

MEDA International

Combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)



Independent auditor's report

To the Members of MEDA International

Our opinion

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of MEDA International and its combined entities (together, the Company) as at June 30, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for not-for-profit organizations.

What we have audited

The Company's combined financial statements comprise:

- the combined balance sheet as at June 30, 2023;
- the combined statement of operations and changes in unrestricted net assets for the year then ended;
- the combined statement of functional expenses;
- the combined statement of cash flows for the year then ended; and
- the notes to the combined financial statements, which include significant accounting policies and other explanatory information.

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 combined financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the combined financial statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers LLP
95 King Street South, Suite 201, Waterloo, Ontario, Canada N2J 5A2
T: +1 519 570 5700, F: +1 519 570 5730, ca_waterloo_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the combined financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 Company'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 Company'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 combined 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario
October 11, 2023

Combined Balance Sheet

	Note	2023	2022
	#	\$	\$
Assets			
Current assets			
Cash and short-term deposits	3	54,719,768	60,427,468
Accounts receivable		219,500	201,656
Grants and Contributions and Other Receivables	4	6,301,785	3,093,434
Advances to Country Programs and partners	5	2,902,842	1,803,759
Prepaid expenses		195,390	232,032
Current portion of Debt Investments	7	581,595	93,999
Total current assets		<u>64,920,880</u>	<u>65,852,348</u>
Long Term Assets			
Debt Investments	7	815,998	1,186,067
Investments	6	18,063,755	19,027,804
Capital assets	8	749,894	1,457,034
Total long-term assets		<u>19,629,647</u>	<u>21,670,905</u>
		<u>84,550,527</u>	<u>87,523,253</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	8,032,339	610,571
Deferred revenue	10	49,960,104	57,556,442
Due to Country Programs and partners	5	271,433	415,987
Current portion of Loan payable	11	2,953,172	1,465,622
Total current liabilities		<u>61,217,048</u>	<u>60,048,622</u>
Loans payable	11	<u>1,000,000</u>	<u>3,000,000</u>
Total liabilities		62,217,048	63,048,622
Net Assets			
Unrestricted		<u>22,333,479</u>	<u>24,474,630</u>
		<u>84,550,527</u>	<u>87,423,253</u>

Contingencies and Commitments (Note13)

The accompanying notes are an integral part of these combined financial statements

The financial statements have been approved by the board of directors of MEDA International and were signed on behalf of the Board on October 4, 2023

MEDA International

Combined Statement of Operations and Changes in Unrestricted Net Assets

For the year ended June 30, 2023

(expressed in U.S. dollars)

Combined Statement of Operations and Changes in Unrestricted Net Assets

	Note	2023	2022
	#	\$	\$
Revenues			
Programming Revenue			
Development Programs		24,698,594	25,846,400
Fund of Fund Programs		9,232,995	232,170
Private Contributions		7,194,120	9,200,908
Other Revenue		412,192	87,791
Total Revenues		<u>41,537,901</u>	<u>35,367,269</u>
Expenses			
Programs:			
East & Central Africa		9,502,352	8,612,278
West Africa		17,040,359	7,278,800
Latin America & Asia Pacific		6,115,164	7,872,249
Total Program expenses		<u>32,657,875</u>	<u>23,763,327</u>
Supporting Services			
Management & General		7,979,945	6,240,022
Fundraising/Constituent Engagement		2,590,376	2,314,228
MRCF Investment Expenses		556,616	668,752
Total Supporting Services		<u>11,126,937</u>	<u>9,223,001</u>
Total Expenses		<u>43,784,812</u>	<u>32,986,328</u>
Operating (Deficit)/Surplus		<u>(2,246,911)</u>	<u>2,380,941</u>
Currency Adjustments		43,711	(45,127)
Investments and other (income) loss	12	(149,471)	682,261
Non-Operating Gains/Losses		<u>(105,760)</u>	<u>737,134</u>
Excess of (expenditures over revenues) revenues over expenditures		<u>(2,141,151)</u>	<u>1,743,807</u>
Unrestricted Assets - Beginning of the Year		<u>24,474,630</u>	<u>22,730,823</u>
Unrestricted Assets - End of the Year		<u>22,333,479</u>	<u>24,474,630</u>

