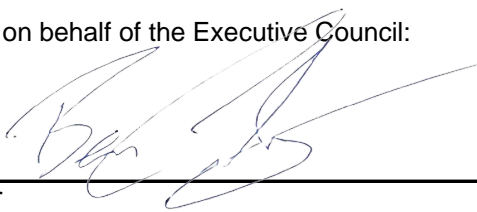


**MENNONITE CHURCH
EASTERN CANADA
FINANCIAL STATEMENTS
JANUARY 31, 2024**

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, 2024**, 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 - 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, 2024** 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.

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 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 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

May 25, 2024
Kitchener, ON

E.M. Simon CPA Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
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MENNONITE CHURCH EASTERN CANADA

STATEMENT OF FINANCIAL POSITION

AS AT JANUARY 31, 2024

(With comparative figures as at January 31, 2023)

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

	2024						2023
	<u>Unrestricted</u>	<u>Operating Fund Capital Assets</u>	<u>Internally Restricted</u>	<u>Total</u>	<u>Restricted Fund</u>	<u>Capital Fund</u>	<u>Total</u>
ASSETS							
CURRENT							
Cash and short-term deposits	277,886	-	937,612	1,215,498	263,139	-	3,771,568
Term deposit	-	-	259,826	259,826	348,719	-	-
Accounts receivable	55,715	-	21,283	76,998	5,939	-	97,793
Prepaid expenses	1,501	-	-	1,501	-	-	-
Due from other funds (note 3)	-	-	746,820	746,820	18,683	-	351,254
Loans receivable (note 6)	-	-	1,925,000	1,925,000	46,008	-	1,975,000
Investment shares (note 5)	-	-	15,871	15,871	-	-	15,871
	<u>335,102</u>	<u>-</u>	<u>3,906,412</u>	<u>4,241,514</u>	<u>682,488</u>	<u>-</u>	<u>6,211,486</u>
INVESTMENT SHARES (note 5)	-	-	142,835	142,835	-	-	142,835
TERM DEPOSITS	-	-	1,108,153	1,108,153	329,408	-	787,713
CAPITAL ASSETS (note 4)	-	5,791	-	5,791	-	496,188	504,461
LOANS RECEIVABLE (note 6)	-	-	-	-	39,992	-	42,000
	<u>-</u>	<u>5,791</u>	<u>1,250,988</u>	<u>1,256,779</u>	<u>369,400</u>	<u>496,188</u>	<u>1,477,009</u>
	<u>\$ 335,102</u>	<u>\$ 5,791</u>	<u>\$ 5,157,400</u>	<u>\$ 5,498,293</u>	<u>\$ 1,051,888</u>	<u>\$ 496,188</u>	<u>\$ 7,046,369</u>
LIABILITIES							
CURRENT							
Accounts, payable and accrued	91,828	-	-	91,828	25	-	208,208
Government remittances payable	25,692	-	-	25,692	-	-	21,230
Deferred contributions	65,225	-	-	65,225	-	-	48,111
Due to other funds (note 3)	367,276	-	398,227	765,503	-	-	351,254
	<u>550,021</u>	<u>-</u>	<u>398,227</u>	<u>948,248</u>	<u>25</u>	<u>-</u>	<u>628,803</u>
NET ASSETS							
Unrestricted	(214,919)	-	-	(214,919)	-	-	(220,273)
Externally restricted	-	-	-	-	1,051,863	-	1,100,894
Internally restricted	-	-	4,759,173	4,759,173	-	-	5,674,610
Invested in capital assets	-	5,791	-	5,791	-	496,188	504,461
	<u>(214,919)</u>	<u>5,791</u>	<u>4,759,173</u>	<u>4,550,045</u>	<u>1,051,863</u>	<u>496,188</u>	<u>7,059,692</u>
	<u>\$ 335,102</u>	<u>\$ 5,791</u>	<u>\$ 5,157,400</u>	<u>\$ 5,498,293</u>	<u>\$ 1,051,888</u>	<u>\$ 496,188</u>	<u>\$ 7,688,495</u>

MENNONITE CHURCH EASTERN CANADA
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JANUARY 31, 2024

(With comparative figures for the year ended January 31, 2023)

