

Non-consolidated Financial Statements of

**MENNONITE CENTRAL COMMITTEE
BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended March 31, 2025



KPMG LLP

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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 non-consolidated financial statements of Mennonite Central Committee British Columbia (the "Entity"), which comprise:

- the non-consolidated statement of financial position as at March 31, 2025
- the non-consolidated statement of operations for the year then ended
- the non-consolidated statement of changes in net assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes and schedules to the non-consolidated 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 auditor's report, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025 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, 2025 and March 31, 2024, current assets in the statement of financial position as at the March 31, 2025 and March 31, 2024, 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, 2025 and March 31, 2024. Our opinion on the financial statements for the year ended March 31, 2024, 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 auditor’s 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 auditor’s 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 auditor's 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 auditor's 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Abbotsford, Canada

June 30, 2025

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Operations
For the year ended March 31, 2025, with comparative information for 2024

	2025	2024
REVENUE		
Donations and bequests (schedule 1) (note 9)	\$ 15,973,915	\$ 14,764,054
Thrift shops (schedule 2)	9,465,774	9,411,856
Interest and investment income (note 9)	1,937,558	686,593
Grant funding (note 17)	1,783,507	2,833,831
Relief Festival and banquets	1,338,580	1,186,933
Sales and fees for service (note 9)	1,010,425	913,477
Amortization of deferred capital contributions (note 11)	315,013	314,985
Rental income	650	295,390
TOTAL REVENUE	31,825,422	30,407,119
EXPENSES		
Thrift shops (schedule 2)	6,272,290	6,001,541
BC programs (schedule 3) (note 9)	4,067,208	4,049,605
Support services (note 9)	1,546,781	1,415,787
Advancement	863,621	569,565
Relief Festival and banquets	401,734	352,513
Remittance to MCC Canada - global ministry	10,612,775	10,623,672
TOTAL EXPENSES	23,764,409	23,012,683
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	8,061,013	7,394,436
Equity income (loss) from investment in subsidiaries (note 6)	(1,588,025)	3,050,764
EXCESS OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEMS	6,472,988	10,445,200
Estate and trust distributions (note 6)	2,913,888	56,573,369
EXCESS OF REVENUE OVER EXPENSES	\$ 9,386,876	\$ 67,018,569

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Financial Position
March 31, 2025, with comparative information for 2024

	2025	2024
ASSETS		
Current Assets		
Cash (note 3)	\$ 18,821,517	\$ 17,373,270
Short-term investments (note 3)	4,552,687	-
Accounts receivable	781,545	311,777
Inventory	150,074	126,842
Prepaid expenses	96,175	67,632
	24,401,998	17,879,521
Notes receivable (note 4)	1,200,000	-
Due from Subsidiaries (note 5)	21,050,458	18,136,570
Investment in Subsidiaries (note 6)	326,830,964	328,418,989
Capital Assets (note 7)	23,980,204	24,262,460
	\$ 397,463,624	\$ 388,697,540
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 857,683	\$ 787,407
Due to MCC Canada	755,470	1,939,152
Deferred operating contributions (note 10)	933,705	536,760
Refugee sponsorship group deposits	3,363,676	2,996,011
Short-term debt (note 12)	40,000	40,000
	5,950,534	6,299,330
Long-term Liabilities		
Deferred capital contributions (note 11)	8,609,538	8,881,534
	8,609,538	8,881,534
Total Liabilities	14,560,072	15,180,864
Net Assets		
Invested in capital assets (note 15)	15,370,666	15,380,926
Internally restricted (note 16)	36,825,595	27,003,179
Invested in subsidiaries (note 6)	326,830,964	328,418,989
Unrestricted	3,876,327	2,713,582
	382,903,552	373,516,676
Commitments and contingency (notes 13 and 14)		
	\$ 397,463,624	\$ 388,697,540

See accompanying notes to non-consolidated financial statements.