The accompanying notes are an integral part of these combined financial statements

MEDA International

Combined Statement of Functional Expenses

For the year ended June 30, 2023

(expressed in U.S. dollars)

Combined Statement of Functional Expenses

Functional Expense	Programs				Supporting Services				Total 2023	Total 2022
	East & Central Africa	West Africa	Latin America & Asia Pacific	Total Program Services	Management & General	Fundraising	MRCF Expenses	Total Supporting Services		
Salaries & Benefits	3,826,534	3,639,371	2,103,812	9,569,717	5,123,315	1,696,061	-	6,819,376	16,389,093	13,537,394
Incentive Programs	2,090,676	3,010,886	483,423	5,584,985	-	-	-	-	5,584,985	4,556,095
Implementing Partners	468,554	6,845,904	2,294,976	9,609,434	-	-	-	-	9,609,434	5,674,562
Professional Services	345,057	811,441	291,730	1,448,228	1,120,206	77,767	554,935	1,752,908	3,201,136	3,105,622
Beneficiary Training & Public Engagement	378,979	544,629	151,263	1,074,871	-	329,934	-	329,934	1,404,805	902,494
Travel & Meetings	1,317,250	1,203,995	310,138	2,831,383	719,315	253,999	981	974,295	3,805,678	2,197,910
Administrative Costs	1,075,302	984,133	479,821	2,539,256	1,017,108	232,615	701	1,250,424	3,789,680	3,012,251
Total	9,502,352	17,040,359	6,115,163	32,657,874	7,979,944	2,590,376	556,617	11,126,937	43,784,811	32,986,328

The accompanying notes are an integral part of these combined financial statements

Combined Statement of Cashflows

Cash provided by (used in)	2023	2022
Operating activities		
Excess of revenues over expenses for the year	(2,141,151)	1,643,708
Items not affecting cash		
Amortization of capital assets	220,507	221,800
Gain on sale of investments	314	(511,640)
Equity share of gain on investment	64,468	1,042,265
Loan recovery provision	-	-
Loss (gain) on sale of capital assets	148,096	-
Unrealized foreign exchange (gain) loss on notes payable	(12,4489)	(423,039)
Unrealized foreign exchange loss (gain) on loans receivable	3,785	5,644
	<u>(1,716,430)</u>	<u>1,978,738</u>
Net change in non-cash working capital items	<u>(3,364,124)</u>	<u>44,606,236</u>
	<u>(5,080,554)</u>	<u>46,584,974</u>
Financing activities		
Advances of notes payable	-	3,500,000
Repayments of notes payable	(500,000)	(7,891,543)
Increase in due to MEDA Country Programs and partners	(144,554)	318,478
	<u>(644,554)</u>	<u>(4,073,065)</u>
Investing activities		
Decrease (increase) in advances to MEDA Country Programs and partners	(1,099,083)	818,308
Issuance of new loans	(326,823)	(803,700)
Payment of loans	205,511	1,796,399
Purchase of capital assets	338,537	(50,422)
Proceeds on sale and distributions from investments	2,147,566	1,401,173
Purchase of investments	(1,248,300)	(1,543,827)
	<u>17,408</u>	<u>1,617,931</u>
Changes in cash and short-term deposits	<u>(5,707,700)</u>	<u>44,229,940</u>
Cash and short-term deposit - Beginning of year	<u>60,427,468</u>	<u>16,197,528</u>
Cash and short-term deposits - End of year	<u>54,719,768</u>	<u>60,427,468</u>

The accompanying notes are an integral part of these combined financial statements

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 1. The Organization - Purpose and Activities

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

For the purposes of financial statement presentation, the following operations have been combined:

MEDA International, a not-for-profit corporation without share capital, incorporated under the federal laws of Canada.

Mennonite Economic Development Associates (MEDA US) a non-profit corporation without share capital and a 501 (c)(3) corporation, incorporated under the laws of Pennsylvania. MEDA US is a subsidiary of MEDA International.

