

Financial Statements of

**MENNONITE CENTRAL COMMITTEE
MANITOBA INC.**

March 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Mennonite Central Committee Manitoba Inc.

Qualified Opinion

We have audited the financial statements of Mennonite Central Committee Manitoba Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenue and expenses, 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 matter 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, 2024, 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, fundraising events and donations of material resources, 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 recorded contributions, net revenue and cash flows from operations for the year ended March 31, 2024, current assets and net assets as at March 31, 2024.

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

Chartered Professional Accountants

Winnipeg, Manitoba
June 22, 2024

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MENNONITE CENTRAL COMMITTEE MANITOBA INC.**Statement of Revenue and Expenditures****Year Ended March 31, 2024**

	<u>2024</u>	<u>2023</u>
REVENUE		
Undesignated contributions:		
General	\$ 2,445,370	\$ 2,348,367
Thrift shops	4,273,132	3,377,509
Bequests	590,975	498,065
Designated contributions (Schedule 1)	4,619,530	5,301,325
Other events (Schedule 2)	105,147	106,704
Material resources	727,445	500,199
Grant funding	2,323,299	953,857
Sales and Fees for Service	258,187	154,526
Interest	161,080	107,845
Gifts-in-kind	8,599	8,365
Amortization of designated contribution-capital	21,920	-
Other	65,308	923
	<u>15,599,992</u>	<u>13,357,685</u>
EXPENDITURES		
Programs (Schedule 3)		
Justice & Peacebuilding	917,214	703,503
Disaster Relief	611,507	476,793
Sustainable Community Development	342,025	188,263
Program Administration	112,516	147,286
	<u>1,983,262</u>	<u>1,515,845</u>
Support Services		
Administration	941,232	956,338
Communication & donor relations	690,266	671,874
Social enterprise	375,359	323,858
Other events (Schedule 2)	26,450	21,404
	<u>2,033,307</u>	<u>1,973,474</u>
Forwardings to MCC Canada (Schedule 4)	10,176,771	9,668,787
	<u>14,193,340</u>	<u>13,158,106</u>
NET REVENUE BEFORE OTHER ITEM	1,406,652	199,579
OTHER ITEM		
Gain on sale of building	313,053	2,515,853
Change in investment in Initiatives for Just Communities (Note 6)	(49,917)	186,011
NET REVENUE	<u>\$ 1,669,788</u>	<u>\$ 2,901,443</u>

MENNONITE CENTRAL COMMITTEE MANITOBA INC.

Statement of Financial Position

March 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT		
Cash	\$ 3,405,262	\$ 5,132,024
Accounts receivable (Note 3)	1,434,547	116,807
Inventory	86,439	64,510
Prepaid expenses	35,995	65,901
Assets held for sale (Note 10)	-	724,556
	4,962,243	6,103,798
ABUNDANCE CANADA INVESTMENT (Note 4)	519,750	496,087
INVESTMENT IN THE JUBILEE FUND INC. (Note 5)	50,982	50,982
INVESTMENT IN IJC (Note 6)	1,605,758	1,655,675
INVESTMENT IN OLD GRACE HOUSING CO-OP (Note 7)	42,000	42,000
OTHER INVESTMENTS (Note 8)	1,314,470	704,842
CAPITAL ASSETS (Note 9)	3,149,991	1,284,318
	\$ 11,645,194	\$ 10,337,702
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 11)	\$ 168,327	\$ 1,035,732
Due to MCC Canada	729,733	930,252
Deferred revenue	1,312,544	1,025,316
	2,210,604	2,991,300
Designated contributions - capital assets (Note 12)	418,400	-
	2,629,004	2,991,300
COMMITMENTS (Note 15)		
NET ASSETS		
Unrestricted	2,728,680	1,105,996
Internally Restricted (Note 13)	1,950,161	641,783
Invested in Capital Assets (Note 14)	2,731,591	3,942,948
Invested in Initiatives for Just Communities	1,605,758	1,655,675
	9,016,190	7,346,402
	\$ 11,645,194	\$ 10,337,702

APPROVED BY THE BOARD

Board Chair

Treasurer

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Statement of Changes in Net Assets
Year Ended March 31, 2024

