

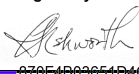
MENNONITE CENTRAL COMMITTEE (ONTARIO)
FINANCIAL STATEMENTS
MARCH 31, 2025

INDEX

Page 2	Independent Auditor's Report
Page 3	Statement of Financial Position
Page 4	Statement Changes in Net Assets
Page 5	Statement of Operations - Operating Fund
Page 6	Statement of Operations - Capital Fund
Page 7	Statement of Cash Flows
Pages 8-12	Notes to the Financial Statements
Page 13	Thrift Shops
Page 14	Ontario Expenses - Programs, Fundraising and Administration

Approved on behalf of the board of directors:

Signed by:



878F4B83651D48F...

Chair

Signed by:



A57F5890A12A4BD...

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, 2025**, 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, 2025** 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 Organizations.

Basis of Qualified Opinion

In common with many charitable organizations, **Mennonite Central Committee (Ontario)** derives a portion of its revenues from the general public in the form of donations and sales of donated goods, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenues from these sources was limited to accounting for the amounts recorded in the records of **Mennonite Central Committee (Ontario)**. Therefore, I was not able to determine whether any adjustments might be necessary to revenues, excess (deficit) of revenues over expenses, and cash flows for the years ended **March 31, 2025 and 2024**, current assets as at **March 31, 2025 and 2024**, and net assets as at **April 1, 2023 and March 31, 2024 and 2025**. My audit opinion on the financial statements for the year ended **March 31, 2024** 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 18, 2025
Waterloo, ON

E.M. Simon CPA Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
22 King Street South, Waterloo, ON N2J 1N8
simon@simoncorp.ca (519) 744-1650

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2025****With comparative figures as at March 31, 2024**

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

	2025			2024		
ASSETS						
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
CURRENT	<u>Fund</u>	<u>Fund</u>		<u>Fund</u>	<u>Fund</u>	
Cash - General	3,936,293	-	3,936,293	6,097,580	-	6,097,580
Cash - Capital Reserves	-	292,809	292,809	-	3,571,879	3,571,879
Investments - General Operating (notes 1,2)	3,260,467	-	3,260,467	7,365,573	-	7,365,573
Investments - Operating Reserves (notes 1,2,5)	7,600,119	-	7,600,119	-	-	-
Investments - Capital Reserves (note 2)	-	4,773,465	4,773,465	-	4,559,118	4,559,118
Accounts receivable	2,093,843	196,412	2,290,255	1,503,141	219,618	1,722,759
Due from (to) other Fund	480,500	(480,500)	-	1,290,545	(1,290,545)	-
	17,371,222	4,782,186	22,153,408	16,256,839	7,060,070	23,316,909
LONG-TERM						
Real estate, equipment and vehicles (note 3)						
Cost	-	28,655,557	28,655,557	-	26,701,499	26,701,499
Accumulated amortization	-	11,895,223	11,895,223	-	10,833,346	10,833,346
	-	16,760,334	16,760,334	-	15,868,153	15,868,153
	\$17,371,222	\$21,542,520	\$38,913,742	\$16,256,839	\$22,928,223	\$39,185,062
LIABILITIES						
CURRENT						
Accounts payable	1,122,850	-	1,122,850	1,450,087	4,438	1,454,525
Deferred income (note 6)	5,268,615	-	5,268,615	9,822,489	-	9,822,489
Current portion of long-term debt (note 4)	-	2,678,808	2,678,808	-	3,178,276	3,178,276
	6,391,465	2,678,808	9,070,273	11,272,576	3,182,714	14,455,290
LONG-TERM (note 4)	-	1,813,153	1,813,153	-	2,123,399	2,123,399
TOTAL LIABILITIES	6,391,465	4,491,961	10,883,426	11,272,576	5,306,113	16,578,689
NET ASSETS						
OPERATING FUND (page 4)						
Unrestricted	624,301	-	624,301	4,984,263	-	4,984,263
Internally Restricted						
Operating Reserves (notes 1 and 5)	10,355,456	-	10,355,456	-	-	-
CAPITAL FUND (page 4)						
Internally restricted						
Capital Reserves (note 1)	-	4,526,179	4,526,179	-	7,055,632	7,055,632
Investment in Property, Equipment and Vehicles	-	12,524,380	12,524,380	-	10,566,478	10,566,478
	10,979,757	17,050,559	28,030,316	4,984,263	17,622,110	22,606,373
	\$17,371,222	\$21,542,520	\$38,913,742	\$16,256,839	\$22,928,223	\$39,185,062

