

GATHERING 2014

MULTIPLYING FOR MISSION



YEARBOOK

THE CENTRE, VANCOUVER, B.C., JUNE 11–14, 2014



CANADIAN CONFERENCE
of Mennonite Brethren Churches

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**Canadian Conference of Mennonite Brethren Churches
Minutes for Annual General Meeting, Gathering 2014
June 11-14, 2014, The Centre; Vancouver, British Columbia**

Celebration Service – Wednesday June 11, 2014

7:15pm

Paul Loewen welcomed everyone to Gathering 2014 and read from 1 Peter 2:9. Willy introduced Mark and Carolyn Burch as hosts for the weekend. Time was spent in worship and then Norm Funk (pastor of Westside Church) told the story of Westside and spoke on the Gift of Ministry using the passage from 2 Corinthians 4:1-6. Communion was served followed by Willy speaking on the theme for the conference of Multiplying for Mission.

Business Session – Thursday, June 12, 2014

8:30am – 12 noon

1. **Welcome by Paul Loewen (Moderator):** Paul greeted delegates with Luke 10:1-3 – Pray to the Lord of the Harvest for workers. Let us not to forget to focus on the work that Christ is doing in and through us. Paul mentioned that alarms will go off at 10:02 to pray. He then prayed for the Holy Spirit to come and be with us. A time of worship and a devotional by Randy Friesen (MB Mission) followed.

2. The business session of Gathering was called to order at 9:17 am. Paul prayed for God's presence in our lives and in our convention. Delegate registrations of 188 established quorum (>100 delegates) to allow for a duly-constituted meeting.

- a) Convention reports were made available in an event book. Files were also available on the CCMBC website.
- b) Convention guidelines (p. 3) were explained. Only registered delegates are allowed to vote. Voting procedures were detailed, using red cards for no and green cards for yes.
- c) **Motion 2014-06-01:** To approve Ballot team of Erica Boschman (River West church) and Rob Dyck (Arnold Community church) **SC**.
- d) **Motion 2014-06-02:** To approve Reg Toews (Greendale) as parliamentarian. **SC**.
- e) **Motion 2014-06-03:** To approve the Agenda as presented. **SC**

3. **Executive Board Report.** The executive board report was given by Paul Loewen. Details are in the Gathering Event Book pgs. 6-7.

4. **Finance Report**– Harold Froese (Finance Committee Chair) reported on behalf of the Executive Board Finance Committee. Copies of the audited financial statements had been made available to delegates in both hard copy through the event book and online via the CCMBC website.

Harold emphasized that finances are a part of CCMBC's ministry story. The commitment of the Finance Committee and Executive Board was to take responsibility as stewards of the money that constituents have entrusted to CCMBC. At Gathering 2012, delegates requested clarity of financial information. Risk, compliance and governance have been key words for the Finance Committee and the Executive Board in regards to CCMBC finances. Movement to Best Practices is the goal for CCMBC. Filmore Riley (lawyers) and KPMG (accountants) were asked to advise CCMBC on what should be done. As a result, CCMBC Legacy Investments Inc. is being established to handle all CCMBC Stewardship issues reducing

risk and moving towards best practices, beyond compliance. CCMBC was recently audited by the Canada Revenue Agency, which resulted in a positive report.

Len Penner (Audit Committee Chair) reported on CCMBC finances compared to 2012, to be discussed in more detail at the Finance break-out session scheduled for Thursday afternoon. Auditors were changed in 2013 to KPMG to conduct an extensive review in order to get a clear picture of CCMBC financial practices. The consolidated financial statement of ministry and stewardship activities have been summarized on p.16 of the Event Book. The financial statement of stewardship activities was separated in preparation of the establishment of Legacy Investments Inc. which will take over all Stewardship funds in the future. The notes and summary in the audit showed a clean audit giving the finance team confidence that the statements accurately represent CCMBC's financial situation. The auditors recommended a change from past procedures on how we reported interest and operating costs on land held for development. The past procedures led to an overstatement of \$9.9 million to land held for development. To correct this, CCMBC has restated the 2012 financials, with the result being that the reserves were reduced by that amount. In order to replenish the reserves as quickly as possible, one of the actions will be to sell surplus land held for development that is in excess of the CCMBC charter allowance.