Approved on behalf of the Board:

Sharon Zacharias
Sharon Zacharias (Jul 16, 2025 15:09 PDT)
Treasurer

Peter Wolfe
Peter Wolfe (Jul 16, 2025 15:05 PDT)
Chair of the Board

MENNONITE CENTRAL COMMITTEE BC**Non-consolidated Statement of Changes in Net Assets****For the year ended March 31, 2025, with comparative information for 2024**

	Invested in capital assets		Internally restricted		Invested in subsidiaries		Unrestricted	2025	2024
	(note 15)		(note 16)		(note 6)				
Net assets, beginning of year	\$	15,380,926	\$	27,003,179	\$	328,418,989	\$	2,713,582	\$ 373,516,676 \$ 306,498,107
Excess (deficiency) of revenue over expenses		(266,114)		-		(1,588,025)		11,241,015	9,386,876 67,018,569
Interfund transfers		-		9,822,416		-		(9,822,416)	- -
Change in net assets invested in capital assets		255,854		-		-		(255,854)	- -
Net assets, end of year	\$	15,370,666	\$	36,825,595	\$	326,830,964	\$	3,876,327	\$ 382,903,552 \$ 373,516,676

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC
Non-consolidated Statement of Cash Flows
For the year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 9,386,876	\$ 67,018,569
Items not involving cash:		
Trust distributions and donations of capital property	-	(41,023,369)
Depreciation	581,127	562,660
Amortization of deferred capital contributions	(315,013)	(314,985)
Equity income from investment in subsidiaries	1,588,025	(3,050,764)
	11,241,015	23,192,111
Change in non-cash working capital:		
Accounts receivable	(469,768)	86,260
Inventory	(23,232)	(16,924)
Prepaid expenses	(28,543)	40,518
Accounts payable and accrued liabilities	70,276	(13,832)
Due to MCC Canada	(1,183,682)	(766,751)
Deferred operating contributions	396,945	69,892
Refugee sponsorship group deposits	367,665	66,425
	10,370,676	22,657,699
Investing activities:		
Acquisitions of short-term investments	(4,552,687)	-
Acquisitions of notes receivable	(1,200,000)	-
Loans to subsidiaries	(2,913,888)	(15,550,000)
Acquisitions of capital assets	(298,871)	(102,391)
	(8,965,446)	(15,652,391)
Financing activities:		
Net repayment of long-term debt	-	(343,628)
Receipt of capital contributions	43,017	170
	43,017	(343,458)
Change in cash	1,448,247	6,661,850
Cash, beginning of year	17,373,270	10,711,420
Cash, end of year	\$ 18,821,517	\$ 17,373,270

See accompanying notes to non-consolidated financial statements.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

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, 2025

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, 2025

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) Cash and short-term investments:

Cash and cash equivalents include balances held at Canadian financial institutions for the purpose of meeting short-term cash commitments, generally with maturity dates within three months from date of purchase.

Short-term investments include guaranteed investment certificates held at cost with maturity dates within the next fiscal year.

(i) Financial instruments:

The Society's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, and short term debt. 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.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

3. CASH AND SHORT-TERM INVESTMENTS

The Society's cash balance is primarily held in an account bearing interest at prime minus 1.57%.

The Society holds a 1 year Guaranteed Investment Certificate with a book value of \$4,500,000, maturing in December 2025 and bearing interest at 3.85% per annum. During the year ended March 31, 2025, the Society recognized \$52,687 in accrued interest income on this investment.

4. NOTES RECEIVABLE

The Society holds a promissory note from Place of Refuge Society in the amount of \$1,200,000, bearing interest at 4.65% per annum and due September 16, 2027. During the year ended March 31, 2025, the Society received and recognized \$27,900 in interest income on this note.

5. DUE FROM SUBSIDIARIES

Amounts due from Legacy Vista Properties Inc. and Cedar Ridge Estates Inc., wholly owned for-profit subsidiaries, are long-term loans with no scheduled terms of repayment and are due on March 31, 2027. The amount of \$15,550,000 due from Legacy Vista Properties Inc. and the amount due from Cedar Ridge Estates Inc. are subject to interest at 7.2% (2024 – 7.2%) per annum. The amount of \$2,913,888 due from Legacy Vista Properties Inc. is subject to interest at 4.95% per annum.

