1,114,641	369,087	745,554	245,423
Leamington - Mill St.	1,677,720	533,771	1,143,949	1,204,157
New Hamburg - Heritage Dr.	2,276,156	1,114,907	1,161,249	1,222,367
St. Catharines - Grantham Ave	632,991	313,600	319,391	336,201
Stouffville - Ringwood Dr.	2,036,595	722,221	1,314,374	1,383,552
	<u>19,370,426</u>	<u>7,670,954</u>	<u>11,699,472</u>	<u>11,775,862</u>
Land				
Head office and partner facility - Kitchener - Kent Ave.	1,545,165	-	1,545,165	1,545,165
Timmins - Pine St. S.	10,000	-	10,000	10,000
Thrift Shops: Elmira - Church St.	147,275	-	147,275	147,275
Leamington - Mill St.	254,000	-	254,000	254,000
New Hamburg - Heritage Dr.	321,389	-	321,389	321,389
St. Catharines - Grantham Ave	155,625	-	155,625	155,625
Stouffville - Ringwood Dr.	565,000	-	565,000	565,000
	<u>2,998,454</u>	<u>-</u>	<u>2,998,454</u>	<u>2,998,454</u>
Leasehold Improvements	802,484	506,629	295,855	369,819
Total Real Estate	23,171,364	8,177,583	14,993,781	15,144,135
Equipment	2,264,452	1,627,689	636,763	605,916
Vehicles	242,321	221,689	20,632	29,472
	<u>\$25,678,137</u>	<u>\$10,026,961</u>	<u>\$15,651,176</u>	<u>\$15,779,523</u>

4. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
50 Kent Ave, Kitchener, ON		
Mortgage payable - Abundance Canada - 3.45% interest, requiring monthly principal and interest payments of \$13,911, due July 2022, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave. held jointly by Abundance Canada and Kindred Credit Union.	-	486,167
Mortgage payable - Kindred Credit Union - 3.65% interest, requiring monthly principal and interest payments of \$9,013, due July 2026, secured by a \$571,000 first mortgage on 41 Heritage Dr., New Hamburg, ON, a \$429,000 first mortgage on 58 Mill St., Leamington, ON \$6,000,000 first mortgage on the real estate at 50 Kent Ave. held jointly by Abundance Canada and Kindred Credit Union.	931,220	1,004,195
Promissory note payable - Kindred Credit Union - 3.55% interest, requiring monthly principal and interest monthly payments of \$8,206, due February 2026, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., held jointly by Abundance Canada and Kindred Credit Union.	1,020,430	1,081,758
Mortgage payable - Mennonite Conference of Eastern Canada - 5.5% interest, requiring monthly payments of interest only, due October 2023, secured by a \$1,425,000 third mortgage on the real estate at 50 Kent Ave.	1,425,000	1,425,000

continued on the next page

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2023**

4. LONG-TERM DEBT (continued)	<u>2023</u>	<u>2022</u>				
50 Kent Ave, Kitchener, ON (continued)						
Raising Hope Construction Loans - promissory notes, unsecured, payments of interest between 0% and 2.5% annually, principal of due on demand or in the forthcoming year.	934,000	1,084,000				
Leamington Thrift Shop						
Demand note payable - Kindred Credit Union - 3.9% interest, requiring monthly principal and interest payments of \$5,986, due July 2025, secured by a \$1,000,000 first mortgage on the real estate at 62 Mill St. Leamington and 41 Heritage Dr., New Hamburg.	703,803	747,483				
Stouffville Thrift Shop						
Mortgage payable - Abundance Canada - Stouffville Thrift Shop - 6.65% interest, requiring monthly principal and interest payments of \$9,456, due March 31, 2026, secured by a first charge on real estate at 33 Ringroad Drive., Stouffville	1,161,037	1,210,484				
Private loans - promissory notes, unsecured, interest 0% to 2%, principal due on demand	250,000	250,000				
Kitchener 50 Kent						
Fixed rate promissory note - Kindred Credit Union - 4.25% interest, requiring monthly principal and interest payments of \$5,087, due Oct 2026, secured by all shares, and deposits on account at the Credit Union.	395,658	-				
	6,821,148	7,289,087				
Current portion	2,897,771	3,218,474				
	\$3,923,377	\$4,070,613				
Projected repayment of long-term debt:						
Year	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
Amount	2,897,771	299,114	2,607,341	1,016,922	-	6,821,148
5. OPERATING RESERVE						
	<u>2023</u>	<u>2022</u>				
Income						
Donations by bequest	1,603,599	1,925,615				
Interest	58,431	18,953				
MCC Canada recoveries (deficit coverage)	556,411	884,215				
Total income for the year (page 5)	2,218,441	2,828,783				
Opening net assets						
Transfers to Capital Asset Reserve	(432,671)	-				
Transfer from (to) General Operations	(1,600,202)	(1,927,891)				
Closing net assets (page 3)	\$3,541,285	\$3,355,717				
Represented by;						
Cash (page 3)	374,058	3,055,717				
Accrued interest receivable	58,431	-				
Investment (page 3)	3,108,796	300,000				
	\$3,541,285	\$3,355,717				

