MINUTES OF THE ANNUAL GENERAL MEETING

OF

MENNONITE ECONOMIC DEVELOPMENT ASSOCIATES (the "Corporation")

A virtual meeting of the members of the Corporation was held by Zoom on November 6th 2021 at 10:30AM ET, pursuant to notice given in accordance with the Corporation's by-laws.

1. Call to Order

Jenny Shantz, the Chair of the Board acted as Chair of the meeting. Secretary Gary Leis acted as Secretary of the meeting. Susie Cochran recorded the meeting minutes on behalf of the Secretary.

The scrutineer reported that quorum had been attained and that the meeting could proceed. The Chair called the meeting to order at 10:32AM ET.

2. Approval of the Agenda

On a motion made by Jim Miller and seconded by Karin Krahn, and unanimously carried it was **resolved that** the agenda for the 2021 annual general meeting of the Corporation be approved.

3. Approval of the Minutes

The next order of business before the meeting was the approval of the minutes from the 2020 Annual General Meeting of the Corporation, held on November 7th, 2020. The Secretary reviewed the minutes of the last meeting, which were in the form of the draft distributed to the members. On a motion made by Gary Leis, seconded by Crystal Weaver, and carried unanimously it was **resolved that** the minutes of the annual meeting of members of the Corporation held on November 7th, 2020, be approved.

4. Audit Report

The next order of business was presentation of the Audit report for approval of the fiscal year (FY) 2021 financials and appointment of the FY 2022 auditor. Jim Miller, chair of the Audit Committee of the Board of Directors ("Board"), introduced the audited financial statements, which were first presented to the Board Audit Committee and then approved by the Board on October 7th, 2021. Jim Miller introduced Rob Schlegel, Interim Chief Finance & Investment Officer, to introduce the Treasurer's report. Rob Schlegel commented that the Corporation ended the fiscal year in a strong financial position. Rob Schlegel then introduced Karin Krahn, Board Treasurer, who presented the Treasurer's report.

Karin Krahn provided an overview of the financials from the past fiscal year, ending June 30th, 2021. The Corporation generated a surplus of $1.1M in FY2021, primarily attributable to unrealized investment gains as the MEDA Risk Capital Fund (MRCF) portfolio rebounded. Revenue of $31.1M was ahead of budget, and expenses of $30 M were lower than prior year. Impacts of COVID-19 were less than anticipated, and donations of $6.3M was higher than budgeted.

Karin Krahn stated that the Corporation is in a strong cash position with $4.2M in cash reserves, having exercised discretion in costs during the economic downturn prompted by COVID-19. The total cash balance of $16.2M includes cash and restricted advances from institutional donors. MRCF has $25.3M in assets and had $1M in unrealized gains. Cash of $3.5M was available at fiscal year-end for new opportunities. Karin Krahn stated that the Corporation was well positioned to carry out its strategy.

The Treasurer's report having been presented, on a motion made by Jim Miller, seconded by Karin Krahn, and carried unanimously it was **resolved that** the financial statement for Mennonite Economic Development Associates for the year ending June 30, 2021 (including the balance sheet and accompanying statements, together with the auditor's report thereon) be approved.

Jim Miller, the Audit Committee chair then called attention to the proposed auditors for FY22. On a motion made by Jim Miller, seconded by Karin Krahn, and carried unanimously it was **resolved that** Price Waterhouse Coopers LLP be appointed auditors of Mennonite Economic Development Associates to hold office until the next annual meeting or until their successors are duly appointed and the board of directors be authorized to fix the auditors remuneration.

5. Nominating Committee Report

The next item of business was presentation of directors standing for re-election. The Chair of the Nominating and Governance Committee, Crystal Weaver, presented the requirement to maintain a minimum of 4 board members on the Board and noted that 2 directors are standing for re-appointment to their second 3-year term, and 3 directors are standing for re-appointment to their third 3 year term.

On a motion duly made by Crystal Weaver, seconded by Gary Leis, and carried unanimously it was **resolved that** Jeremy Showalter, Verda Beachey, Greg Gaeddert, Jim Miller, and Jenny Shantz be elected directors of the Corporation to hold office for a term of three years or until their resignation, removal or until their successors are duly elected or appointed.

