

Financial Statements of

**MENNONITE CENTRAL COMMITTEE
SASKATCHEWAN**

March 31, 2025

Independent Auditor's Report

To the Members of
Mennonite Central Committee Saskatchewan

Qualified Opinion

We have audited the financial statements of Mennonite Central Committee Saskatchewan (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its 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 not-for-profit organizations, the Organization derives revenue from contributions and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, the excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, and current assets and net assets as at March 31, 2025.

The Organization derives revenue from contributions from thrift shops, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, the excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2025, and current assets and net assets as at March 31, 2025.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of the 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

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 GAAS 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 GAAS, 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 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 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 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.

We 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.

The Deloitte logo, featuring the word "Deloitte" in a stylized, handwritten-style font, followed by a small graphic element resembling a stylized "d" or a checkmark.

Chartered Professional Accountants
Winnipeg, Manitoba
June 25, 2025

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MENNONITE CENTRAL COMMITTEE SASKATCHEWAN**Statement of Revenue and Expenditures****Year Ended March 31, 2025**

	2025	2024
REVENUE		
Undesignated contributions:		
General	\$ 840,322	\$ 861,029
Thrift shops	954,049	734,552
Bequests	279,251	585,679
Designated contributions (Schedule 1)	1,249,752	1,102,043
Material resources in-kind	238,826	250,788
Grant funding (Note 15)	305,296	584,250
Interest	169,525	122,051
Relief Sales	165,772	91,104
Grow Hope	178,868	227,286
Other	100,335	98,866
	4,481,996	4,657,648
EXPENDITURES		
Programs		
Justice & Peacebuilding	528,815	470,764
Disaster Relief	163,493	141,131
Sustainable Community Development	460,875	316,623
	1,153,183	928,518
Core administrative support	571,207	553,097
Communications and donor relations	416,032	383,640
Thrift coordination	449,255	319,838
Relief sales	27,793	23,886
Grow Hope	57,173	51,522
	1,521,460	1,331,983
Forwardings to MCC Canada (Note 15)	1,665,436	2,031,063
	4,340,079	4,291,564
NET REVENUE BEFORE OTHER ITEMS	141,917	366,084
GAIN (LOSS) ON SALE OF FIXED ASSETS	1,688,863	(281)
SETTLEMENT OF LOAN TO THRIFT SHOP	(713,205)	-
EXCESS OF REVENUE OVER EXPENDITURES	\$ 1,117,575	\$ 365,803

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 3,111,274	\$ 1,488,717
Accounts receivable (Notes 4 & 15)	542,204	614,826
Short-term investments (Note 5)	1,078,247	1,206,046
Prepaid expenses	62,770	74,648
Inventory	15,798	24,757
Assets held for sale (Note 8)	75,295	160,861
	4,885,588	3,569,855
CAPITAL ASSETS (Note 7)	1,412,124	1,517,550
LONG TERM INVESTMENTS (Note 5)	942,287	427,105
LOAN TO THRIFT SHOP (Note 6)	-	729,270
	\$ 7,239,999	\$ 6,243,780
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 15)	\$ 363,346	\$ 183,688
Due to MCC Canada (Note 15)	71,891	361,236
Deferred contributions (Note 9)	1,105,998	1,082,067
Current portion of deferred contributions related to capital assets (Note 10)	33,820	37,474
	1,575,055	1,664,465
Designated contributions related to capital assets (Note 10)	642,579	674,525
	2,217,634	2,338,990
CONTINGENCIES (NOTE 11)		
NET ASSETS		
Externally restricted for endowment purposes (Note 12)	117,321	117,321
Internally restricted (Note 12)	2,106,771	1,057,458
Invested in capital assets (Note 13)	811,020	966,412
Unrestricted	1,987,253	1,763,599
	5,022,365	3,904,790
	\$ 7,239,999	\$ 6,243,780

APPROVED BY THE BOARD

 Board Chair

 Treasurer

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Statement of Changes in Net Assets