Harold explained that over 1000 constituents have invested in CCMBC's Stewardship Fund which provides mortgages to CCMBC churches and pastors.

Harold expressed appreciation to CCMBC staff members Bertha Dyck, Norbert Barga and JP Hayashida for their hard work on behalf of CCMBC stewardship.

As the time approached 10:02am, Paul led the conference in prayer for workers for the Lord's harvest and that we collectively will be in his service.

5. Executive Director (ED) Report (Willy Reimer): The movement of the CCMBC convention to prayer is encouraging. Willy acknowledged his staff who love Jesus and serve CCMBC in so many different ways. Willy's report focused on a review of "The 4 Messages from the Heart of God" that was presented at Gathering 2012, as well as on the strategic plan that the leadership of CCMBC feels that God is directing them to. This included the "Sandbox" which defines the Mission, Preferred Culture, Central Ministry Focus and Guiding Principles of the conference, and the Service Model, which is how the Mission is to be carried out. A video explaining the Service Model was shown. The ED Report is on p. 4-5 in Event book– more details were also given in the breakout session held in the afternoon of Thursday June 12, 2014.

Willy also introduced Global Mission Media (GMMTV), which is being used to connect members of the CCMBC constituency who are unable to join together in one location.

Willy challenged CCMBC to be a conference of prayer, encouraged churches to use the CCMBC resources and to give sacrificially. We need to do the good things that God wants us to do. Willy led in prayer with an invitation to pray for the Holy Spirit to move among us. Paul closed in prayer.

6. Finance and Budget 2015 presentation: Harold Froese shared the story of a recently credentialed MB pastor who came to the MB conference for guidance, accountability, structure and prayer support.

Budget highlights:

- Howie Wall (Finance Committee member) talked about pensions and investments (p. 14 of Event book) – we value and support our pastors with pensions and mortgages for churches & pastors.

The finance committee is committed to working towards “Best Practices”, one being that policies are reviewed annually to reduce risk of the investments needed to support these funds. The pension fund is strong and well managed.

- Len Penner related movement toward compliance with CCMBC land investments. There are 18 properties in total with 8 being ministry assets. The remaining 10 properties are mainly bare-land held for future church construction with book value of \$19 million. These properties are being evaluated for future ministry potential and for those that likely will not be needed, we will complete a market appraisal and sell. In the past two years three properties have been sold, all at a substantial profit. No additional properties have been purchased. One additional property has been sold. The proceeds of the sale of these properties will go to replenish the reserve fund which was depleted due to evaluation practices.
- Harold related that 150 mortgages provide funds with 80% being to pastors and churches. These mortgages are being assessed to ensure that they meet current lending policies and applied consistently.

Budget 2015 presentation (p. 17-19) – The money entrusted to CCMBC has been carefully evaluated by the Finance team (EB Finance committee and staff). Church contributions have levelled off while individual contributions are increasing in 2014. Costs have been reviewed and reduced where possible. Sustainability of finances is an important criteria when developing the budget. C2C was used as an example.

Paul closed morning session in prayer.

Business session – Thursday, June 12, 2014

1:30-2:30pm

Paul opened the afternoon session in prayer.

1. **BFL Study Conference (Oct. 2013, Edmonton, AB) follow-up:** Brian Cooper (BFL chair), Bill Hogg (BFL member). Brian Cooper and Bill Hogg gave a follow up report on the 2013 study conference which dealt with the topic of human sexuality.

2. **Historical commission report** (Event Book p. 28) Jon Isaak gave a report on the historical commission, details are in the Event Book

Breakout Sessions – Thursday June 12, 2014

2:45-4:15pm

Breakout sessions, 45 minutes each, were held to provide greater detail than could be given in the main sessions. Delegates chose two to attend. Topics for Breakouts were:

- Bylaws, MOU's & Board nominee testimonies
- Budget and stewardship
- Strategic Plan and Mission
- Board of Faith and Life – Human Sexuality Conference follow up

Sessions were well attended.

