

**MENNONITE CENTRAL COMMITTEE (ONTARIO)**

**FINANCIAL STATEMENTS  
MARCH 31, 2021**

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Approved on behalf of the board of directors:

Chair



Treasurer





## INDEPENDENT AUDITOR'S REPORT

### To the Directors of Mennonite Central Committee (Ontario)

#### Qualified Opinion

I have audited the financial statements of Mennonite Central Committee (Ontario), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets 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 consolidated financial position of Mennonite Central Committee (Ontario) as at March 31, 2021 and its consolidated results of operations, changes in net assets, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1, 2019 and March 31, 2021 and 2020. My audit opinion on the financial statements for the year ended March 31, 2020 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  
September 20, 2021  
Kitchener, ON

**E.M. Simon CPA Professional Corporation**  
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## MENNONITE CENTRAL COMMITTEE (ONTARIO)

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

With comparative figures as at March 31, 2020

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

ASSETS	2021			2020		
	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total
<b>CURRENT</b>						
Cash - General Operating Fund	4,408,121	0	4,408,121	3,030,886	0	3,030,886
Cash - Operating Reserve (notes 1 and 5)	2,154,825	0	2,154,825	992,511	0	992,511
Cash - Capital Asset Reserve	0	2,460,817	2,460,817	0	2,635,543	2,635,543
Investment - Operating Reserve (notes 1, 2 and 5)	300,000	0	300,000	300,000	0	300,000
Investment - Capital Asset Reserve (note 2)	0	268,317	268,317	0	242,679	242,679
Accounts receivable	1,165,763	0	1,165,763	123,444	0	123,444
Investment - Capital Improvement Fund (note 2)	0	74,050	74,050	0	0	0
	8,028,709	2,803,184	10,831,893	4,446,841	2,878,222	7,325,063
<b>LONG-TERM</b>						
Real estate, equipment and vehicles (note 3)						
Cost	0	24,891,524	24,891,524	0	24,747,121	24,747,121
Accumulated amortization	0	8,095,724	8,095,724	0	7,598,898	7,598,898
	0	16,795,800	16,795,800	0	17,148,223	17,148,223
Investment - Capital Improvement Fund (note 2)	0	0	0	0	78,714	78,714
	0	16,795,800	16,795,800	0	17,226,937	17,226,937
	\$8,028,709	\$19,598,984	\$27,627,693	\$4,446,841	\$20,105,159	\$24,552,000
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable	231,814	0	231,814	179,156	0	179,156
Deferred income (note 6)	6,312,720	0	6,312,720	3,345,288	0	3,345,288
Current portion of long-term debt (note 4)	0	3,611,091	3,611,091	0	5,080,364	5,080,364
	6,544,534	3,611,091	10,155,625	3,524,444	5,080,364	8,604,808
<b>LONG-TERM (note 4)</b>	0	4,509,623	4,509,623	0	3,566,354	3,566,354
<b>TOTAL LIABILITIES</b>	6,544,534	8,120,714	14,665,248	3,524,444	8,646,718	12,171,162
<b>NET ASSETS</b>						
<b>OPERATING FUND (page 4)</b>						
Unrestricted	(970,650)	0	(970,650)	(370,114)	0	(370,114)
Internally Restricted						
Operating Reserve (notes 1 and 5)	2,454,825	0	2,454,825	1,292,511	0	1,292,511
<b>CAPITAL FUND (page 4)</b>						
Internally restricted						
Capital Asset Reserve (note 1)	0	2,803,184	2,803,184	0	2,956,936	2,956,936
Investment in Property, Equipment and Vehicles	0	8,675,086	8,675,086	0	8,501,505	8,501,505
	1,484,175	11,478,270	12,962,445	922,397	11,458,441	12,380,838
	\$8,028,709	\$19,598,984	\$27,627,693	\$4,446,841	\$20,105,159	\$24,552,000