	2025		2024	
Legacy Vista Properties Inc.	\$	15,550,000	\$	15,550,000
Legacy Vista Properties Inc.		2,913,888		-
Cedar Ridge Estates Inc.		2,586,570		2,586,570
	\$	21,050,458	\$	18,136,570

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES

The Society's subsidiaries comprise the following entities:

- Cedar Ridge Estates Inc.
- HyLand Commercial Inc. (formerly Promontory Ridge Estates Inc.), which owns:
 - 1427003 B.C. Ltd.
- Pacific Peace Properties Inc.
- Legacy Vista Properties Inc., which owns:
 - 1427018 B.C. Ltd.
 - 1427173 B.C. Ltd.
- HyLand Legacy Inc. (formerly H M R Holdings Inc.), which owns:
 - Church Road Industrial Inc.
 - Promontory Village Heights Inc.
 - Prince George Global Logistics Park Inc.
 - Chilliwack Highland Estates Inc.
 - 1491319 B.C. Ltd.
 - 1530956 B.C. Ltd.
- 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., HyLand Commercial Inc., HyLand Legacy 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").

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

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

All of the issued and outstanding common shares of HyLand Legacy Inc. were donated to the Society in the year ended March 31, 2023. At the time of the donation, the donor retained preferred shares of HyLand Legacy 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 ("the Estate") to the Society. On February 21, 2024, the Society, in its capacity as a beneficiary of the Trust, received the preferred shares of HyLand Legacy 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 5). On March 26, 2025, the Society received a trust distribution of \$110,000 from the Trust and on March 31, 2025, the Society received a final distribution from the Estate of \$2,803,888. The distributions in 2025, totaling \$2,913,888 were subsequently lent to Legacy Vista Properties Inc. (note 5).

	Opening balance	Equity income (loss)	Closing balance
Cedar Ridge Estates Inc.	\$ 6,815,885	\$ 28,964	\$ 6,844,849
HyLand Commercial Inc.	45,079,129	(2,303,602)	42,775,527
Pacific Peace Properties Inc.	4,171,392	(526,049)	3,645,343
Legacy Vista Properties Inc.	60,290,183	(235,140)	60,055,043
HyLand Legacy Inc.	195,992,619	1,523,652	197,516,271
East Wellington Developments GP Ltd.	(10,375)	(1,768)	(12,143)
East Wellington Developments LP Ltd.	16,080,156	(74,082)	16,006,074
	\$ 328,418,989	\$ (1,588,025)	\$ 326,830,964

The subsidiaries are wholly owned for-profit companies and are subject to income tax and use the taxes payable method to account for income taxes. The following represents summary information from the subsidiaries' financial statements for the year ended March 31, 2025 and comparisons for the year ended March 31, 2024.

(a) Cedar Ridge Estates Inc.:

	2025	2024
Total assets	\$ 30,238,086	\$ 11,484,178
Total liabilities	28,437,536	9,712,592
Share capital and retained earnings	1,800,550	1,771,586
Revenue	31,654	94,223
Expenses	2,690	164,532
Net income (loss)	28,964	(70,309)
Cash provided by (used in) operating activities	2,431,797	202,680
Cash provided by (used in) financing activities	16,104,709	6,846,464
Cash provided by (used in) investing activities	(17,630,871)	(11,121,794)

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) HyLand Commercial Inc. (formerly Promontory Ridge Estates Inc.):

		2025		2024
Total assets	\$	148,829,536	\$	150,766,652
Total liabilities		141,030,342		140,663,864
Share capital and retained earnings		7,799,194		10,102,788
Revenue		15,297,611		12,650,094
Expenses		18,162,304		12,759,493
Income from joint ventures		708,296		488,677
Other income (loss)		(147,205)		(43,487)
Net income (loss)		(2,303,602)		335,791
Cash provided by (used in) operating activities		(2,416,230)		(243,759)
Cash provided by (used in) financing activities		436,666		78,663,472
Cash provided by (used in) investing activities		(15,942,115)		(68,207,340)