Year Ended March 31, 2025

	2025					2024
	Externally Restricted for Endowment Purposes	Internally Restricted	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	\$ 117,321	\$ 1,057,458	\$ 966,412	\$ 1,763,599	\$ 3,904,790	\$ 3,538,987
Excess of revenue over expenditures for the year	-	-	1,641,137	(523,562)	1,117,575	(365,803)
Investment in capital assets	-	(9,076)	54,517	(45,441)	-	-
Internally imposed restrictions, net	-	1,058,389	(1,851,046)	792,657	-	-
Balance, end of year	\$ 117,321	\$ 2,106,771	\$ 811,020	\$ 1,987,253	\$ 5,022,365	\$ 3,904,790

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN**Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 1,117,575	\$ 365,803
Items not affecting cash:		
(Gain) loss on disposal of capital assets	(1,688,863)	281
Amortization of capital assets	83,326	80,676
Amortization of designated contributions	(35,600)	(37,474)
Non-cash increase in investments	(115,342)	(63,377)
Settlement of loan to thrift shop	713,205	-
	74,301	345,909
Net change in non-cash operating working capital items:		
Accounts receivable	72,622	(328,916)
Inventory	8,959	(8,396)
Prepaid expenses	11,878	(48,208)
Accounts payable and accrued liabilities	179,658	118,531
Due to MCC Canada	(289,345)	329,414
Deferred revenue	23,931	124,430
	82,004	532,764
FINANCING ACTIVITY		
Issuance of Village Green loan	-	(201,632)
INVESTING ACTIVITIES		
Purchase of capital assets	(54,517)	(27,444)
Proceeds from the disposal of capital assets	1,851,050	-
Purchase of investments, net	(276,000)	(596,862)
Collection of loan to thrift shop	20,020	59,980
	1,540,553	(564,326)
NET INCREASE (DECREASE) IN CASH POSITION	1,622,557	(233,194)
CASH, BEGINNING OF YEAR	1,488,717	1,721,911
CASH, END OF YEAR	3,111,274	1,488,717

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

1. INCORPORATION AND NATURE OF THE ORGANIZATION

Mennonite Central Committee ("MCC"), a worldwide ministry of Anabaptist churches, shares God's love and compassion for all in the name of Christ by responding to basic human needs and working for peace and justice. Mennonite Central Committee Saskatchewan (the "Organization") was incorporated by the Legislative Assembly of the Province of Saskatchewan under The Mennonite Central Committee Saskatchewan Act. Bill 301 of 1999-200 was given Royal Assent May 26, 2000.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

Cash

Cash include balances with banks and petty cash held on premises.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions for the purchase of capital assets are recognized as revenue on the same basis as the purchased capital assets are amortized. Other restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Relief sales revenue is recognized when a price is agreed, goods are shipped to customers, all significant contractual obligations have been satisfied, and collectability is reasonably assured. Revenue from rental agreements is recognized over the rental term.

Contributed materials and services

Volunteers contribute numerous hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Blankets, soaps and items for material resources kits are donated during the year. Contributed materials are recognized and measured based on internal valuation processes, which are estimated to be at the fair value of the materials contributed. The donations and corresponding expense are recorded when the items are shipped from the Organization.

Investments

Investments are interest-bearing redeemable deposits and are measured at cost.

Inventory

Inventories held for distribution at no charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	5 and 10 %
Automotive	30 %
Computer equipment	30 %
Furniture and fixtures	10 %
Office equipment	20 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policy.

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of long-lived assets exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value or replacement cost at the date of impairment.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

Reporting of controlled organizations

The Organization has chosen not to consolidate the thrift shops it controls but to instead disclose information about the resources of the controlled organizations. These organizations forward a portion of excess revenues over expenses to the Organization.

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

The Organization is registered as a charitable organization under the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes.

Government assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Organization has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Deferred contributions related to capital assets is based on the estimated useful lives of the capital assets. Contributed materials are recognized and measured based on internal valuation processes estimated at fair value.

In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

3. LINE OF CREDIT

The Organization maintained an authorized line of credit of \$200,000 (\$200,000 in 2024). At March 31, 2025, there was nil (nil in 2024) drawn against the line of credit. Interest on any outstanding credit is calculated at prime (5.45% at March 31, 2024). The line of credit is secured by the GIC investments of the Organization.

