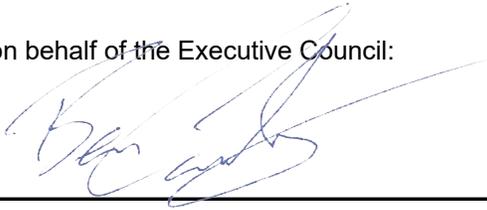
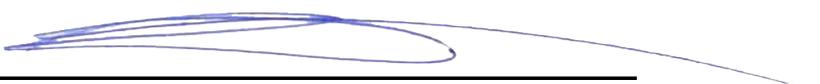


**MENNONITE CHURCH
EASTERN CANADA
FINANCIAL STATEMENTS
JANUARY 31, 2026**

Approved on behalf of the Executive Council:



Moderator



Treasurer



INDEPENDENT AUDITOR'S REPORT

To the Executive Council of Mennonite Church Eastern Canada

Opinion

I have audited the financial statements of **Mennonite Church Eastern Canada**, which comprise the statement of financial position as at **January 31, 2026**, and the Statement of Operations and Change in Net Assets, the Statement of Operations and Change in Net Assets - Operating Fund, the Statement of Operations and Change in Net Assets - Externally Restricted Funds, 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 the accompanying financial statements present fairly, in all material respects, the financial position of **Mennonite Church Eastern Canada** as at **January 31, 2026** and its 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 Opinion

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 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 opinion.

Emphasis of Matter

I draw your attention to Note 12 to the financial statements which describes i) that the comparative figures included in these financial statements have been amended, and ii) the matter that gives rise to the amendment of the comparative figures.

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

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

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 controls 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 controls that I identify during my audit.

E.M. Simon CPA

March 18, 2026

Kitchener, ON

E.M. Simon CPA Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
22 King Street South, suite 300, Waterloo, ON N2J 1N8
simon@simoncorp.ca (519) 744-1650

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF FINANCIAL POSITION

AS AT JANUARY 31, 2026

(With comparative figures as at January 31, 2025)

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

	2026						2025	
	Unrestricted	Operating Fund Capital Assets	Internally Restricted	Total	Externally Restricted Fund	Capital Fund	Total	
ASSETS								
CURRENT								
Cash and short-term deposits (note 12)	561,325	-	3,000,000	3,561,325	26,602	-	3,587,927	1,859,431
Term deposits (note 5)	-	-	250,000	250,000	1,173,821	-	1,423,821	1,266,597
Accounts receivable	23,595	-	-	23,595	225	-	23,820	53,854
Prepaid expenses	6,583	-	-	6,583	-	-	6,583	1,348
Due from other funds (note 3)	-	-	680,855	680,855	1,589	-	682,444	1,128,677
Loans receivable (note 6)	-	-	-	-	40,008	-	40,008	1,965,008
	591,503	-	3,930,855	4,522,358	1,242,245	-	5,764,603	6,274,915
INVESTMENT SHARES (note 5)	-	-	158,706	158,706	-	-	158,706	158,706
CAPITAL ASSETS (note 4)	-	-	-	-	-	499,682	499,682	504,830
LOANS RECEIVABLE (note 6)	-	-	-	-	19,984	-	19,984	29,984
	-	-	158,706	158,706	19,984	499,682	678,372	693,520
	\$ 591,503	\$ -	\$ 4,089,561	\$ 4,681,064	\$ 1,262,229	\$ 499,682	\$ 6,442,975	\$ 6,968,435
LIABILITIES								
CURRENT								
Accounts, payable and accrued	42,952	-	-	42,952	-	-	42,952	70,747
Government remittances payable	17,978	-	-	17,978	-	-	17,978	22,918
Deferred contributions	18,491	-	-	18,491	-	-	18,491	34,630
Due to other funds (note 3)	606,476	-	11,315	617,791	61,441	3,212	682,444	1,128,677
	685,897	-	11,315	697,212	61,441	3,212	761,865	1,256,972
NET ASSETS (DEFICIT)								
Unrestricted	(94,394)	-	-	(94,394)	-	-	(94,394)	(220,007)
Externally restricted (note 12)	-	-	-	-	1,200,788	-	1,200,788	1,252,294
Internally restricted (note 12)	-	-	4,078,246	4,078,246	-	-	4,078,246	4,174,346
Invested in capital assets	-	-	-	-	-	496,470	496,470	504,830
	(94,394)	-	4,078,246	3,983,852	1,200,788	496,470	5,681,110	5,711,463
	\$ 591,503	\$ -	\$ 4,089,561	\$ 4,681,064	\$ 1,262,229	\$ 499,682	\$ 6,442,975	\$ 6,968,435

