Consolidated Financial Statements of

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

And Independent Auditor's Report thereon

Year ended June 30, 2025

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Mennonite Economic Development Associates of Canada

Opinion

We have audited the consolidated financial statements of Mennonite Economic Development Associates of Canada (the Entity), which comprise:

- the consolidated statement of financial position as at June 30, 2025
- the consolidated statement of earnings for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at June 30, 2025 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 auditor's report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

December 19, 2025

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Consolidated Statement of Financial Position

June 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and short-term deposits	$ 8,853,923	$ 4,772,002
Restricted cash and short-term deposits (note 2)	27,947,502	46,183,998
Accounts and other receivable (note 3)	4,781,740	4,444,589
Current portion of loan receivable (note 9)	-	30,736
Prepaid expenses	3,816,879	5,063,067
Due from related parties (note 13)	156,087	875,919
	45,556,131	61,370,311
Restricted investments - treasury bills (note 2)	51,395,446	62,574,343
Investments (note 6)	24,311,166	4,401,422
Loans receivable (note 9)	3,118,967	754,067
Capital assets (note 7)	828,722	1,229,497
Intangible assets (note 8)	606,173	583,255
	$ 125,816,605	$ 130,912,895
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	$ 2,745,063	$ 2,537,145
Deferred revenue (note 11)	23,371,976	28,285,785
Current portion of loan payable (note 12)	438,606	438,629
	26,555,645	31,261,559
Net assets:		
Unrestricted	5,636,903	5,324,950
Restricted Mastercard Foundation Africa Growth Fund (note 14)	93,624,057	94,326,386
	99,260,960	99,651,336
Commitments and contingencies (note 15)		
	$ 125,816,605	$ 130,912,895

See accompanying notes to consolidated financial statements.

On behalf of the Board:

DocuSigned by:
Patricia Erb
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Patricia Erb
Director and Chair

DocuSigned by:
Rob Schlegel
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Rob Schlegel
Director and Treasurer

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Consolidated Statement of Earnings

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Development programs	$ 18,927,508	$ 17,807,190
Fund of fund programs	13,719,888	8,461,634
Grants from related organizations (note 13)	4,279,198	2,877,621
Private contributions	2,094,990	2,050,888
Other revenue	148,502	288,995
	39,170,086	31,486,328
Program expenses (Schedule 1):		
Investment programs	12,904,254	8,461,709
West Africa	6,858,640	8,461,634
East and Central Africa	6,702,565	6,159,538
Latin America	3,249,693	1,423,294
Asia Pacific	1,030,333	978,378
	30,745,485	25,484,553
Supporting services (Schedule 1):		
Management and general	6,524,423	6,701,277
Fundraising/constituent engagement	1,371,054	1,560,579
MRCF investment expenses	42,441	239,780
	7,937,918	8,501,636
Operating surplus (deficit)	486,683	(2,499,861)
Other income (expenses):		
Impairment recovery (loss)on equity investments (note 6)	(25,230)	(347,364)
Investment and other income (loss) (note 4)	(50,322)	113,164
Currency adjustments	(99,178)	48,252
	(174,730)	(185,948)
Excess (deficiency) of revenue over expenses	$ 311,953	$ (2,685,809)

See accompanying notes to consolidated financial statements.

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Consolidated Statement of Changes in Net Assets

Year ended June 30, 2025, with comparative information for 2024

	Unrestricted	Restricted - Mastercard Foundation Africa Growth Fund	Total
Net assets, June 30, 2023	$ 8,010,759	$ 33,000,000	$ 41,010,759
Deficiency of revenue over expenses	(2,685,809)	(673,614)	(3,359,423)
Contributions (note 14)	-	62,000,000	62,000,000
Net assets, June 30, 2024	5,324,950	94,326,386	99,651,336
Excess (deficiency) of revenue over expenses	311,953	(702,329)	(390,376)
Net assets, June 30, 2025	$ 5,636,903	$ 93,624,057	$ 99,260,960

See accompanying notes to consolidated financial statements.