## MENNONITE CENTRAL COMMITTEE (ONTARIO)

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for the year ended March 31, 2020

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

	<u>2021</u>			<u>2020</u>		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
<b>EXCESS (DEFICIT) OF INCOME OVER EXPENSES</b>	1,710,269	(1,128,662)	581,607	419,842	(944,472)	(524,630)
Interfund transfers						
Operating Fund - budgeted capital funding	36,304	(36,304)	0	(310,299)	310,299	0
Thrift Shop forwardings for capital projects	(51,955)	51,955	0	(390,000)	390,000	0
Thrift Shop forwardings for mortgage payments	(502,374)	502,374	0	(605,484)	605,484	0
RePurpose costs	(550,745)	550,745	0	0	0	0
Capital assets purchased - Thrift Shops	(79,721)	79,721	0	(46,174)	46,174	0
<b>CHANGE IN NET ASSETS</b>	561,778	19,829	581,607	(932,115)	407,485	(524,630)
<b>OPENING NET ASSETS</b>	922,397	11,458,441	12,380,838	1,854,512	11,050,956	12,905,468
<b>CLOSING NET ASSETS</b>	\$1,484,175	\$11,478,270	\$12,962,445	\$922,397	\$11,458,441	\$12,380,838

**REPRESENTED BY:**

## Unrestricted:

Thrift Shops (page 14)	(682,772)	0	(682,772)	(517,794)	0	(517,794)
Alumni Loan Fund	3,564	0	3,564	3,526	0	3,526
General Operations	(291,442)	0	(291,442)	144,154	0	144,154
Investment in Property, Equipment and Vehicles	0	8,675,086	8,675,086	0	8,501,505	8,501,505
	(970,650)	8,675,086	7,704,436	(370,114)	8,501,505	8,131,391

## Internally Restricted:

Operating Reserve (note 5)	2,454,825	0	2,454,825	1,292,511	0	1,292,511
Capital Asset Reserve						
50 Kent Capital Maintenance	0	1,901,470	1,901,470	0	1,882,275	1,882,275
Equipment and Vehicle Capital Replacement	0	302,646	302,646	0	174,602	174,602
Thrift Shop Capital Expansion	0	599,068	599,068	0	900,059	900,059
	2,454,825	2,803,184	5,258,009	1,292,511	2,956,936	4,249,447
	\$1,484,175	\$11,478,270	\$12,962,445	\$922,397	\$11,458,441	\$12,380,838

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**STATEMENT OF OPERATIONS - OPERATING FUND**  
**FOR THE YEAR ENDED MARCH 31, 2021**

With comparative figures for the year ended March 31, 2020

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

<b>INCOME</b>	<b>2021</b>	<b>2020</b>
Donations		
General fund	5,143,557	4,748,611
Designated for forwarding	3,741,978	3,163,426
	<u>8,885,535</u>	<u>7,912,037</u>
Other		
Thrift Shops (page 14)	6,786,345	8,695,698
Operating Reserve (note 5)	1,695,888	2,182,332
Relief Sales	187,900	449,593
Interest income	23,720	25,032
	<u>8,693,853</u>	<u>11,352,655</u>
Direct Support for Ontario Programs		
Designated donations	1,064,999	1,172,910
Grants and other income (note 6)	1,833,790	1,378,879
	<u>2,898,789</u>	<u>2,551,789</u>
<b>TOTAL INCOME</b>	<u>20,478,177</u>	<u>21,816,481</u>
<b>FORWARDED TO MCC (CANADA)</b>		
Designated donations	3,741,978	3,163,426
General donations	5,635,241	8,177,753
	<u>9,377,219</u>	<u>11,341,179</u>
<b>INCOME RETAINED FOR ONTARIO</b>	11,100,958	10,475,302
<b>ONTARIO EXPENSES</b> (page 15)		
Programs	2,733,249	3,749,966
Fundraising Coordination	737,373	691,212
Fundraising Projects	67,471	57,529
General administration and board	647,730	589,444
Thrift Shops	5,204,866	4,967,309
	<u>9,390,689</u>	<u>10,055,460</u>
<b>EXCESS OF INCOME OVER EXPENSES</b>	<u>\$1,710,269</u>	<u>\$419,842</u>