(c) Pacific Peace Properties Inc.:

		2025		2024
Total assets	\$	22,398,152	\$	23,800,630
Total liabilities		18,752,809		19,629,238
Share capital and retained earnings		3,645,343		4,171,392
Revenue		1,709,970		864,881
Expenses		2,236,019		1,055,850
Net income (loss)		(526,049)		(190,969)
Cash provided by (used in) operating activities		1,003,588		(1,482,530)
Cash provided by (used in) financing activities		(196,039)		11,941,232
Cash provided by (used in) investing activities		(915,787)		(10,736,000)

(d) Legacy Vista Properties Inc.:

		2025		2024
Total assets	\$	101,172,368	\$	85,386,831
Total liabilities		40,785,391		24,762,167
Share capital and retained earnings		60,386,977		60,624,664
Revenue		4,577,656		4,542,689
Expenses		4,812,796		4,587,823
Net income (loss)		(235,140)		(45,134)
Cash provided by (used in) operating activities		2,395,200		(3,717,674)
Cash provided by (used in) financing activities		16,047,471		14,788,043
Cash provided by (used in) investing activities		(17,183,341)		(12,161,679)

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) HyLand Legacy Inc. (formerly H M R Holdings Inc.):

		2025		2024
Total assets	\$	49,125,373	\$	43,928,414
Total liabilities		5,054,251		1,359,746
Share capital and retained earnings		44,071,122		42,568,668
Revenue		12,533,841		15,839,195
Expenses		10,993,530		12,872,426
Income from Limited Partnership		(16,659)		77,420
Net income (loss)		1,523,652		3,044,189
Cash provided by (used in) operating activities		(700,495)		3,971,755
Cash provided by (used in) financing activities		1,871,002		(32,224)
Cash provided by (used in) investing activities		(164,851)		1,520,006

(f) East Wellington Development GP Ltd.:

		2025		2024
Total assets	\$	788	\$	3,056
Total liabilities		11,299		11,800
Share capital and retained earnings		(10,511)		(8,744)
Revenue		77		81
Expenses		1,845		2,086
Net income (loss)		(1,768)		(2,005)
Cash provided by (used in) operating activities		(2,268)		(3,976)
Cash provided by (used in) financing activities		-		-
Cash provided by (used in) investing activities		8		3

(g) East Wellington Development LP Ltd.:

		2025		2024
Total assets	\$	32,977,486	\$	32,616,968
Total liabilities		846,600		412,000
Share capital and retained earnings		32,130,886		32,204,968
Revenue		(71,768)		11,324
Expenses		2,314		32,123
Net income (loss)		(74,082)		(20,799)
Cash provided by (used in) operating activities		(74,482)		(89,135)
Cash provided by (used in) financing activities		435,000		90
Cash provided by (used in) investing activities		(362,970)		88,682

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2025	2024
Land	\$ 9,968,659	\$ -	\$ 9,968,659	\$ 9,968,659
Buildings	19,808,966	(6,070,700)	13,738,266	14,081,630
Land improvements	42,768	(14,967)	27,801	29,939
Computer equipment	190,887	(124,814)	66,073	17,702
Computer software	15,359	(15,359)	-	-
Equipment	685,292	(597,085)	88,207	110,349
Furniture and fixtures	169,167	(122,145)	47,022	54,181
Motor vehicles	316,816	(272,640)	44,176	-
	\$ 31,197,914	\$ (7,217,710)	\$ 23,980,204	\$ 24,262,460

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$48,872 (2024 - \$41,288), which include amounts payable for provincial sales taxes and employer health taxes.