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Consolidated Statement of Cash Flows

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	$ 311,953	$ (2,685,809)
Items not involving cash:		
Amortization of capital assets	404,539	456,697
Loss on disposal of capital assets	14,861	11,023
Impairment loss on equity investments	25,230	316,268
Amortization of intangible assets	137,446	50,520
Unrealized foreign exchange loss on foreign currency transactions	19,519	11,884
Changes in non-cash operating working capital (note 5)	(4,330,008)	48,868
	(3,416,460)	(1,790,549)
Financing activities:		
Mastercard Foundation Africa Growth Fund contributions	-	62,000,000
Investing activities:		
Issuance of new loan receivable	(3,339,550)	(1,045,000)
Repayment of loan receivables	303,055	528,644
Purchase of investments in treasury notes	(13,468,120)	(61,441,881)
Proceeds from disposal of treasury notes	25,900,000	-
Purchase of equity investments	(20,737,060)	-
Proceeds from disposal of investments	798,635	83,906
Purchase of intangible assets	(69,510)	(633,775)
Proceeds from disposal of assets	-	122,560
Purchase of capital assets	(125,565)	(186,955)
	(10,738,115)	(62,572,501)
Decrease in cash and short-term deposits	(14,154,575)	(2,363,050)
Cash and short-term deposits, beginning of year	50,956,000	53,319,050
Cash and short-term deposits, end of year	$ 36,801,425	$ 50,956,000
Cash consists of:		
Cash and short-term deposits	$ 8,853,923	$ 4,772,002
Restricted cash and short-term deposits	27,947,502	46,183,998
	$ 36,801,425	$ 50,956,000
Non-cash transactions:		
Amortization of treasury notes	$ 1,252,983	$ 1,132,462
Amortization of treasury notes - deferred revenue	(1,252,983)	(1,132,462)

See accompanying notes to consolidated financial statements.

Nature of operations:

Mennonite Economic Development Associates of Canada ("MEDA Canada" or the "Organization") is a not-for-profit organization incorporated as a corporation without share capital under the Federal laws of Canada. The Organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

MEDA Canada's mission is to provide decent work for people living in poverty with a focus on systematically marginalized communities including women and youth. This is accomplished through innovative financial and technical expertise to build and enhance sustainable agri-food systems. MEDA Canada works with local private, public and civil society actors, strengthening individuals, institutions, communities, and ecosystems, and thereby contributing to sustainable and inclusive systemic change.

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations. The Organization’s significant accounting policies are as follows:

(a) Principles of consolidation:

The consolidated financial statements include the accounts of MEDA Canada and its wholly owned subsidiaries:

MEDA Trade Co. Inc. (MEDA Trade) - is a for profit taxable corporation incorporated under the laws of Ontario. MEDA Trade had no financial activity in the year.

MEDA Impact Investments (MII) - a non-profit corporation without share capital, incorporated under the federal laws of Canada and a registered charity under the Income Tax Act.

MEDA (Mauritius) Foundation (MEDA Mauritius) - is a foundation created under the Foundations Act of Mauritius. The Founder of MEDA Mauritius is MEDA Impact Investments. MEDA Mauritius is currently operated for the deployment of capital for the Mastercard Foundation Africa Growth Fund.

Mennonite Economic Development Association (MEDA Ghana) - is a non-profit organization registered in Ghana.

MEDA Organization Philippines Inc (MEDA Philippines) - is a non-profit organization registered in Philippines.

1. Significant accounting policies (continued):

(a) Principles of consolidation (continued):

MEDA Economic Development Associates Limited (MEDA Tanzania) - is a non-profit organization registered in Tanzania.

Mennonite Economic Development Association (MEDA Nigeria) - is a non-profit organization registered in Nigeria. This country program was deregistered on the 29th of January, 2025.

MEDA Country Programs are global branches of MEDA Canada. The programs below are operated as non-profit organizations which includes MEDA Kenya, MEDA Senegal, and MEDA Nicaragua.

When significant influence exists over an equity investment, they are accounted for using the equity method.

(b) Revenue recognition:

MEDA Canada follows the deferral method of accounting for contributions which include donations and government grants.