## MENNONITE CENTRAL COMMITTEE (ONTARIO)

**STATEMENT OF OPERATIONS - CAPITAL FUND  
FOR THE YEAR ENDED MARCH 31, 2021****With comparative figures for the year ended March 31, 2020**

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

	<u>2021</u>	<u>2020</u>
<b>INCOME</b>		
Donations	151,400	32,500
Investment income	55,037	26,839
Rent and Capital Asset Reserve contributions	266,266	266,242
	<u>472,703</u>	<u>325,581</u>
<b>EXPENSES</b>		
Amortization of property and equipment costs:		
Programs and administration:		
Equipment	79,723	89,467
Vehicles	15,044	21,475
Buildings	407,991	427,732
	<u>502,758</u>	<u>538,674</u>
Thrift Shops:		
Equipment	60,967	57,757
Vehicles	2,375	3,393
Leasehold improvements	186,236	125,151
Buildings	240,900	246,660
	<u>490,478</u>	<u>432,961</u>
Total Amortization	<u>993,236</u>	<u>971,635</u>
Mortgage interest	284,740	298,418
Write off of Re-Purpose leasehold improvements (note 9)	323,389	0
	<u>1,601,365</u>	<u>1,270,053</u>
<b>EXCESS (DEFICIT) OF INCOME OVER EXPENSES</b>	<u>(\$1,128,662)</u>	<u>(\$944,472)</u>

## MENNONITE CENTRAL COMMITTEE (ONTARIO)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for the year ended March 31, 2020

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

SOURCES (USES) OF CASH:	2021			2020		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>						
Excess of income over expenses for the year	1,710,269	(1,128,662)	581,607	419,842	(944,472)	(524,630)
Items not affecting cash flows:						
Amortization - buildings, equipment and vehicles	0	993,236	993,236	0	971,635	971,635
Write off of Re-Purpose leasehold improvements	0	323,389	323,389	0	0	0
	1,710,269	187,963	1,898,232	419,842	27,163	447,005
Change in current assets and liabilities:						
Investments	0	(25,638)	(25,638)	0	8,478	8,478
Accounts receivable	(1,042,319)	0	(1,042,319)	53,455	0	53,455
Mortgage receivable	0	4,664	4,664	0	0	0
Accounts payable	52,658	0	52,658	125,621	0	125,621
Deferred income	2,967,432	0	2,967,432	1,474,458	0	1,474,458
	3,688,040	166,989	3,855,029	2,073,376	35,641	2,109,017
<b>INVESTING ACTIVITIES</b>						
Additions to buildings, equipment and vehicles	0	(964,202)	(964,202)	0	(430,705)	(430,705)
Proceeds from sale of vehicle	0	0	0	0	3,000	3,000
Repayment (acquisition) of mortgage receivable	0	0	0	0	3,831	3,831
	0	(964,202)	(964,202)	0	(423,874)	(423,874)
<b>FINANCING ACTIVITIES</b>						
Long-term debt repaid	0	(526,004)	(526,004)	0	(590,527)	(590,527)
Interfund transfers	(1,148,491)	1,148,491	0	(1,351,957)	1,351,957	0
	(1,148,491)	622,487	(526,004)	(1,351,957)	761,430	(590,527)
<b>CHANGE IN CASH FOR THE YEAR</b>	2,539,549	(174,726)	2,364,823	721,419	373,197	1,094,616
<b>CASH ON HAND - beginning of the year</b>	4,023,397	2,635,543	6,658,940	3,301,978	2,262,346	5,564,324
<b>CASH ON HAND - end of the year</b>	\$6,562,946	\$2,460,817	\$9,023,763	\$4,023,397	\$2,635,543	\$6,658,940
<b>REPRESENTED BY:</b>						
Cash - General Operating Fund	4,408,121	0	4,408,121	3,030,886	0	3,030,886
Cash - Operating Reserve (notes 1 and 5)	2,154,825	0	2,154,825	992,511	0	992,511
Cash - Capital Asset Reserve	0	2,460,817	2,460,817	0	2,635,543	2,635,543
	\$6,562,946	\$2,460,817	\$9,023,763	\$4,023,397	\$2,635,543	\$6,658,940

