

**ONTARIO CONFERENCE OF M.B. CHURCHES
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

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YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Conference of M.B. Churches

Qualified Opinion

We have audited the financial statements of Ontario Conference of M.B. Churches (the Conference), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Conference as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many charitable organizations, the Conference derives revenue from (specify type of contributions affected) the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Conference and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

In common with small charities, the Conference expenses tangible capital assets when acquired. The expenses related to tangible capital assets are recorded in the statements of revenues and expenses. This accounting policy is further described in note 2.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Conference in accordance with 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.

Other Matter

The financial statements for the year ended December 31, 2024 are unaudited.

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 ASNPO, 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 Conference'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 Conference or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Ontario Conference of M.B. Churches (*continued*)

Those charged with governance are responsible for overseeing the Conference'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 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 generally accepted auditing standards, 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 Conference'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 Conference'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 Conference 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.

Niagara-on-the-Lake, Ontario

PROFESSIONAL CORPORATION
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

ONTARIO CONFERENCE OF M.B. CHURCHES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u> <i>(Unaudited)</i>
ASSETS		
CURRENT		
Cash	\$ 128,936	\$ 65,006
Accounts receivable	-	1,950
Harmonized sales tax recoverable	1,861	1,499
Prepaid expenses	1,946	2,465
	<u>132,743</u>	70,920
INVESTMENTS <i>(Note 4)</i>	<u>104,585</u>	140,420
	<u>\$ 237,328</u>	<u>\$ 211,340</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,437	\$ 1,290
NET ASSETS		
NET ASSETS	<u>227,891</u>	210,050
LIABILITIES AND NET ASSETS	<u>\$ 237,328</u>	<u>\$ 211,340</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

ONTARIO CONFERENCE OF M.B. CHURCHES
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	2024 Balance	Surplus (deficiency)	Transfers	2025 Balance
General operating fund - current reserve	\$ 120,679	\$ 27,352	\$ -	\$ 148,031
General operating fund - fixed minimum	50,000	-	-	50,000
Emergency fund	23,229	-	-	23,229
Missional expressions fund	16,142	(9,511)	-	6,631
	<u>\$ 210,050</u>	<u>\$ 17,841</u>	<u>\$ -</u>	<u>\$ 227,891</u>

	2023 Balance	Surplus (deficiency)	Transfers	2024 Balance
General operating fund - current reserve	\$ 141,897	\$ (1,217)	\$ (20,000)	\$ 120,680
General operating fund - fixed minimum	50,000	-	-	50,000
Emergency fund	24,489	(1,260)	-	23,229
Missional expressions fund	23,788	(27,647)	20,000	16,141
	<u>\$ 240,174</u>	<u>\$ (30,124)</u>	<u>\$ -</u>	<u>\$ 210,050</u>

See Note 3 for a description of funds.

ONTARIO CONFERENCE OF M.B. CHURCHES
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2025

	2025	2024 <i>(Unaudited)</i>
REVENUES		
Church commitments	\$ 452,603	\$ 409,787
Individual contributions	30,045	16,145
Miscellaneous income	21,532	-
Convention delegate fees	13,570	16,285
Interest from operating funds	4,166	7,587
Training	1,275	-
Pastoral and youth retreats	-	12,937
	523,191	462,741
EXPENDITURES		
Salaries and benefits	291,211	280,278
Support to conference agencies	120,000	110,000
Ministry and program	50,388	39,770
Office management	17,618	12,737
Fees and professional services	8,980	8,147
Board and governance	6,061	12,045
Professional development	1,581	981
	495,839	463,958
NET SURPLUS (DEFICIENCY) - OPERATIONS	27,352	(1,217)
EMERGENCY FUND	-	(1,260)
MISSIONAL EXPRESSIONS FUND		
Revenues	103,655	6,311
Expenditures	(113,166)	(33,958)
NET DEFICIENCY - MISSIONAL EXPRESSIONS FUND	(9,511)	(27,647)
NET SURPLUS (DEFICIENCY)	\$ 17,841	\$ (30,124)