Crystal Weaver then stated that two individuals were standing for first time appointment to the Board. On a motion duly made by Karin Krahn, seconded by Jim Miller, and carried unanimously it was **resolved that** Rob Schlegel and Ferdinand Rempel be elected directors of Mennonite Economic Development Associates to hold office for a term of three years or until their resignation, removal or until their successors are duly elected or appointed.

Jenny Shantz then thanked outgoing directors, Zach Bishop, and Donovan Nickel. Jenny Shantz then introduced a thank you video from Cony Peralta and Pierre Kadet, who acknowledged and shared gratitude for retiring Board directors John Schroeder and Dallas Steiner.

6. Adjournment

The Chair requested that any further business be brought forward. There being none, on a motion made by Crystal Weaver, seconded by Karin Krahn, and carried unanimously it was **resolved that** this meeting be concluded. The meeting was adjourned at 10:57AM.

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Secretary

Mennonite Economic Development Associates (US)

Non-consolidated Financial Statements
June 30, 2022
(expressed in U.S. dollars)

Independent auditor's report

To the Members of Mennonite Economic Development Associates (US)

Our opinion

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Mennonite Economic Development Associates (US) (the Company) as at June 30, 2022 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 financial statements comprise:

- the non-consolidated balance sheet as at June 30, 2022;
- the non-consolidated statement of operations and changes in unrestricted net assets for the year then ended;
- the non-consolidated statement of cash flows for the year then ended; and
- the notes to the non-consolidated 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 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 non-consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The comparative information as at, and for the year ended June 30, 2021 has not been audited.

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

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated 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 financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario
October 7, 2022

Mennonite Economic Development Associates (US)

Non-consolidated Balance Sheet

As at June 30, 2022

(expressed in U.S. dollars)

	2022 $	2021 $ (unaudited)
Assets		
Current assets		
Cash and short-term deposits (notes 3 and 13)	5,089,429	5,168,576
Accounts receivable	1,976,002	631,511
Advances to MEDA (U.S.) Country Programs and partners (note 4)	373,476	632,845
Prepaid expenses	74,434	64,656
Due from related parties (note 11)	267,289	5,700,921
Current portion of loans receivable (note 5)	65,275	325,056
	7,845,905	12,523,565
Loans receivable (note 5)	588,409	1,123,570
Investments (note 7)	17,116,413	16,116,971
Capital assets (note 8)	714,866	733,136
	18,419,688	17,973,677
	26,265,593	30,497,242
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	225,410	549,929
Deferred contributions (note 9)	14,916	10,018
Deferred grants and contracts	1,290,999	3,373,464
Due to MEDA (U.S.) Country Programs and partners (note 4)	17,595	-
Promissory notes to related parties	5,248,348	-
Current portion of notes payable (note 10)	1,000,000	50,000
	7,797,268	3,983,411
Notes payable (note 10)	3,000,000	600,000
Loan payable to related parties (note 6)	-	14,592,878
	10,797,268	19,176,289
Net Assets		
Unrestricted	15,468,325	11,320,953
	26,265,593	30,497,242

Contingencies and commitments (note 12)

The accompanying notes are an integral part of these non-consolidated financial statements.

Mennonite Economic Development Associates (US)

Non-consolidated Statement of Operations and Changes in Unrestricted Net Assets

For the year ended June 30, 2022

(expressed in U.S. dollars)

	2022 $	2021 $ (unaudited)
Revenues		
Grants and contracts	6,370,076	3,539,810
Contributions (note 9)	5,492,095	3,140,141
Consulting and program management fees	1,243,195	650,951
Realized investment income (note 11)	554,116	225,979
Unrealized gain on investments	852,324	1,383,613
Convention income	8,590	-
Other (note 15)	282,421	27,190
	14,802,817	8,967,684
Expenses		
Global development programs	7,544,339	5,236,745
Resource development	1,239,190	936,076
MEDA Risk Capital Fund	1,122,541	997,184
Constituency engagement	749,375	478,703
Other (note 15)	-	581,027
	10,655,445	8,229,735
Excess of revenues over expenses for the year	4,147,372	737,949
Unrestricted net assets – Beginning of year	11,320,953	10,583,004
Unrestricted net assets – End of year	15,468,325	11,320,953

The accompanying notes are an integral part of these non-consolidated financial statements.