Experience Vancouver – Thursday, June 12, 2014

4:30pm-9:00pm

Two buses and one group on foot embarked on a tour of the Vancouver area. The tours visited churches in the area, many that have recently been planted, as well as “hubs” (buildings that are being used by many churches in the area to do ministry). Opportunity was given to pray for the pastors that are working in these areas. The tours all ended at the Olympic Torch where those gathered collectively prayed for the city of Vancouver

Business Session – Friday, June 13, 2014

8:30 - 12:00pm

1. Welcome by Paul Loewen, time was spent in worship and a devotional by Andrew Dyck of MBBS Canada (CMU Campus).
2. **MBBS Canada:** Bruce Guenther (President) and Ron Penner (Board Chair) gave the report for MBBS, details are in the Event Book page 26-27. Paul Loewen provided opportunity for people to pray for the MBBS faculty, students and other ministry workers.
3. **MB Mission report:** The MB Mission report was given by Randy Friesen (Event book – p. 24-25) Randy prayed for workers, and also acknowledged the contributions of Ray Harms-Wiebe as he transitions to further study.
4. **L2L Report:** Paul introduced Ron Toews (director of L2L – Leaders to Learners), who gave a report of L2L.
5. **C2C Report:** Paul introduced Gord Fleming (director of C2C). A video about C2C was shown. Gord introduced the C2C team.

Business Session – Friday, June 13, 2014

1:30 – 2:45pm

The business session was called to order by Paul Loewen at 1:35pm.

1. **Motion 2014-06-04:** To approve the minutes of Gathering 2012 as presented. **SC**
2. **Election of CCMBC positions.** Vic Martens (Secretary EB / chair Nominating committee) presented the slate of nominees to the Convention (pp. 11-13, Event Book) using a PowerPoint presentation highlighting the background of each nominee with respect to the proposed position. Convention delegates were handed ballots and asked to express their vote on the ballot. Results were tabulated and announced in the Saturday business session.
3. **Motion 2014-06-05:** To approve changes to the CCMBC General Operating bylaws as presented. **SC**
4. **Motion 2014-06-06:** To approve the MBBS Canada bylaws as presented. **SC**
5. **Motion 2014-06-07:** To approve the MB Mission bylaws (USA) as presented. **SC**
6. **Motion 2014-06-08:** To approve the MB Mission bylaws (Canada) as presented. **SC**
7. **Motion 2014-06-09:** To approve the MB Historical Commission Memorandum of Understanding (between CCMBC and USMB Conference) as presented. **SC**.

8. **Motion 2014-06-10:** To approve the purchase of MB Herald subscriptions for all members of CCMBC churches. SC.

9. **Motion 2014-06-11:** To approve the CCMBC Sandbox in principle. SC (with some opposing votes)

Discussion regarding the Sandbox focused on the wording that was used in the mission statement. Willy Reimer (ED) committed to more processing and clarification. The Sandbox is meant to enable CCMBC staff to focus on resourcing churches.

It was stated that questions and comments from additional Thursday breakout sessions will be summarized for Saturday morning.

10. **ICOMB report (pg. 29 – Event Book):** David Wiebe brought greetings from ICOMB (convention held in Angola in May). Convention delegates were encouraged to sign up for the ICOMB update and pray for the churches in other countries. The Global Scholarship Fund is limited but allows about \$40,000 to be distributed annually to train leaders in these countries. The ICOMB confession of faith has been translated into about 14 languages.

Breakout sessions – Friday, June 13, 2014

2:45-4:15pm

Two Breakouts sessions, each 45 minutes long, were held to give people the opportunity to learn about various ministries/ministry partners of CCMBC. Delegates chose 2 of the following to attend:

- Leaders 2 Learner (L2L)
- C2C Network
- MB Mission
- MBBS Canada

Breakouts were well attended.

Celebration Service – Friday, June 13, 2014

7:00pm

Mark and Carolyn Burch welcomed everyone to the Celebration Service. Those gathered heard testimonies from Rob Dyck (Arnold Community Church), Joe Haynes (Beacon Community, Victoria, BC), Howie Wall (Bethany College) and Veronique Beaudin (L'Intersection and ETEM Quebec). Bruce Enns spoke about gardeners and builders in the church and how both are very important.