	2024				2023	
	Unrestricted	Internally Restricted	Invested in Capital Assets	Invested in Initiatives For Just Communities	Total	Total
Balance, beginning of year	\$ 1,105,996	\$ 641,783	\$ 3,942,948	\$ 1,655,675	\$ 7,346,402	\$ 4,444,959
Net revenue	1,600,449	-	119,256	(49,917)	1,669,788	2,901,443
Inter fund transfers (Note 14)	22,235	1,308,378	(1,330,613)	-	-	-
Balance, end of year	\$ 2,728,680	\$ 1,950,161	\$ 2,731,591	\$ 1,605,758	\$ 9,016,190	\$ 7,346,402

MENNONITE CENTRAL COMMITTEE MANITOBA INC.**Statement of Cash Flows**

Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Net revenue	\$ 1,669,788	\$ 2,901,443
Items not affecting cash:		
Gain on disposal of capital assets	(313,527)	(2,515,853)
Amortization of capital assets	216,191	49,389
Amortization of designated contributions	(21,920)	(142,230)
Change in investment in Initiatives for Just Communities	49,917	(186,011)
	<u>1,600,449</u>	<u>106,738</u>
Net change in non-cash operating working capital items:		
Accounts receivable	(1,317,740)	(39,689)
Inventory	(21,929)	6,391
Prepaid expenses	29,906	(54,720)
Accounts payable and accrued liabilities	(867,405)	790,543
Due to MCC Canada	(200,519)	(496,178)
Deferred revenue	287,228	659,658
	<u>(490,010)</u>	<u>972,743</u>
FINANCING ACTIVITY		
Designated contributions received - capital assets	440,320	-
INVESTING ACTIVITIES		
Purchase of capital assets	(2,099,054)	(1,255,926)
Proceeds from the disposal of capital assets	1,055,273	3,190,000
Purchase of Guaranteed Income Certificates	(609,628)	(4,842)
(Increase) decrease in Abundance Canada investment	(23,663)	19,333
	<u>(1,677,072)</u>	<u>1,948,565</u>
NET (DECREASE) INCREASE IN CASH POSITION	(1,726,762)	2,921,308
CASH, BEGINNING OF YEAR	5,132,024	2,210,716
CASH, END OF YEAR	\$ 3,405,262	\$ 5,132,024

MENNONITE CENTRAL COMMITTEE MANITOBA INC.

Notes to the Financial Statements

March 31, 2024

1. PURPOSE OF THE ORGANIZATION

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 Manitoba Inc. (“MCCM”) engages in a number of programs which are consistent with MCC’s ministry.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

a) *Fund Accounting*

The Organization accounts for its operation using the following funds:

- Unrestricted – accounts for unrestricted assets and liabilities that are used to support ongoing operations and to aid in ongoing projects approved by the Board of Directors and management.
- Internally Restricted – accounts for funds that have been set aside by the Board of Directors for future designated purposes.
- Invested in Capital Assets – accounts for assets, liabilities, revenues and expenditures related to capital assets.
- Invested in Initiatives for Just Communities – accounts for the Organization’s net investment in Initiatives for Just Communities (Note 6).

b) *Revenue Recognition*

The Organization follows the deferral method of accounting for contributions which includes undesignated donations, designated donations, grants, events, bequests and gifts in kind.

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

Externally restricted contributions are recognized as revenue in the year in which the related expenditure is recognized. Contributions restricted for the purchases of capital assets are deferred and amortized into revenue at the same rate as the corresponding capital asset.

Revenue relating to sales and fees for service is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) *Capital Assets*

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded using the straight line method at the following rates:

Buildings	3-5%
Furniture	10%
Equipment	20%
Vehicles	30%
Computer Equipment	25%

Amortization on leasehold improvements are amortized over the term of the lease.

d) *Gifts-in-kind*

Supplies for material resource kits are purchased and donated during the year. The contributions and corresponding forwarding expenses are recorded at their fair market value when the packed goods are shipped from the Organization. Donations in kind are valued at their fair market value at the time the donations are received.

e) *Investment in IJC*

In 2012, the Organization transferred certain assets to Initiatives for Just Communities (“IJC”), a registered charity whose directors are appointed subject to the approval of the directors of the Organization. Accordingly, IJC is considered a controlled entity for financial reporting purposes and is accounted for by the Organization on an equity basis. In addition to the carrying value of the transferred assets, the Organization’s investment in IJC includes the carrying value of land and buildings at 39136 Ridgewood Road in the RM of Ste. Anne, Manitoba that has been provided to IJC for their operational use and beneficial interest at a nominal annual lease amount. The lease is set to expire on March 31, 2025.