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2025****With comparative figures for the year ended March 31, 2024**

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

	<u>2025</u>			<u>2024</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	5,950,039	(526,096)	5,423,943	3,323,281	738,829	4,062,110
Interfund transfers						
Operating Fund - budgeted capital funding	148,294	(148,294)	-	(36,201)	36,201	-
Thrift Shop mortgage payments	(602,839)	602,839	-	(668,390)	668,390	-
Thrift Growth Fund	500,000	(500,000)	-	-	-	-
Thrift CARF to Operating			-	(1,975,408)	1,975,408	-
CHANGE IN NET ASSETS	5,995,494	(571,551)	5,423,943	643,282	3,418,828	4,062,110
OPENING NET ASSETS	4,984,263	17,622,110	22,606,373	4,340,981	14,203,282	18,544,263
CLOSING NET ASSETS	\$10,979,757	\$17,050,559	\$28,030,316	\$4,984,263	\$17,622,110	\$22,606,373

REPRESENTED BY:

Unrestricted:						
Thrift Shops (page 13)	491,964	-	491,964	526,862	-	526,862
General Operations	132,337	-	132,337	4,457,401	-	4,457,401
Investment in Property, Equipment and Vehicles	-	12,524,380	12,524,380	-	10,566,478	10,566,478
	624,301	12,524,380	13,148,681	4,984,263	10,566,478	15,550,741
Internally Restricted:						
Operating Reserve (note 5)	9,849,204	-	9,849,204	-	-	-
Thrift Growth Reserve (note 5)	506,252	-	506,252	-	-	-
Capital Reserves:						
Capital Asset Reserve	-	1,161,998	1,161,998	-	2,174,933	2,174,933
Thrift Capital Asset Reserve	-	3,364,181	3,364,181	-	4,880,699	4,880,699
	10,355,456	4,526,179	14,881,635	-	7,055,632	7,055,632
	\$10,979,757	\$17,050,559	\$28,030,316	\$4,984,263	\$17,622,110	\$22,606,373

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - OPERATING FUND****FOR THE YEAR ENDED MARCH 31, 2025****With comparative figures for the year ended March 31, 2024**

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

INCOME	<u>2025</u>	<u>2024</u>
Donations		
General fund	6,494,224	5,649,857
Designated for forwarding	4,236,738	5,256,930
	10,730,962	10,906,787
Other		
Thrift Shops (page 13)	12,157,021	11,190,013
Relief Sales	416,130	363,000
Interest income	486,962	419,210
	13,060,113	11,972,223
Direct Support for Ontario Programs		
Designated donations	7,394,786	2,829,137
Grants and other income	1,308,609	1,094,091
	8,703,395	3,923,228
TOTAL INCOME	32,494,470	26,802,238
FORWARDED TO MCC (CANADA)		
Designated donations	4,236,738	5,256,930
General donations	7,980,386	5,470,733
	12,217,124	10,727,663
INCOME RETAINED FOR ONTARIO	20,277,346	16,074,575
ONTARIO EXPENSES (page 14)		
Programs	4,770,027	4,109,273
Fundraising Coordination	1,021,376	1,095,334
Fundraising Projects	213,625	152,176
General administration and board	1,748,632	1,314,300
Thrift Shops	6,573,647	6,080,211
	14,327,307	12,751,294
EXCESS OF INCOME OVER EXPENSES	\$5,950,039	\$3,323,281

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF OPERATIONS - CAPITAL FUND****FOR THE YEAR ENDED MARCH 31, 2025****With comparative figures for the year ended March 31, 2024**

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

	<u>2025</u>	<u>2024</u>
INCOME		
Donations	252,995	1,177,157
Investment and other income	290,889	263,581
Rent and Capital Asset Reserve contributions	299,295	292,281
	<u>843,179</u>	<u>1,733,019</u>
EXPENSES		
Amortization of property and equipment costs:		
Programs and administration:		
Equipment	338,692	73,552
Vehicles	26,753	7,699
Buildings	348,202	356,196
	<u>713,647</u>	<u>437,447</u>
Thrift Shops:		
Equipment	55,773	69,716
Leasehold improvements	47,337	59,171
Buildings	279,924	277,971
	<u>383,034</u>	<u>406,858</u>
Total Amortization	1,096,681	844,305
Property tax reassessment (recoveries)	(3,896)	(287,192)
Project expenses	85,531	173,618
Mortgage interest	190,959	263,459
	<u>1,369,275</u>	<u>994,190</u>
EXCESS (DEFICIT) OF INCOME OVER EXPENSES	<u>(\$526,096)</u>	<u>\$738,829</u>