ONTARIO CONFERENCE OF M.B. CHURCHES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u> <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Net surplus (deficiency)	\$ 17,841	\$ (30,124)
Item not affecting cash:		
Interest from operating funds	<u>(4,166)</u>	<u>(7,587)</u>
	<u>13,675</u>	<u>(37,711)</u>
Changes in non-cash working capital:		
Accounts receivable	1,950	(1,950)
Harmonized sales tax recoverable	(362)	41
Prepaid expenses	519	(1,655)
Accounts payable and accrued liabilities	<u>8,148</u>	<u>(3,281)</u>
	<u>10,255</u>	<u>(6,845)</u>
	<u>23,930</u>	<u>(44,556)</u>
INVESTING ACTIVITY		
Transfer from investments	<u>40,000</u>	50,000
INCREASE IN CASH	63,930	5,444
Cash - beginning of year	<u>65,006</u>	<u>59,562</u>
CASH - END OF YEAR	<u>\$ 128,936</u>	<u>\$ 65,006</u>

ONTARIO CONFERENCE OF M.B. CHURCHES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

1. DESCRIPTION OF ORGANIZATION

Ontario Conference of M.B. Churches (the "Conference") serves a constituency of member churches in the Province of Ontario. It provides general denominational oversight and facilitates the operation of joint initiatives and gives guidance to the separately incorporated agencies of the denomination which are operating in the province. The Conference received its Letters Patent as a non-share capital corporation from the Province of Ontario in 1932. As a registered charity under the Income Tax Act, the Conference is exempt from tax on its income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Net assets

- a) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Designated fund exclusions

The Conference is sometimes the conduit for certain designated funds to flow through its accounts to the designated recipient. These flow through amounts are not disclosed in these financial statements, but are recorded in the ultimate recipients' financial statements.

Fund accounting

Ontario Conference of M.B. Churches follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Operating Fund.

Restricted contributions for operations are deferred and recognized as income in the related fund once they are disbursed.

Cash and cash equivalents

The Conference's policy is to present bank balances net of outstanding cheques and deposits under cash and cash equivalents.

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ONTARIO CONFERENCE OF M.B. CHURCHES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

The cost of additions are charged to expenses at the time of purchase. Management has decided to not recognize capital assets and to record the expense in the statements of revenues and expenditures in accordance with ASNPO. Changing the presentation to capitalize expenditures from operations may reduce useful information to the primary readers of these financial statements as they would now appear on the separate statement of financial position, and not against the budget.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements. Certain larger material contributions are recognized at their fair market value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. DESCRIPTION OF FUNDS

The General Operating Fund accounts for the Conference's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants. \$50,000 is allocated to a separate General Operating Fixed Minimum Fund.

An Emergency Fund of \$25,000 was created out of the General Operating Fund on December 31, 2005 to support any church's pastor (or family) in the case of sudden financial curtailment. As of December 31, 2025, \$1,711 of the fund has been used.

The Missional Expressions Fund was established to segregate any special projects outside the normal course of operations.

4. INVESTMENTS - CANADIAN CONFERENCE

The investment is with the Canadian Conference of Mennonite Brethren Churches earning interest at a base rate of 3.00% at year end. See note 6 for interest rate risk.

5. RELATED PARTIES TRANSACTIONS

The Conference has transactions with numerous related parties (member churches) or organizations that are funded by the Conference. These financial statements do not determine, disclose or verify external affiliate activities.

ONTARIO CONFERENCE OF M.B. CHURCHES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

6. FINANCIAL INSTRUMENTS

The Conference is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Conference's risk exposure and concentration as of December 31, 2025. Unless otherwise noted, the risks and management thereof have not changed in the past year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Conference manages exposure through its normal operating and financing activities. The Conference is exposed to interest rate risk through its investment savings account balance.

Constituency dependency risk

As the Conference serves the member churches, it is dependent on these member churches for financial support.