Mennonite Economic Development Associates (US)

Non-consolidated Statement of Cash Flows

For the year ended June 30, 2022

(expressed in U.S. dollars)

	2022 $	2021 $ (unaudited)
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	4,147,372	737,949
Items not affecting cash		
Amortization of capital assets	18,270	17,257
Loss on sale of investments	(511,640)	(114,871)
Equity share of unrealized gain on investment	(852,324)	(1,383,613)
Unrealized foreign exchange (gain) loss on notes payable from related parties	(423,040)	684,411
	2,378,638	(58,867)
Net change in non-cash working capital items	6,925,626	(2,795,287)
	9,304,264	(2,854,154)
Financing activities		
Increase in notes payable	3,500,000	-
Repayments of notes payable	(150,000)	(340,560)
Decrease in notes payable with related parties	(14,169,838)	(297,445)
Increase in due to MEDA (U.S.) Country Programs and partners	17,595	-
	(10,802,243)	(638,005)
Investing activities		
Decrease (increase) in advances to MEDA (U.S.) Country Programs and partners	259,369	(504,482)
Issuance of new loans	(303,700)	(597,893)
Payment of loans	1,098,642	1,246,066
Proceeds on sale and distributions from investments	1,401,173	1,045,278
Purchase of investments	(1,036,652)	(1,218,620)
Purchase of capital assets	-	(673,209)
	1,418,832	(702,860)
Change in cash and short-term deposits during the year	(79,147)	(4,195,019)
Cash and short-term deposits – Beginning of year	5,168,576	9,363,595
Cash and short-term deposits – End of year	5,089,429	5,168,576
Supplemental disclosure of cash flow information		
Net interest paid	(193,380)	(142,907)

The accompanying notes are an integral part of these non-consolidated financial statements.

(expressed in U.S. dollars)

1 Purpose of the organization

Mennonite Economic Development Associates (US) (MEDA (U.S.)) is an international economic development organization that creates business solutions for the relief of poverty.

MEDA (U.S.), a not-for-profit corporation without share capital, is incorporated as "Mennonite Economic Development Associates" under the federal laws of the United States of America.

2 Significant accounting policies

Basis of presentation

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, except that controlled profit-oriented enterprises are accounted for using the cost method, as opposed to equity accounting or consolidation.

The non-consolidated financial statements include the activities of MEDA (U.S.).

As allowed under Part III of the Chartered Professional Accountants (CPA Canada) Handbook for not-for-profit organizations Section 4450, MEDA (U.S.) country programs, as not-for profit organizations, are not consolidated within these financial statements.

- **MEDA (U.S.) Country Programs**

  MEDA (U.S.) Country Programs are not-for-profit operations based in Kenya, Tanzania, and Haiti. A summary of the financial position and results of operations of the MEDA (U.S.) Country Programs is included in the notes to these non-consolidated financial statements (note 4).

Revenue recognition

MEDA (U.S.) 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 non-consolidated 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.

(expressed in U.S. dollars)

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

Cash and short-term deposits

Cash and short-term deposits includes cash, marketable securities and deposits with maturities of less than three months at acquisition.

Loans receivable

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 (U.S.) will divest of an investment in its portfolio.

The fair value method is used to account for investments in equity instruments that are quoted in an active market.

For investments not carried at fair value and that MEDA (U.S.) controls or significantly influences, the equity method is used. Under the equity method, income or losses are added or deducted and dividends received are deducted from the carrying value of the investment shown on the non-consolidated balance sheet. The cost method is used to account for investments that MEDA (U.S.) does not control or significantly influence.

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. All asset classes are amortized using varying straight-line rates of three to 10 years.