MENNONITE CHURCH EASTERN CANADA
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2026

(With comparative figures for the year ended January 31, 2025)

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

	2026							2025
	<u>Unrestricted</u>	<u>Operating Fund</u>		<u>Total</u>	<u>Externally Restricted Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Total</u>
		<u>Capital Assets</u>	<u>Internally Restricted</u>					
REVENUE								
Donations, bequests and other	1,711,284	-	140,837	1,852,121	54,832	28,145	1,935,098	2,382,980
Interest	12,836	-	209,067	221,903	44,431	-	266,334	320,340
	<u>1,724,120</u>	<u>-</u>	<u>349,904</u>	<u>2,074,024</u>	<u>99,263</u>	<u>28,145</u>	<u>2,201,432</u>	<u>2,703,320</u>
EXPENDITURES								
Church operations (schedule 1)	1,206,378	-	-	1,206,378	-	-	1,206,378	1,434,953
Partner ministries (note 8)	930,934	-	-	930,934	-	-	930,934	1,209,402
Designated funds								
Expenditures and amortization	-	-	50,873	50,873	1,100	36,505	88,478	350,182
Grants	-	-	5,995	5,995	-	-	5,995	(22,730)
	<u>2,137,312</u>	<u>-</u>	<u>56,868</u>	<u>2,194,180</u>	<u>1,100</u>	<u>36,505</u>	<u>2,231,785</u>	<u>2,971,807</u>
EXCESS (DEFICIT)	(413,192)	-	293,036	(120,156)	98,163	(8,360)	(30,353)	(268,487)
OPENING NET ASSETS (DEFICIT)	(220,007)	8,642	4,174,346	3,962,981	1,252,294	496,188	5,711,463	5,979,950
INTERFUND TRANSFERS (note 10)	538,805	(8,642)	(389,136)	141,027	(149,669)	8,642	-	-
CLOSING NET ASSETS (DEFICIT)	\$ (94,394)	\$ -	\$ 4,078,246	\$ 3,983,852	\$ 1,200,788	\$ 496,470	\$ 5,681,110	\$ 5,711,463

MENNONITE CHURCH EASTERN CANADA
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS - OPERATING FUND
FOR THE YEAR ENDED JANUARY 31, 2026

(With comparative figures for the year ended January 31, 2025)

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

	2026							2025			
	Internally Restricted				Unrestricted	Invested in	Total	Total			
	Leadership Formation	Church's Property	Discretionary Assistance	Faithful Steward					Legacy Initiatives	Faithful Legacy	Total
REVENUE											
Donations, bequests and other	-	-	-	-	-	140,837	140,837	1,711,284	-	1,852,121	1,929,380
Interest	1,806	61,358	1,019	-	-	144,884	209,067	12,836	-	221,903	268,654
	<u>1,806</u>	<u>61,358</u>	<u>1,019</u>	<u>-</u>	<u>-</u>	<u>285,721</u>	<u>349,904</u>	<u>1,724,120</u>	<u>-</u>	<u>2,074,024</u>	<u>2,198,034</u>
EXPENDITURES											
Church operations (schedule 1)	-	-	-	-	-	-	-	1,206,378	-	1,206,378	1,434,953
Partner ministries (note 8)	-	-	-	-	-	-	-	930,934	-	930,934	1,209,402
Designated funds											
Expenditures	35,975	-	3,003	-	-	11,895	50,873	-	-	50,873	149,082
Grants	5,995	-	-	-	-	-	5,995	-	-	5,995	(22,730)
	<u>41,970</u>	<u>-</u>	<u>3,003</u>	<u>-</u>	<u>-</u>	<u>11,895</u>	<u>56,868</u>	<u>2,137,312</u>	<u>-</u>	<u>2,194,180</u>	<u>2,770,707</u>
EXCESS (DEFICIT) FOR THE YEAR	(40,164)	61,358	(1,984)	-	-	273,826	293,036	(413,192)	-	(120,156)	(572,673)
OPENING NET ASSETS (note 12)	176,304	970,771	80,669	381,788	2,564,814	-	4,174,346	(220,007)	8,642	3,962,981	4,456,154
INTERFUND TRANSFERS (note 10)	-	(1,032,129)	-	(381,788)	(2,564,814)	3,589,595	(389,136)	538,805	(8,642)	141,027	79,500
CLOSING NET ASSETS	\$136,140	\$-	\$78,685	\$-	\$-	\$3,863,421	\$4,078,246	\$(94,394)	\$-	\$3,983,852	\$3,962,981