f) *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 net earnings 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 net earnings in the period the reversal occurs.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Income Tax

The Organization was established as a not-for-profit organization and is registered as a charity for purposes of the Income Tax Act (Canada), and as such is not subject to income tax on its net revenue.

h) Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from management's best estimates. These financial statements include significant estimates relating to the estimated useful life of capital assets.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Due from MCC Canada	\$ 1,286,749	\$ 31,830
GST receivable	56,591	47,152
Trade receivables, other	91,207	37,825
	<u>\$ 1,434,547</u>	<u>\$ 116,807</u>

4. ABUNDANCE CANADA INVESTMENT

The investment in Abundance Canada, formerly known as the Mennonite Foundation, represents funds that have been invested in a pooled investment account with Abundance Canada. 60% of the amount is invested in a Fixed Income pool and 40% is invested in an Equity pool. The average rate of return on this investment during the year was 5.70%.

5. INVESTMENT IN THE JUBILEE FUND INC.

The Jubilee Fund Inc., governed by a Winnipeg-based coalition of faith organizations, is an independent not-for-profit organization and is registered as a charitable organization under the Income Tax Act (Canada). The purpose of The Jubilee Fund Inc. is to provide flexible financing in the form of loan guarantees for commercial, social and housing projects that contribute to community development.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

6. INVESTMENT IN INITIATIVES FOR JUST COMMUNITIES (“IJC”)

A summary of IJC’s financial position and results for its fiscal year ended March 31, 2024 is as follows:

	<u>2024</u>	<u>2023</u>
Financial Position		
Total assets	\$ 2,389,147	\$ 2,283,566
Total liabilities	(783,394)	(627,896)
Net assets	\$ 1,605,753	\$ 1,655,670
Results of Operations		
Total revenue	\$ 8,458,525	\$ 6,989,629
Total operating expenditures	(8,236,116)	(6,694,996)
Capital fund - net expense	(272,326)	(108,622)
Excess revenue	(49,917)	186,011
Investment, beginning of year	1,655,675	1,469,664
Investment, end of year	\$ 1,605,758	\$ 1,655,675

7. INVESTMENT IN OLD GRACE HOUSING CO-OP

The Organization has provided \$84,000 to reserve adequate, safe, affordable housing for three newcomer households in a local housing cooperative. To assist with funding this housing reserve, the Organization received a grant of \$42,000 from The Winnipeg Foundation. The Organization entered into a five year agreement in 2017, which has since been renewed into a new five year term expiring in May 2027. At the agreement expiry, the Organization would have the opportunity to terminate the agreement, sell it’s shares in the Co-op, and receive the \$84,000 refunded. However, if this were to occur, The Winnipeg Foundation has the right to request the return of the \$42,000 grant, and therefore the investment in Old Grace Housing Co-op has been recorded net of the grant received related to this investment.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

8. OTHER INVESTMENTS

Other investments represents amounts invested in guaranteed investment certificates (“GIC”). The respective values, maturity dates, and interest rates for these investments are as follows:

	<u>2024</u>	<u>2023</u>
18 month GIC maturing August 15, 2023 earning interest at a rate of 2.25%	\$ -	\$ 200,000
24 month GIC maturing February 15, 2024 earning interest at a rate of 1.55%	-	203,092
36 month GIC maturing February 17, 2025 earning interest at a rate of 1.75%	103,520	101,750
18 month GIC maturing February 15, 2025 earning interest at a rate of 5.00%	200,000	-
21 month GIC maturing February 15, 2025 earning interest at a rate of 4.45%	200,000	-
24 month GIC maturing February 15, 2026 earning interest at a rate of 5.30%	206,250	-
33 month GIC maturing February 15, 2026 earning interest at a rate of 4.55%	400,000	-
36 month GIC maturing February 17, 2026 earning interest at a rate of 4.70%	104,700	100,000
36 month GIC maturing February 17, 2026 earning interest at a rate of 4.90%	100,000	100,000
	\$ 1,314,470	\$ 704,842

