

Non-consolidated Financial Statements of

**MENNONITE CENTRAL COMMITTEE
BRITISH COLUMBIA**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Mennonite Central Committee British Columbia

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Mennonite Central Committee British Columbia (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules to the financial statements, including a summary of significant accounting policies and other explanatory information

(hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditors' report, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we are not able to determine whether any adjustments might be necessary to donation revenues and excess of revenue over expenses reported in the statement of operations and changes in net assets and statement of cash flows for the years ended March 31, 2024 and March 31, 2023, current assets in the statement of financial position as at the March 31, 2024 and March 31, 2023, and net assets reported in the statement of operations and changes in net assets, both at the beginning and end of the year, for the years ending March 31, 2024 and March 31, 2023. Our opinion on the financial statements for the year ended March 31, 2023, was qualified accordingly because of the possible effects of this limitation in scope.



We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **“Auditor’s Responsibilities for the Audit of the Financial Statements”** section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our 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 Entity’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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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.
- 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 we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied by the Entity in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Abbotsford, Canada

July 24, 2024

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Operations
For the year ended March 31, 2024, with comparative information for 2023

	2024	2023
REVENUE		
Donations and bequests (schedule 1) (note 7)	\$ 14,764,054	\$ 12,048,219
Thrift shops (schedule 2)	9,411,856	8,678,508
Grant funding (note 16)	2,833,831	2,286,004
Relief Festival and banquets	1,186,933	1,150,999
Sales and fees for service (note 7)	913,477	974,450
Interest and investment income (note 7)	686,593	267,572
Amortization of deferred capital contributions (note 9)	314,985	449,854
Rental income	295,390	128,547
TOTAL REVENUE	30,407,119	25,984,153
EXPENSES		
Thrift shops (schedule 2)	6,001,541	5,790,366
BC programs (schedule 3) (note 7)	4,049,605	3,789,861
Support services (note 7)	1,415,787	1,395,089
Advancement	569,565	591,757
Relief Festival and banquets	352,513	337,505
Remittance to MCC Canada - global ministry	10,623,672	12,313,165
TOTAL EXPENSES	23,012,683	24,217,743
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	7,394,436	1,766,410
Gain on disposal of capital assets	-	997,908
Equity income (loss) from investment in subsidiaries (note 4)	3,050,764	(648,124)
EXCESS OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEMS	10,445,200	2,116,194
Trust distributions and donations of capital property (note 4)	56,573,369	229,623,859
EXCESS OF REVENUE OVER EXPENSES	\$ 67,018,569	\$ 231,740,053

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Financial Position
March 31, 2024, with comparative information for 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 17,373,270	\$ 10,711,420
Accounts receivable	311,777	398,037
Inventory	126,842	109,918
Prepaid expenses	67,632	108,150
	17,879,521	11,327,525
Due from Subsidiaries (note 3)	18,136,570	2,586,570
Investment in Subsidiaries (note 4)	328,418,989	284,344,856
Capital Assets (note 5)	24,262,460	24,725,074
	\$ 388,697,540	\$ 322,984,025
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 787,407	\$ 801,239
Due to MCC Canada	1,939,152	2,705,903
Deferred operating contributions (note 8)	536,760	466,868
Refugee sponsorship group deposits	2,996,011	2,929,586
Short-term debt (note 10)	40,000	40,000
Current portion of long-term debt	-	343,628
	6,299,330	7,287,224
Long-term Liabilities		
Deferred capital contributions (note 9)	8,881,534	9,198,694
	8,881,534	9,198,694
Total Liabilities	15,180,864	16,485,918
Net Assets		
Invested in capital assets (note 13)	15,380,926	15,182,752
Internally restricted (note 14)	27,003,179	6,565,506
Invested in subsidiaries (note 4)	328,418,989	284,344,856
Unrestricted	2,713,582	404,993
	373,516,676	306,498,107
Commitments and contingency (notes 11 and 12)		
	\$ 388,697,540	\$ 322,984,025

See accompanying notes to non-consolidated financial statements.