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2023****6. DEFERRED INCOME, GOVERNMENT GRANTS AND OTHER INCOME**

	<u>Balance</u> <u>March 31</u> <u>2022</u>	<u>Income</u> <u>Received</u>	<u>Income</u> <u>Expended</u> <u>(Recognized)</u>	<u>Balance</u> <u>March 31</u> <u>2023</u>
Government grants:				
Canada Employment Wage Subsidy	-	20,194	20,194	-
Correctional Services Canada - Community Integration	14,155	71,208	59,417	25,946
Region of Waterloo - Circle of Friends and People's Action	19,708	170,613	67,635	122,686
	<u>33,863</u>	<u>262,015</u>	<u>147,246</u>	<u>148,632</u>
Other Grants	105,389	27,500	39,579	93,310
Total Government and Other Grants	139,252	289,515	186,825	241,942
Other Income	-	499,990	499,990	-
Total Grants and Other Income (page 5)	139,252	789,505	686,815	241,942
Designated donations and other income				
Ontario Programs				
- Refugee Family Support (note 8)	2,614,016	1,414,370	1,106,446	2,921,940
- Program and Operational Support	2,240,678	806,851	906,895	2,140,634
- Other Refugee programs	152,328	129,213	159,517	122,024
Meat Canning	369,049	12,646	21,562	360,133
MCC Canada	989,394	415,510	249,868	1,155,036
Other Programs	1,717,217	1,180,669	793,085	2,104,801
	<u>8,082,682</u>	<u>3,959,259</u>	<u>3,237,373</u>	<u>8,804,568</u>
Total Deferred Income (page 3)	\$8,221,934	\$4,748,764	\$3,924,188	\$9,046,510

7. CONTRACTUAL OBLIGATIONS, COMMITMENTS, CONTINGENCIES

MCCO has entered into lease agreements with a number of tenants at its head office and partner facility which generate an annual base rental income of approximately \$245,000. All leases mature in 2023. New leases are currently being negotiated. In addition to base rent, tenants typically pay a pro rata share of common costs, plus contribute to a capital reserve which is intended to accumulate funds to finance future significant capital costs necessary for continued operation of the building.

MCCO has a lease commitment with respect to a premises which commenced July 1, 2020 and expires August 31, 2025. The lease requires annual base rent payments of \$135,784, increasing by the Consumer Price Index annually, plus common costs related to the property. Projected annual base rent payments are as follows:

<u>Fiscal Year</u>	<u>Annual base rent</u>
2024	138,862
2025	139,904
2026	58,730

8. CONTINGENT LIABILITIES

MCC Canada (MCCC) has signed a Private Sponsorship of Refugees (PSR) Agreement with Immigration Refugee and Citizenship Canada (IRCC), formerly the Department of Citizenship and Immigration Canada (CIC), to provide financial, human resources and moral support to a certain number of refugees sponsored under the PSR program. MCCC's responsibilities under this agreement were assigned to the various Canadian MCCs.