Restricted funding, which primarily includes grant and contract revenues from various government and other funding agencies, is recognized as revenue in the year in which the related expenses are incurred and all relevant terms of the funding agreement are met. Deferred contributions and deferred grants and contracts at the combined balance sheet date relate to funding received by that date that is in respect of program expenses to be incurred in future periods.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions from individuals, corporations and foundations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All contributions are considered to be available for general use unless specifically restricted by the donor. Certain private donations could be restricted depending on the stipulations within the agreement to support a specific program.

Mastercard Foundation Africa Growth Fund contributions are recognized as direct increases in endowment net assets.

1. **Significant accounting policies (continued):**

(b) Revenue recognition (continued):

Investment income earned in the Mastercard Foundation Africa Growth Fund are resources that must be spent for prescribed purposes and are recognized in deferred revenue.

Unrestricted investment income is recognized as revenue when earned.

(c) Cash and short-term deposits:

Cash and short-term deposits include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months. These financial assets are convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

1. Significant accounting policies (continued):

(e) Prepaid expenses:

Prepaid expenses are future expenses that have been paid in advance. This primarily includes prepaid deposits made to country partners, insurance, security deposits paid for global offices and other premium payments that are amortized over the benefit period.

(f) Investments:

Investments are made to assist in the creation of business solutions to poverty in developing countries while achieving long-term capital growth. However, the opportunity to realize capital gains depends on a number of factors, and management cannot predict the future date at which MEDA Canada will divest of an investment in its portfolio.
The valuation method for investments are as follows:

- Equity investments controlled or significantly influenced are valued using the equity method.
- Investments in funds are valued at cost adjusted for impairment write-downs.
- The fair value method is used to account for investments that are quoted in an active market.
- Other investments such as treasury notes and loans receivable are valued at amortized cost.

(g) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method and following annual rates:

Asset	Rate
Office, furniture and equipment	20% - 33%
Computer equipment	33%
Vehicles	20%
Leasehold improvements	10%

1. Significant accounting policies (continued):

(g) Capital assets (continued):

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(h) Intangible assets:

Intangible assets consist of computer software that is not integral to the computer hardware owned by the Organization. Software is initially recorded at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Software is depreciated using the straight-line method over the estimated useful lives of 5 years.

(i) Foreign currency translation:

Monetary assets and liabilities held in currencies other than US dollars are translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are recorded at historical rates of exchange. Exchange differences are recorded in the statement of operations. The reporting currency is US dollars. Revenues and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date.

(j) Allocation of expenses:

The consolidated statement of functional expenses presents expenses by function. This reports expenditures between program costs incurred per geographical location and support service activities. These expenses are allocated between program and support services based on the proportion of staff time dedicated between the activities, though certain direct expenditures that have a clear and specific activity are directly attributed to the appropriate activity.

The costs include salaries and benefits, incentive programs, implementing partners, professional services, beneficiary training and public engagement, travel and meetings and administrative costs. The allocation of functional expenses can be found in Schedule 1.

1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of receivables, loans receivable, capital assets, intangible assets, accrued liabilities and investments. Actual results could differ from those estimates.

2. Restricted cash and short-term deposits:

	2025	2024
Cash	$ 7,578,859	$ 5,675,268
Short-term deposits	20,368,643	40,508,730
Restricted investments - treasury bills	51,395,446	62,574,343
	$ 79,342,948	$ 108,758,341

Included in the restricted cash and investments balance is $71.90 million (2024 - $107.84 million) relating to the Mastercard Foundation.

3. Accounts and other receivable:

	2025	2024
Institutional donors	$ 2,984,851	$ 3,689,803
Others	1,796,889	754,786
	$ 4,781,740	$ 4,444,589

No allowance for impairment of receivables has been recorded at June 30, 2025 and 2024.