Mennonite Economic Development Associates of Canada (MEDA Canada) a not-for-profit corporation without share capital, incorporated under the federal laws of Canada and a registered charity under the Income Tax Act. MEDA Canada is a subsidiary of MEDA International.

MEDA Europa Gemeinnutzige GmbH (MEDA Europa) a non-profit limited liability corporation with share capital of EUR 25,000 all held by MEDA US, incorporated under the federal laws of Germany for charitable and benevolent purposes within the meaning of the German Tax Code. MEDA Europa is a subsidiary of MEDA US.

MEDA Impact Investments, (MEDA Impact) a not-for-profit corporation without share capital, incorporated under the federal laws of Canada and a registered charity under the Income Tax Act. MEDA Impact was previously named MEDA Global Inc. MEDA Impact is a subsidiary of MEDA Canada.

Sarona MEDA Investments, Inc. (SMI): is an asset management company incorporated under the state laws of Pennsylvania. SMI had no financial activity in the year. SMI is a for profit subsidiary of MEDA US.

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 Trade is a subsidiary of MEDA Canada.

Sarona Global Investment Fund, Inc. (SGIF) is a not-for-profit corporation, incorporated under the laws of Pennsylvania. SGIF had no financial activity in the year. SGIF is a subsidiary of MEDA US.

For the purposes of financial statement presentation, the following operations have not been combined:

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

MEDA Country Programs are operated as not-for-profit operations based in Ethiopia, Ghana, Haiti, Honduras, Kenya, Nicaragua, Nigeria, Philippines, Senegal, and Tanzania. MEDA exercises control over these Country Programs as it manages and oversees their operations.

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 2. Significant Accounting Policies

Basis of presentation: The combined financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

As allowed under Part III of the Chartered Professional Accountants of Canada Handbook for not-for-profit organizations Section 4450, MEDA Canada Country Programs and MEDA Mauritius, as not-for-profit organizations, are not consolidated within these combined financial statements.

Revenue recognition: MEDA follows the deferral method of accounting for revenue. 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.

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.

Grants received for program purposes are recorded as revenue by MEDA and expensed when disbursed to the various Country Programs based on relevant criteria. Program-specific grants and contracts signed and executed by a MEDA Country Program are recognized in income by the relevant MEDA Country Program and, as such, are not recorded as revenue by MEDA in these combined financial statements.

Grants received for repayable capital investment programs are recorded as investment capital on the balance sheet. Revenue is recognized as the investment income is materialized. Grants received for non-repayable capital is recognized as revenue when capital calls are fulfilled.

Cash and Short-Term Deposits: Cash and short-term deposits include cash, marketable securities and deposits with maturities of less than twelve months at acquisition.

Financial instruments: MEDA's financial instruments consist of cash and short-term deposits, accounts receivable, advances to and due to MEDA Canada Country Programs and partners, due to and due from related parties, loans receivable, investments, accounts payable and accrued liabilities and notes payable. Financial instruments are measured at amortized cost. Currency risk and liquidity risk arising from these financial instruments are disclosed in note 14.

Grants and Contributions and Other Receivables: Grants and Contributions and Other Receivables consist of funds owed to MEDA for projects where MEDA does not receive advances from the donor, but rather is paid on a reimbursable basis.

Advances to Country Programs and partners: Advances to Country Programs and partners are outstanding advances for MEDA projects made to MEDA's country programs or partners that work with MEDA on projects.

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

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Loans Receivable Current/Long-term: Loans are made with organizations aligned with MEDA's charitable purposes to support the need for access to finance. Loans can be made directly to the Small or Medium Enterprise (SME) or to a financial institution that will administer financing to SMEs. Loans are measured at amortized cost. Provisions are made based on management's assessment of the intent and ability of the borrower to pay, taking into account political and economic risk factors.

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 will divest of an investment in its portfolio.