MCC Ontario has partnered with various church and community groups to assist with the sponsorship and resettlement of certain refugee families in Ontario. These groups have placed on deposit with MCC Ontario the necessary funds to sponsor and support these refugee families for the required period of time. Management believes it has sufficient designated funds on hand and volunteer group support to meet its commitment to IRCC.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**THRIFT SHOPS****INCOME, EXPENSES AND CHANGE IN NET OPERATING ASSETS****FOR THE YEAR ENDED MARCH 31, 2023**

With comparative figures for the year ended March 31, 2022

	<u>2023</u>	<u>2022</u>
INCOME		
Sales of donated goods	9,876,278	7,348,833
Canada Employment Wage Subsidy and other income	83,227	568,614
Forwardings from Associate Thrift Shops	368,000	180,000
	<u>10,327,505</u>	<u>8,097,447</u>
EXPENSES		
Personnel	3,208,734	3,049,199
Facility costs	532,003	624,227
Other operating costs	1,853,205	1,302,455
	<u>5,593,942</u>	<u>4,975,881</u>
NET INCOME	4,733,563	3,121,566
Forwarded to MCCO Operating Fund		
MCCO shops	(4,932,145)	(3,555,403)
Associate shops	(368,000)	(180,000)
Administrative and rePurpose Centre expenses recovered from forwardings:	1,084,420	754,037
NET INCOME RETAINED BY OWNED SHOPS	517,838	140,200
OPENING NET OPERATING ASSETS - OWNED THRIFT SHOPS	1,171,980	(682,772)
Capital assets purchased and Maintenance Reserve contributions, mortgage payments	(634,765)	(47,374)
Transfer from Capital Fund - Re-Purpose and Hazelglen costs	-	1,761,926
CLOSING NET OPERATING ASSETS - OWNED THRIFT SHOPS (page 4)	<u>\$1,055,053</u>	<u>\$1,171,980</u>
REPRESENTED BY:		
Cash	1,179,899	1,353,856
Accounts receivable	31,884	48,299
Accounts payable	(156,730)	(230,175)
Net Assets (deficit)	<u>\$1,055,053</u>	<u>\$1,171,980</u>

MENNONITE CENTRAL COMMITTEE (ONTARIO)
ONTARIO EXPENSES - PROGRAMS, FUNDRAISING AND ADMINISTRATION
FOR THE YEAR ENDED MARCH 31, 2023

With comparative figures for the year ended March 31, 2022

	<u>Administrative</u> <u>Charges</u>	<u>2023</u>	<u>2022</u>
PROGRAMS			
Justice & Peacebuilding			
Peacebuilding and Conflict Transformation	15,966	421,660	218,842
Restorative Justice	23,561	468,544	544,258
	39,527	890,204	763,100
Diaster Relief			
Humanitarian Relief & Disaster Recovery	42,531	672,254	444,422
Sustainable Community Development			
Education	428	6,908	7,246
Food Security and Sustainable Livelihoods	46,338	644,503	840,411
Migration and Resettlement	43,303	1,988,248	1,127,186
	90,069	2,639,659	1,974,843
Total Programs (page 5)	172,127	4,202,117	3,182,365
FUNDRAISING COORDINATION			
Donor Relations	45,948	950,597	644,437
Relief Sales and Thrift Shops	137	23,500	78,786
Total Fundraising Coordination (page 5)	46,085	974,097	723,223
FUNDRAISING PROJECTS			
Relief Sales - donations forwarded		40,737	44,445
Thrift Shops - donations forwarded		19,689	26,239
Total Fundraising Projects (page 5)	-	60,426	70,684
GENERAL ADMINISTRATION AND BOARD			
Administration		528,663	490,519
Board, annual general meeting, audit		32,426	31,661
Community Engagement		93,806	81,549
Human Resources		331,822	302,961
Physical Resources		162,900	173,486
Regional Representatives		60,006	54,806
		1,209,623	1,134,982
Recoveries: Administrative expenses charged to programs (note 1)		(218,212)	(200,805)
Total General Administration and Board (page 5)	-	991,411	934,177
THRIFT SHOP EXPENSES (pages 5 and 13)	-	5,593,942	4,975,881
TOTAL ONTARIO EXPENSES (page 5)	\$218,212	\$11,821,993	\$9,886,330