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

4. Investment and other income (loss):

	2025	2024
Realized investment gain	$ 193	$ 9,590
Interest income (expense)	(66,283)	117,295
Dividend revenue	17,735	-
Gain (loss) on sale of capital assets	22	(14,397)
Unrealized investment gain (loss)	(1,989)	676
	$ (50,322)	$ 113,164

5. Changes in non-cash operating working capital:

	2025	2024
Accounts and other receivable	$ (337,154)	$ 1,067,825
Prepaid expenses	1,246,188	(2,248,092)
Due from related parties	719,832	(376,932)
Accounts payable and accrued liabilities	207,918	(6,065,662)
Deferred revenue	(6,166,792)	7,671,729
	$ (4,330,008)	$ 48,868

6. Investments:

The following Equity and Fund investments represent equity and funds held by the MEDA Risk Capital Fund ("MRCF") and the Mastercard Foundation Africa Growth Fund:

	2025	2025 Ownership %	2024	2024 Ownership %
Equity investments: Accounted for using the cost method				
EFAfrica Group Ltd.	$ 1,054,004	7.7 %	$ 1,054,004	7.7 %
Inua Capital	1,552,986	49.0 %	852,986	49.0 %
Sarona Asset Management Inc., Canada	-	0.0 %	1	0.0 %
Business Partners East Africa LLC	1,273,705	4.9 %	1,273,708	4.9 %
Aruwa Capital	2,200,000	9.5 %	1,100,000	5.7 %
Chui Ventures	4,101,753	55.2 %	-	0.0 %
Aruwa Capital Fund II	1,046,725	34.0 %	-	0.0 %
Janngo Capital	8,505,156	16.6 %	-	0.0 %
FrontEnd Ventures	806,000	48.6 %	-	0.0 %
VestedWorld (Rising star Fund)	3,724,118	22.1 %	-	0.0 %
	24,264,447		4,280,699	
Fund investments: Accounted for using the cost method				
Inoks Ancile Fund Class B	$ 29,229	1.0 %	$ 29,229	1.0 %
Barak Impact Fund	17,490	12.0 %	84,519	12.0 %
EFA Crescent Structured Trade Fund	-	0.0 %	1,414	5.0 %
First Circle Fund	-	0.0 %	5,561	0.0 %
	46,719		120,723	
	$ 24,311,166		$ 4,401,422	

6. Investments (continued):

Accumulated impairment loss on equity investments:

	2025	2024
Gross carrying amount of equity and fund investments	$ 24,652,664	$ 4,717,690
Accumulated impairment loss on equity and fund investments	(341,498)	(316,268)
	$ 24,311,166	$ 4,401,422

During the year the Organization recognized an impairment loss on equity investments of $25,230 (2024 - $316,268).

7. Capital assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Office, furniture and equipment	$ 921,012	$ 865,381	$ 55,631	$ 105,631
Computer equipment	569,657	470,230	99,427	139,524
Vehicles	1,074,907	716,822	358,085	474,761
Leasehold improvements	970,852	667,506	303,346	406,494
Additions in progress	12,233	-	12,233	103,087
	$ 3,548,661	$ 2,719,939	$ 828,722	$ 1,229,497

Amortization for the year amounted to $404,539 (2024 - $456,697).

8. Intangible assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Software	$ 794,139	$ 187,966	$ 606,173	$ 583,255

9. Loans receivable:

The following loan receivables are held by the MRCF and MEDA Mauritius Foundation.

	2025	2024
WEAV Limited- repayable warehousing capital facility, non-interest bearing 4 year loan. Full payment is to be made after KPI is achieved.	$ 414,737	$ -
wCap Limited, non-interest bearing 4 year loan. Full payment is to be made after KPI is achieved.	412,055	-
Abanga Farms, bearing interest at 2.0%. Quarterly installments of principal and interest payments, due August 29, 2027.	394,550	-
Kazana Fund Management Company - repayable warehousing capital facility, non-interest bearing 4 year loan. Full payment is to be made after KPI is achieved.	348,961	-
Sahara Impact Ventures - repayable warehousing capital facility, non-interest bearing 4 year loan. Full payment is to be made after KPI is achieved.	321,986	-
East Africa Plus Fund, non-interest bearing 4 year loan. Full payment is to be made 12 months after KPI is achieved.	171,439	210,657
Kazana Fund Management Company - repayable working capital facility, non-interest bearing 4 year loan. Annual installments of principal to be made for 36 months after KPI is achieved.	164,157	-
FrontEnd Ventures, non-interest bearing 4 year loan. Annual installments of principal, due December 31, 2028.	157,504	106,903
Barka Capital, non-interest bearing 5 year loan. Annual installments of principal after KPI is achieved, due December 31, 2029.	139,270	-
Chui Ventures, non-interest bearing 4 year loan. Annual installments of principal, due December 31, 2027.	126,833	118,400
Aruwa Capital, non-interest bearing 4 year loan, due December 31, 2027.	84,525	78,905
Five35 Ventures Limited, Annual installments of principal after KPI is achieved, due December 31, 2030.	72,611	-
Janngo Capital Partners SAS, non-interest bearing 4 year loan. Annual installments of principal after KPI is achieved, due December 31, 2028.	72,591	-