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

	2024							2023
	Operating Fund			Total	Restricted Fund	Capital Fund	Total	Total
	Unrestricted	Capital Assets	Internally Restricted					
REVENUE								
Donations, bequests and other	1,797,931	-	-	1,797,931	18,886	-	1,816,817	2,071,287
Interest	84,230	-	96,234	180,464	26,930	-	207,394	165,623
	<u>1,882,161</u>	<u>-</u>	<u>96,234</u>	<u>1,978,395</u>	<u>45,816</u>	<u>-</u>	<u>2,024,211</u>	<u>2,236,910</u>
EXPENDITURES								
Church operations (schedule 1)	1,416,635	2,482	-	1,419,117	-	-	1,419,117	1,484,696
Partner ministries (note 8)	1,064,090	-	-	1,064,090	-	-	1,064,090	1,081,120
Designated funds								
Disbursements and amortization	-	-	472,964	472,964	1,100	-	474,064	663,888
Grants	-	-	28,536	28,536	-	-	28,536	38,101
	<u>2,480,725</u>	<u>2,482</u>	<u>501,500</u>	<u>2,984,707</u>	<u>1,100</u>	<u>-</u>	<u>2,985,807</u>	<u>3,267,805</u>
EXCESS (DEFICIT)	(598,564)	(2,482)	(405,266)	(1,006,312)	44,716	-	(961,596)	(1,030,895)
OPENING NET ASSETS	(220,273)	8,273	5,674,610	5,462,610	1,100,894	496,188	7,059,692	8,090,587
INTERFUND TRANSFERS	603,918	-	(510,171)	93,747	(93,747)	-	-	-
CLOSING NET ASSETS	\$ (214,919)	\$ 5,791	\$ 4,759,173	\$ 4,550,045	\$ 1,051,863	\$ 496,188	\$ 6,098,096	\$ 7,059,692

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS - OPERATING FUND FOR THE YEAR ENDED JANUARY 31, 2024

(With comparative figures for the year ended January 31, 2023)

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

	2024						Unrestricted	Invested in Capital Assets	Total	2023 Total
	Internally Restricted					Total				
	Leadership Formation	Church's Property	Discretionary Assistance	Faithful Steward	Legacy Initiatives					
REVENUE										
Donations, bequests and other	-	-	-	-	-	-	1,797,931	-	1,797,931	2,069,692
Interest	2,174	-	1,132	21,649	71,279	96,234	84,230	-	180,464	150,581
	<u>2,174</u>	<u>-</u>	<u>1,132</u>	<u>21,649</u>	<u>71,279</u>	<u>96,234</u>	<u>1,882,161</u>	<u>-</u>	<u>1,978,395</u>	<u>2,220,273</u>
EXPENDITURES										
Church operations	-	-	-	-	-	-	1,416,635	2,482	1,419,117	1,484,696
Partner ministries (note 8)	-	-	-	-	-	-	1,064,090	-	1,064,090	1,081,120
Designated funds										
Disbursements	25,619	7,417	-	4,581	435,347	472,964	-	-	472,964	663,888
Grants	10,036	-	-	-	18,500	28,536	-	-	28,536	38,101
	<u>35,655</u>	<u>7,417</u>	<u>-</u>	<u>4,581</u>	<u>453,847</u>	<u>501,500</u>	<u>2,480,725</u>	<u>2,482</u>	<u>2,984,707</u>	<u>3,267,805</u>
EXCESS (DEFICIT) FOR THE YEAR	(33,481)	(7,417)	1,132	17,068	(382,568)	(405,266)	(598,564)	(2,482)	(1,006,312)	(1,047,532)
OPENING NET ASSETS	173,707	987,797	85,864	1,066,473	3,360,769	5,674,610	(220,273)	8,273	5,462,610	6,402,443
INTERFUND TRANSFERS (note 10)	30,000	-	3,000	(435,151)	(108,020)	(510,171)	603,918	-	93,747	107,699
CLOSING NET ASSETS	\$ 170,226	\$ 980,380	\$ 89,996	\$ 648,390	\$ 2,870,181	\$ 4,759,173	\$ (214,919)	\$ 5,791	\$ 4,550,045	\$ 5,462,610

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS - EXTERNALLY RESTRICTED FUNDS FOR THE YEAR ENDED JANUARY 31, 2024

(With comparative figures for the year ended January 31, 2023)

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

	2024				2023	
	<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	-	-	18,886	-	18,886	1,595
Interest	1,660	19,376	5,431	463	26,930	15,042
	<u>1,660</u>	<u>19,376</u>	<u>24,317</u>	<u>463</u>	<u>45,816</u>	<u>16,637</u>
EXPENDITURES						
Disbursements	-	-	-	1,100	1,100	-
Grants	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
EXCESS FOR THE YEAR	1,660	19,376	24,317	(637)	44,716	16,637
OPENING NET ASSETS	33,410	621,035	435,837	10,612	1,100,894	1,191,956
INTERFUND TRANSFERS (note 10)	-	(93,747)	-	-	(93,747)	(107,699)
CLOSING NET ASSETS	<u>\$ 35,070</u>	<u>\$ 546,664</u>	<u>\$ 460,154</u>	<u>\$ 9,975</u>	<u>\$ 1,051,863</u>	<u>\$ 1,100,894</u>