Business Session – Saturday June 14, 2014

8:30-11:30am

Paul welcomed delegates. A time of worship ensued and a devotional was given by Brian Cooper (BFL Chair)

1. **Board of Faith and Life (BFL) report:** The Board of Faith & Life gave their report (Brian Cooper – Chair, Terrance Froese – vice-chair and Ingrid Reichard – secretary). (Event Book pg. 10) The BFL conference on Human Sexuality October 2013 had the highest attendance of all MB study conferences. The conversation will be continued in June 2015 with an emphasis on pastoral application and biblical interpretation. Terrance Froese commented on the BFL discernment of the “Prophetic Word” from the National Office Review presented at Gathering 2012, quoting from the BFL letter to the constituency

(published in the December 2012 issue of the MB Herald). BFL affirmed the words spoken as an encouragement to CCMBC, since it is in line with the conviction and direction that God is leading. Are we obeying God? Are we showing the fruits of the Spirit?

Ingrid Reichard (secretary) spoke about the potential review of the MB Confession of Faith. A survey was sent out, and early results indicate that most articles do not need review but some need clarification. A translation of the full COF into French is being completed while a Chinese translation is in process. Other publications of BFL are also being translated.

Pastoral Credentialing Orientation (PCO) is held annually for new leaders. Attendance at PCO 2014 numbered 63, over 50% of these were from a non-MB background. The credentialing process is now carried out nationally.

Changes to the BFL executive team: Ingrid will be assuming the position of vice chair for the next 2 years, replacing Terrance who has recently taken over the Saskatchewan conference minister responsibilities.

2. Mennonite World Conference (MWC) report: Cesar Garcia (current chair from MB Columbia conference) brought greetings from the 103 church conferences making up MWC, a Global Mosaic. There are 1.7 million members with 65% from the southern hemisphere. In 2015, the next MWC congress preceded by ICOMB will be held in Pennsylvania, USA. The first Global Assembly was held in Switzerland in 1925 and rotates to various areas once in a generation. The last assembly held in North America was in Winnipeg in the 1990's. Cesar invited delegates to attend and expressed thanks to CCMBC for their support in many ways. Although the main languages are English, French & Spanish, resources are being translated into many other languages. Paul prayed for Cesar.

3. MCC Canada – Don Peters (executive director) shared of his recent experiences in Rwanda Burundi where genocide occurred 20 years ago. MB members have been involved in MCC's restoration and reconciliation activities in that area. Hutus and Tutsis are sitting together studying the Word – they are all partners in Christ who need to ask for forgiveness and to forgive. MCC is the work of Anabaptists in the world. Paul prayed for Don in his work with MCC.

Business session was called to order by Paul at 9:32. Discussion guidelines were reviewed.

4. Election Results 2014: – 129 ballots were cast. All candidates were elected/affirmed with 96-100% affirmation. Elected individuals are as follows:

- Moderator: Harold Froese - 2016
- Assistant Moderator: Len Penner - 2016
- Secretary: Vic Martens - 2016
- Members-at-Large: Mark Wessner / Karen Grace Pankratz - 2018
- MBBS Board appointees: Kristen Corrigan / Rob Dyck - 2018
- MB Mission board appointees:
 - David Marshall (BC) / Rick Reimer - 2018
 - Alan Dickens / Ed Heinrichs - 2016
- MB Historical Commission board appointees: Dora Dueck / Patricia Janzen Loewen - 2018

Paul led in prayer for the elected individuals.

Motion 2014-06-12: To destroy the ballots. **SC**

5. Financial statement presentation: Len Penner thanked the participants in the finance breakout session for their comments and questions. Notes were taken which will be made available to participants. Discussion in the breakouts was related to: 1) Transition of stewardship activities to the new Legacy fund (driven by compliance to our charter, new government regulations and risk reduction). More detail was requested; however, due to legal advice, more detail could not be given at this time, but it was stated that this transition helps CCMBC in moving towards compliance. 2) Restatement of 2012 results (resulting in reduction of reserves – proposed sale of surplus development properties will increase reserves; management of expenses for transition will be reviewed); and the managing of expenses going forward, and 3) Review of staffing costs - while this question could not be answered immediately, Len expressed commitment to review and return to this topic in the future.

