



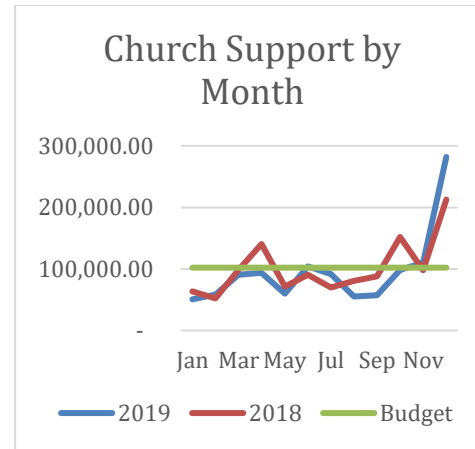
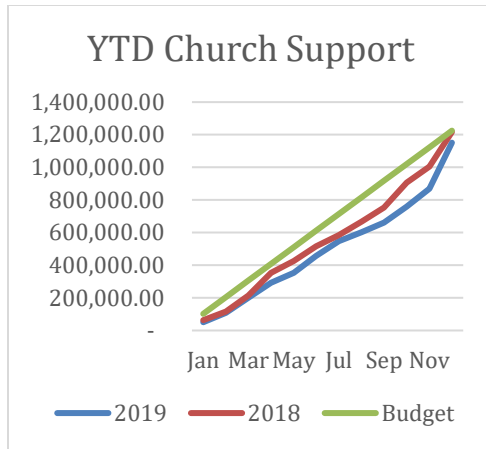
2019 Financial Review CCMBC Ministry Operations

The following comments are based on the Internal Canadian Conference of Mennonite Brethren Churches (CCMBC) financial reports as at December 31, 2019.

The results of the Ministry operations of CCMBC are showing a deficit of \$557,461 for 2019. The following table outlines the variances to budget:

	Variance
Revenue shortfalls:	
Church contributions (1)	\$73,694
Prov. Conf. funding for MB church plants (2)	27,218
MB Herald revenue (3)	31,018
Expenses over budget:	
Board Travel (4)	25,589
National Ministry Team Travel (4)	29,062
Staff travel (4)	75,176
Office Expenses	17,552
MB church plant subsidies & apprenticeships net of church planter fundraising (2)	83,878
Support for Provincial Conferences (5)	69,000
Support for Multiply (5)	132,896
Unbudgeted or greater than budget revenue:	
Offering Memorandum opt out donations (6)	(34,058)
Kindred Productions net revenue	(10,770)
Net of all other variances	<u>37,206</u>
Variance of 2019 YTD to budget	<u>\$557,461</u>

1. Church contributions of \$1,151,306 are \$73,694 below budget and \$57,391 lower than the same time last year. The graphs below provide a visual of how church contributions came in throughout the year.



2. Provincial Conference funding for MB church plants of \$375,282 is \$27,218 below budget. In addition, no funding was received from Multiply in 2019 to help cover MB church planting expenses. MB church planting for 2019 shows \$104,102 expenses in excess of revenue/funding. While the majority of the funding for MB church plants comes from CCMBC and the provincial conferences it has been difficult for CCMBC to manage this area because subsidies have been set at the Multiply/C2C level. It is anticipated that the new church planting strategy under the Collaborative Model will help to rectify this problem.
3. MB Herald revenue of \$38,483 is \$31,018 below budget because the anticipated subscriptions and advertising revenue were not recognized.
4. Board travel, National Ministry Team travel and staff travel are all well over budget due to travel that was not anticipated at the time the budget was prepared.
5. Provincial conference support includes the following: \$50,000 Alberta, \$33,000 Quebec, and \$36,000 BC MB Chinese Church Association. The support for Multiply includes \$140,000 approved last June net of a retirement reserve relating to one of the employees affected and \$25,224 church plant fund raising that was forwarded to Multiply.
6. \$34,058 of Grants and Donations represent donations received from account holders who chose not to transfer their funds to the new Note program under CCMBC Investments but chose to leave a portion of their investment as a donation to CCMBC.

As you can see from the list of variances above, the 2019 shortfall in operations has many contributors.

This report relates only to the Ministry Division of CCMBC and does not include operations of or transfers to Legacy.

This report has been prepared by management and any comments or questions can be directed to Bertha Dyck at bertha.dyck@mbchurches.ca.