MENNONITE CHURCH EASTERN CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JANUARY 31, 2024

(With comparative figures for the year ended January 31, 2023)

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

SOURCES (USES) OF CASH:

OPERATING ACTIVITIES:

	<u>2024</u>	<u>2023</u>
Excess (deficit) of revenues over expenses	(961,596)	(1,030,895)
Items not affecting cash:		
Amortization	-	4,694
Change in non-cash current assets and liabilities		
Term deposit	(608,545)	101,395
Accounts receivable	14,856	(66,971)
Prepaid expenses	(1,501)	1,897
Accounts, payable and accrued	(116,355)	116,186
Government remittances payable	4,462	(2,875)
Deferred contributions	17,114	(7,202)
	<u>(1,651,565)</u>	<u>(883,771)</u>

INVESTING ACTIVITIES:

Term deposits	(649,848)	(1,333)
Capital assets purchased	2,482	(12,410)
Loans receivable - net	6,000	-
	<u>(641,366)</u>	<u>(13,743)</u>

FINANCING ACTIVITIES:

	-	-
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CHANGE IN FUNDS

	(2,292,931)	(897,514)
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CASH - opening

	3,771,568	4,669,082
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CASH - closing

	<u>\$1,478,637</u>	<u>\$3,771,568</u>
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MENNONITE CHURCH EASTERN CANADA

NOTES TO THE FINANCIAL STATEMENTS

JANUARY 31, 2024

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 **Operating Fund** accounts for all assets, liabilities, revenues and expenditures related to the Church's program delivery and administrative activities, including those capital assets used directly therein. The Operating Fund also consists of funds internally restricted by the Executive Council of the Church, which relates to monies which are received by the Church as general revenue or undesignated income, and subsequently allocated by the Church for a particular purpose. These internally restricted amounts are not available for any other purposes with 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** exists to hold and provide for the maintenance of owned properties. 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** accumulates estate gifts over \$5,000 or tithing from the Legacy Initiative Fund that were undesignated, and transfers 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 **Capital Assets** component of the Operating Fund reflects the amortized cost of equipment used within the Church's day-to-day operations.

The **Restricted Funds** include those assets, liabilities, revenues and expenditures that have been restricted as to the use of either the capital and/or interest therefrom, by the donor. Monies received by the Church that are designated by the donor to support a particular ministry of the Church are considered to be externally restricted and are included in the Restricted Funds. The **Mission Donations Fund** accumulates estate gifts over \$5,000 or donations that are designated to the Fund, and forwards funds to the Unrestricted Fund based on a prescribed policy to support the Church's various missions. **Missions Capital Fund** accumulates and disbursed 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 the land and buildings which are used by other organizations. These properties are not used in the direct operations of the Church.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate restricted fund in the year received or receivable provided amounts are reasonably estimable and collection reasonably assured.

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.

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.

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2024

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Purchased capital assets of the Operating Fund are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution, where fair value can be reasonably estimated. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which is five years for furniture and equipment, Amortization is reflected as an expense of the Operating Fund.

Capital assets recorded in the Capital Fund 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, 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

	<u>Cost</u>	<u>2024</u> <u>Accumulated</u> <u>Amortization</u>	<u>Net Book</u> <u>Value</u>	<u>2023</u> <u>Net Book</u> <u>Value</u>
Operating Fund				
Equipment and furniture	12,410	6,619	5,791	8,273
Capital Fund				
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
	<u>\$496,188</u>	<u>\$0</u>	<u>\$496,188</u>	<u>\$496,188</u>
	<u>\$508,598</u>	<u>\$6,619</u>	<u>\$501,979</u>	<u>\$504,461</u>

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2024

5. INVESTMENTS AND OTHER FINANCIAL INSTRUMENT ASSETS

	<u>2024</u>	<u>2023</u>
Class B shares of Kindred Credit Union Class B shares - 10% redeemable at 10% in any given year at the Church's discretion.	158,706	158,706
Portion due in the forthcoming year	15,871	15,871
	<u>\$142,835</u>	<u>\$142,835</u>

6. LOANS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Loan receivable, 5.5% interest only paid annually - see note a) below	1,425,000	1,425,000
Loan receivable, interest at 2%, due December 2025 or on demand with 90 days notice	500,000	500,000
Non-interest bearing loans receivable - see note b) below	86,000	92,000
	<u>2,011,000</u>	<u>2,017,000</u>
Portion due in the forthcoming year	1,971,008	1,975,000
	<u>\$39,992</u>	<u>\$42,000</u>

a) This loan matured in October 2023. MCEC and the debtor have agreed in principal to extend the terms of the original loan, with a new maturity date to be determined, but no formal agreement has been put in place. See also lease commitment note below.

b) The non-interest bearing loans receivable reflects amounts due from two churches, the Meheret Evangelical Church at \$50,000 and Hochma at \$36,000. The Meheret loan requires principal-only payments of \$834 monthly and matures in January 2029. The Hochma loan matures in February 28, 2024 when payment in full is required.