Approved on behalf of the Board:

Sharon Zacharias

Treasurer

Peter Wolfe

Chair of the Board

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Changes in Net Assets
For the year ended March 31, 2024, with comparative information for 2023

	Invested in capital assets (note 13)	Internally restricted (note 14)	Invested in subsidiaries (note 4)	Unrestricted	2024	2023
Net assets, beginning of year	\$ 15,182,752	\$ 6,565,506	\$ 284,344,856	\$ 404,993	\$ 306,498,107	\$ 74,758,054
Excess (deficiency) of revenue over expenses	(247,675)	-	3,050,764	64,215,480	67,018,569	231,740,053
Interfund transfers	-	20,437,673	41,023,369	(61,461,042)	-	-
Change in net assets invested in capital assets	445,849	-	-	(445,849)	-	-
Net assets, end of year	\$ 15,380,926	\$ 27,003,179	\$ 328,418,989	\$ 2,713,582	\$ 373,516,676	\$ 306,498,107

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Cash Flows
For the year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 67,018,569	\$ 231,740,053
Items not involving cash:		
Trust distributions and donations of capital property	(41,023,369)	(229,623,859)
Depreciation	562,660	567,396
Gain on disposal of capital assets	-	(997,908)
Amortization of deferred capital contributions	(314,985)	(449,854)
Equity income from investment in subsidiaries	(3,050,764)	648,124
	23,192,111	1,883,952
Change in non-cash working capital:		
Accounts receivable	86,260	6,659
Inventory	(16,924)	27,789
Prepaid expenses	40,518	(2,434)
Due from subsidiaries	-	194,311
Accounts payable and accrued liabilities	(13,832)	41,376
Due to MCC Canada	(766,751)	1,148,810
Deferred operating contributions	69,892	(193,439)
Refugee sponsorship group deposits	66,425	976,233
	22,657,699	4,083,257
Investing activities:		
Maturing of short-term investments	-	3,000,000
Loans to subsidiaries	(15,550,000)	-
Acquisitions of capital assets	(102,391)	(39,096)
Proceeds from disposal of capital assets	-	1,132,382
	(15,652,391)	4,093,286
Financing activities:		
Net repayment of long-term debt	(343,628)	(3,865,408)
Receipt of capital contributions	170	722
	(343,458)	(3,864,686)
Change in cash	6,661,850	4,311,857
Cash, beginning of year	10,711,420	6,399,563
Cash, end of year	\$ 17,373,270	\$ 10,711,420

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC

Notes to Non-consolidated Financial Statements

For the year ended March 31, 2024

1. PURPOSE OF THE ORGANIZATION

Mennonite Central Committee (“MCC”) started in 1920 in response to hunger in Ukraine, and is the co-operative relief, service and development agency of the Mennonite and Brethren in Christ Churches in North America.

- MCC is a worldwide ministry of Anabaptist churches whose priorities are disaster relief, sustainable community development and justice and peace-building.
- MCC endeavours to share God's love and compassion for all "In the name of Christ" by responding to basic human needs and working for peace and justice.
- MCC envisions communities worldwide in right relationship with God, one another and creation.

The Mennonite Central Committee British Columbia (the “Society”) was established as a not-for-profit society in 1968 and is incorporated under the Societies Act (British Columbia). It is registered as a charity for purposes of the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, under Part III of the CPA Canada Handbook – Accounting and reflect the following significant accounting policies:

(a) Revenue recognition:

The Society uses the deferral method of accounting for contributions, which includes donations and grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related asset.

Externally restricted contributions for the purchase of capital assets that will not be amortized or for the repayment of debt that was incurred to fund the purchase of a capital asset that will not be amortized are recognized as direct increases in net assets.

The Society's policy, which aligns with MCC Canada policy, is to recognize all estate donations as revenue in the year of receipt.

Revenue from the sale of product is recognized in the period that the sale takes place and the title to product is transferred. Material resources revenue is recognized in the period that they are shipped. Revenue from other sources such as rent and interest are recognized when earned and collection is reasonably assured.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Contributed services:

Volunteers contribute an undetermined number of hours per year to assist the Society in the delivery of programs and services. Due to the difficulty in determining fair value of volunteer hours, contributed services are not recognized in these financial statements.

(c) Donations and gifts in kind:

Donations of materials are recognized in the accounts of the Society at estimated fair market value when the materials are used in the normal course of the Society's operations and would otherwise have been acquired for distribution in accordance with the Society's purpose and objectives.

(d) Inventory:

Inventory is recorded at the lower of cost and replacement cost. Cost of inventory is computed using the first in first out method. Items donated for Material Resource shipments overseas are recorded at standard cost stipulated by MCC Canada when shipped.