MENNONITE CENTRAL COMMITTEE (ONTARIO)**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2025****With comparative figures for the year ended March 31, 2024**

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

	<u>2025</u>			<u>2024</u>		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
SOURCES (USES) OF CASH:						
OPERATING ACTIVITIES						
Excess of income over expenses for the year	5,950,039	(526,096)	5,423,943	3,323,281	738,829	4,062,110
Items not affecting cash flows:						
Amortization - capital assets	-	1,096,681	1,096,681	-	844,305	844,305
	5,950,039	570,585	6,520,624	3,323,281	1,583,134	4,906,415
Change in current assets and liabilities:						
Investments	(3,495,013)	(214,347)	(3,709,360)	(248,256)	(185,798)	(434,054)
Accounts receivable	(590,702)	23,206	(567,496)	(1,125,204)	(165,363)	(1,290,567)
Inter-Fund loans	810,045	(810,045)	-	(1,290,545)	1,290,545	-
Mortgage receivable repaid	-	-	-	-	53,034	53,034
Accounts payable	(327,237)	(4,438)	(331,675)	1,173,763	4,438	1,178,201
Deferred income	(4,553,874)	-	(4,553,874)	775,979	-	775,979
	(2,206,742)	(435,039)	(2,641,781)	2,609,018	2,579,990	5,189,008
INVESTING ACTIVITIES						
Additions to buildings, equipment and vehicles	-	(1,988,862)	(1,988,862)	-	(1,061,282)	(1,061,282)
FINANCING ACTIVITIES						
Long-term debt repaid	-	(809,714)	(809,714)	-	(1,519,473)	(1,519,473)
Interfund transfers	45,455	(45,455)	-	(2,679,999)	2,679,999	-
	45,455	(855,169)	(809,714)	(2,679,999)	1,160,526	(1,519,473)
CHANGE IN CASH FOR THE YEAR	(2,161,287)	(3,279,070)	(5,440,357)	(70,981)	2,679,234	2,608,253
CASH ON HAND - beginning of the year	6,097,580	3,571,879	9,669,459	6,168,561	892,645	7,061,206
CASH ON HAND - end of the year	3,936,293	292,809	4,229,102	6,097,580	3,571,879	9,669,459
REPRESENTED BY:						
Cash - General	3,936,293	-	3,936,293	6,097,580	-	6,097,580
Cash - Capital Reserves	-	292,809	292,809	-	3,571,879	3,571,879
	\$3,936,293	\$292,809	\$4,229,102	\$6,097,580	\$3,571,879	\$9,669,459

MENNONITE CENTRAL COMMITTEE (ONTARIO)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

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. In the 2024 fiscal year, the **Operating Reserve** was liquidated and the balance transferred to the general Operating Fund, pending the development of new policies with respect to its goals and activities. In the current year, the Operating Reserve was re-established to form a pool of funding contained within the Operating Fund which is intended to stabilize the sometimes-fluctuating cash flows available for Operating Fund expenditures and Thrift Shop activities. The goal of the Operating Reserve is to maintain a minimum balance equal to six months of budgeted operating expenditures net of rental income, and three months of Thrift Shop operating expenses. Provided the Operating Reserve exceeds its targeted minimum balance, the Operating Reserve will transfer 10% of the accumulated balance at the end of a given fiscal year, to support activities in the subsequent fiscal year, subject to Board approval. In the current year, the **Thrift Growth Reserve** was also established to provide funding for a defined time period of no more than 12 calendar months for innovative pilot projects that represent a shift or addition to current Thrift operating practices in the hopes of creating more revenues and/or donations, or reducing costs in a sustainable manner. Costs could include facility renovations (specific to the project), labour, equipment, materials, advertising or other items directly attributable to the growth initiative. The maximum balance net assets within this fund has be set at \$500,000.