# MENNONITE CENTRAL COMMITTEE (ONTARIO)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

### PURPOSE

**Mennonite Central Committee (MCC), a worldwide ministry of Anabaptist churches, shares God's love and compassion for all in the name Christ by responding to basic human needs and working for peace and justice. Mennonite Central Committee (Ontario), (MCCO) engages in a number of programs which are consistent with MCC'S ministry. MCCO is incorporated in Ontario, without share capital, is a registered charity, and as such does not pay income tax.**

### 1. ACCOUNTING POLICIES

**Basis of presentation** - These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations.

**Fund Accounting** - MCCO maintains its accounts in accordance with the principles of fund accounting, wherein resources for various purposes are classified in accordance with activities or objectives as specified by the Board, management or donors.

The **Operating Fund** reflects the assets, liabilities, income and expenses related to all ongoing programs of MCCO. The Operating Reserve is a pool of funding contained within the Operating Fund which is used to stabilize the often fluctuating cash flows available for Operating Fund expenditures. All undesignated bequests are deposited into the Operating Reserve. Accumulated bequests and interest are transferred to the Operating Fund bank account monthly based on a formula which restricts minimum and maximum balances in net assets available for operations. The **Capital Fund** reflects MCCO's net Investment in Capital Assets, plus the net assets restricted by donors or the Board in the Capital Asset Reserve. The Capital Asset Reserve has three components - 50 Kent Capital Maintenance, which is a reserve of assets designed to enable maintenance of MCCO's head office, Equipment and Vehicle Capital Replacement, which is a reserve of assets designed to enable the replacement of equipment and vehicles, and Thrift Shop Capital Expansion, which is a reserve of funds which are advanced to Thrift Shops to enable expansion. The 50 Kent Capital Maintenance portion of the reserve receives rent from tenants, capital donations, capital loans, and transfers from Thrift Shops, and disburses funds on mortgage payments and maintenance of the head office. The Equipment and Vehicle Capital Replacement portion of the reserve receives annual budgeted allocations from the Operating Fund for equipment and vehicle replacement. The Thrift Shop Capital Expansion portion of the reserve receives donations, loans and transfers from Thrift Shops, which are used to enable capital expansion at Thrift Shops.

**Income Recognition** - MCCO uses the restricted fund method of accounting, whereby restricted (designated) contributions to the Capital Fund, are reflected as income when received or receivable, and the accumulated amount of such contributions, net of respective expenditures, is reflected as restricted net assets in the appropriate restricted fund (the Capital Fund) on the statement of financial position until the funds are spent as designated.

All Operating Fund receipts which are designated (restricted) by the donor for a specific purpose (such as government grants and donations designated for programs) are reflected as deferred income on the statement of financial position until expended as designated, whereupon the funds are reflected as income. Each year, MCCO enters into an agreement with MCC Canada as to what portion of general donations will be retained for use for Ontario programs and overhead costs (the provincial allotment). Program expenditures are funded in the following order - income generated by the program, grants restricted to the program for the specific fiscal period, the provincial allotment, and then grants and donations which are designated for the program but are not restricted to the fiscal period. Undesignated receipts are reflected as income when received or receivable, provided collection is reasonably assured and amounts reasonably estimable. When MCCO receives restricted contributions which are conditional on MCCO obtaining funding from third parties in addition to the restricted contributions (matching funding), expenses are funded first with matching funds, then with donor restricted funds.