(e) Investment in subsidiaries:

The Society accounts for its investments in wholly owned, for-profit subsidiary corporations using the equity method whereby the investment is carried at cost and adjusted for any contributions or withdrawals and its share of the net earnings or losses of the investment.

(f) Capital assets:

Purchased capital assets are recorded at cost, less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Amortization is provided using the straight-line method using the following rates:

Buildings	40 Years
Land improvements	20 Years
Furniture and fixtures	10 Years
Equipment	5 Years
Motor vehicles	3 Years
Computer equipment	3 Years
Computer software	2 Years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the either the full or partial amount of the asset no longer has long-term service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its residual value.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases:

Leases are classified as either capital leases or operating leases. Leases that transfer substantially all the benefits and risks of ownership of the asset to the Society are accounted for as capital leases. Capital lease obligations reflect the present value of future lease payments, discounted at the appropriate interest rate.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Areas requiring the use of management estimates include the determination of useful lives of capital assets for purposes of amortization and valuation of investment in subsidiaries and accrued liabilities. Actual results could differ from the estimates.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

3. DUE FROM SUBSIDIARIES

Amounts due from Legacy Vista Properties Inc. and Cedar Ridge Estates Inc., wholly owned for-profit subsidiaries, are long-term loans subject to interest at 7.2% (2023 - 6.0%) per annum with no scheduled terms of repayment and are due March 31, 2027.

	2024	2023
Legacy Vista Properties Inc.	\$ 15,550,000	\$ -
Cedar Ridge Estates Inc.	2,586,570	2,586,570
	\$ 18,136,570	\$ 2,586,570

4. INVESTMENT IN SUBSIDIARIES

The Society's subsidiaries comprise the following entities:

- Cedar Ridge Estates Inc.
- Promontory Ridge Estates Inc., which owns:
 - 1427003 BC Ltd.
- Pacific Peace Properties Inc.
- Legacy Vista Properties Inc. (formerly MCC Employment Services Inc.), which owns:
 - 1427018 BC Ltd.
 - 1427173 BC Ltd.
- H M R Holdings Inc., which owns:
 - Church Road Industrial Inc.
 - Promontory Village Heights Inc.
 - Prince George Global Logistics Inc.
 - Chilliwack Highland Estates Inc.
- East Wellington Developments GP Ltd.
- East Wellington Developments LP Ltd.

The Society's subsidiaries are collectively known as HyLand. The shares and shareholder loans of Cedar Ridge Estates Inc., Promontory Ridge Estates Inc., H M R Holdings Inc., East Wellington Developments GP Ltd., and East Wellington Developments LP Ltd. were gifts from a donor to the Society, whereas Pacific Peace Properties Inc. and Legacy Vista Properties Inc. are corporate entities that hold gifts of land and rental properties to the Society by the same donor. The donor's wish is that these donated properties be held as revenue generating assets to support the ministry of the Society for generations to come, with some of the net income from these properties being re-invested to maintain the revenue generating asset base, and some of the net income being used as donations to support the global ministry of the Society at the discretion of the Society's Board of Directors (the "Board").

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The Society's subsidiaries are managed by a separate Board of Directors appointed by the Board of the Society.

All of the issued and outstanding common shares of H M R Holdings Inc., East Wellington Developments GP Ltd., and East Wellington LP Ltd. were donated to the Society in the year ended March 31, 2023. At the time of the donation, the donor retained preferred shares of H M R Holdings Inc. with a redemption price of \$41,023,369, held in an Alter Ego Trust ("the Trust"). The donor passed away on June 9, 2023, and bequeathed his Estate to the Society. On February 21, 2024, the Society, in its capacity as a beneficiary of the Trust, received the preferred shares of H M R Holdings Inc. in the form of a trust distribution. The Society also received trust distributions from the Trust totaling \$15,550,000 in cash, which was subsequently lent to Legacy Vista Properties Inc. (note 3).