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

9. CAPITAL ASSETS

	2024			2023
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
134 Plaza Drive				
Equipment	\$ -	\$ -	\$ -	\$ 1,833
Computers	-	-	-	13,168
	-	-	-	15,001
140 Bannatyne Avenue - Head Office				
Building-Leasehold Improvements	2,887,315	144,366	2,742,949	-
Furniture	286,073	28,607	257,466	-
Equipment	61,613	19,418	42,195	-
Computers	93,924	49,094	44,830	-
	3,328,925	241,485	3,087,440	-
159 Henderson Highway				
Furniture	-	-	-	10,861
Equipment	-	-	-	4,671
Computers	-	-	-	4,898
	-	-	-	20,430
140 Bannatyne Avenue - Sam's Place				
Furniture	19,557	1,956	17,601	-
Equipment	45,077	9,015	36,062	-
	64,634	10,971	53,663	-
Other				
Buildings	12,045	6,444	5,601	6,003
Construction in Progress	-	-	-	1,235,036
Equipment	17,558	14,271	3,287	7,848
	29,603	20,715	8,888	1,248,887
	\$ 3,423,162	\$ 273,171	\$ 3,149,991	\$ 1,284,318

Included in building and equipment cost expenses on Schedule 5 is amortization of capital assets of totaling \$216,191 (2023 - \$49,389).

10. ASSETS HELD FOR SALE

	2024			2023
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
159 Henderson Highway				
Land	\$ -	\$ -	\$ -	\$ 65,000
Buildings	-	-	-	659,556
	\$ -	\$ -	\$ -	\$ 724,556

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade Payables	\$ 82,775	\$ 300,012
Accrued Liabilities	81,880	734,847
Government remittances payable	3,672	873
	<u>\$ 168,327</u>	<u>\$ 1,035,732</u>

12. DESIGNATED CONTRIBUTIONS – CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Opening balance	\$ -	\$ 142,230
New funds received in year	440,320	-
Amounts amortized	(21,920)	(142,230)
Ending balance	<u>\$ 418,400</u>	<u>\$ -</u>

The current balance relates to funds received related to the building-leasehold improvements and will be amortized over the term of the lease. Balances for 2023 are allocated to designated contributions.

13. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are comprised of the following:

	<u>2024</u>	<u>2023</u>
Legacy Fund	\$ 98,432	\$ 98,432
Refugee Fund	32,471	32,471
The Jubilee Fund Inc.	50,982	50,982
Old Grace Housing Co-op	42,000	42,000
Capital Asset Reserve Fund	1,726,276	417,898
	<u>\$ 1,950,161</u>	<u>\$ 641,783</u>

During the year, the Board approved the net transfer for \$22,235 from the Capital Asset Reserve Fund to the Unrestricted Fund. As well as a transfer of \$1,330,613 from Invested in Capital Assets fund to the Capital Asset Reserve Fund.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

14. NET ASSETS INVESTED IN CAPITAL ASSETS

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

	<u>2024</u>	<u>2023</u>
Capital Assets	\$ 3,149,991	\$ 2,008,874
Portion of cash related to capital assets	-	1,934,074
Amounts financed by:		
Designated contributions - capital assets	(396,480)	-
	<u>\$ 2,753,511</u>	<u>\$ 3,942,948</u>

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

	<u>2024</u>	<u>2023</u>
Amortization of capital assets	\$ (216,191)	\$ (49,389)
Amortization of designated contributions	43,840	142,230
Gain on disposed assets	313,527	2,515,853
Purchase of capital assets	2,099,054	1,255,926
Transfer of remaining proceeds	(1,330,613)	-
Use of proceeds to fund purchase of capital assets	(2,099,054)	(1,255,926)
	<u>\$ (1,189,437)</u>	<u>\$ 2,608,694</u>

15. COMMITMENTS

MCC Canada (MCCC) has signed a national 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 have been assigned to the various Canadian MCCs.

MCC Manitoba has partnered with various church and community groups to assist with the sponsorship and resettlement of certain refugee families in Manitoba. 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 MCCC would be responsible for providing the funding shortfall. As at March 31, 2024, MCCC has a maximum estimated contingent liability of \$3,606,858 relating to resettlement sponsorship commitments for 458 individuals.