MCCO receives material-in-kind contributions from supporters which are forwarded to communities in need. MCCO assigns values to these in-kind contributions based on conservative estimates of their market values, and reflects these contributions as contributions designated for forwarding. MCCO also receives many hours of service from its many volunteers. Because it is impractical to determine a fair value for these services, their value is not reflected in these financial statements.

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**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 (\$305,789 and \$791,825 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 Func</u>	<u>2021 Capital Fund</u>	<u>Total</u>	<u>2020 Total</u>
Financial assets reflected at fair value				
Balanced Pool Funds	0	268,317	268,317	242,679
Operating Reserve - Fixed Income Fund	300,000	0	300,000	300,000
Financial assets reflected at amortized cost				
Capital Asset Reserve:				
Mortgage receivable - Erie St. Leamington, 3%, monthly payments of \$549 principal and interest, due March 2022		74,050	74,050	78,714
	300,000	342,367	642,367	621,393
Cash and accounts receivable	7,728,709	2,460,817	10,189,526	6,782,384
	<u>\$8,028,709</u>	<u>\$2,803,184</u>	<u>\$10,831,893</u>	<u>\$7,403,777</u>

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.

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**3. REAL ESTATE, EQUIPMENT AND VEHICLES**

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Amortization</u>	<u>Net Book</u>	<u>Net Book</u>
			<u>Value</u>	<u>Value</u>
Buildings				
Head office and partner facility - Kitchener - Kent Ave.	11,590,368	3,858,471	7,731,897	8,138,839
Timmins - Pine St. S.	41,954	1,049	40,905	0
Thrift Shops:				
Elmira - Church St.	589,100	330,760	258,340	271,937
Leamington - Mill St.	1,677,720	410,186	1,267,534	1,334,246
New Hamburg - Heritage Dr.	2,276,156	989,454	1,286,702	1,260,553
St. Catharines - Grantham Ave	632,991	279,095	353,896	372,522
Stouffville - Ringwood Dr.	2,036,595	580,224	1,456,371	1,533,022
	<u>18,844,884</u>	<u>6,449,239</u>	<u>12,395,645</u>	<u>12,911,119</u>
Land				
Head office and partner facility - Kitchener - Kent Ave.	1,545,165	0	1,545,165	1,545,165
Timmins - Pine St. S.	10,000	0	10,000	0
Thrift Shops:				
Elmira - Church St.	147,275	0	147,275	147,275
Leamington - Mill St.	254,000	0	254,000	254,000
New Hamburg - Heritage Dr.	321,389	0	321,389	321,389
St. Catharines - Grantham Ave	155,625	0	155,625	155,625
Stouffville - Ringwood Dr.	565,000	0	565,000	565,000
	<u>2,998,454</u>	<u>0</u>	<u>2,998,454</u>	<u>2,988,454</u>
Leasehold Improvements	802,484	96,613	705,871	576,653
Total Real Estate	22,645,822	6,545,852	16,099,970	16,476,226
Equipment	2,003,381	1,349,653	653,728	612,476
Vehicles	242,321	200,219	42,102	59,521
	<u>\$24,891,524</u>	<u>\$8,095,724</u>	<u>\$16,795,800</u>	<u>\$17,148,223</u>