The valuation method is chosen for each investment as follows:

- I. Equity investments are valued at cost when MEDA does not control or significantly influence, Control exists when MEDA owns 50% or more of an entity's common shares and significant influence exists when MEDA owns 20% or more of an entity's common shares.
- II. Equity investments controlled or significantly influenced are valued using the equity method.
- III. Investment in funds is valued at cost adjusted for potential decline in value.
- IV. The fair value method is used to account for investments that are quoted in an active market.

During the past fiscal year, MEDA changed its valuation policy from valuing at fair market value to cost, and accounting using equity method for investments where MEDA's ownership exceeds 20% where previously 10% was used. The prior year has been restated to reflect this change for comparative purposes, the effect of such change on prior year is reducing investments, total assets, net assets, gains/losses on investment and total deficits/surplus by \$1,642,429 hence reducing opening net assets as of July 1 2022 by the same amount.

Capital assets: Capital assets consist of assets purchased for use at administrative offices and are recorded at cost. Amortization is calculated using the straight-line method over the estimated useful lives of the assets.

Hardware & Software	3 years
Office Equipment	3 years
Furniture	5 years
Leasehold Improvements	10 years

Property and equipment: acquired with Donor funds are subject to rules governing disposition of such assets by the respective grant agreement or contract.

Accounts payable and accrued liabilities: Accounts payable and accrued liabilities consist of funds that MEDA owes to various parties.

Deferred Revenue: For many of MEDA's projects, MEDA receives advances from institutional donors. These advances are deferred until expenses have occurred on the project and the revenue can be recognized. At times, MEDA receives private designated donations that cannot be immediately recorded as revenue.

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Foreign currency translation: Monetary assets and liabilities held in currencies other than the United States dollar are translated at the rate of exchange prevailing at the combined balance sheet date. Non-monetary assets and liabilities are recorded at historical rates of exchange. Exchange differences are recorded in the combined statement of operations and changes in unrestricted net assets as they arise. Revenues and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date.

Use of estimates: The preparation of combined financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intercompany Charge of Expenses: MEDA executes development programs, arranges programs and publications for its members, and operates the MEDA Risk Capital Fund. The costs of each function include the costs of personnel, travel, communication, office costs and other expenses that are directly related to providing the program. MEDA also incurs costs for the shared management and support of all programs.

MEDA Canada annually charges a management fee to other MEDA North American entities for shared support and management costs on an appropriate and consistent basis for each category of costs as follows:

1. Human resources, administrative support, and information technology costs are allocated proportionately based on the number of staff in each functional area.
2. Finance and legal costs are allocated proportionately based on time spent by respective staff on entity.
3. Executive management is allocated proportionately based on time spent by executive staff in each entity.
4. Marketing and development costs are allocated proportionately based on charitable donations or the number of members residing in each entity.
5. Strategy & impact, global programs and communications costs are allocated proportionately based on revenue in each entity.

Subsequent Events: MEDA has evaluated subsequent events through October 4, 2023, which is the date the combined financial statements were available to be issued.

Grants and Contracts Revenues: Revenues from institutional donors for direct expenses incurred on projects.

Private Contributions: All unconditional contributions are reported as fair value when received. Contributions include donor-imposed restrictions to the MEDA Risk Capital Fund.

Other Revenue: Any other revenue not included in one of the lines above. This includes revenue from conventions, events, and tours.

Implementing Partners: Implementing Partners consist of organizations who MEDA has partnered with to help MEDA implement MEDA's international projects.

Note 3. Cash and Short-Term Deposits

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

1. Certain balances included in cash and short-term deposits are advances received from donors to fund specific projects, and therefore restricted from use for other purposes.
2. Cash advances of \$50,000,000 have been received from the Mastercard Foundation to fund project costs for the MasterCard Africa Growth Fund and are included below. At June 30, 2023 breakdown of balances for all projects were as follows:

Cash and Short-Term Deposits	2023	2022
Restricted	49,403,082	55,752,683
Unrestricted	5,316,687	4,674,785
	54,719,768	60,427,468

Note 4. Grants and Contributions and Other Receivables

	2023	2022
Institutional donors	6,290,922	3,082,571
Other receivables	10,863	10,863
	6,301,785	3,093,434

Note 5. Advances to Country Programs and Partners/Due from Country Programs and Partners

MEDA sends advances to its country offices as well as other partners to implement MEDA's projects. These advances are drawn down as expenses are incurred by the country offices and partners. A credit balance indicates that more expenses have been incurred than the amount of funds sent to the country or partners. This is often due to accruals booked in country.