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS - EXTERNALLY RESTRICTED FUND FOR THE YEAR ENDED JANUARY 31, 2026

(With comparative figures for the year ended January 31, 2025)

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

	2026					2025
	<u>Blenheim</u>	<u>Missions Donations</u>	<u>Missions Capital</u>	<u>Reesor Memorial</u>	<u>Total</u>	<u>Total</u>
REVENUE						
Donations, bequests and other	-	4,832	50,000	-	54,832	453,600
Interest	2,448	35,662	4,801	1,520	44,431	51,686
	<u>2,448</u>	<u>40,494</u>	<u>54,801</u>	<u>1,520</u>	<u>99,263</u>	<u>505,286</u>
EXPENDITURES						
Disbursements	-	-	-	1,100	1,100	201,100
Grants	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>	<u>201,100</u>
EXCESS FOR THE YEAR	2,448	40,494	54,801	420	98,163	304,186
OPENING NET ASSETS (note 12)	36,769	938,696	267,523	9,306	1,252,294	1,027,608
INTERFUND TRANSFERS (note 10)	-	(149,669)	-	-	(149,669)	(79,500)
CLOSING NET ASSETS	<u>\$ 39,217</u>	<u>\$ 829,521</u>	<u>\$ 322,324</u>	<u>\$ 9,726</u>	<u>\$ 1,200,788</u>	<u>\$ 1,252,294</u>

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2026

(With comparative figures for the year ended January 31, 2025)

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

SOURCES (USES) OF CASH:

OPERATING ACTIVITIES:

	<u>2026</u>	<u>2025</u>
Excess (deficit) of revenues over expenses	(30,353)	(268,487)
Items not affecting cash:		
Amortization	5,148	5,149
Change in non-cash current assets and liabilities		
Term deposits (note 5)	(157,224)	779,509
Accounts receivable	30,034	29,083
Prepaid expenses	(5,235)	153
Accounts, payable and accrued	(27,795)	(21,106)
Government remittances payable	(4,940)	(2,774)
Deferred contributions	(16,139)	(30,595)
	<u>(206,504)</u>	<u>490,932</u>

INVESTING ACTIVITIES:

Capital assets purchased	-	(8,000)
Loans receivable - net	1,935,000	16,008
	<u>1,935,000</u>	<u>8,008</u>

FINANCING ACTIVITIES:

	-	-
--	---	---

CHANGE IN FUNDS

	1,728,496	498,940
--	-----------	---------

CASH - opening

	1,859,431	1,360,491
--	-----------	-----------

CASH - closing

	<u>\$3,587,927</u>	<u>\$1,859,431</u>
--	--------------------	--------------------

MENNONITE CHURCH EASTERN CANADA

NOTES TO THE FINANCIAL STATEMENTS

JANUARY 31, 2026

1. NATURE AND PURPOSE OF THE ORGANIZATION

Mennonite Church Eastern Canada (the Church, or MCEC) is a body of Mennonite Congregations located in Eastern Canada, including Ontario, Quebec and New Brunswick. The Church is incorporated without share capital under the laws of Ontario. The Church is a charity registered with Canada Revenue Agency, and as such, is not subject to income tax.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Fund Accounting

Accounts are maintained in accordance with the principles of fund accounting, wherein resources are classified for accounting and reporting purposes into funds associated with specified activities and objectives.