**4. LONG-TERM DEBT**

	<u>2021</u>	<u>2020</u>
50 Kent Ave, Kitchener, ON		
Mortgage payable - Abundance Canada - 3.95% interest, requiring monthly principal and interest payments of \$13,911, due July 2021, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave. held jointly by Abundance Canada and Kindred Credit Union.	633,069	772,500
Mortgage payable - Abundance Canada - 3.99% interest, requiring monthly principal and interest payments of \$7,356, due February 2021, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave. held jointly by Abundance Canada and Kindred Credit Union.	0	97,659
Mortgage payable - Kindred Credit Union - 3.95% interest, requiring monthly principal and interest payments of \$9,161, due July 2021, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave. held jointly by Abundance Canada and Kindred Credit Union.	1,074,071	1,140,495
Promissory note payable - Kindred Credit Union - 3.55 % interest, requiring monthly principal and interest monthly payments of \$8,206, due February 2026, secured by a \$6,000,000 first mortgage on the real estate at 50 Kent Ave., held jointly by Abundance Canada and Kindred Credit Union.	1,140,966	1,196,157
Mortgage payable - Mennonite Conference of Eastern Canada - 5.5% interest, requiring monthly payments of interest only, due October 2023, secured by a \$1,425,000 third mortgage on the real estate at 50 Kent Ave.	1,425,000	1,425,000

continued on the next page

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

4. <b>LONG-TERM DEBT</b> (continued)	<b><u>2021</u></b>	<b><u>2020</u></b>
50 Kent Ave, Kitchener, ON (continued)		
Raising Hope Construction Loans - promissory notes, unsecured, requiring payment of interest between 0% and 2.5% annually, principal of due on demand or in the forthcoming year.	1,450,000	1,466,000
Leamington Thrift Shop		
Demand note payable - Kindred Credit Union - 3.9% interest, requiring monthly principal and interest payments of \$5,986, due July 2025, secured by a \$1,000,000 first mortgage on the real estate at 62 Mill St. Leamington and 41 Heritage Dr., New Hamburg.	789,508	829,791
Stouffville Thrift Shop		
Mortgage payable - Abundance Canada - Stouffville Thrift Shop - 3.6% interest, requiring monthly principal and interest payments of \$7,658, due March 31, 2023, secured by a first charge on real estate at 33 Ringroad Drive., Stouffville	1,258,100	1,300,449
Private loans - promissory notes, unsecured, 0% interest, principal due on demand	250,000	250,000
rePurpose Centre, Elmira		
Private loans - promissory notes, unsecured, 0% interest, principal due on demand	100,000	168,667
	<b>8,120,714</b>	<b>8,646,718</b>
Current portion	<b>3,611,091</b>	<b>5,080,364</b>
	<b>\$4,509,623</b>	<b>\$3,566,354</b>

Projected repayment of long-term debt:

Year	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
Amount	3,611,091	156,010	1,321,297	1,540,526	1,491,790	8,120,714

5. **OPERATING RESERVE**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Income		
Donations by bequest	1,675,214	2,258,508
Interest	14,674	15,085
MCC Canada recoveries (deficit coverage)	6,000	(91,261)
Total income for the year (page 5)	1,695,888	2,182,332
Opening net assets	1,292,511	1,322,559
Transfer from (to) General Operations	(533,574)	(2,212,380)
Closing net assets (page 3)	<b>\$2,454,825</b>	<b>\$1,292,511</b>
Represented by;		
Cash (page 3)	2,154,825	992,511
Investment (page 3)	300,000	300,000
	<b>\$2,454,825</b>	<b>\$1,292,511</b>

