

MENNONITE CENTRAL COMMITTEE (ONTARIO)

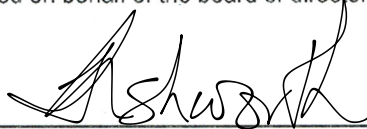
FINANCIAL STATEMENTS

MARCH 31, 2024

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Approved on behalf of the board of directors:



Chair



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, 2024**, and the statement of changes in net assets, the statements of Operations 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 financial position of **Mennonite Central Committee (Ontario)** as at **March 31, 2024** and its changes in net assets, results of operations, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit

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, 2024 and 2023**, current assets as at **March 31, 2024 and 2023**, and net assets as at **April 1, 2022 and March 31, 2023 and 2024**. My audit opinion on the financial statements for the year ended **March 31, 2023** 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
August 19, 2024
Waterloo, ON

E.M. Simon CPA Professional Corporation

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MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2024**

With comparative figures as at March 31, 2023

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

ASSETS	2024			2023		
	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total
CURRENT						
Cash - General	6,097,580	-	6,097,580	5,794,503	-	5,794,503
Cash - Operating Reserve (notes 1 and 5)	-	-	-	374,058	-	374,058
Cash - Capital Reserves	-	3,571,879	3,571,879	-	892,645	892,645
Investment - Operating Reserve (notes 1, 2 and 5)	-	-	-	3,108,796	-	3,108,796
Investment - General Operating (notes 1 and 2)	7,365,573	-	7,365,573	4,008,521	-	4,008,521
Investment - Capital Reserves (note 2)	-	4,559,118	4,559,118	-	4,373,320	4,373,320
Accounts receivable	1,503,141	219,618	1,722,759	377,937	54,255	432,192
Investment - Capital Reserves (note 2)	-	-	-	-	53,034	53,034
Due from Capital Fund (note 2)	1,290,545	-	1,290,545	-	-	-
	16,256,839	8,350,615	24,607,454	13,663,815	5,373,254	19,037,069
LONG-TERM						
Real estate, equipment and vehicles (note 3)						
Cost	-	26,701,499	26,701,499	-	25,678,137	25,678,137
Accumulated amortization	-	10,833,346	10,833,346	-	10,026,961	10,026,961
	-	15,868,153	15,868,153	-	15,651,176	15,651,176
	\$16,256,839	\$24,218,768	\$40,475,607	\$13,663,815	\$21,024,430	\$34,688,245
LIABILITIES						
CURRENT						
Accounts payable	1,450,087	4,438	1,454,525	276,324	-	276,324
Deferred income (note 6)	9,822,489	-	9,822,489	9,046,510	-	9,046,510
Due to Operating Fund (note 2)	-	1,290,545	1,290,545	-	-	-
Current portion of long-term debt (note 4)	-	3,178,276	3,178,276	-	2,897,771	2,897,771
	11,272,576	4,473,259	15,745,835	9,322,834	2,897,771	12,220,605
LONG-TERM (note 4)	-	2,123,399	2,123,399	-	3,923,377	3,923,377
TOTAL LIABILITIES	11,272,576	6,596,658	17,869,234	9,322,834	6,821,148	16,143,982
NET ASSETS						
OPERATING FUND (page 4)						
Unrestricted	4,984,263	-	4,984,263	799,696	-	799,696
Internally Restricted						
Operating Reserve (notes 1 and 5)	-	-	-	3,541,285	-	3,541,285
CAPITAL FUND (page 4)						
Internally restricted						
Capital Reserves (note 1)	-	7,055,632	7,055,632	-	5,373,254	5,373,254
Investment in Property, Equipment and Vehicles	-	10,566,478	10,566,478	-	8,830,028	8,830,028
	4,984,263	17,622,110	22,606,373	4,340,981	14,203,282	18,544,263
	\$16,256,839	\$24,218,768	\$40,475,607	\$13,663,815	\$21,024,430	\$34,688,245

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2024****With comparative figures for the year ended March 31, 2023**