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 non-consolidated balance sheet date. Non-monetary assets and liabilities are recorded at historical rates of exchange. Exchange differences are recorded in the non-consolidated 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.

(expressed in U.S. dollars)

Financial instruments

MEDA (U.S.)'s financial instruments consist of cash and short-term deposits, accounts receivable, advances to and due to MEDA (U.S.) 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 13.

Use of estimates

The preparation of non-consolidated 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 non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3 Cash and short-term deposits

Certain balances included in cash and short-term deposits are advances received from donors to fund specific projects, and therefore they cannot be used for other purposes. Current year balances under such conditions are $932,438 (2021 (unaudited) – $2,750,638).

4 MEDA (U.S.) Country Programs and partners

Advances to MEDA (U.S.) Country Programs and partners are as follows:

	2022 $	2021 $ (unaudited)
MEDA Haiti	-	205,427
MEDA Kenya	1,146	1,146
MEDA Tanzania	170,803	286,049
Other	201,527	140,223
	373,476	632,845

The advances are non-interest bearing and are unsecured.

Amounts due to MEDA (U.S.) Country Programs and partners are as follows:

	2022 $	2021 $ (unaudited)
MEDA Haiti	17,595	-

(expressed in U.S. dollars)

MEDA (U.S.) Country Programs are not-for-profit organizations with a similar purpose to MEDA (U.S.) and exist to carry out MEDA (U.S.)'s purpose in the country in which they are operating. The following Country Programs' financial results have not been consolidated in MEDA (U.S.)'s financial statements. Financial statements for each Country Program are prepared separately. A financial summary (obtained from unaudited, internally prepared financial information) of each Country Program as at June 30, 2022 and results of operations for the year then ended are as follows:

	2022		2021
	Tanzania BASICS II $	Total $	Total $ (unaudited)
Assets			
Current	55,808	55,808	2,254,312
Non-current	112,388	112,388	381,407
	168,196	168,196	2,635,719
Liabilities			
Current	49,226	49,226	2,272,764
Non-current	118,970	118,970	165,800
	168,196	168,196	2,438,564
Fund balance	-	-	197,155
	168,196	168,196	2,635,719
Results of operations			
Revenues	406,863	406,863	14,855,608
Expenses	406,863	406,863	14,802,250
Excess of revenue over expenses	-	-	53,358
Cash flows provided by (used in) operating activities	8,519	8,519	96,050

(expressed in U.S. dollars)

5 Loans receivable

The following is a summary of outstanding loans receivable by country:

	2022 $	2021 $ (unaudited)
United States	154,160	940,801
Sierra Leone	195,824	208,879
Kenya	303,700	-
Nicaragua	-	298,946
	653,684	1,448,626
Less: Current portion of loans receivable	65,275	325,056
Non-current portion of loans receivable	588,409	1,123,570

The loans receivable bear interest at 5% – 8% with maturity dates varying from on demand to 2025 and thereafter, with full payment of principal due at that time.

Scheduled repayments of loans receivable are as follows:

	$
2023	65,275
2024	52,220
2025	52,220
2026	26,109
2027 and thereafter	457,860
	653,684

6 Amounts payable to related parties

	2022 $	2021 $ (unaudited)
Promissory notes payable to MEDA Canada	5,248,348	-

Promissory notes payable issued from MEDA Canada have no specific terms of repayment and bear interest at a rate of 6%.

	2022 $	2021 $ (unaudited)
Loans payable to MEDA Canada	-	14,592,878

(expressed in U.S. dollars)

Loans payable issued from MEDA Canada have no specific terms of repayment and bear interest at rates ranging from nil% – 15%.