4. ACCOUNTS RECEIVABLE

	2025	2024
Due from MCC Canada	\$ 263,678	\$ 332,875
GST receivable	27,422	25,415
Trade receivables, other	251,104	256,536
	<u>\$ 542,204</u>	<u>\$ 614,826</u>

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN
Notes to the Financial Statements
March 31, 2025

5. INVESTMENTS

The terms of certain donations established as endowment funds require that the principal funds remain untouched with only the interest earned in the year being appropriated to the specific purpose. The long-term portion of investments held with Abundance Canada is restricted for endowment purposes.

These externally restricted endowment donations are designated for use in international programs and are currently invested with Abundance Canada.

	<u>2025</u>	<u>2024</u>
Short-term investments		
Abundance Canada pooled equity investment, 9.26% (5.97% in 2024)	\$ 753,593	\$ 689,728
GIC 4.00%, matures in July 2024	-	102,729
GIC 4.00%, matures in July 2024	-	413,589
GIC 4.80%, matures in July 2025	216,436	—
GIC 4.80%, matures in July 2025	108,218	—
	<u>1,078,247</u>	<u>1,206,046</u>
Long- Abundance Canada pooled equity investment,		
1.77% (1.45% in 2024)	119,403	117,321
GIC 4.80%, matures in July 2025	-	206,523
GIC 4.80%, matures in July 2025	-	103,261
GIC 4.22%, matures in July 2026	411,469	-
GIC 4.22%, matures in July 2026	205,735	-
GIC 4.18%, matures in July 2027	205,680	-
	<u>942,287</u>	<u>427,105</u>
	<u>2,020,534</u>	<u>1,633,151</u>

6. LOAN TO THRIFT SHOP

	<u>2025</u>	<u>2024</u>
Village Green MCC Thrift Shop - The loan consists of \$600,000 for the relocation of the Village Green shops. MCCS will charge interest on the loan at a rate of 1.5% for the duration of the loan maturing when the properties are sold, calculated on the month end balance of the loan.	\$ -	\$ 631,250
Village Green MCC Thrift Shop Interest-free loan - The loan consists of \$78,000 to help finance the purchase of a truck. Current terms are annual payments of \$7,800 for 10 years.	-	78,000
Interest-free loan - Loan repayment will begin when Lanigan Thrift Shop loan has been repaid in full. Monthly payments are \$3,000.	-	20,020
	<u>-</u>	<u>729,270</u>

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN
Notes to the Financial Statements
March 31, 2025

7. CAPITAL ASSETS

	2025			2024
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 195,130	\$ -	\$ 195,130	\$ 227,130
Buildings	2,537,937	1,395,667	1,142,270	1,222,908
Automotive	47,185	32,247	14,938	21,340
Computer equipment	59,864	35,638	24,226	20,283
Furniture and fixtures	104,094	85,837	18,257	13,048
Office equipment	43,581	26,278	17,303	12,841
	\$ 2,987,791	\$ 1,575,667	\$ 1,412,124	\$ 1,517,550

8. ASSET HELD FOR SALE

	2025			2024
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 32,000	\$ -	\$ 32,000	\$ 74,224
Buildings	103,000	59,705	43,295	86,637
	\$ 135,000	\$ 59,705	\$ 75,295	\$ 160,861

During the year, the board approved allocation of the Swift Current thrift store to held for sale. As of date of the audit report, these assets were actively listed to be sold however no agreement has yet to be reached.

9. DEFERRED CONTRIBUTIONS

The Organization receives contributions which are restricted by the donor to be used for specific purposes. The amounts received are recorded as deferred contributions. They are recognized in contribution revenue when costs are incurred that meet the restrictions established by the donors.