9. 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 \$185,808 (2024 - \$155,194) and from Legacy Vista Properties Inc. of \$1,116,000 (2024 – nil). The Society lent \$2,913,888 to Legacy Vista Properties Inc. (2024 - \$15,550,000) (note 5).

Administrative Services

The Society has received payments for learning tours, administration and office services from HyLand Commercial Inc. of \$42,221 (2024 - \$3,926). The Society has made payment for rent to HyLand Commercial Inc. of \$34,297 (2024 – \$16,652) and to Pacific Peace Properties Inc. of \$19,175 (2024 – nil).

Fees for Service

The Society has made payment for property maintenance to HyLand Commercial Inc. of \$11,856 (2024 - \$10,780).

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

9. RELATED PARTY TRANSACTIONS (CONTINUED)

Donations

During the year, the Society received donations of \$1,243,000 (2024 – \$5,731,000) from Church Road Industrial Inc., \$5,117,000 (2024 – \$1,331,000) from Prince George Global Logistics Inc., and \$1,756,000 (2024 - \$16,652) from HyLand Commercial Inc.

10. 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:

	2025	2024
Opening balance	\$ 536,760	\$ 466,868
Contributions received	4,832,518	4,646,662
Amounts recognized as revenue	(4,435,573)	(4,576,770)
Closing balance	\$ 933,705	\$ 536,760

11. 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:

	2025	2024
Opening balance	\$ 8,881,534	\$ 9,198,694
Contributions received	43,017	170
Amounts recognized as revenue	(315,013)	(314,985)
Other adjustments	-	(2,345)
Closing balance	\$ 8,609,538	\$ 8,881,534

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

12. SHORT-TERM DEBT

The Society has received private demand loans payable without interest or security. The balance outstanding at March 31, 2025 is \$40,000 (2024 - \$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 (2024 – 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.

13. 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 four years are as follows:

2026	\$	14,334
2027		14,334
2028		12,072
2029		765
		\$ 41,505

Subsequent to year end, the Society entered into an operating lease for equipment, the minimum annual payments of which total \$61,223 over the next five years.

14. 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, 2025, the Society has 305 (2024 - 414) 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 nil (2024 - \$1,030,522). 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.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

15. INVESTED IN CAPITAL ASSETS

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

	2025	2024
Capital assets	\$ 23,980,204	\$ 24,262,460
Amounts financed by:		
Deferred capital contributions	8,609,538	8,881,534
	\$ 15,370,666	\$ 15,380,926

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

	2025	2024
Amortization of deferred capital contributions	\$ 315,013	\$ 314,985
Depreciation of capital assets	(581,127)	(562,660)
	\$ (266,114)	\$ (117,542)

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

	2025	2024
Acquisition of capital assets	\$ 298,871	\$ 102,391
Repayment of long-term debt	-	343,628
Purchases funded by deferred capital contributions	(43,017)	(170)
	\$ 255,854	\$ 445,849

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

16. 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
HyLand subsidiary loans (note 5)	\$ 18,136,470	\$ 2,913,888	\$ -	\$ 21,050,358
HyLand investment fund	4,562,000	8,218,528	(1,500,000)	11,280,528
Capital reserve fund	2,200,226	190,000	-	2,390,226
ECD funds	1,829,452	-	(60,000)	1,769,452
Indigenous reconciliation fund	42,190	-	-	42,190
BC program fund	232,841	-	-	232,841
Rent Bank loan capital	-	60,000	-	60,000
	\$ 27,003,179	\$ 11,382,416	\$ (1,560,000)	\$ 36,825,595

17. GRANT FUNDING

	2025	2024
Grants from MCC Canada	\$ 1,058,098	\$ 2,294,563
Homelessness prevention and outreach grants	573,321	387,413
Other grants	152,088	151,855
	\$ 1,783,507	\$ 2,833,831

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

18. 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, 2025, the Society paid total remuneration of \$2,795,924 (2024 - \$2,112,749) to 29 (2024 - 22) 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.

No remuneration was paid to members of the Board.