Motion 2014-06-13: To approve the 2013 audited Consolidated Financial Statements for CCMBC as presented. **SC**

Motion 2014-06-14: To approve the 2013 audited Financial Statements of the Canadian MB Pension Plan as presented. **SC**

Motion 2014-06-15: To appoint KPMG as auditors for CCMBC for fiscal year 2014. **SC**

6. Budget 2015 presentation: Harold Froese thanked participants for their comments. Clarity in presenting financial info on staffing levels and costs will be addressed for 2015. There have been changes in staff over the last 2 years, some FT, many PT. Costs were reduced without affecting ministry. Presentation of flow-through funds will be addressed since figures could be skewed. Momentum in ministry brings pressures on financial projections – we don't want to hinder progress but we need to be fiscally responsible. Alignment of mission is the primary motivator in financial considerations. Harold referred to the images of the builder and the gardener presented by Bruce Enns in his message on Friday evening – all of our gifts need to be used together. The 2015 budget was presented (Event Book – p. 15).

Motion 2014-06-16: To approve the 2015 budget as presented. **SC**, with a few opposing votes.

Budget discussion:

The Finance team was acknowledged for their work.

Q: A question was asked regarding the funding of ICOMB and MBBS

A: Regarding contributions to ICOMB, the reduction in the budget is a signal to other countries for them to support ICOMB – CCMBC does not want to be seen as running ICOMB.

Contribution to MBBS is being reviewed by the Finance team together with the MBBS board and other higher education leaders. Last year MBBS received \$200k from the budget and \$50k from stewardship tithe.

Q: There was a question surrounding the replenishment of operating reserves

A: There is a strong commitment to replenish this fund. Reserve for investments is at \$2.7 million at present with a goal of 10% to \$26 million (Event book, pg. 16).

Q: There was a request for clarity regarding ministry and stewardship operations

A: A clear distinction is not available at this time. Although deposits in stewardship are growing, there will likely be increased but unknown costs in moving toward the stewardship fund.

Q: There was a question about stewardship earnings used to fund ministry.

A: The plan is to have a separate Legacy board controlled by CCMBC. Earnings from that fund could be made available for various ministry opportunities but not necessarily.

Motion 2014-06-17: To accept board and committee reports as presented in Gathering booklet and verbally. **SC**

Paul presented the 2014-16 Executive board and Executive team and lead in prayer for them. Karen West and Kerry Dyck prayed for Willy and Executive team.

Thanks were expressed to the Westside Church hosting team and to Michelle Penner (Event Planner) and her Gathering team.

Motion 2014-06-18: To adjourn. **SC**

Reg Toews, Parliamentarian, expressed appreciation to the leadership team and the delegates for the spirit of community demonstrated throughout Gathering 2014 by the way that they were working together to serve the Lord with humility and respect for each other.

Presentations were made to Paul Loewen by in appreciation for 12 years of service on the Executive Board, with the last 4 as moderator, and to Ralph and Grace Gliege. Ralph served 22 years as Conference Minister in Saskatchewan and also served CCMBC in his role as BFL Board Member.

Convention was concluded with a time of worship and a sending out by Willy Reimer for each person to pursue what God has called them to do. (1 Peter 1:24-25).

Convention closed at 11:21am.

Summary of Motions

Motion 2014-06-01: To approve Ballot team of Erica Boschman (River West church) and Rob Dyck (Arnold Community church) **SC**.

Motion 2014-06-02: To approve Reg Toews (Greendale) as parliamentarian. **SC**

Motion 2014-06-03: To approve the Agenda as presented. **SC**

Motion 2014-06-04: To approve the minutes of Gathering 2012 as presented. **SC**

Motion 2014-06-05: To approve changes to the CCMBC General Operating bylaws as presented. **SC**

Motion 2014-06-06: To approve the MBBS Canada bylaws as presented. **SC**

Motion 2014-06-07: To approve the MB Mission bylaws (USA) as presented. **SC**

Motion 2014-06-08: To approve the MB Mission bylaws (Canada) as presented. **SC**

Motion 2014-06-09: To approve the MB Historical Commission Memorandum of Understanding (between CCMBC and USMB Conference) as presented. **SC**

Motion 2014-06-10: To approve the purchase of MB Herald subscriptions for all members of CCMBC churches. **SC**

Motion 2014-06-11: To approve the CCMBC Sandbox in principle. **SC**, with some opposing votes.

Motion 2014-06-12: To destroy the ballots. **SC**

Motion 2014-06-13: To approve the 2013 audited Consolidated Financial Statements for CCMBC as presented. **SC**

Motion 2014-06-14: To approve the 2013 audited Financial Statements of the Canadian MB Pension Plan as presented. **SC**

Motion 2014-06-15: To appoint KPMG as auditors for CCMBC for fiscal year 2014. **SC**

Motion 2014-06-16: To approve the 2015 budget as presented. **SC**, *with a few opposing votes*.