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

	<u>2024</u>			<u>2023</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	3,323,281	738,829	4,062,110	3,711,584	(992,274)	2,719,310
Interfund transfers						
Operating Fund - budgeted capital funding	(36,201)	36,201	-	(108,477)	108,477	-
Thrift Shop mortgage payments	(668,390)	668,390	-	(497,610)	497,610	-
Operating Reserve	-	-	-	(432,671)	432,671	-
Thrift Capital Asset Reserve	(1,975,408)	1,975,408	-	(2,561,965)	2,561,965	-
CHANGE IN NET ASSETS	643,282	3,418,828	4,062,110	110,861	2,608,449	2,719,310
OPENING NET ASSETS	4,340,981	14,203,282	18,544,263	4,230,120	11,594,833	15,824,953
CLOSING NET ASSETS	\$4,984,263	\$17,622,110	\$22,606,373	\$4,340,981	\$14,203,282	\$18,544,263
REPRESENTED BY:						
Unrestricted:						
Thrift Shops (page 13)	526,862	-	526,862	1,055,053	-	1,055,053
Alumni Loan Fund	-	-	-	3,635	-	3,635
General Operations	4,457,401	-	4,457,401	(258,992)	-	(258,992)
Investment in Property, Equipment and Vehicles	-	10,566,478	10,566,478	-	8,830,028	8,830,028
	4,984,263	10,566,478	15,550,741	799,696	8,830,028	9,629,724
Internally Restricted:						
Operating Reserve (note 5)	-	-	-	3,541,285	-	3,541,285
Capital Reserves:						
Capital Asset Reserve	-	2,174,933	2,174,933	-	1,050,849	1,050,849
Equipment and Vehicle Replacement (note 1)	-	-	-	-	644,163	644,163
Thrift Capital Asset Reserve	-	4,880,699	4,880,699	-	3,678,242	3,678,242
	-	7,055,632	7,055,632	3,541,285	5,373,254	8,914,539
	\$4,984,263	\$17,622,110	\$22,606,373	\$4,340,981	\$14,203,282	\$18,544,263

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - OPERATING FUND****FOR THE YEAR ENDED MARCH 31, 2024**

With comparative figures for the year ended March 31, 2023

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

INCOME	<u>2024</u>	<u>2023</u>
Donations		
General fund	5,649,857	4,911,772
Designated for forwarding	5,256,930	6,835,321
	10,906,787	11,747,093
Other		
Thrift Shops (page 13)	11,190,013	10,327,505
Operating Reserve (note 5)	-	2,218,441
Relief Sales	363,000	420,870
Interest income	419,210	187,786
	11,972,223	13,154,602
Direct Support for Ontario Programs		
Designated donations	2,829,137	3,237,373
Grants and other income	1,094,091	686,815
	3,923,228	3,924,188
TOTAL INCOME	26,802,238	28,825,883
FORWARDED TO MCC (CANADA)		
Designated donations	5,256,930	6,835,321
General donations	5,470,733	6,456,985
	10,727,663	13,292,306
INCOME RETAINED FOR ONTARIO	16,074,575	15,533,577
ONTARIO EXPENSES (page 14)		
Programs	4,279,420	4,202,117
Fundraising Coordination	1,145,318	974,097
Fundraising Projects	152,176	60,426
General administration and board	1,094,169	991,411
Thrift Shops	6,080,211	5,593,942
	12,751,294	11,821,993
EXCESS OF INCOME OVER EXPENSES	\$3,323,281	\$3,711,584

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - CAPITAL FUND****FOR THE YEAR ENDED MARCH 31, 2024****With comparative figures for the year ended March 31, 2023**