The **Unrestricted Operating Fund** accounts for all assets, liabilities, revenues and expenditures related to the Church's program delivery and administrative activities. The **Internally Restricted Operating Fund** consists of Funds which are restricted by the Executive Council of the Church, and reflects unrestricted contributions received by the Church, and subsequently allocated to, and expended by, one of the Internally Restricted Funds based on the Fund's purpose. These internally restricted amounts are not available for any other purposes without the approval of the Executive Council of the Church. The **Leadership Formation Fund** supports continuing education for pastors and leaders as well as sharing in the cost of pastoral sabbaticals. The **Church's Property Fund** existed to hold the MCCO loan receivable, the proceeds for which came from the sale of King Street East properties in the past. The **Discretionary Assistance Fund** provides financial assistance to pastors and leaders within MCEC for compassionate and unexpected needs including but not limited to counselling, psychologist, psychiatrist, temporary income supplement, legal fees. The **Faithful Steward Fund** accumulated estate gifts over \$5,000, or tithing from the Legacy Initiatives Fund, that were undesignated, and transferred these funds to the Unrestricted Fund annually, subject to approval of the Executive Council. The **Legacy Initiatives Fund** was established with a contribution from an estate and funds entrepreneurial missional initiatives through MCEC run programs, partnerships, and grants that advance the core purposes of MCEC in developing disciples, leaders, and congregations. The **Faithful Legacy Fund** was established to encourage bequests and other large gifts to MCEC for the creation of an additional revenue stream, via investment income, for MCEC's operating budget and to create financial stability for MCEC. The Faithful Legacy Fund accumulates individual and estate gifts to MCEC over \$10,000, including Schmidt Bequest Funds, funds from the sales of MCEC properties and other funds as determined by Executive Council. In the current fiscal year, the **Church's Property Fund**, the **Faithful Steward Fund** and the **Legacy Initiatives Fund** were consolidated into the **Faithful Legacy Fund**. The **Capital Assets** component of the Operating Fund previously reflected the amortized cost of equipment used within the Church's day-to-day operations. This component of the Operating Fund was consolidated with the **Capital Fund** in the current fiscal year.

The **Externally Restricted Funds** include those assets, liabilities, revenues and expenditures which have been restricted by the donor as to use of either the capital and/or interest there from, to one of the missions within the Fund. The **Mission Donations Fund** accumulates contributions which are designated for the Fund, and forwards those funds to the Unrestricted Fund based on a prescribed policy to support the Church's various missions. **Missions Capital Fund** accumulates and disburses grants and low or no interest loans to congregations seeking to acquire or renovate their first owned or rented worship space. The **Blenheim** and **Ressor Memorial** Funds accumulate and disburse funds for specific projects.

The **Capital Fund** reflects land and buildings to which MCEC has title and which are used by other organizations (i.e. not in MCEC's general operations), plus furniture, equipment and leasehold improvements which are used in MCEC's general operations.

Revenue Recognition

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable, provided amounts are reasonably estimable and collection reasonably assured. The Church does not recognize pledges until they are received, due to the uncertainty of collection.

Restricted contributions related to general operations are reflected as deferred income in the Operating Fund, and only subsequently recognized when the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate Externally Restricted Fund in the year received or receivable, provided amounts are reasonably estimable and collection reasonably assured.

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2026

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Investment income earned from restricted fund resources is recognized as revenue of the respective restricted fund and maintained within the Restricted Funds until spent. Other investment income is recognized as revenue of the Operating Fund when earned.

Cash

Cash consists of amounts held in chequing and savings accounts at financial institutions, plus term certificates with maturities of less than thirty days, if they are used to accommodate fluctuations in day-to-day balances in bank accounts.

Capital Assets

Capital assets include church properties and residences purchased prior to 1965, all of which are recorded at nominal value, and other church properties and residences carried at cost. As these assets are used by other organizations, no amortization is recorded.