Advances to Country Programs and partners	2023	2022
MEDA Ethiopia	-	31,868
MEDA Ghana	361,469	19,869
MEDA Haiti	11,523	-
MEDA Kenya	249,677	1,146
MEDA Nicaragua	-	478,729
MEDA Nigeria	-	126,212
MEDA Philippines	11,228	15,019
MEDA Senegal	166,937	503,407
MEDA Tanzania	10,839	170,803
Other partner agencies	2,091,170	456,706
	2,902,842	1,803,759
Due to Country Programs and partners		
MEDA Ethiopia	35,932	-
MEDA Ghana	84,992	41,893
MEDA Haiti	-	17,595
MEDA Kenya	40,521	180,637
MEDA Nigeria	90,896	-
MEDA Senegal	-	8,840
MEDA Tanzania	11,464	35,911

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Other partner agencies	<u>7,628</u>	<u>131,112</u>
	<u>271,433</u>	<u>415,987</u>

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

The following MEDA Country Programs are not-for-profit organizations with a similar purpose to MEDA and exist to carry out MEDA's programs in the country in which they are operating. The following Country Programs' balance sheets have not been combined although the financial results are included in the total Programming Revenue and Programming Expenses. Financial statements for each Country Program are prepared and audited separately. A financial Summary (obtained from unaudited, internally prepared financial information) of each non combined Country Program as at June 30, 2023 and results of operations for the year then ended are as follows:

	Kenya Combined	Ghana FEATS	Ethiopia EMERTA	Nicaragua Technolinks	Nigeria WAY	Senegal Combined	Philippines RIISA	Tanzania BASICS II	Tanzania FEGGE	Ghana GROW II	Guatemala WE4CA	Ghana The Fund	Mauritius The Fund	Total 2023	Total 2022
Assets															
Current	470,806	3,147	44,898	2,831	66,682	94,619	92,105	30,701	74,984	349,690	5,128	181,266	133,692	1,550,549	2,022,681
Non-current	85,154	-	535	-	50,789	104,303	59,334	98,110	148,947	429,652	2,892	10,949	2,300,000	3,290,665	700,274
	555,960	3,147	45,433	2,831	117,471	198,922	151,439	128,811	223,931	779,342	8,020	192,215	2,433,692	4,841,214	2,722,955
Liabilities															
Current	489,162	-	44,325	3	54,489	(93,518)	92,123	30,700	74,985	351,007	8,146	181,265	79,700	1,312,387	1,872,696
Non-current	85,154	-	1,108	-	-	93,518	59,316	98,111	148,946	428,335	(126)	10,950	2,353,992	3,279,304	600,599
	574,316	-	45,433	3	54,489	-	151,439	128,811	223,931	779,342	8,020	192,215	2,433,692	4,591,691	2,473,295
Fund balance	(18,356)	3,147	-	2,828	62,982	198,922	-	-	-	-	-	-	-	249,523	249,660
	555,960	3,147	45,433	2,831	117,471	198,922	151,439	128,811	223,931	779,342	8,020	192,215	2,433,692	4,841,214	2,722,955
Results of Operations															
Revenues	1,922,620	442,361	532,705	1,051,428	2,040,991	2,172,747	576,924	768,321	1,631,779	1,903,231	36,190	2,767,632	3,701,799	19,548,728	10,028,054
	1,922,620	442,361	532,705	1,051,565	2,040,991	2,172,747	576,924	768,321	1,631,779	1,903,231	36,190	2,767,632	3,701,799	19,548,865	9,983,741
Expenses															
Excess (deficiency) of revenue over expenses	-	-	-	(137)	-	-	-	-	-	-	-	-	-	(137)	44,313
Cash flows provided by (used in) Operating activities	(10,452)	(26,537)	(79,997)	(518,832)	(48,672)	(254,060)	(22,707)	8,500	18,596	78,230	3,673	178,104	133,692	(540,462)	831,699