	Opening balance	Trust distribution	Equity income (loss)	Closing balance
Cedar Ridge Estates Inc.	\$ 6,886,194	\$ -	\$ (70,309)	\$ 6,815,885
Promontory Ridge Estates Inc.	44,743,338	-	335,791	45,079,129
Pacific Peace Properties Inc.	4,362,361	-	(190,969)	4,171,392
Legacy Vista Properties Inc.	60,335,317	-	(45,134)	60,290,183
H M R Holdings Inc.	151,925,061	41,023,369	3,044,189	195,992,619
East Wellington Developments GP Ltd.	(8,370)	-	(2,005)	(10,375)
East Wellington Developments LP Ltd.	16,100,955	-	(20,799)	16,080,156
	\$ 284,344,856	\$ 41,023,369	\$ 3,050,764	\$ 328,418,989

The investments in subsidiaries are accounted for using the equity method. The subsidiaries are wholly owned for-profit companies and are subject to income tax and use the taxes payable method. The following represents summary information from the subsidiaries' financial statements for the year ended March 31, 2024 and comparisons for the year ended March 31, 2023. The comparative information for the subsidiaries donated in the year ended March 31, 2023 represents activity from the date of the gift to March 31, 2023.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Cedar Ridge Estates Inc.:

	2024	2023
Total assets	\$ 11,484,178	\$ 4,470,437
Total liabilities	9,712,592	2,624,502
Share capital and retained earnings	1,771,586	1,845,935
Revenue	94,223	167,690
Expenses	164,532	146,420
Net income (loss)	(70,309)	21,270
Cash provided by (used in) operating activities	202,680	57,786
Cash provided by (used in) financing activities	6,846,464	2,966
Cash provided by (used in) investing activities	(11,121,794)	-

(b) Promontory Ridge Estates Inc.:

	2024	2023
Total assets	\$ 150,766,652	\$ 58,513,244
Total liabilities	140,663,864	48,746,347
Share capital and retained earnings	10,102,788	9,766,897
Revenue	12,650,094	6,364,624
Expenses	12,759,493	6,654,131
Income from joint ventures	488,677	821,607
Other income (loss)	(43,487)	105,661
Net income (loss)	335,791	637,761
Cash provided by (used in) operating activities	(243,759)	328,443
Cash provided by (used in) financing activities	78,663,472	(4,869,397)
Cash provided by (used in) investing activities	(68,207,340)	(1,818,365)

(c) Pacific Peace Properties Inc.:

	2024	2023
Total assets	\$ 23,800,630	\$ 15,331,410
Total liabilities	19,629,238	10,969,049
Share capital and retained earnings	4,171,392	4,362,361
Revenue	864,881	754,910
Expenses	1,055,850	791,069
Net income (loss)	(190,969)	(36,159)
Cash provided by (used in) operating activities	(1,482,530)	1,076,209
Cash provided by (used in) financing activities	11,941,232	(112,338)
Cash provided by (used in) investing activities	(10,736,000)	(3,826,535)

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Legacy Vista Properties Inc. (formerly MCC Employment Services Inc.):

	2024	2023
Total assets	\$ 85,386,831	\$ 62,123,232
Total liabilities	24,762,167	1,426,136
Share capital and retained earnings	60,624,664	60,696,916
Revenue	4,542,689	1,968,709
Expenses	4,587,823	3,471,697
Net income (loss)	(45,134)	(1,502,988)
Cash provided by (used in) operating activities	(3,717,674)	609,182
Cash provided by (used in) financing activities	14,788,043	421,243
Cash provided by (used in) investing activities	(12,161,679)	8,040,684

(e) H M R Holdings Inc.:

	2024	2023
Total assets	\$ 43,928,414	\$ 39,976,024
Total liabilities	1,359,746	468,194
Share capital and retained earnings	42,568,668	39,507,830
Revenue	15,839,195	1,178,568
Expenses	12,872,426	1,853,924
Income from Limited Partnership	77,420	1,154,283
Net income (loss)	3,044,189	478,927
Cash provided by (used in) operating activities	3,971,755	422,165
Cash provided by (used in) financing activities	(32,224)	(764,078)
Cash provided by (used in) investing activities	1,520,006	(323,113)

(f) East Wellington Development GP Ltd.:

	2024	2023
Total assets	\$ 3,056	\$ 7,032
Total liabilities	11,800	13,770
Share capital and retained earnings	(8,744)	(6,738)
Revenue	81	67
Expenses	2,086	2,236
Net income (loss)	(2,005)	(2,169)
Cash provided by (used in) operating activities	(3,976)	(9,149)
Cash provided by (used in) financing activities	-	-
Cash provided by (used in) investing activities	3	8,133

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

4. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(g) East Wellington Development LP Ltd.:

	2024	2023
Total assets	\$ 32,616,968	\$ 32,546,013
Total liabilities	412,000	308,922
Share capital and retained earnings	32,204,968	32,237,091
Revenue	11,324	666,376
Expenses	32,123	911,142
Net income (loss)	(20,799)	(244,766)
Cash provided by (used in) operating activities	(89,135)	(435,876)
Cash provided by (used in) financing activities	90	(90)
Cash provided by (used in) investing activities	88,682	435,706

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024	2023
Land	\$ 9,968,659	\$ -	\$ 9,968,659	\$ 9,968,659
Buildings	19,650,475	(5,568,845)	14,081,630	14,523,006
Land improvements	42,768	(12,829)	29,939	32,077
Computer equipment	121,246	(103,544)	17,702	11,031
Computer software	15,359	(15,359)	-	1,087
Equipment	667,239	(556,890)	110,349	144,831
Furniture and fixtures	164,246	(110,065)	54,181	44,383
Motor vehicles	293,602	(293,602)	-	-
	\$ 30,923,594	\$ (6,661,134)	\$ 24,262,460	\$ 24,725,074

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$41,288 (2023 - \$36,765), which include amounts payable for provincial sales taxes and employer health taxes.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

7. RELATED PARTY TRANSACTIONS

During the year the Society entered into various transactions with its wholly owned for-profit subsidiaries. These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Related Party Debt

The Society has received interest on related party debt in the current fiscal year from Cedar Ridge Estates Inc. of \$155,194 (2023 - \$103,463). The Society lent \$15,550,000 to Legacy Vista Properties in the current fiscal year (note 3).

Administrative Services

The Society has received payments for rent, compensation and benefits, administration and office services from Promontory Ridge Estates Inc. of \$3,926 (2023 - \$2,018) and from Legacy Vista Properties Inc. of nil (2023 - \$18,000). The Society has made payment for rent to Legacy Vista Properties Inc. of \$16,652 (2023 - nil)

Fees for Service

The Society has made payment for contracted employees and the related placement fee to Legacy Vista Properties Inc. of nil (2023 - \$236,152). The Society has made payment for property maintenance to Promontory Ridge Estates Inc. of \$10,780 (2023 - \$4,216).

Donations

During the year, the Society received donations of \$5,731,000 (2023 - nil) from Church Road Industrial Inc., \$1,331,000 (2023 - nil) from Prince George Global Logistics Inc., \$16,652 (2023 - \$645,000) from Promontory Ridge Estates Inc., nil (2023 - \$855,000) from East Wellington Developments LP Ltd., and nil (2023 - \$500,000) from H M R Holdings Inc.

8. DEFERRED OPERATING CONTRIBUTIONS

Deferred operating contributions represent both funding that is received in advance of the delivery of services and unspent externally restricted contributions.

The changes in deferred operating contributions for the year are as follows:

	2024	2023
Opening balance	\$ 466,868	\$ 660,307
Contributions received	4,646,662	5,803,217
Amounts recognized as revenue	(4,576,770)	(5,996,656)
Closing balance	\$ 536,760	\$ 466,868

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to contributions received for the acquisition of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

The changes in deferred capital contributions for the year are as follows:

	2024	2023
Opening balance	\$ 9,198,694	\$ 9,650,172
Contributions received	170	722
Amounts recognized as revenue	(314,985)	(449,854)
Other adjustments	(2,345)	(2,346)
Closing balance	\$ 8,881,534	\$ 9,198,694

10. SHORT-TERM DEBT

The Society has received private demand loans payable without interest or security. The balance outstanding at March 31, 2024 is \$40,000 (2023 - \$40,000).

Under its credit agreement with Envision Financial, the Society has a line of credit facility to a maximum of \$4,000,000. The line of credit is due on demand and bears interest at bank prime plus 0.25%. As at year-end, the Society has drawn nil (2023 – nil) against the line of credit.

The total indebtedness is secured by a registered collateral first charge mortgage in the amount of \$12,000,000 over real property owned by the Society, and a general security agreement.

11. COMMITMENTS

The Society has entered into various operating leases for premises and equipment. Under the terms of the leases, the minimum annual lease payments over the next year are as follows:

2025	\$ 23,839
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MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

12. CONTINGENCY

MCC Canada has a Private Sponsorship of Refugees Agreement (“PSR”) with Immigration Refugee and Citizenship Canada to provide financial, human resources and moral support to a certain number of refugees sponsored under the PSR program. MCC Canada's responsibilities under this agreement were assigned to the various Canadian affiliates of MCC Canada, including the Society.