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 as income to the extent of improvement. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Unless otherwise noted, it is management's opinion, as it was in the prior year, that the Church is not exposed to significant interest, market, currency or credit risks arising from the Church's financial instruments. The fair value of the financial instruments approximates their carrying values, unless otherwise noted.

3. DUE FROM (TO) OTHER FUNDS

In order to fund the \$1,425,000 loan receivable (note 6), the Church's Property Fund borrowed \$398,227 from the Legacy Initiatives Fund, both of which are internally restricted funds. The remaining amount receivable by the Internally Restricted Fund represents advances to the Operating Fund. All loans between Funds are unsecured, bear no interest, and have no specific terms of repayment.

4. CAPITAL ASSETS

	2026		2025	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Capital Fund				
Equipment and furniture	20,410	16,916	3,494	8,642
Church properties and residences	96,499	-	96,499	96,499
74 Firvalley Court, Toronto	330,670	-	330,670	330,670
120 Duluth Avenue E., Montreal	69,019	-	69,019	69,019
	\$516,598	\$16,916	\$499,682	\$504,830

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2026

5. INVESTMENTS AND OTHER FINANCIAL INSTRUMENT ASSETS		<u>2026</u>	<u>2025</u>
Term deposit	1.95% due March 2026	400,000	-
Term deposit	3.20% due January 2027	1,000,000	-
Term deposit	1.60% due July 2026	23,821	23,446
Term deposit	5.00 % due July 2025	-	765,000
Term deposit	2.55 % due February 2025	-	478,151
		\$1,423,821	\$1,266,597

Kindred Credit Union Class B shares - 10% redeemable in any given year at the Credit Union's discretion.	\$158,706	\$158,706
--	-----------	-----------

6. LOANS RECEIVABLE		<u>2026</u>	<u>2025</u>
Loan receivable, 5.5% interest only paid annually (repaid)		-	1,425,000
Loan receivable, interest at 2%, due December 2025 or on demand with 90 days notice		-	500,000
Non-interest bearing loans receivable - see note a) below		59,992	69,992
		59,992	1,994,992
Portion due in the forthcoming year		40,008	1,965,008
		\$19,984	\$29,984

a) The non-interest bearing loans receivable reflects amounts due from two churches, the Meheret Evangelical Church at \$29,992 and Hochma at \$30,000. The Meheret loan requires principal-only payments of \$834 monthly and matures in January 2029. The Hochma loan matured in February 28, 2024, a portion of the principal was subsequently repaid, and there is now a repayment plan in place.

7. CONGREGATIONAL GIVING		<u>2026</u>	<u>2025</u>
Congregational giving to Mennonite Church Canada		472,779	495,927
Received directly by Mennonite Church Canada		(23,460)	(27,352)
		\$449,319	\$468,575

Amounts collected and forwarded to Mennonite Church Canada for Witness and Partner programs.	\$191,453	\$347,972
--	-----------	-----------

8. PARTNER MINISTRIES		<u>2026</u>	<u>2025</u>
Agencies			
Mennonite World Conference		4,409	6,614
Mennonite Church Canada		640,771	816,546
Mennonite Historical Society		750	-
Camps			
Hidden Acres Mennonite Camp		6,917	10,378
Ontario Mennonite Music Camp		1,384	2,076
Silver Lake Mennonite Camp		6,917	10,378
Willowgrove Camp		6,917	10,378
Schools			
Rockway Mennonite Collegiate		44,466	66,705
United Mennonite Educational Institute		16,789	25,186
Conrad Grebel University College		92,750	139,139
Anabaptist Mennonite Biblical Seminary		25,331	38,000
Publications			
Canadian Mennonite		83,533	84,002
		\$930,934	\$1,209,402

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2026

9. PENSION COSTS

Amounts paid and expensed for defined contribution pension costs for Church employees as part of the Mennonite Church Canada pension plan.

<u>2026</u>	<u>2025</u>
\$38,208	\$43,072

10. INTERFUND TRANSFERS

The **Mission Donations Fund** - by Fund policy, up to 25% of the opening balance of the fund can be transferred into the operating fund to support the activity of Mission Council.