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**6. DEFERRED INCOME, GOVERNMENT GRANTS AND OTHER INCOME**

	<u>Balance</u> <u>March 31</u> <u>2020</u>	<u>Income</u> <u>Received</u>	<u>Income</u> <u>Expended</u> <u>(Recognized)</u>	<u>Balance</u> <u>March 31</u> <u>2021</u>
Government grants:				
Canada Employment Wage Subsidy	0	1,194,141	1,194,141	0
Correctional Services Canada - Community Integration	42,949	55,225	52,600	45,574
Health Canada - Community Action Program for Children	0	15,295	15,295	0
Region of Waterloo - Circle of Friends and People's Action	4,142	165,900	161,218	8,824
	<u>47,091</u>	<u>1,430,561</u>	<u>1,423,254</u>	<u>54,398</u>
Other Grants	74,292	253,975	241,355	86,912
Total Government and Other Grants	121,383	1,684,536	1,664,609	141,310
Other Income	0	169,181	169,181	0
Total Grants and Other Income (page 5)	121,383	1,853,717	1,833,790	141,310
Designated donations and other income				
Ontario Programs				
- Refugee Family Support (note 8)	1,063,941	1,156,040	349,217	1,870,764
- Administrative Services	771,040	812,495	500	1,583,035
- Other Refugee programs	173,559	55,511	135,220	93,850
Meat Canning	368,596	27,588	17,820	378,364
MCC Canada	98,298	864,084	98,298	864,084
Other Programs	748,471	1,086,034	453,192	1,381,313
	<u>3,223,905</u>	<u>4,170,933</u>	<u>1,223,428</u>	<u>6,171,410</u>
Total Deferred Income (page 3)	\$3,345,288	\$6,024,650	\$3,057,218	\$6,312,720

**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 \$245,000. All leases mature between 2021 and 2023. In addition to base rent, tenants typically pay a pro rata share of common costs, plus contribute to a capital reserve which is intended to accumulate funds to finance future significant capital costs necessary for continued operation of the building.

MCCO has a lease commitment with respect to a premises which commenced July 1, 2020 and expires August 31, 2025. The lease requires annual base rent payments of \$135,784, increasing by the Consumer Price Index annually, plus common costs related to the property. Projected annual base rent payments are as follows:

<u>Fiscal Year</u>	<u>Annual base rent</u>
2022	136,803
2023	137,829
2024	138,862
2025	139,904
2026	58,730

**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.

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 the necessary funds to sponsor and support these refugee families for the required period of time. Management believes it has sufficient designated funds on hand and volunteer group support to meet its commitment to IRCC.

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

**9. SIGNIFICANT EVENTS**

In the current year, a decision was made to discontinue operations at the Re-Purpose Centre. All leasehold improvements related to the property where this program was operating have been written off,

During and subsequent to MCCO's current fiscal year, the world was, and continues to be, greatly impacted by the Covid-19 pandemic. Government regulations, community response and the response of MCCO's management team to this pandemic greatly impacted operations at MCCO. While MCCO was required to make significant changes to its operations to protect its staff and stakeholders, it is impractical to estimate the financial impact these changes will have on future operations.

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**THRIFT SHOPS**  
**INCOME, EXPENSES AND CHANGE IN NET OPERATING ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

With comparative figures for the year ended March 31, 2020

	<b><u>2021</u></b>	<b><u>2020</u></b>		
<b>INCOME</b>				
Sales of donated goods	5,461,927	8,443,140		
Canada Employment Wage Subsidy and other income	1,204,418	19,558		
Forwardings from Associate Thrift Shops	120,000	233,000		
	<b>6,786,345</b>	<b>8,695,698</b>		
<b>EXPENSES</b>				
Personnel	3,190,337	2,990,266		
Facility costs	727,379	487,710		
Other operating costs	1,287,150	1,489,333		
	<b>5,204,866</b>	<b>4,967,309</b>		
<b>NET INCOME</b>	1,581,479	3,728,389		
Net cash forwarded to MCCO Operating Fund	(1,666,736)	(4,201,993)		
<b>NET INCOME RETAINED BY OWNED SHOPS</b>	(85,257)	(473,604)		
<b>OPENING NET OPERATING ASSETS - OWNED THRIFT SHOPS</b>	(517,794)	1,984		
Capital assets purchased and Maintenance Reserve contributions	(79,721)	(46,174)		
<b>CLOSING NET OPERATING ASSETS - OWNED THRIFT SHOPS (page 4)</b>	<b>\$(682,772)</b>	<b>\$(517,794)</b>		
<b>REPRESENTED BY:</b>				
Cash	1,081,530	864,336		
Accounts receivable	421,111	30,116		
Accounts payable	(2,185,413)	(1,412,246)		
<b>Net Assets (deficit)</b>	<b>\$(682,772)</b>	<b>\$(517,794)</b>		
<b>FORWARDINGS:</b>				
	<b><u>General</u></b>	<b><u>Mortgage and</u></b>		
<b>Owned Shops:</b>	<b><u>Operations</u></b>	<b><u>Capital Reserve</u></b>		
Elmira	370,400	0	370,400	633,300
Kitchener-Waterloo	0	333,876	333,876	917,326
Leamington	121,000	72,173	193,173	406,868
Milverton	0	0	0	72,840
New Hamburg	800,200	0	800,200	1,770,000
St. Catharines	252,800	0	252,800	458,333
Stouffville	171,000	96,325	267,325	398,110
	<b>1,715,400</b>	<b>502,374</b>	<b>2,217,774</b>	<b>4,656,777</b>
<b>Associate Shops:</b>				
Aylmer			0	12,000
Harrow			5,000	6,000
Port Rowan			90,000	90,000
Welland / Port Colborne			25,000	125,000
			<b>120,000</b>	<b>233,000</b>
<b>Administrative and rePurpose Centre expenses recovered from forwardings:</b>			(671,038)	(687,784)
<b>Net Forwardings - all shops</b>			<b>\$1,666,736</b>	<b>\$4,201,993</b>