The **Capital Fund** has three components. The **Investment in Property, Equipment and Vehicles** reflects the long-term capital assets of the organization, related debt, receives transfers from other Funds for capital asset purchases, and makes debt repayments on all capital related borrowings. The **Capital Asset Reserve** receives rent from tenants, capital donations, transfers from the Operating Fund, and is used to enable capital expansion and significant non-capitalized maintenance for non-Thrift property, equipment and vehicles. The **Thrift Capital Asset Reserve** receives donations, loans and transfers from Thrift Shops and is used to enable capital expansion and significant non-capitalized maintenance for Thrift Shop properties, equipment, and vehicles.

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.

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2025**

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.

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 (\$435,658 and \$570,874 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>Operating Fund</u>	<u>2025</u> <u>Capital Fund</u>	<u>Total</u>	<u>2024</u> <u>Total</u>
Financial assets reflected at fair value				
Balanced Pool Funds	-	291,529	291,529	291,529
Fixed Income Fund	300,000	-	300,000	300,000
Financial assets reflected at amortized cost				
Guaranteed investment certificates bearing interest between 3.15% and 5.00%, maturing between June 2025 and January 2027				
- General Operating Fund	2,960,467	-	2,960,467	11,333,162
	3,260,467	291,529	3,551,996	11,924,691
- Operating Reserve	7,147,635	4,481,936	11,629,571	-
- Thrift Growth Reserve	452,484	-	452,484	-
	7,600,119	4,481,936	12,082,055	-
	10,860,586	4,773,465	15,634,051	11,924,691
Cash and accounts receivable - reflected at amortized cost	6,030,136	489,221	6,519,357	11,392,218
	\$16,890,722	\$5,262,686	\$22,153,408	\$23,316,909

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

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2025****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

	2025		2024	
	<u>Cost</u>	<u>Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings				
Head office and partner facility - Kitchener - Kent Ave.	11,895,666	5,313,129	6,582,537	6,732,640
Timmins - Pine St. S.	41,955	8,636	33,319	35,072
Thrift Shops: Elmira - Church St.	1,431,607	472,683	958,924	1,009,394
Leamington - Mill St.	1,685,245	645,683	1,039,562	1,086,751
New Hamburg - Heritage Dr.	2,433,966	1,236,701	1,197,265	1,116,818
St. Catharines - Grantham Ave	1,342,620	406,043	936,577	819,837
Stouffville - Ringwood Dr.	2,036,595	850,372	1,186,223	1,248,655
	<u>20,867,654</u>	<u>8,933,247</u>	<u>11,934,407</u>	<u>12,049,167</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	<u>802,484</u>	<u>613,137</u>	<u>189,347</u>	<u>236,684</u>
Total Real Estate	<u>24,668,592</u>	<u>9,546,384</u>	<u>15,122,208</u>	<u>15,284,305</u>
Equipment	<u>3,743,280</u>	<u>2,165,422</u>	<u>1,577,858</u>	<u>573,072</u>
Vehicles	<u>243,685</u>	<u>183,417</u>	<u>60,268</u>	<u>10,776</u>
	<u>\$28,655,557</u>	<u>\$11,895,223</u>	<u>\$16,760,334</u>	<u>\$15,868,153</u>

4. LONG-TERM DEBT

	2025	2024
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.	596,144	681,024
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.	689,794	762,555
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.	840,000	870,000

continued on the next page

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2025****4. LONG-TERM DEBT (continued)****2025****2024**

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.	462,896	515,704
---	---------	---------

Stouffville Thrift Shop

Mortgage payable - Abundance Canada - Stouffville Thrift Shop	-	518,989
---	---	---------

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.	228,127	278,403
---	---------	---------

	4,491,961	5,301,675
Current portion	2,678,808	3,178,276
	\$1,813,153	\$2,123,399

Projected repayment of long-term debt:

Year	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Total</u>
Amount	2,678,808	1,635,902	177,251	-	-	4,491,961

5. OPERATING FUND RESERVES

	<u>2025</u>		<u>2024</u>
	<u>Operating Reserve</u>	<u>Thrift Growth Reserve</u>	<u>Total</u>
Interest income	186,520	6,252	192,772
Opening net assets	-	-	-
Transfer from (to) General Operations	9,662,684	500,000	10,162,684
Closing net assets	\$9,849,204	\$506,252	\$10,355,456
Represented by;			
Cash	252,112	50,367	302,479
Accrued interest receivable	155,359	3,401	158,760
Due from General Operating Fund	2,294,098	-	2,294,098
Investment (page 3)	7,147,635	452,484	7,600,119
	\$9,849,204	\$506,252	\$10,355,456