As a result, the Society has partnered with various church and community groups to assist with the sponsorship and resettlement of refugee families in British Columbia. These groups have committed to providing the funding to sponsor and support these refugee families for the required twelve-month period. As at March 31, 2024, the Society has 414 (2023 - 243) active sponsorship cases with various time commitments remaining. Should these groups default on their financial obligations, the Society will be responsible for providing the funding shortfall resulting in a contingent liability estimated to be \$1,030,522 (2023 - nil). Although there is no history of groups defaulting on their financial obligations, the ability to estimate the Society’s potential liability is indeterminable. As such, the cost of providing the funding shortfall will be recorded in the period the amount becomes determinable.

13. INVESTED IN CAPITAL ASSETS

(a) Invested in capital assets is calculated as follows:

	2024	2023
Capital assets	\$ 24,262,460	\$ 24,725,074
Amounts financed by:		
Long-term debt	-	343,628
Deferred capital contributions	8,881,534	9,198,694
	8,881,534	9,542,322
	\$ 15,380,926	\$ 15,182,752

(b) Excess (deficiency) of revenue over expenses in capital assets:

	2024	2023
Amortization of deferred capital contributions	\$ 314,985	\$ 449,854
Depreciation of capital assets	(562,660)	(567,396)
Gifts of capital assets	-	61,838,205
Transfer of assets to subsidiary	-	(61,838,205)
	\$ (247,675)	\$ (117,542)

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

13. INVESTED IN CAPITAL ASSETS (CONTINUED)

(c) Change in net assets invested in capital assets:

	2024	2023
Acquisition of capital assets	\$ 102,391	\$ 39,096
Repayment of long-term debt	343,628	3,865,408
Purchases funded by deferred capital contributions	(170)	(722)
Proceeds on sale of capital assets	-	(1,132,382)
Gain on disposal of capital assets	-	997,908
	\$ 445,849	\$ 3,769,308

14. INTERNALLY RESTRICTED FUNDS

The Society, in accordance with its approved annual budget, has internally restricted net assets for various purposes. The amounts in the fund are internally restricted and are not available without the approval of the Board.

	Opening balance	Transfers in	Transfers out	Closing balance
ECD funds	\$ 1,829,452	\$ -	\$ -	\$ 1,829,452
Subsidiary loans	2,586,470	15,550,000	-	18,136,470
Capital reserve fund	1,894,492	400,000	(94,266)	2,200,226
Indigenous reconciliation fund	22,251	19,939	-	42,190
BC program fund	232,841	-	-	232,841
HyLand investment fund	-	4,562,000	-	4,562,000
	\$ 6,565,506	\$ 20,531,939	\$ (94,266)	\$ 27,003,179

15. GRANT FUNDING

	2024	2023
Grants from MCC Canada	\$ 2,294,563	\$ 1,516,980
Employment development grants	-	400,305
Homelessness prevention and outreach grants	387,413	292,732
Other grants	151,855	75,987
	\$ 2,833,831	\$ 2,286,004

Grants from MCC Canada include administrative recoveries and bequest and surplus policy payments.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2024

16. PAYMENTS TO EMPLOYEES AND CONTRACTORS

The Societies Act (British Columbia) requires the disclosure of remuneration paid by the Society to employees and contractors whose remuneration was at least \$75,000, and any amounts of remuneration paid by the Society to directors.

For the fiscal year ended March 31, 2024, the Society paid total remuneration of \$2,112,749 (2023 - \$1,827,092) to 22 (2023 - 20) employees for service, who received total annual remuneration of \$75,000 or greater. Included in remuneration is the cost of salaries and premiums for employment insurance, Canada pension plan, workers' compensation, and benefits including medical, dental, life insurance, and long-term disability.

No remuneration of \$75,000 or greater was paid to contractors for services.

Remuneration of nil (2023 - \$8,250) was paid to members of the Board for contracted services.