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

	<u>2024</u>	<u>2023</u>
INCOME		
Donations	1,177,157	157,478
Investment and other income	263,581	96,987
Rent and Capital Asset Reserve contributions	292,281	272,981
	<u>1,733,019</u>	<u>527,446</u>
EXPENSES		
Amortization of property and equipment costs:		
Programs and administration:		
Equipment	73,552	72,046
Vehicles	7,699	7,677
Buildings	356,196	369,208
	<u>437,447</u>	<u>448,931</u>
Thrift Shops:		
Equipment	69,716	66,029
Vehicles	0	1,163
Leasehold improvements	59,171	73,964
Buildings	277,971	232,724
	<u>406,858</u>	<u>373,880</u>
Total Amortization	844,305	822,811
Property tax reassessment (recoveries)	(287,192)	452,661
Project expenses	173,618	-
Mortgage interest	263,459	244,248
	<u>994,190</u>	<u>1,519,720</u>
EXCESS (DEFICIT) OF INCOME OVER EXPENSES	<u>\$738,829</u>	<u>(\$992,274)</u>

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2024**

With comparative figures for the year ended March 31, 2023

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

	<u>2024</u>			<u>2023</u>		
SOURCES (USES) OF CASH:	<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	3,323,281	738,829	4,062,110	3,711,584	(992,274)	2,719,310
Items not affecting cash flows:						
Amortization - capital assets	-	844,305	844,305	-	822,811	822,811
Write off Thrift Re-Purpose and Hazelglen costs	-	-	-	-	-	-
	3,323,281	1,583,134	4,906,415	3,711,584	(169,463)	3,542,121
Change in current assets and liabilities:						
Investments	(248,256)	(185,798)	(434,054)	(6,817,317)	(4,098,153)	(10,915,470)
Accounts receivable	(1,125,204)	(165,363)	(1,290,567)	248,676	(54,255)	194,421
Inter-Fund loans	(1,290,545)	1,290,545	-	-	-	-
Mortgage receivable	-	53,034	53,034	-	6,576	6,576
Accounts payable	1,173,763	4,438	1,178,201	(96,755)	-	(96,755)
Deferred income	775,979	-	775,979	824,576	-	824,576
	2,609,018	2,579,990	5,189,008	(2,129,236)	(4,315,295)	(6,444,531)
INVESTING ACTIVITIES						
Additions to buildings, equipment and vehicles	-	(1,061,282)	(1,061,282)	-	(694,464)	(694,464)
FINANCING ACTIVITIES						
Long-term debt repaid	-	(1,519,473)	(1,519,473)	-	(881,944)	(881,944)
Long-term debt obtained	-	-	-	-	414,005	414,005
Interfund transfers	(2,679,999)	2,679,999	-	(3,600,723)	3,600,723	-
	(2,679,999)	1,160,526	(1,519,473)	(3,600,723)	3,132,784	(467,939)
CHANGE IN CASH FOR THE YEAR	(70,981)	2,679,234	2,608,253	(5,729,959)	(1,876,975)	(7,606,934)
CASH ON HAND - beginning of the year	6,168,561	892,645	7,061,206	11,898,520	2,769,620	14,668,140
CASH ON HAND - end of the year	6,097,580	3,571,879	9,669,459	6,168,561	892,645	7,061,206
REPRESENTED BY:						
Cash - General	6,097,580	-	6,097,580	5,794,503	-	5,794,503
Cash - Operating Reserve (notes 1 and 5)	-	-	-	374,058	-	374,058
Cash - Capital Reserves	-	3,571,879	3,571,879	-	892,645	892,645
	\$6,097,580	\$3,571,879	\$9,669,459	\$6,168,561	\$892,645	\$7,061,206