MENNONITE CENTRAL COMMITTEE BC
Notes to Non-consolidated Financial Statements
For the year ended March 31, 2025

19. 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, short-term investments, receivables and amounts due from subsidiaries. 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 short-term investments (note 3), notes receivable (note 4), and amounts due from subsidiary (note 5). The Society is exposed to cash flow risk as a result of variable interest rates on its short-term credit facility (note 12).

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, 2025

	2025	2024
Undesignated contributions		
General	\$ 3,158,923	\$ 3,103,619
Bequests	940,800	456,137
Donations from HyLand subsidiaries	8,062,528	7,062,000
	12,162,251	10,621,756
Designated contributions		
International programming	1,115,595	1,771,619
Disaster restricted funds	1,085,025	516,029
Refugee sponsorship groups	874,211	983,570
BC programs	513,972	358,067
Material resources - gifts in kind	128,486	170,867
Canadian Foodgrains Bank	94,375	340,724
Local disaster response	-	1,422
	3,811,664	4,142,298
TOTAL DONATIONS AND BEQUESTS	\$ 15,973,915	\$ 14,764,054

MENNONITE CENTRAL COMMITTEE BC
Schedule 2 - Thrift Shops
For the year ended March 31, 2025

	2025	2024
REVENUE		
Chilliwack	\$ 382,926	\$ 383,640
Clearbrook clothing	1,353,156	1,404,313
Fort St. John	1,059,133	1,153,748
Kelowna	1,145,891	1,043,809
MCC Centre - Abbotsford	3,612,939	3,545,963
Mission	661,175	659,435
Powell River	501,477	475,166
Surrey	660,653	652,571
Yarrow	88,424	93,211
	9,465,774	9,411,856
EXPENSES		
Wages and benefits	3,795,066	3,563,870
Rent	698,644	664,901
Repairs and maintenance	401,505	466,420
Property taxes	317,685	300,809
Supplies	215,100	169,779
Depreciation	195,447	188,694
Bank and credit card fees	176,031	148,965
Insurance	120,001	106,692
Utilities	106,638	113,685
Travel and meetings	95,588	66,873
Tools, equipment and software	48,367	56,273
Advertising	40,400	22,590
Telephone and internet	25,127	23,662
Events and project expenses	13,510	11,164
Miscellaneous expense	10,982	3,507
Professional fees	8,602	8,958
Cost of goods sold	2,347	4,809
Forwarding	1,250	68,090
Interest	-	11,800
	6,272,290	6,001,541
EXCESS OF REVENUE OVER EXPENSES	\$ 3,193,484	\$ 3,410,315

MENNONITE CENTRAL COMMITTEE BC
Schedule 3 - BC Programs
For the year ended March 31, 2025

	2025	2024
REVENUE		
Sales and fees for service	\$ 962,359	\$ 866,120
Refugee sponsorship groups	874,211	983,570
Grant funding	717,544	528,870
Interest income	615,750	526,399
Donations and bequests	518,452	371,447
Amortization of deferred capital contributions	28,413	28,413
Rental income	-	295,190
TOTAL PROGRAM REVENUE	3,716,729	3,600,009
EXPENSES		
Disaster Relief		
Material resources	237,839	247,460
Local disaster response	-	1,422
	237,839	248,882
Community Development		
Refugee sponsorship distributions	874,211	983,570
Homelessness prevention and outreach	845,130	606,603
Refugee assistance	246,987	572,472
Community connections	223,330	127,832
Program coordination and development	143,787	142,487
Poverty reduction projects	99,463	65,648
Volunteer development	3,450	31,041
Employment development	-	99,557
	2,436,358	2,629,210
Justice and Peace		
End Abuse program	251,278	172,883
Constituency engagement	146,799	78,109
Indigenous relations	138,742	118,524
	536,819	369,516
Common Place Cafe	530,242	518,795
Ten Thousand Villages	325,950	283,202
TOTAL PROGRAM EXPENSES	4,067,208	4,049,605
NET PROGRAM EXPENSES	\$ (350,479)	\$ (449,596)