	2025	2024
Balance, beginning of year	\$ 1,082,067	\$ 955,637
Amount received during the year	53,352	156,500
Less: Amount recognized as revenue during the year	(29,421)	(30,070)
	\$ 1,105,998	\$ 1,082,067

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN
Notes to the Financial Statements
March 31, 2025

9. DEFERRED CONTRIBUTIONS (continued)

	2025	2024
CDR Designated Contributions	\$ 233,471	\$ 222,045
Hague Thrift Shop Project	670	670
Local Programs & Events	19,776	24,498
Refugee Assistance Contributions	109,345	109,345
Refugee Sponsorship Contributions	344,616	303,990
Refugee Family Sponsorship Contributions	353,198	348,021
Regina Food Bank Project	13,700	14,150
Social Contributions	965	915
Thrift Shop Learning Tour Contributions	3,828	7,608
Young Chippewayan Program	18,287	42,683
Youth Leadership Contributions	8,142	8,142
	\$ 1,105,998	\$ 1,082,067

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

	2025	2024
Balance, beginning of year	\$ 711,999	\$ 749,473
Recognized as revenue during the year	(35,600)	(37,474)
	676,399	711,999
Less: current portion	33,820	37,474
Non-current portion	\$ 642,579	\$ 674,525

11. CONTINGENCIES

MCC Canada ("MCCC") has signed a Private Sponsorship of Refugees ("PSR") Agreement with Immigration Refugee and Citizenship Canada ("IRCC") committing to provide financial, human resource, 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 Mennonite Central Committees.

The Organization has partnered with various church and community groups to assist with the sponsorship and resettlement of certain refugee families in Saskatchewan. These groups have committed to providing the required funding to sponsor and support these refugee families for the required period of time. However, should any of these groups default on their financial obligations the Organization will be responsible for providing the funding shortfall. As at March 31, 2025, the Organization has 201 active sponsorship cases with an estimated contingent liability of \$1,788,900 (240 cases with an estimated contingent liability of \$2,129,200 in 2024).

The Organization believes that these endorsements will not have any significant unfavorable impact on its financial position, and, consequently, no provision has been made in the financial statements.

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

12. RESTRICTIONS ON NET ASSETS

The net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Net assets externally restricted for endowment purposes are \$117,321 (2024 - \$117,321). The earnings on these amounts can only be spent on international programs.

The Organization's board of directors has internally restricted net assets as follows:

	2025	2024
Capital reserve	\$ 412,021	\$ 421,098
Thrift Investment Network Fund	1,270,344	223,350
Thrift operating reserve	252,573	226,850
Global Education Fund	40,966	47,028
Special Project Funds	33,306	33,306
Reconciliation Fund	71,313	71,313
Local Impact Fund	26,248	34,513
	<u>\$ 2,106,771</u>	<u>\$ 1,057,458</u>

During the year the board approved transfers of \$1,851,046 from Invested in Capital Assets fund to the Unrestricted fund and \$1,058,389 from the Unrestricted fund to the Internally Restricted fund.

13. NET ASSETS INVESTED IN CAPITAL ASSETS

The Organization's board of directors has internally restricted net assets equal to the Organization's equity in its capital assets. Internally restricted net assets invested in capital assets are \$811,020 (2024 - \$966,412).

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

	2025	2024
Capital assets	\$ 1,487,419	\$1,678,411
Designated contributions related to capital assets	(676,399)	(711,999)
	<u>\$ 811,020</u>	<u>\$ 966,412</u>

b) *Changes in net assets invested in capital assets is calculated as follows:*

	2025	2024
Amortization of capital assets	\$ (83,326)	\$ (80,676)
Amortization of designated contributions related to capital assets	35,600	37,474
Gain on disposed assets	1,688,863	(281)
	<u>1,641,137</u>	<u>(43,483)</u>
Purchase of capital assets	54,517	27,444
Transfer of remaining proceeds	(1,851,046)	-
	<u>\$ (155,392)</u>	<u>\$ (16,039)</u>

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

14. DISCLOSURE OF UNCONSOLIDATED ENTITIES

The Organization has an association with seven thrift shops throughout Saskatchewan. The Organization controls the thrift shops, which are directed by boards separate from that of the Organization. Of the seven buildings occupied by the thrift shops two are rented by a thrift shop and five are owned by the Organization. The thrift shops forward a portion of excess revenue over expenses to the Organization. The funds are then used at the Organization's discretion for its work in relief and development efforts.