MENNONITE CENTRAL COMMITTEE (ONTARIO)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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 was a pool of funding contained within the Operating Fund which is used to stabilize the often fluctuating cash flows available for Operating Fund expenditures. The Operating Reserve was dissolved in the current fiscal year, and the net assets were transferred to the general Operating Fund. Unrestricted bequests were previously deposited into, and reflected as income, in the Operating Reserve. In the current fiscal year unrestricted bequests are reflected as donations in the general Operating Fund. 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. Prior to the current fiscal year, the Capital Asset Reserve had three components: 50 Kent Capital Maintenance - a reserve of assets designed to enable maintenance of MCCO's head office; Equipment and Vehicle Replacement - a reserve of assets designed to enable the replacement of equipment and vehicles, and; Thrift Shop Expansion - a reserve to enable capital expansion of the Thrift Shops. In the current fiscal year, the Capital Fund was reorganized into three components – the Investment in Property, Equipment and Vehicles, which reflects the long-term capital assets of the corporation and any associated debt, receives transfers from other funds for capital asset purchase and makes debt payments on all capital related borrowings; the Equipment and Vehicle Replacement Reserve was merged with the 50 Kent Capital Maintenance Reserve and renamed as the Capital Asset Reserve. The Capital Asset Reserve receives rent from tenants, capital donations, and transfers from the non-Thrift operating fund and is used to enable capital expansion and significant non-capitalized maintenance for non-Thrift property, equipment and vehicles; and the Thrift Shop Expansion Reserve renamed as Thrift Capital Asset Reserve, which receives donations, loans and transfers from Thrift Shops and is used to enable capital expansion and significant non-capitalized maintenance for Thrift Shops property, equipment, and

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, 2024**

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 (\$570,874 and \$481,849 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>2024</u>	<u>2023</u>		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Total</u>
Financial assets reflected at fair value				
Balanced Pool Funds	-	291,529	291,529	276,122
Operating Reserve - Fixed Income Fund	-	-	-	300,000
Financial assets reflected at amortized cost				
Guaranteed investment certificates bearing interest between 2.8% and 5.25%, maturing between June 2024 and January 2025				
- Operating Reserve	-	-	-	2,808,796
	-	291,529	291,529	3,384,918
- General Operating Fund and Capital Fund	7,365,573	4,267,589	11,633,162	8,105,719
	7,365,573	4,559,118	11,924,691	11,490,637
Mortgage receivable - Erie St. Leamington, 3%, quarterly payments of \$10,000 principal plus interest, due Sept. 2023	-	-	-	53,034
	7,365,573	4,559,118	11,924,691	11,543,671
Cash and accounts receivable	7,600,721	3,791,497	11,392,218	7,493,398
	<u>\$14,966,294</u>	<u>\$8,350,615</u>	<u>\$23,316,909</u>	<u>\$19,037,069</u>

Inter-fund loans are unsecured, are unsecured, bear no interest, and have no specific terms of repayment.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2024****2. FINANCIAL INSTRUMENTS (continued)**

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.

3. REAL ESTATE, EQUIPMENT AND VEHICLES

			<u>2024</u>	<u>2023</u>
	Cost	Amortization	Net Book Value	Net Book Value
Buildings				
Head office and partner facility - Kitchener - Kent Ave.	11,699,320	4,966,680	6,732,640	6,978,037
Timmins - Pine St. S.	41,955	6,883	35,072	36,918
Thrift Shops: Elmira - Church St.	1,431,607	422,213	1,009,394	745,554
Leamington - Mill St.	1,677,720	590,969	1,086,751	1,143,949
New Hamburg - Heritage Dr.	2,290,505	1,173,687	1,116,818	1,161,249
St. Catharines - Grantham Ave	1,176,586	356,749	819,837	319,391
Stouffville - Ringwood Dr.	2,036,595	787,940	1,248,655	1,314,374
	<u>20,354,288</u>	<u>8,305,121</u>	<u>12,049,167</u>	<u>11,699,472</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	565,800	236,684	295,855
Total Real Estate	24,155,226	8,870,921	15,284,305	14,993,781
Equipment	2,344,029	1,770,957	573,072	636,763
Vehicles	202,244	191,468	10,776	20,632
	<u>\$26,701,499</u>	<u>\$10,833,346</u>	<u>\$15,868,153</u>	<u>\$15,651,176</u>

4. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
50 Kent Ave, Kitchener, ON		
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, and a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., Kitchener, ON.	681,024	931,220
Mortgage payable - Kindred Credit Union - 3.55% interest, requiring monthly principal and interest monthly payments of \$8,206, due February 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, and a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., Kitchener, ON.	762,555	1,020,430
Mortgage payable - Mennonite Conference of Eastern Canada - 5.5% interest, required monthly payments of interest only, matured October 2023, secured by a \$1,425,000 third mortgage on the real estate at 50 Kent Ave. No formal agreement has been reached between the parties with respect to an extension or repayment, however, the parties have informally agreed to continue the terms of the previous agreement pending completion of a new formal agreement.	1,425,000	1,425,000
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.	870,000	934,000

continued on the next page

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2024**

4. LONG-TERM DEBT (continued)	<u>2024</u>	<u>2023</u>				
50 Kent Ave, Kitchener, ON (continued)						
Leamington Thrift Shop						
Mortgage payable - Kindred Credit Union - 3.9% interest, requiring monthly principal and interest payments of \$5,986, due July 2025, 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, and a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., Kitchener, ON.	515,704	703,803				
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, ON.	518,989	1,161,037				
Private loans - promissory notes, unsecured, interest 0% to 2%, principal due on demand	250,000	250,000				
Kitchener 50 Kent						
Mortgage payable - Kindred Credit Union - 4.25% interest, requiring monthly principal and interest payments of \$5,087, due Oct 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, and a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., Kitchener, ON.	278,403	395,658				
	5,301,675	6,821,148				
Current portion	3,178,276	2,897,771				
	<u>\$2,123,399</u>	<u>\$3,923,377</u>				
Projected repayment of long-term debt:						
Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>Total</u>
Amount	3,178,276	1,889,623	233,776	-	-	5,301,675
5. OPERATING RESERVE			<u>2024</u>	<u>2023</u>		
Income						
Donations by bequest			-	1,603,599		
Interest			-	58,431		
MCC Canada recoveries (deficit coverage)			-	556,411		
Total income for the year (page 5)			-	2,218,441		
Opening net assets			3,541,285	3,355,717		
Transfers to Capital Asset Reserve			-	(432,671)		
Transfer from (to) General Operations			(3,541,285)	(1,600,202)		
Closing net assets (page 3)			<u>\$0</u>	<u>\$3,541,285</u>		
Represented by;						
Cash (page 3)			-	374,058		
Accrued interest receivable			-	58,431		
Investment (page 3)			-	3,108,796		
			<u>\$0</u>	<u>\$3,541,285</u>		

At commencement of the current fiscal year, use of the Operating Reserve was discontinued, and the net assets previously held in the Reserve were transferred to the general Operating Fund.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2024****6. DEFERRED INCOME, GOVERNMENT GRANTS AND OTHER INCOME**

Deferred income consists of grants and donations which have been restricted for specific purposes and which have not been spent as designated.

	<u>2024</u>	<u>2023</u>
Program:		
Restorative Justice	289,690	466,930
Indegenous Neighbours	274,753	503,985
People in Poverty	223,049	194,471
Refugee Assistance	352,883	282,080
Low Germann Projects	13,271	25,355
Material Resources	212,516	431,808
Meat Canning	360,133	360,133
Revenue Development	1,145,398	1,220,100
General Administration	0	90,000
Program Sustainability	134,992	147,989
Human Resources	174,717	60,436
Ontario Programs - general	3,365,708	2,297,222
Refugee Support Project	3,165,368	2,921,940
Other	110,011	44,061
Total Deferred Income (page 3)	\$9,822,489	\$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 \$290,000, with terms ending between 2025 and 2027. 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>
2025	139,904
2026	58,730

MCCO has a Credit Facility Agreement with Kindred Credit Union, related to mortgages payable, which requires MCCO to maintain a minimum debt service coverage of 1:1. As of the current fiscal year-end, MCCO had met this requirement.

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. The total estimated financial commitment is by MCC Ontario \$5.9 million.

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 funds to sponsor and support these refugee families for the required period of time (\$3.1 million as of the current fiscal year-end, reflected as deferred income). MCC Ontario management believes it has sufficient volunteer group support to meet its remaining commitment to IRCC.