7. CONGREGATIONAL GIVING

	<u>2024</u>	<u>2023</u>
Congregational giving to Mennonite Church Canada	507,341	499,274
Received directly by Mennonite Church Canada	(63,876)	(8,790)
	<u>\$443,465</u>	<u>\$490,484</u>

Amounts collected and forwarded to Mennonite Church Canada for
 Witness and Partner programs.

\$207,717 \$175,189

8. PARTNER MINISTRIES

	<u>2024</u>	<u>2023</u>
Agencies		
Mennonite World Conference	7,962	6,962
Mennonite Church of Canada	651,182	665,672
Anabaptist Mennonite Biblical Seminary	40,000	40,000
Camps		
Hidden Acres Mennonite Camp	10,923	10,923
Ontario Mennonite Music Camp	2,185	2,185
Silver Lake Mennonite Camp	10,923	10,923
Willowgrove Camp	10,923	10,923
Schools		
Rockway Mennonite Collegiate	70,215	70,215
United Mennonite Educational Institute	26,510	26,510
Conrad Grebel University College	146,462	151,462
Publications		
Canadian Mennonite	86,805	85,345
	<u>\$1,064,090</u>	<u>\$1,081,120</u>

9. PENSION COSTS

	<u>2024</u>	<u>2023</u>
Amounts paid and expensed for defined contribution pension costs for Church employees as part of the Mennonite Church Canada pension plan.	\$42,097	\$48,939

MENNONITE CHURCH EASTERN CANADA
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2024

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 **Faithful Steward Fund** - fund policy permits transfers of 15% of the opening balance to the Unrestricted Fund annually to fund expenses of that Fund. Additional amounts can also be transferred at the discretion of Executive Council.

The **Legacy Initiatives Fund** - transfers represent approved transfers to the Unrestricted Fund to support specific expenditures, plus a transfer of investment income.

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

11. COMMITMENTS

The organization had a lease commitment with respect to its premises which required monthly payments of \$6,594 until October 2023. The landlord and MCEC's management have signed an agreement to extend the lease under its original terms, except for the maturity date, pending agreement on a new lease. The premises is leased from the holder of the \$1,425,000 loan receivable noted in note 6 above. The terms of the lease are tied to the interest rate on the loan, in that the required lease payments will match the interest charged on the loan.

MENNONITE CHURCH EASTERN CANADA**CHURCH OPERATIONS****FOR THE YEAR ENDED JANUARY 31, 2024**

(With comparative figures for the year ended January 31, 2023)

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

	2024						2023
	<u>Executive Council</u>	<u>Congregational Resources</u>	<u>Leadership Council</u>	<u>Mission Council</u>	<u>Operations and Occupancy</u>	<u>Total</u>	<u>Total</u>
EXPENDITURES							
Staff salaries and benefits	82,179	178,561	102,299	259,802	433,728	1,056,569	1,051,313
Staff travel and other	1,769	15,418	11,355	26,182	6,026	60,750	61,832
Staff professional development	2,500	1,243	1,012	2,007	499	7,261	15,850
Council and committee	32,451	-	1,427	-	534	34,412	28,596
Resourcing	-	-	26,865	102,166	-	129,031	112,415
Program	-	9,584	9,306	-	53,987	72,877	88,829
Facilities	-	-	-	-	168,267	168,267	148,609
Professional fees	-	-	-	-	35,251	35,251	91,984
Information technology	-	-	-	-	24,123	24,123	34,859
	118,899	204,806	152,264	390,157	722,415	1,588,541	1,634,287
REVENUE							
Dues, fees, recoveries	369	39,164	14,065	25,800	80,577	159,975	105,336
Receiptable donations	-	-	9,306	2,625	-	11,931	48,949
	369	39,164	23,371	28,425	80,577	171,906	154,285
NET EXPENDITURES	\$ 118,530	\$ 165,642	\$ 128,893	\$ 361,732	\$ 641,838	\$ 1,416,635	\$ 1,480,002