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 6. Investments

The following Equity and Fund investments represent equity and funds held by the MEDA Risk Capital Fund (MRCF)

Investment	% Outstanding Common Shares/ Contributed Capital	2023 \$	% Outstanding Common Shares/ Contributed Capital	2022 \$
Equity Investments: Accounted for using the equity method				
MiCredito, Nicaragua	37.9%	2,522,041	37.9%	2,522,041
		<u>2,522,041</u>		<u>2,522,041</u>
Equity Investments: Accounted for using the cost method				
Fonkoze, S.A., Haiti	1.7%	125,910	1.7%	125,910
Sevis Finanzye Fonkoze S.A.	1.7%	1	1.7%	1
IMON L.L.C., Tajikistan	8.7%	1,449,921	8.7%	1,492,535
EFAfrica Group Ltd.	7.7%	1,054,004	7.7%	1,054,004
CODIP, S.A., Paraguay	16.0%	1,232,042	12.8%	929,970
Sarona Asset Management Inc., Canada	9.9%	1	9.9%	1
Mountain Lion Agriculture (SL) Limited, Sierra Leone incl 69.6% of issued and outstanding preferred shares	12.7%	534,930	12.7%	534,930
Business Partners East Africa LLC.	4.9%	1,526,403	4.9%	1,526,403
		<u>5,923,212</u>		<u>5,663,754</u>
Fund Investments: Accounted for using the cost method				
Women's World Banking Capital Partners L.P.	3.0%	995,919	3.1%	1,004,735
Women's World Banking Capital Partners II L.P.	1.0%	672,678	1.0%	504,236
MicroVest Short Duration Fund A	0.0%	-	0.3%	6,637
MicroVest Plus, L.P.	1.9%	87,268	1.9%	87,268
MicroVest Enhanced Debt Fund	5.9%	1,000,000	5.9%	1,000,000
Sarona Frontier Markets Fund 1, L.P.	24.7%	2,073,344	24.5%	2,173,031
Sarona Frontier Markets International Fund 2, L.P.	8.2%	2,823,402	8.2%	3,227,201
SGGM International 2 L.P.	7.6%	1,548,940	7.6%	1,228,940
Sarona Risk Capital Fund 1, L.P.	45.8%	-	45.8%	160,819
Sarona Trade Finance Fund	0.0%	-	11.8%	1,298,978
Inoks Ancile Fund Class B	1.0%	57,197	0.0%	-
Barak Impact Fund	10.0%	202,589	0.0%	-
EFA Crescent Structured Trade Fund	5.3%	1,440	0.0%	-
First Circle Fund	0.0%	5,561	0.0%	-
Access Africa Fund, LLC	9.1%	25,163	9.1%	25,163
SEAF Single Vintage Flex Fund	less than 10%	125,001	less than 10%	125,001
		<u>9,618,502</u>		<u>10,842,009</u>
Total Investments		<u>18,063,755</u>		<u>19,027,804</u>

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 7. Debt Investments

The following loan receivables represent the debt instruments held by the MEDA Risk Capital Fund (MRCF).

Investment	Interest Rate	2023 \$	2022 \$
Sarona Asset Management	5.0%	95,047	126,382
Union des Institutions Mutualistes Communautaires d'Epargne et de Crédit (Senegal)	6.5%	500,000	500,000
Business Partners International (BPI Kenya)	variable	339,127	303,700
Mountain Lion (Sierra Leone)	8.5%	169,714	195,824
Robert Engbrecht Living Trust	0.0%	293,705	154,160
		1,397,593	1,280,066
Less: Provision for loss		-	-
Less: Current portion of debt investment		581,595	93,999
Non-current portion of debt investment		815,998	1,186,067
Current maturity of debt investments:			
2024		581,595	
2025		83,108	
2026		84,689	
2027		15,369	
2028 and thereafter		632,832	
		1,397,593	

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.