Summary financial statements of these unconsolidated thrift shops as at March 31, 2025 and 2024 and for the years then ended are as follows:

	2025	2024
Financial position		
Total assets	\$ 1,064,655	\$ 1,163,532
Total liabilities	247,677	967,716
Total net assets	816,978	195,816
	\$ 1,064,655	\$ 1,163,532
	2025	2024
Results of operations		
Total revenue	\$ 3,716,362	\$ 3,529,326
Total expenses	2,854,356	2,674,830
Total forwardings	954,049	734,552
(Deficit) surplus of revenue over expenses before other items	(92,043)	119,944
Settlement of thrift shop loan	713,205	-
Surplus of revenue over expenses	\$ 621,162	\$ 119,944

15. RELATED PARTY TRANSACTIONS

The Organization is significantly influenced by its national counterpart, MCC Canada. The Organization is also influenced by other provincial MCC's within Canada. The Covenant for the Mennonite Central Committee in Canada is a document that outlines the working relationship among the MCC's within Canada, including the sharing of financial resources.

The Organization received \$221,332 (2024 - \$209,784) in grants from MCC Canada, recorded as grants on the statement of operations, and paid \$1,665,436 (2024 - \$2,031,063) in revenue forwarding to MCC Canada. At year end, amounts due to MCC Canada is \$71,891 (2024 - \$361,236). At year end, amounts due from MCC Canada are \$17,639 (2024 - \$10,606) and are included in accounts receivable in the statement of financial position.

At year end, amounts due from MCC Alberta are \$8,977 (2024 - \$7,876) which is included in accounts receivable in the statement of financial position.

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN

Notes to the Financial Statements

March 31, 2025

16. FINANCIAL INSTRUMENTS

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable and the loan to thrift shop. The amount disclosed in the statement of financial position is net of allowance of bad debts, estimated by management of the Organization based on previous experience and its assessment of the current economic conditions.

As at March 31, 2025, four organizations (four organizations in 2024) accounted for 70% (2024 - 70%) of outstanding accounts receivable at year end. The Organization believes that there is no unusual exposure associated with the collection of these receivables as they closely monitor the financial status of all debtor organizations. The Organization has not incurred any significant bad debts during the year and has a \$nil allowance for bad debts (2024 - \$nil).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with respect to its investments, loan to thrift shop and mortgage due on demand. Interest rates on all investments are variable and subject to changing market rates. However, this would only affect accrued interest and interest revenue earned. Loan to thrift shop and the mortgage due on demand have limited exposure to interest rate risk as they bear the same interest rate and are subject to renewal at the same maturity dates.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. The Organization's exposure to liquidity risk is dependent on the collection of accounts receivable and the loan to thrift shop, purchasing commitments and obligations, and raising funds to meet commitments and sustain operations.

17. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to confirm to current year's presentation.

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN**Schedule of Designated Contributions****Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
DESIGNATED CONTRIBUTIONS		
International programming	\$ 364,390	\$ 465,607
Canadian Foodgrains Bank	210,992	350,550
Saskatchewan provincial programming	468,409	225,105
Disaster restricted funds	205,961	60,781
	<u>\$ 1,249,752</u>	<u>\$ 1,102,043</u>

MENNONITE CENTRAL COMMITTEE SASKATCHEWAN**Schedule of Expenses****Year Ended March 31, 2025**

	<u>2025</u>	<u>2024</u>
Advertising & Promotion	\$ 38,588	\$ 38,000
Amortization	83,326	83,851
Bank & Finance charges	25,517	21,143
Compensation (Salaries and Benefits)	1,500,602	1,400,509
Contributions to other organizations	51,565	35,108
Education & Training	12,109	8,809
Equipment Costs	13,612	14,813
Forwarding to MCC Canada	1,665,436	2,031,064
Goods for Resale	24,078	22,357
Insurance	25,682	18,437
Licenses & Memberships	29,807	36,729
Material Resource Kit Supplies	81,575	52,802
Occupancy Costs	94,975	97,507
Other	18,954	30,490
Professional Fees	158,904	63,149
Refugee Sponsorship Support	275,690	134,832
Supplies & Services	64,382	67,465
Travel & Vehicle Costs	69,139	50,208
Workshops & Events	106,138	84,291
	<u>4,340,079</u>	<u>4,291,564</u>