MENNONITE CENTRAL COMMITTEE (ONTARIO)  
**ONTARIO EXPENSES - PROGRAMS, FUNDRAISING AND ADMINISTRATION**  
**FOR THE YEAR ENDED MARCH 31, 2021**

With comparative figures for the year ended March 31, 2020

	<u>Administrative</u> <u>Charges</u>	<u>2021</u>	<u>2020</u>
<b>PROGRAMS</b>			
Justice & Peacebuilding			
Peacebuilding and Conflict Transformation	5,275	223,067	220,388
Restorative Justice	26,910	540,797	587,492
	32,185	763,864	807,880
Diaster Relief			
Humanitarian Relief & Disaster Recovery	14,980	375,046	633,706
Sustainable Community Development			
Education	468	6,940	6,289
Food Security and Sustainable Livelihoods	54,635	703,318	878,725
Migration and Resettlement	46,511	884,081	1,423,366
	101,614	1,594,339	2,308,380
<b>Total Programs (page 5)</b>	<b>148,779</b>	<b>2,733,249</b>	<b>3,749,966</b>
<b>FUNDRAISING COORDINATION</b>			
Donor Relations	48,031	599,159	633,227
Relief Sales and Thrift Shops	150	138,214	57,985
<b>Total Fundraising Coordination (page 5)</b>	<b>48,181</b>	<b>737,373</b>	<b>691,212</b>
<b>FUNDRAISING PROJECTS</b>			
Relief Sales - donations forwarded		23,563	18,241
Thrift Shops - donations forwarded and rePurpose Centre start-up		43,908	39,288
<b>Total Fundraising Projects (page 5)</b>	<b>0</b>	<b>67,471</b>	<b>57,529</b>
<b>GENERAL ADMINISTRATION AND BOARD</b>			
Administration		342,203	278,303
Board, annual general meeting, audit		29,868	30,392
Community Engagement		80,722	77,052
Human Resources		251,537	238,135
Physical Resources		117,689	103,389
Regional Representatives		22,671	41,438
		844,690	768,709
Recoveries: Administrative expenses charged to programs (note 1)		(196,960)	(179,265)
<b>Total General Administration and Board (page 5)</b>	<b>0</b>	<b>647,730</b>	<b>589,444</b>
<b>THRIFT SHOP EXPENSES (pages 5 and 13)</b>	<b>0</b>	<b>5,204,866</b>	<b>4,967,309</b>
<b>TOTAL ONTARIO EXPENSES (page 5)</b>	<b>\$196,960</b>	<b>\$9,390,689</b>	<b>\$10,055,460</b>