17. FINANCIAL RISKS

(a) Liquidity risk:

Liquidity risk is the risk that Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements and preparing budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society's financial assets that are exposed to credit risk are cash, contributions, loans and proceeds receivable. Credit risk is minimized by restricting the granting of credit and by application of internal collection policies and procedures.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-interest and non-interest bearing financial instruments are subject to changes in fair value, while floating rate financial instruments are subject to fluctuations in cash flows. The Society is exposed to fair value risk with respect to amounts due from subsidiary (note 3). The Society is exposed to cash flow risk as a result of variable interest rates on its short-term credit facility (note 10).

Management does not believe the Society is exposed to any significant concentration of risk. There has been no change to the risk exposures from the prior year.

MENNONITE CENTRAL COMMITTEE BC
Schedule 1 - Donations and Bequests
For the year ended March 31, 2024

	2024	2023
Undesignated contributions		
General	\$ 3,103,619	\$ 2,443,976
Bequests	456,137	2,090,093
Donations from HyLand subsidiaries	7,062,000	2,000,000
	10,621,756	6,534,069
Designated contributions		
International programming	1,771,619	2,141,115
Refugee sponsorship groups	983,570	427,820
Disaster restricted funds	516,029	1,962,583
BC programs	358,067	440,176
Canadian Foodgrains Bank	340,724	152,845
Material resources - gifts in kind	170,867	172,028
Local disaster response	1,422	210,552
Bequests	-	7,031
	4,142,298	5,514,150
TOTAL DONATIONS AND BEQUESTS	\$ 14,764,054	\$ 12,048,219

MENNONITE CENTRAL COMMITTEE BC
Schedule 2 - Thrift Shops
For the year ended March 31, 2024

	2024	2023
REVENUE		
Chilliwack	\$ 383,640	\$ 389,305
Clearbrook clothing	1,404,313	1,340,781
Fort St. John	1,153,748	1,072,531
Kelowna	1,043,809	916,232
MCC Centre - Abbotsford	3,545,963	3,202,405
Mission	659,435	633,283
Powell River	475,166	415,603
Surrey	652,571	632,221
Vancouver	-	1,703
Yarrow	93,211	74,444
	9,411,856	8,678,508
EXPENSES		
Wages and benefits	3,563,870	3,455,125
Rent	664,901	693,363
Repairs and maintenance	466,420	368,294
Property taxes	300,809	296,575
Depreciation	188,694	193,656
Supplies	169,779	157,319
Bank and credit card fees	148,965	85,432
Utilities	113,685	121,955
Insurance	106,692	89,062
Forwarding	68,090	42,024
Travel and meetings	66,873	52,369
Tools, equipment and software	56,273	65,849
Telephone and internet	23,662	23,569
Advertising	22,590	22,327
Interest	11,800	75,542
Events and project expenses	11,164	9,231
Professional fees	8,958	34,612
Cost of goods sold	4,809	4,232
Miscellaneous expense	3,507	(170)
	6,001,541	5,790,366
EXCESS OF REVENUE OVER EXPENSES	\$ 3,410,315	\$ 2,888,142

MENNONITE CENTRAL COMMITTEE BC
Schedule 3 - BC Programs
For the year ended March 31, 2024

	2024	2023
REVENUE		
Refugee sponsorship groups	\$ 983,570	\$ 427,820
Sales and fees for service	866,120	954,216
Grant funding	528,870	776,524
Interest income	526,399	159,109
Donations and bequests	371,447	657,285
Rental income	295,190	128,547
Amortization of deferred capital contributions	28,413	163,282
TOTAL PROGRAM REVENUE	3,600,009	3,266,783
EXPENSES		
Disaster Relief		
Material resources	247,460	258,515
Local disaster response	1,422	210,552
	248,882	469,067
Community Development		
Refugee sponsorship distributions	983,570	427,820
Homelessness prevention and outreach	606,603	487,381
Refugee assistance	572,472	500,422
Program coordination and development	142,487	123,441
Community connections	127,832	90,001
Employment development	99,557	620,270
Poverty reduction projects	65,648	42,746
Volunteer development	31,041	27,422
MCC Guest House	-	23,175
	2,629,210	2,342,678
Justice and Peace		
End Abuse program	172,883	167,202
Indigenous relations	118,524	107,724
Constituency engagement	78,109	22,769
	369,516	297,695
Common Place Cafe		
	518,795	421,205
Ten Thousand Villages		
	283,202	259,216
TOTAL PROGRAM EXPENSES	4,049,605	3,789,861
NET PROGRAM EXPENSES	\$ (449,596)	\$ (523,078)