Note 8. Capital Assets

	2023 \$	2022 \$
Office furniture, leasehold improvements, land and equipment	2,036,017	2,553,828
Less: Accumulated amortization	1,286,123	1,096,794
	749,894	1,457,034

Note 9. Accounts Payable and Accrued Liabilities

MEDA had \$nil outstanding government remittances as at June 30, 2023 (2022 – nil).

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 10. Deferred Grants, Contracts and Contributions

	2023	2022
	\$	\$
Deferred revenue - beginning of year	57,556,442	11,100,945
Contributions received during year	33,482,432	81,955,458
Contributions recognized in revenue during year	(41,125,709)	(35,279,479)
Revaluations of foreign currency balances	46,939	(220,482)
Deferred revenue – end of year	49,960,104	57,556,442

Note 11. Loan & Note Payable

The loans payable are unsecured

	Interest	2023	2022
	Rate	\$	\$
Everence Association, Inc. due December 31, 2024	4.5%	3,500,000	4,000,000
Kindred Credit Union, due December 31, 2023	3.0%	453,172	465,622
		3,953,172	4,465,622
Less: Current portion		2,953,172	1,465,622
Long Term Portion		1,000,000	3,000,000
Scheduled Repayments:			
2024 and open maturities		2,953,172	
2025		1,000,000	
		3,953,172	

Note 12. Investment and Other income

	2023	2022
	\$	\$
Unrealized investment (gain) loss	64,468	1,042,265
Realized investment (gain) loss	314	(511,640)
Interest (revenue) expenses	115,527	151,636
Dividend (revenue)	(477,876)	-
(Gain) loss on sale of capital assets	148,096	-
	(149,471)	682,261

Note 13. Commitment, and Contingencies

Institutional Donor Grants: MEDA participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by Global Affairs Canada and United States Agency for International Development. As such, there exists contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments because of such audits.

MEDA has minimum lease commitments for Canadian and U.S. office premises of:

2024	356,175
2025	358,080
2026	369,625
2027	331,727
2028	307,769

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 14. Financial Instruments

Fair value: Cash and cash equivalents consist of short-term, highly liquid investments with original maturities of twelve 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 receives funds at below market rates and because repayment requirements for some notes are limited by the amount MEDA receives from related investments.

Liquidity Risk: MEDA maintains its cash in bank deposits that, at times, may exceed federally insured limits set by the Canada Deposit Insurance Corporation (CDIC) and Federal Deposit Insurance Corporation (FDIC). At June 30, 2023 cash balances totaling \$52,419,216 exceeded the CDIC limit and \$2,146,794 exceeded the FDIC limit. MEDA believes the risk in these institutions to be minimal. At June 30, 2023, cash totaling \$860,009 was held at numerous financial institutions outside Canada and United States, which are not insured.

Currency Risk: MEDA's assets and liabilities include balances that are denominated in foreign currencies consistent with the purpose of MEDA. MEDA is exposed to currency risk.

Credit Risk: Consistent with the purpose of MEDA, the lending of monies internationally and in areas with less stable political and economic climates exposes MEDA to increased credit risk. MEDA monitors all loans and establishes provisions for uncertainty of collectability when needed and is disclosed in note 6.

Note 15: Intercompany Charges:

A management fee is charged between MEDA entities to reimburse for services provided. Services provided include administration and governance as well as marketing and development. Below is a summary of fees charged between entities, which is eliminated in the combined statements.