7 Investments

Investments consist of the following:

	2022 $	2021 $ (unaudited)
Accounted for at cost:		
Sarona MEDA Investments Inc.	100	100
Fonkoze, S.A., Haiti – 1.7% (2021 – 1.7%) of issued and outstanding common shares	125,910	122,873
Sevis Finanzye Fonkoze S.A. – 1.7% (2021 – 1.7%) of issued and outstanding common shares	1	-
IMON L.L.C., Tajikistan – 8.7% (2021 – 8.7%) of issued and outstanding common shares	1,492,535	1,180,328
MicroVest Short Duration Fund A – 0.3% (2021 – 0.3%) of contributed capital	6,637	122,027
MicroVest Plus, L.P. – 1.9% (2021 – 2.1%) of contributed capital	85,033	78,027
MicroVest Enhanced Debt Fund – 5.9% (2021 – 5.9%) of contributed capital	958,558	992,341
Women's World Banking Capital Partners L.P. – 3.1% (2021 – 3.1%) of contributed capital	527,343	807,946
Women's World Banking Capital Partners II L.P. – 1.0% (2021 – 1.0%) of contributed capital	457,266	266,406
SEAF Single Vintage Flex Fund	124,456	125,000
Accounted for using the equity method:		
CODIP, S.A., Paraguay – 12.8% (2021 – 11.6%) of issued and outstanding common shares	1,234,654	1,129,522
MiCredito, Nicaragua – 37.9% (2021 – 33.6%) of issued and outstanding common shares	2,522,041	1,771,463
Sarona Frontier Markets Fund 1, L.P., Global – 24.5% (2021 – 24.7%) of contributed capital	2,173,031	2,379,821
Sarona Frontier Markets International Fund 2, L.P., Global – 4.0% (2021 – 4.0%) of contributed capital	4,555,921	4,639,217
SGGM International 2 L.P., Global – 7.6% (2021 – 4.2%) of contributed capital	2,141,490	1,736,067
Sarona Risk Capital Fund 1, L.P., Global – 45.8% (2021 – 45.8%) of contributed capital	151,344	153,827
MicroVest General Partner and MicroVest Capital Management USA (combined) – 0% (2021 – 26.4%) of outstanding common shares	-	1
Access Africa Fund, LLC – 9.09% (2021 – 9.09%) of issued and outstanding common shares	25,163	27,144
Mountain Lion Agriculture (SL) Limited, Sierra Leone – 12.7% (2021 – 12.7%) of issued and outstanding common shares; 69.6% (2021 – 34.4%) of issued and outstanding preferred shares	534,930	584,861
	17,116,413	16,116,971

(expressed in U.S. dollars)

8 Capital assets

	2022 $	2021 $ (unaudited)
Office furniture, leasehold improvements and equipment	769,818	769,818
Less: Accumulated amortization	54,952	36,682
	714,866	733,136

9 Deferred contributions

Deferred contributions relate to funding received for specific projects that is in respect of program expenses to be incurred in future periods.

	2022 $	2021 $ (unaudited)
Deferred contributions – Beginning of year	10,018	89,253
Contributions received during year	5,496,993	3,060,906
Contributions recognized in revenue during year	(5,492,095)	(3,140,141)
Deferred contributions – End of year	14,916	10,018

10 Notes payable

Notes payable consist of:

	2022 $	2021 $ (unaudited)
Everence Association, $4,000,000 (2021 (unaudited) – $500,000), interest at 4.5% per annum, due December 31, 2024	4,000,000	500,000
Various promissory notes, interest at rates varying from nil% – 4%, with maturities at various dates from 30 days subsequent to demand to March 31, 2031 US$ denominated	-	150,000
	4,000,000	650,000
Less: Current portion	1,000,000	50,000
	3,000,000	600,000

The notes payable are unsecured.

(expressed in U.S. dollars)

Scheduled repayment of notes payable is as follows:

	$
Year ending June 30, 2023 and open maturities	1,000,000
2024	2,000,000
2025	1,000,000
2026	-
2027 and thereafter	-
	4,000,000

Expenses include interest paid on long-term notes payable of $20,000 (2021 (unaudited) – $24,156).

Direct investment by MEDA (U.S.) members

MEDA (U.S.) is obligated to repay the funds only to the extent that MEDA (U.S.) is repaid by the investee or is able to sell the respective investment. Of the notes payable shown above, $nil is payable under those conditions (2021 (unaudited) – $nil).