9. Loans receivable (continued):

	2025	2024
HealthCap Fund I, non-interest bearing 5 year loan. Annual installments of principal, due December 31, 2030.	$ 69,002	$ 64,414
WEAV Limited- repayable working capital facility, non-interest bearing loan. Annual installments of principal to be made for 60 months, due December 31, 2031	68,500	-
Sahara Impact Ventures - repayable working capital facility, non-interest bearing loan. Annual installments of principal to be made for 60 months after KPI is achieved, due December 31, 2031	68,468	-
Sahel Capital Mauritius Limited, non-interest bearing 4 year loan. Annual installments of principal after KPI is achieved, due December 31, 2030.	31,778	-
Aisiki Impact Fund, non-interest bearing 5 year loan. Annual installments of principal, due December 31, 2031.	-	60,187
SME Impact Fund II, non-interest bearing 4 year loan. Annual installments of principal, due December 31, 2027.	-	78,937
Sarona Asset Management, bearing interest at 5.0%. Quarterly installments of principal and interest payments, fully repaid.	-	66,400
	$ 3,118,967	$ 784,803

	2025	2024
Current portion of loans receivable	$ -	$ 30,736
Non-current portion of loans receivable	3,118,967	754,067
	$ 3,118,967	$ 784,803

9. Loans receivable (continued):

Current maturity of loans receivable:

2026	$ -
2027	394,550
2028 and thereafter	2,724,417
	$ 3,118,967

Uncertainty of collection: The provision is based on management's best estimate of loan losses to be incurred in future periods and purchase discounts applied to certain investments. Management reviews each loan individually and applies a loan loss provision based on the investee's repayment history and management's knowledge of the investee's operations.

The loan receivables issued to Aisiki Impact Fund and SME Impact Fund II amounting to $200,000 were written off during the year, due to loss of a General Partner and deterioration of financial performance. This has been included in the net investment loss on endowment fund balance in Note 14.

10. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $78,283 as at June 30, 2025 (2024 - $52,177), which includes amounts payable for HST and payroll-related taxes.

11. Deferred revenue:

	2025	2024
Deferred revenue, beginning of year	$ 28,285,785	$ 19,481,594
Contributions received during year	26,498,723	34,027,304
Revenue recognized during the year	(32,665,515)	(26,355,575)
Amortization of the discount on treasury bills	1,252,983	1,132,462
Deferred revenue, end of year	$ 23,371,976	$ 28,285,785

Deferred revenue is made up of deferred grants, contracts and contributions.

12. Loan payable:

	2025	2024
Kindred Credit Union, bearing interest at 3.0%, due December 31, 2024	$ 438,606	$ 438,629
Less current portion long-term debt	438,606	438,629
	$ -	$ -

Principal repayments are due as follows:

2026	$ 438,606

13. Related party transactions:

MEDA Canada had the related party transactions with the following related parties:

- MEDA US, including its subsidiaries and country programs
- MEDA International

MEDA Canada and MEDA US are related parties under the common control of their parent, MEDA International. These transactions are in the normal course of operations or business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) During the year, MEDA Canada entered into transactions with the following related parties:

	2025	2024
Expenses:		
Management fee - MEDA US	$ 566,190	$ 183,463
Revenue:		
Operational grants - MEDA US	(2,692,321)	(754,232)
Management fee - MEDA International	(339,845)	(329,120)
Management fee - MEDA US	(1,247,032)	(1,794,269)
	$ (3,713,008)	$ (2,694,158)

13. Related party transactions (continued):

(b) Due from (to) related parties balances:

	2025	2024
MEDA International	$ 47,303	$ 366,672
MEDA US	108,784	509,247
	$ 156,087	$ 875,919

14. Restricted Mastercard Foundation Africa Growth Fund:

In April 2022, MEDA Canada entered into a Agreement with Mastercard Foundation to establish and operate a charitable investment fund (the "Africa Growth Fund"). The Mastercard Foundation committed to donate $200 million to MEDA Canada to make program related investments and provide ongoing development services for the business. Of the committed amount, $150 million has been set aside for Africa Growth Fund investments, $25 million for the business development facility and $25 million for program management that will be used for the business development facility to provide services for the program.

MEDA Canada entered into a Funding Agreement with MEDA Impact Investments (MII) to assign all Africa Growth Fund monies and fund advisor activities to MII. MII then in turn entered into an implementation agreement with MEDA Mauritius Foundation to provide services related to the Africa Growth Fund.

Investment income earned on assets of the Africa Growth Fund are resources that must be spent for prescribed purposes and are recognized as revenue of the fund.

The terms in the funding agreement with respect to the $150 million of Africa Growth Fund are in the form of an endowment. The value of the of the Africa Growth Fund for the year ending June 30, 2025 is illustrated below:

	2025	2024
Restricted fund balance, beginning of year	$ 94,326,386	$ 33,000,000
Fund contributions	-	62,000,000
Net investment loss on endowment funds	(702,329)	(673,614)
Restricted fund balance, end of year	$ 93,624,057	$ 94,326,386

14. Restricted Mastercard Foundation Africa Growth Fund (continued):

The Africa Growth Fund has made following equity investments and disbursement of loan receivables:

	2025	2024
Equity investments	$ 23,036,946	$ 2,300,000
Loans receivable	3,990,000	1,045,000
	$ 27,026,946	$ 3,345,000

15. Commitments and contingencies:

Institutional Donor Grants: MEDA Canada participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by Global Affairs Canada. As such, a contingent liability exists for potential non-allowable costs that may result from such audits. Management does not anticipate any significant adjustments because of such audits at this time.

Lease commitments: MEDA Canada has minimum lease commitments for its offices in Canada, Philippines, Nicaragua, Senegal , Ghana, Tanzania and Kenya:

2026	$ 608,292
2027	521,440
2028	398,954
2029	321,070
	$ 1,849,756

MEDA Canada entered into an agreement with the Mastercard Foundation ("MCF") in which MCF has agreed to donate $200 million to MEDA Canada to make program related investments and provide ongoing development services for the business. As of June 30, 2025, MCF made no advances (2024 - $62,200,000) for program investments. MEDA Canada has made total commitments of $58.40 million.

16. Financial instruments:

(a) Fair value:

Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of 3 months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

It is not practicable to determine the fair value of loans receivable as these loans are provided to organizations that are often unable to obtain alternate financing and due to the uncertain political and economic conditions that exist in certain countries.

Nor is it practicable to determine the fair value of investments as these investments are in private companies in low-income countries where no open market for the investments exists and uncertain political and economic conditions exist in certain countries.

It is also not practicable to determine the fair value of notes payable given that MEDA Canada receives funds at below market rates and because repayment requirements for some notes are limited by the amount MEDA Canada receives from related investments.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements

MEDA Canada maintains its cash in bank deposits that, at times, may exceed federally insured limits set by the Canada Deposit Insurance Corporation ("CDIC"). At June 30, 2025 cash balances totaling $35,167,042 exceeded the CDIC limit. MEDA Canada believes the risk in these institutions to be minimal. At June 30, 2025, cash totaling $1,634,382 was held at numerous financial institutions outside Canada, which are not insured. There has been no change to the risk exposures from the period year.