	MEDA Canada	MEDA US	MEDA International	MEDA Impact Investments
From MEDA Canada	(2,184,708)	1,467,040	465,410	252,258
From MEDA US	88,271	(105,795)	12,472	5,052
Net Management Fees	<u>(2,096,437)</u>	<u>1,361,245</u>	<u>477,882</u>	<u>257,310</u>

Note 16 Comparative Information

The presentation of certain comparative balances have been updated to conform to the current year presentation. There was no impact on net income or net assets as a result of these presentation changes

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

Note 17: Intercompany Balances and Elimination Entries

	MEDA Canada	MEDA (US)	MEDA Europa	MEDA International	MEDA Impact Investments	Intercompany eliminations	Total
	\$	\$	\$	\$	\$	\$	\$
Cash and short-term deposits	52,519,216	2,164,794	35,759	-	-	-	54,719,769
Accounts receivable	202,087	17,413	-	-	-	-	219,500
Grants and Contributions and Other Receivables	5,295,223	1,006,562	-	-	-	-	6,301,785
Advances to Country Programs and partners	2,614,527	288,314	-	-	-	-	2,902,841
Prepaid expenses	182,668	12,722	-	-	-	-	195,390
Due from related parties	930,795	171,132	264,363	479,758	276,531	(2,122,579)	-
Current portion of Debt Investments	529,375	52,220	-	-	-	-	581,595
Debt Investments	65,672	750,326	-	-	-	-	815,998
Investments	2,847,195	15,216,561	-	-	-	-	18,063,756
Capital assets	699,034	50,860	-	-	-	-	749,894
Total assets	65,885,792	19,730,904	300,122	479,758	276,531	(2,122,579)	84,550,528
Accounts payable and accrued liabilities	7,715,693	316,646	-	-	-	-	8,032,339
Deferred revenue	49,171,721	788,383	-	-	-	-	49,960,104
Due to related parties	264,363	930,795	171,132	479,758	276,531	(2,122,579)	-
Due to Country Programs and partners	226,766	44,667	-	-	-	-	271,433
Current portion of Loan payable	453,172	2,500,000	-	-	-	-	2,953,172
Loans payable	-	1,000,000	-	-	-	-	1,000,000
Total liabilities	57,831,715	5,580,491	171,132	479,758	276,531	(2,122,579)	62,217,048
Unrestricted net assets	8,054,077	14,150,413	128,990	-	-	-	22,333,480
Total liabilities and equity	65,885,792	19,730,904	300,122	479,758	276,531	(2,122,579)	84,550,528

MEDA International

Notes to combined Financial Statements

June 30, 2023

(expressed in U.S. dollars)

	MEDA Canada \$	MEDA (US) \$	MEDA Europa \$	MEDA International \$	MEDA Impact Investments \$	Intercompany eliminations \$	Total \$
Development Programs	18,585,976	6,545,811	-	-	-	(433,193)	24,698,594
Fund of Fund Programs	9,232,995	22,237	-	-	-	(22,237)	9,232,995
Private Contributions	1,955,627	4,636,181	602,312	-	-	-	7,194,120
Contributions from related organizations	663,784	-	-	492,229	6,341,950	(7,497,963)	-
Events and Tour Fees	13,715	222,331	-	-	-	-	236,046
Other	2,333,375	133,273	-	-	-	(2,290,503)	176,145
Total revenue	32,785,472	11,559,833	602,312	492,229	6,341,950	(10,243,896)	41,537,900
East & Central Africa	6,720,522	3,029,939	-	-	-	(248,109)	9,502,352
West Africa	10,973,584	35,371	-	-	6,055,791	(24,387)	17,040,359
Latin America & Asia Pacific	3,123,426	3,174,671	-	-	-	(182,934)	6,115,163
Management & General	7,218,427	1,410,547	2,250	492,229	286,159	(1,429,668)	7,979,944
Fundraising/Constituent Engagement	1,562,427	1,786,784	192	-	-	(759,027)	2,590,376
MRCF Investment Expenses	110,505	547,919	-	-	-	(101,808)	556,616
Grants to related organizations	6,055,791	824,424	617,748	-	-	(7,497,963)	-
Total expenses	35,764,682	10,809,655	620,190	492,229	6,341,950	(10,243,896)	43,784,810
Currency Adjustments	45,600	(852)	(1,037)	-	-	-	43,711
Gains/Losses on Investments	(150,418)	947	-	-	-	-	(149,471)
Non-Operating Gains/Losses	(104,818)	95	(1,037)	-	-	-	(105,760)
Total surplus/deficit	(2,874,392)	750,083	(16,841)	-	-	-	(2,141,150)