



Report on the Non-Consolidated Financial Statements for the Year Ended December 31, 2020

The financial statement on the right is a summary of the audited Non-Consolidated Financial Statements of the Canadian Conference of Mennonite Brethren Churches (CCMBC). The Notes to the financial statements are an integral part of telling the financial story and can be found here.

With the reorganization to separate the financial services and Stewardship Ministries from the ministry aspect of CCMBC behind us, 2020 started as a year to begin operating in the Collaborative Model by implementing One-Stream funding. In this model, churches send their full conference support to their provincial conference and in turn the provincial conferences forward a portion of this funding to CCMBC based on a prescribed percentage for each province.

Just like in many other organizations and in many areas of our lives, the pandemic has impacted the 2020 financial results for CCMBC. When there was uncertainty in the spring of 2020 of how COVID restraints would affect churches financially, measures were put in place to reduce expenses through staff reductions, reduced giving to partner organizations, and of course, a mandated reduction in travel. With these reductions, the help of federal government assistance, and stronger than anticipated support from churches, CCMBC was able to finish the year with a surplus of \$222,917.

Canadian Conference of MB Churches		
Summarized Non-consolidated Financial Statements		
Non-consolidated Statement of Financial Position		
	at Dec 2020	at Dec 2019
Assets		
Cash	\$5,029,312	\$11,148,107
Accounts and other receivables	456,835	142,894
Donated securities	34,231	62,963
Inventories	4,049	1,059
Prepaid expenses and deposits	20,490	33,664
Capital assets	105,873	116,388
	\$5,650,790	\$11,505,075
Liabilities		
Accounts payable and accrued liabilities	\$895,500	\$1,086,784
Benefit plan payable	631,739	798,222
Due to related party	3,142,840	9,350,529
	4,670,079	11,235,535
Deferred contributions	960,996	473,826
Net assets:		
Restricted for endowments	1,366,526	1,365,442
Unrestricted	-1,346,811	-1,569,728
	19,715	-204,286
	\$5,650,790	\$11,505,075
Non-consolidated Statement of Operations and Changes in Net Assets		
	2020	2019
Revenue		
Church support	\$1,005,774	\$1,151,307
Donations/Grants	2,343,585	3,690,608
Sales	89,946	343,952
Government assistance	512,740	0
Other Stewardship Division revenue	0	7,659,675
	3,952,045	12,845,542
Expenses		
Cost of sales	40,192	94,514
Staffing	558,878	707,898
Specific programming costs	2,211,650	3,361,668
Support of outside agencies	707,882	1,344,089
Office expenses	117,874	1,342,281
Board costs and convention	88,473	255,171
Public relation consts	4,179	1,022
Other Stewardship Division expenses	0	8,859,501
	3,729,128	15,966,144
Excess (deficiency) of revenue over expenditures	222,917	-3,120,602
Net assets at beginning of year	-204,286	2,915,361
Reinvested endowment earnings during the year	1,084	955
Net assets at end of year	\$19,715	(\$204,286)

Non-Consolidated Statement of Financial Position

A Statement of Financial Position is a snapshot at a point in time, in this case December 31, 2020 and December 31, 2019.

CCMBC began 2020 with a cash position of \$11,148,107. Due to timing, the cash portion of the asset transfer to Legacy had not been completed in 2019. During 2020, \$6.2 million was transferred to Legacy thereby reducing the \$9,350,529 **Due to related party** to \$3,142,840. A further \$1 million has been transferred in 2021. Due to factors more fully described in the report “Telling Our Financial Story”, including the accumulation of operating deficits, CCMBC is unable to transfer the full amount to Legacy at this time. CCMBC and Legacy are developing a plan and schedule to eliminate the remaining \$2.1 million.

While the government assistance for 2020 has been reflected in these statements, the full amount had not been received by year-end resulting in the increased balance in **Accounts Receivable**.

In 2020, CCMBC had 18 church plants operating under its charitable status. As donations to church plants are considered designated donations for CCMBC, any excess over expenses is reported as deferred contributions available for use in the future. The increase in **Deferred Contributions** reflects almost \$500,000 of surpluses for these MB church plants.

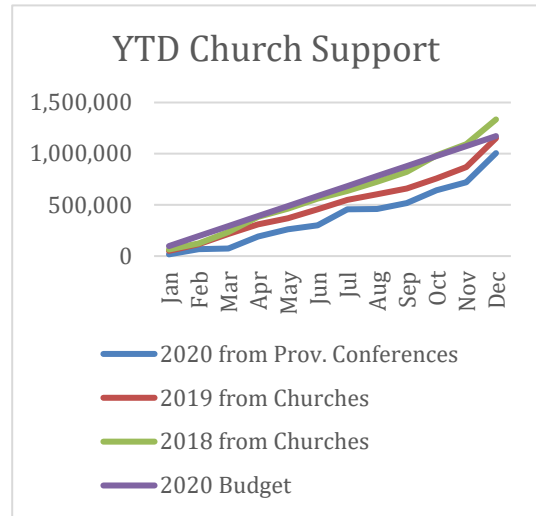
The \$222,917 surplus in CCMBC operations for 2020 is reflected in the improved **Unrestricted net assets** from a 2019 deficit of \$1,569,728 to \$1,346,811 in 2020.

Non-Consolidated Statement of Operations

Unlike the Statement of Financial Position, the Statement of Operations paints a picture of what happens over a period of time, in this case the year 2020. A prior year comparison is made difficult as the 2019 results include

operations that have now been moved to Legacy.

One number that can be compared is that of church contributions. Starting with a budget of \$1,172,000, then adjusting our expectations down to \$991,611 in June, we ended the year having received \$1,005,774, which is 86% of the original budget.



The **Grants and donations** line includes about \$2 million of MB church planting revenue which, in conjunction with approximately \$280,000 of the Government assistance is directly offset in the Specific programming costs, so there is no impact to the bottom line of CCMBC.

Both staffing expenditures and board costs reflect the reduction in expenses due to COVID. The decrease in **Support of outside agencies** reflects approximately \$34,000 of COVID related reductions along with a decrease in designated donations that flow through to our MB Partners.

We want to thank you for continued support of your conference, which allowed us to finish the year with a surplus.

*Respectfully submitted by
Bertha Dyck, CFO*