9. COMPARATIVE FIGURES

Some comparative figures have been reclassified to comply with financial statement presentation adopted in the current fiscal year.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**THRIFT SHOPS****INCOME, EXPENSES AND CHANGE IN NET OPERATING ASSETS****FOR THE YEAR ENDED MARCH 31, 2024**

With comparative figures for the year ended March 31, 2023

	<u>2024</u>	<u>2023</u>
INCOME		
Sales of donated goods	10,823,530	9,876,278
Canada Employment Wage Subsidy and other income	41,383	83,227
Forwardings from Associate Thrift Shops	325,100	368,000
	<u>11,190,013</u>	<u>10,327,505</u>
EXPENSES		
Personnel	4,479,059	4,104,139
Facility costs	888,140	721,018
Other operating costs	713,012	768,785
	<u>6,080,211</u>	<u>5,593,942</u>
NET INCOME	5,109,802	4,733,563
Forwarded to MCCO Operating Fund		
MCCO shops	(2,642,727)	(4,932,145)
Associate shops	(325,100)	(368,000)
Administrative and rePurpose Centre expenses recovered from forwardings:	-	1,084,420
NET INCOME RETAINED BY OWNED SHOPS	2,141,975	517,838
OPENING NET OPERATING ASSETS - OWNED THRIFT SHOPS	1,055,053	1,171,980
Capital assets purchased, Maintenance Reserve contributions, mortgage payments	(2,670,166)	(634,765)
CLOSING NET OPERATING ASSETS - OWNED THRIFT SHOPS (page 4)	<u>\$526,862</u>	<u>\$1,055,053</u>
REPRESENTED BY:		
Cash	1,402,099	1,179,899
Accounts receivable	41,806	31,884
Accounts payable	(917,043)	(156,730)
Net Assets (deficit)	<u>\$526,862</u>	<u>\$1,055,053</u>

MENNONITE CENTRAL COMMITTEE (ONTARIO)
ONTARIO EXPENSES - PROGRAMS, FUNDRAISING AND ADMINISTRATION
FOR THE YEAR ENDED MARCH 31, 2024

With comparative figures for the year ended March 31, 2023

	<u>Administrative</u> <u>Charges</u>	<u>2024</u>	<u>2023</u>
PROGRAMS			
Justice & Peacebuilding			
Peacebuilding and Conflict Transformation	18,924	553,049	421,660
Restorative Justice	24,873	555,597	468,544
	43,797	1,108,646	890,204
Diaster Relief			
Humanitarian Relief & Disaster Recovery	64,067	725,294	672,254
Sustainable Community Development			
Education	460	7,933	6,908
Food Security and Sustainable Livelihoods	21,448	691,081	644,503
Migration and Resettlement	40,375	1,746,466	1,988,248
	62,283	2,445,480	2,639,659
Total Programs (page 5)	170,147	4,279,420	4,202,117
FUNDRAISING COORDINATION			
Donor Relations	49,837	1,142,750	950,597
Relief Sales and Thrift Shops	147	2,568	23,500
Total Fundraising Coordination (page 5)	49,984	1,145,318	974,097
FUNDRAISING PROJECTS			
Relief Sales - donations forwarded		37,236	40,737
Thrift Shops - donations forwarded		114,940	19,689
Total Fundraising Projects (page 5)	-	152,176	60,426
GENERAL ADMINISTRATION AND BOARD			
Administration		313,220	528,663
Board, annual general meeting, audit		32,577	32,426
Community Engagement		100,178	93,806
Human Resources		335,669	331,822
Physical Resources		473,240	162,900
Regional Representatives		59,416	60,006
		1,314,300	1,209,623
Recoveries: Administrative expenses charged to programs (note 1)		(220,131)	(218,212)
Total General Administration and Board (page 5)	-	1,094,169	991,411
THRIFT SHOP EXPENSES (pages 5 and 13)	-	6,080,211	5,593,942
TOTAL ONTARIO EXPENSES (page 5)	\$220,131	\$12,751,294	\$11,821,993