The **Leadership Formation Fund** and **Discretionary Assistance Fund** - transfers from the Unrestricted Fund represent annual expenditure support.

The **Church's Property Fund** transferred investment income earned to the Unrestricted Fund, to support expenditures in the Unrestricted Fund. See note below re. consolidation with new **Faithful Legacy Fund**.

The **Faithful Steward Fund** - fund policy permitted transfers of 15% of the opening balance to the Unrestricted Fund annually to fund expenses of that Fund. Additional amounts were also be transferred at the discretion of Executive Council. See note below re. consolidation with new **Faithful Legacy Fund**.

The **Legacy Initiatives Fund** - transfers represented approved transfers to the Unrestricted Fund to support specific expenditures, plus a transfer of investment income. See note below re. consolidation with new **Faithful Legacy Fund**.

The **Capital Fund** - transfers represent approved transfers from the Unrestricted Fund to fund the purchase of capital assets.

In the current fiscal year a new **Faithful Legacy Fund** was established via the consolidation of **Church's Property Fund**, the **Faithful Steward Fund** and the **Legacy Initiative Fund**.

11. COMMITMENTS, CONTRACTUAL OBLIGATIONS

The organization had a lease commitment with respect to its premises which expires in February 2030, and which requires the following annual base rent payments, plus a share of common costs:

Fiscal year	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>Total</u>
Amount	\$ 31,202	\$ 31,698	\$ 32,172	\$ 32,551	\$ 2,715	\$ 130,338

MCEC has entered into a shared revenue agreement with Mennonite Church Canada, whereby it has agreed to forward 30% of it shared revenue to Mennonite Church Canada. Shared revenue generally consists of unrestricted general donations (excluding bequests) plus donations received by MCEC which are specifically designated to Mennonite Church Canada.

12. CHANGE TO COMPARATIVE FIGURES

In the current fiscal year, management received notification that it had received incorrect financial information with respect to the value of short-term deposits held as part of the Cash and short-term deposits reflected on the Statement of Financial Position. The incorrect information relates to the 2017 through 2024 fiscal years. As result, comparative figures for Cash and short-term deposits, and Net Assets, have been restated by the amount reflected as 'Correction of error' below, effective January 31, 2024.

	<u>Previously reported</u>	<u>Correction of error</u>	<u>Restated</u>
Cash and short-term deposits - Internally Restricted	1,080,128	(93,891)	986,237
Cash and short-term deposits - Restricted	302,046	(24,255)	277,791
	<u>\$1,382,174</u>	<u>(\$118,146)</u>	<u>\$1,264,028</u>

MENNONITE CHURCH EASTERN CANADA**CHURCH OPERATIONS****FOR THE YEAR ENDED JANUARY 31, 2026**

(With comparative figures for the year ended January 31, 2025)

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

	2026				2025
	<u>Executive</u>	<u>Congregational</u>	<u>Operations</u>	<u>Total</u>	<u>Total</u>
	<u>Ministry</u>	<u>Ministries</u>	<u>and Occupancy</u>		
EXPENDITURES					
Staff salaries and benefits	163,254	347,995	406,853	918,102	1,184,147
Staff travel and other	8,836	21,462	3,286	33,584	53,472
Staff professional development	10,710	-	-	10,710	6,393
Council and committee	6,867	-	-	6,867	16,608
Resourcing	-	1,105	-	1,105	102,991
Program	15,954	15,104	2,603	33,661	90,914
Facilities	-	78,000	161,555	239,555	142,767
Professional fees	-	-	18,281	18,281	49,014
Information technology	-	-	36,048	36,048	35,514
	<u>205,621</u>	<u>463,666</u>	<u>628,626</u>	<u>1,297,913</u>	<u>1,681,820</u>
REVENUE					
Dues, fees, recoveries	-	18,695	62,425	81,120	224,110
Donations	1,950	8,465	-	10,415	27,906
	<u>1,950</u>	<u>27,160</u>	<u>62,425</u>	<u>91,535</u>	<u>252,016</u>
NET EXPENDITURES	\$ 203,671	\$ 436,506	\$ 566,201	\$ 1,206,378	\$ 1,429,804