Notes payable from MEDA (U.S.) directors

Of the notes payable listed above, $nil is payable to MEDA directors (2021 (unaudited) – $nil).

11 Related party transactions and balances

The balances due to related parties are due to MEDA Europa and MEDA Canada. MEDA (U.S.) has its own membership, board structure and governance.

The balances represent current funds advanced to MEDA (U.S.) for operations.

Expenses for the year include $430,164 (2021 (unaudited) – $284,713) charged to MEDA (U.S.). Expenses for the year also include $83,052 (2021 (unaudited) – $642,859) in contributions from MEDA (U.S.) and MEDA Europa. Realized investment expenses for the year include $195,811 (2021 (unaudited) – $227,609) of interest charged to MEDA (U.S.).

(expressed in U.S. dollars)

12 Contingencies and commitments

Minimum lease commitments

MEDA (U.S.) has minimum lease commitments for US office premises of:

	$
2023	40,172
2024	41,090
2025	42,034
2026	43,002
2027 and thereafter	7,194

Contingencies

MEDA (U.S.) receives grants and contracts from donors, some of which are subject to audit and assessment in future periods.

13 Financial instruments

Fair value

The fair values of MEDA (U.S.)'s financial instruments recorded as current on the non-consolidated balance sheet are approximated by their carrying values due to their short-term maturity. 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. It is also not 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 not practicable to determine the fair value of notes payable given that MEDA (U.S.) receives funds at below market rates, and because repayment requirements for some notes are limited by the amount MEDA (U.S.) receives from the related investments.

Currency risk

MEDA (U.S.)'s assets and liabilities include balances that are denominated in foreign currencies consistent with the purpose of MEDA (U.S.). This exposes MEDA (U.S.) to significant currency risk.

Credit risk

Consistent with the purpose of MEDA (U.S.), the lending and investing of monies internationally and in areas with differing political and economic climates exposes MEDA (U.S.), indirectly, to increased credit risk.

(expressed in U.S. dollars)

Liquidity risk

Liquidity risk is the risk of having insufficient cash resources to meet current financial obligations as they fall due, without raising funds at unfavourable rates or selling assets on a forced basis. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. The liquidity requirements of MEDA (U.S.)'s business have been met primarily by funds generated from operations. Cash provided from these sources is used primarily for payment of operating expenses. MEDA (U.S.) maintains a cash balance to meet liquidity requirements. As at June 30, 2022, MEDA (U.S.) has cash of $5,089,429 (2021 (unaudited) – $5,168,576).

Significant event

The impacts of COVID-19 continued to be felt during the fiscal year. The global pandemic has continued to impact MEDA (U.S.)'s operations in various ways, including halting global travel and requiring its workforce to work remotely. Although the current impacts of the pandemic have not significantly impacted the operational results of MEDA (U.S.), its investment portfolio or the operations of the various Country Programs, the full duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on MEDA (U.S.)'s investment portfolio and its future ability to deliver the various Country Programs.

14 Government remittances

MEDA (U.S.) had $nil outstanding government remittances as at June 30, 2022 (2021 (unaudited) – $nil).

15 Other revenue and expenses

Other revenue includes:

	2022 $	2021 $ (unaudited)
Foreign currency exchange gains	223,504	-
Other	58,917	27,190
	282,421	27,190

Other expenses include:

	2022 $	2021 $ (unaudited)
Foreign currency exchange losses	-	570,300
Other	-	10,727
	-	581,027

(expressed in U.S. dollars)

16 Allocation of expenses

Shared support and management costs have been allocated to the functional areas in the following amounts:

	Human resources, premises, admin and IT $	Finance, accounting and legal $	Executive management $	Marketing $	2022 $	2021 $ (unaudited)
Constituency engagement	33,084	14,941	47,185	61,155	156,365	50,208
Development programs	42,772	86,208	24,431	14,510	167,921	126,551
Resource development	17,793	3,193	10,858	15,790	47,634	65,981
MEDA Risk Capital Fund	-	227,218	120,543	-	347,761	302,540
	93,649	331,560	203,017	91,455	719,681	545,280