MENNONITE CENTRAL COMMITTEE (ONTARIO)**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2025****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>2025</u>	<u>2024</u>
Program:		
Refugee Support Project	3,547,457	3,165,368
Restorative Justice	96,989	289,690
Indigenous Neighbours	208,436	274,753
People in Poverty	289,802	223,049
Refugee Assistance	342,788	352,883
Low Germann Projects	13,271	13,271
Material Resources	104,731	212,516
Meat Canning	529,099	360,133
Revenue Development	0	1,145,398
Program Sustainability	108,890	134,992
Human Resources	0	174,717
Ontario Programs - general	8,420	3,365,708
Other	18,732	110,011
Total Deferred Income (page 3)	\$5,268,615	\$9,822,489

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 \$244,000, with terms ending between 2025 and 2029. 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 expires August 31, 2030. Projected annual base rent payments are as follows:

<u>Fiscal Year</u>	<u>Annual base rent</u>
2026	275,504
2027	336,252
2028	357,082
2029	363,152
2030	215,440

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 is approximately \$5.2 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 (\$3.5 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.

8. COMPARATIVE FIGURES

Some comparative figures have been reclassified to conform with 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, 2025**

With comparative figures for the year ended March 31, 2024

	<u>2025</u>	<u>2024</u>
INCOME		
Sales of donated goods	11,765,112	10,823,530
Canada Employment Wage Subsidy and other income	19,017	41,383
Forwardings from Associate Thrift Shops	372,892	325,100
	<u>12,157,021</u>	<u>11,190,013</u>
EXPENSES		
Personnel	4,532,494	4,479,059
Facility costs	758,073	888,140
Other operating costs	1,283,080	713,012
	<u>6,573,647</u>	<u>6,080,211</u>
NET INCOME	5,583,374	5,109,802
Forwarded to MCCO Operating Fund		
MCCO shops	(4,559,826)	(2,642,727)
Associate shops	(372,892)	(325,100)
NET INCOME RETAINED BY OWNED SHOPS	650,656	2,141,975
OPENING NET OPERATING ASSETS - OWNED THRIFT SHOPS	526,862	1,055,053
Capital assets purchased, Maintenance Reserve contributions, mortgage payments	(685,554)	(2,670,166)
CLOSING NET OPERATING ASSETS - OWNED THRIFT SHOPS (page 4)	<u>\$491,964</u>	<u>\$526,862</u>
REPRESENTED BY:		
Cash	1,489,691	1,402,099
Accounts receivable	40,448	41,806
Accounts payable	(1,038,175)	(917,043)
Net Assets (deficit)	<u>\$491,964</u>	<u>\$526,862</u>

MENNONITE CENTRAL COMMITTEE (ONTARIO)
ONTARIO EXPENSES - PROGRAMS, FUNDRAISING AND ADMINISTRATION
FOR THE YEAR ENDED MARCH 31, 2025
 With comparative figures for the year ended March 31, 2024

	<u>2025</u>	<u>2024</u>
PROGRAMS		
Justice & Peacebuilding		
Peacebuilding and Conflict Transformation	412,722	534,125
Restorative Justice	391,155	530,724
	<u>803,877</u>	<u>1,064,849</u>
Diaster Relief		
Humanitarian Relief & Disaster Recovery	794,461	661,227
Sustainable Community Development		
Education	-	7,473
Food Security and Sustainable Livelihoods	725,431	669,633
Migration and Resettlement	2,446,258	1,706,091
	<u>3,171,689</u>	<u>2,383,197</u>
Total Programs (page 5)	4,770,027	4,109,273
FUNDRAISING COORDINATION		
Donor Relations	1,042,363	1,092,913
Relief Sales and Thrift Shops	(20,987)	2,421
Total Fundraising Coordination (page 5)	1,021,376	1,095,334
FUNDRAISING PROJECTS		
Relief Sales - donations forwarded	21,817	37,236
Thrift Shops - donations forwarded	191,808	114,940
Total Fundraising Projects (page 5)	213,625	152,176
GENERAL ADMINISTRATION AND BOARD	1,748,632	1,314,300
THRIFT SHOP EXPENSES (pages 5 and 13)	6,573,647	6,080,211
TOTAL ONTARIO EXPENSES (page 5)	\$14,327,307	\$12,751,294