(c) Currency risk:

The Organization is exposed to currency risk as a result of exchange rate fluctuations. MEDA Canada's assets and liabilities include balances that are denominated in foreign currencies consistent with the purpose of MEDA Canada. There has been no change to the risk exposures from the period year.

16. Financial instruments (continued):

(d) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. Consistent with the purpose of MEDA Canada, the lending of monies internationally and in areas with less stable political and economic climates exposes MEDA Canada to increased credit risk. MEDA Canada monitors all loans and establishes provisions for uncertainty of collectability when needed and is disclosed in Note 4. There has been no change to the risk exposures from the period year.

17. Comparative information:

Certain comparative information has been reclassified from that previously presented to conform to the presentation of the 2025 financial statements.

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Schedule 1 - Functional Expenses

Year ended June 30, 2025

	East and Central Africa	West Africa	Latin America	Asia Pacific	Investment programs	Total program costs
Salaries and benefits	$ 1,979,465	$ 2,482,343	$ 816,957	$ 345,949	$ 1,774,493	$ 7,399,207
Incentive programs	1,523,231	1,809,982	19,324	-	-	3,352,537
Implementing partners	1,341,995	226,005	1,603,064	183,793	4,454,563	7,809,420
Professional services	520,603	529,921	368,658	406,768	5,627,438	7,453,388
Beneficiary training and public engagement	186,501	680,343	97,134	11,459	343,149	1,318,586
Travel and meetings	432,709	518,713	187,187	32,198	645,229	1,816,036
Administrative costs	718,061	611,333	157,369	50,166	59,382	1,596,311
	$ 6,702,565	$ 6,858,640	$ 3,249,693	$ 1,030,333	$ 12,904,254	$ 30,745,485

	Management and general	Fundraising	MRCF expenses	Total supporting services	2025 Total
Salaries and benefits	$ 3,773,742	$ 538,787	$ 4,040	$ 4,316,569	$ 11,715,776
Incentive programs	-	-	-	-	3,352,537
Implementing partners	-	-	-	-	7,809,420
Professional services	1,259,381	472,358	29,400	1,761,139	9,214,527
Beneficiary training and public engagement	-	162,103	-	162,103	1,480,689
Travel and meetings	303,795	93,249	1,543	398,587	2,214,623
Administrative costs	1,187,505	104,557	7,458	1,299,520	2,895,831
	$ 6,524,423	$ 1,371,054	$ 42,441	$ 7,937,918	$ 38,683,403

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES OF CANADA

Schedule 1 - Functional Expenses (continued)

Year ended June 30, 2024

	East and Central Africa	West Africa	Latin America	Asia Pacific	Investment programs	Total program costs
Salaries and benefits	$ 2,383,241	$ 2,951,982	$ 501,987	$ 494,710	$ 957,516	$ 7,289,436
Incentive programs	1,612,066	1,442,253	1,420	16,588	-	3,072,327
Implementing partners	425,161	1,246,870	530,571	86,261	5,532,547	7,821,410
Professional services	721,626	605,898	244,490	292,165	1,173,634	3,037,813
Beneficiary training and public engagement	219,893	1,103,158	30,492	8,289	260,959	1,622,791
Travel and meetings	464,291	694,978	65,244	42,172	225,895	1,492,580
Administrative costs	333,260	416,495	49,090	38,193	311,158	1,148,196
	$ 6,159,538	$ 8,461,634	$ 1,423,294	$ 978,378	$ 8,461,709	$ 25,484,553

	Management and General	Fundraising	MRCF expenses	Total supporting services	2024 Total
Salaries and benefits	$ 4,378,857	$ 776,948	$ 138,025	$ 5,293,830	$ 12,583,266
Incentive programs	-	-	-	-	3,072,327
Implementing partners	-	-	-	-	7,821,410
Professional services	877,148	266,640	99,463	1,243,251	4,281,064
Beneficiary training and public engagement	183,394	271,019	-	454,413	2,077,204
Travel and meetings	352,775	155,650	1,759	510,184	2,002,764
Administrative costs	909,103	90,322	533	999,958	2,148,154
	$ 6,701,277	$ 1,560,579	$ 239,780	$ 8,501,636	$ 33,986,189