On August 23, 2022, MCCC entered into a lease agreement to take effect on March 1, 2023 relating to the 140B-Bannatyne location. The future payments on this lease over the next 5 years is as follows:

2025	\$161,244
2026	166,911
2027	166,911
2028	167,426
2029	173,093

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2024

16. FINANCIAL RISKS

a) Interest rate risk

Interest rate risk is the risk to the Organization's earnings that arises from fluctuations in interest rates and the degree of volatility of those rates. Long-term debt bears interest at floating rates and rates reset regularly, and therefore these debts are subject to interest rate risk due to changes in the prime rate. The Organization does not use derivative financial instruments to reduce its exposure to variable interest rate risk.

b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is exposed to credit risk relating to its accounts receivables and its funds invested in both the Abundance Canada and The Jubilee Fund Inc.

Investments in The Jubilee Fund Inc. are not protected under the Manitoba Securities Act. The Investments Certificates are handled by the Assiniboine Credit Union as agents on behalf of The Jubilee Fund Inc. Since the investments are not a product of the Credit Union, they are not insured by the Credit Union Deposit Guarantee Corporation or by any other source. However, The Jubilee Fund Inc. maintains a loan loss reserve fund which can be utilized in the event of a loan default. As at December 31, 2023 the value of The Jubilee Fund Inc.'s Loan Loss Reserve Fund was \$214,257 (2023 – \$206,746).

17. COMPARATIVE FIGURES

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

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Designated Contributions
Year Ended March 31, 2024

	2024	2023
DESIGNATED CONTRIBUTIONS		
International programming	\$ 1,525,025	\$ 1,376,244
Canadian Foodgrains Bank	2,476,207	2,420,377
Manitoba provincial programming	229,911	221,925
Disaster restricted funds	388,387	1,282,779
	\$ 4,619,530	\$ 5,301,325

Schedule of Other Events
Revenue and Expenditures
Year Ended March 31, 2024

	Revenue	Expenditures	Net Revenue 2024	Net Revenue 2023
Cycle Clear Lake	\$ 51,205	\$ 558	\$ 50,647	\$ 42,908
Golf tournament	53,942	25,892	28,050	42,392
	\$ 105,147	\$ 26,450	\$ 78,697	\$ 85,300

Of the net revenue received from fundraising events, \$78,697 was forwarded to MCC Canada during the 2024 fiscal year (2023 - \$85,300). The remainder of the net revenue was used to help fund MCCM programs in Manitoba.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Program Expenditures
Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
MANITOBA PROGRAMS		
Abuse Response and Prevention	\$ 57,344	\$ 65,628
Indigenous Neighbours	125,674	105,052
Material resources	611,507	476,793
Migration and Resettlement	342,025	188,263
Peace and Advocacy	74,761	52,170
Program administration	112,516	147,286
Sam's Place	534,435	355,653
OTHER ORGANIZATIONAL SUPPORT		
Initiatives for Just Communities	125,000	125,000
	<u>\$ 1,983,262</u>	<u>\$ 1,515,845</u>

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Forwardings to MCC Canada
Year Ended March 31, 2024

	2024	2023
DESIGNATED		
Forwardings for special projects:		
Canadian Foodgrains Bank	\$ 2,478,148	\$ 2,420,376
Canadian projects	-	160
Food	412,146	564,700
International - General	451,146	275,318
Material resources, donations in kind	727,445	500,199
Serving and Learning Together	32,410	13,575
Forwardings for specific locations:		
Africa	81,401	221,360
Asia	72,327	81,635
Europe & Middle East	661,982	1,314,475
Latin America	202,000	187,800
Relief Sales and Other Events (Schedule 2)	78,697	85,300
Manitoba Council for International Cooperation - Grants		
Laos	130,000	-
Zimbabwe	-	130,000
	5,327,702	5,794,898
UNDESIGNATED	4,849,069	3,873,889
	\$ 10,176,771	\$ 9,668,787

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Expenses by Function
Year Ended March 31, 2024

	2024	2023
Staff support		
Salaries	\$ 1,851,875	\$ 1,661,942
Benefits	363,314	316,920
Building costs	699,036	357,134
Communications	140,499	137,690
Contributions to other organizations	137,046	146,813
Equipment costs	104,879	72,568
Gifts-in-kind	8,599	8,365
Goods for resale	131,184	81,851
Insurance	35,907	28,652
Material resource purchases	53,730	108,214
Meetings & hospitality	41,527	24,070
Other	96,098	104,553
Professional fees	104,673	312,352
Refugee support	107,815	48,495
Supplies and subscriptions	84,751	40,561
Travel	55,636	39,139
Forwardings to MCC Canada	10,176,771	9,668,787
	\$ 14,193,340	\$ 13,158,106