Motion 2014-06-17: To accept board and committee reports as presented in Gathering booklet and verbally. **SC**

Motion 2014-06-18: To adjourn. **SC**

**Canadian Conference of Mennonite Brethren Churches
Minutes for Annual General Meeting, Study Conference 2013,
October 16, 2013, River West Christian Church, Edmonton, AB**

Business Session - Wednesday, October 16, 2013

3:30 - 5:00 pm

1. **Welcome** and prayer was done by Paul Loewen, Colossians 1:15-20 was read.
2. **Discussion of business procedures / recording secretaries**: Vic Martens, Teresa Born
3. **Approval of agenda** – minor reorganization issues / quorum has been reached – 166 delegates registered.
4. **Moderator's Report - Paul Loewen, Moderator of CCMBC** – p.9 of Event Book
5. **National Office Review - Willy Reimer, Executive Director of CCMBC**
Paul commented on the extent of Willy's travels on behalf of CCMBC. Willy encouraged delegates to read the report. Willy preached at 125th anniversary of Winkler MB church. This church was established as a result of a mission emphasis from the convention in Nebraska to reach their relatives who did not know Christ. Churches in neighboring communities and Winnipeg were established shortly thereafter. Much work has been put in by partnering churches. Ron Toews (Leadership Development) has developed a number of resources for churches which will be unveiled in January 2014. Provincial conferences, boards, and church leaders have reviewed the National Office Review document. Communications director has not been hired to date. CFO John Wiebe has retired; Bertha and her team have backfilled ably. Norbert Bargaen has been hired as HR director and also looks after property management. JP Hayashida was recently hired as Director of Operations (formerly at MB Mission for 8 yrs) to improve the effectiveness of the National and Provincial offices. The Manitoba conference will be moving in to the Winnipeg CCMBC offices to improve effectiveness. A board retreat was held in June concentrating on Leading from the Sandbox (developed by E Free Church of America). A draft of the Vision/Mission of CCMBC has been processed and dialogue is now happening with provincial conference leaders. This will be presented at Gathering 2014. No questions were presented.
6. **Stewardship Review - Harold Froese**
We need to over-consult and go slowly to go faster. The stewardship fund was established for churches and our institutions to borrow money for building projects. Giving for the fund was overwhelming and was more than required. The current level is \$260m. Additional revenue from stewardship earnings created the situation where more than 50% of CCMBC expenses were funded by earnings compared to church donations. KPMG and Filmore Riley were engaged to review the operation of the stewardship fund as to compliance and effectiveness. Professional advice has been received and is being implemented. Regulatory bodies have been contacted and informed of CCMBC proposed actions. Funds on deposit

from constituencies and mortgages presently in effect are being monitored. All properties not presently being used for conference-related activity in the short term are being sold. These funds will be used to fund the transition to financial compliance. The funds are secure and being looked after. Protocols for approving loans and investment policies are in place and are being rigorously reviewed. No questions were presented.

7. **Financial Statements - Howie Wall**

Howie reviewed the financial statements for CCMBC, Stewardship division, and Pension plan (p. 12 – Event Book gives a summary). Audit statements provide clean slate and exhibit a strong financial status. Statements are for 7 months, due to the change in year end from May 31 to December 31, so comparison is difficult. The goal is to be transparent in all financial affairs. There is a transition of all activities to fuller consolidation to allow for better analysis. The Pension plan is doing well. No questions were presented.

Motion 2013-10-01: To approve the financial report and statements. **SC**

8. **Auditor appointment - Howie Wall**

The Executive Board recommended appointing KPMG as auditors for 2013 and 2014. Proposals were solicited from both BMO Dunwoody and KPMG. BMO has been CCMBC auditors for over 20 years and the account manager is retiring.

Motion 2013-10-02: To appoint KPMG as auditors for 2013 and 2014. **SC**

9. **Budget 2014 - Harold Froese**

Budget has been derived from actual 2013 expenses to August 31 and estimated for August-December. Operational expenses for 2014 have been reduced by \$449k. There is significant collaboration with provinces & other ministry partners in all ministry areas. There are reduced stewardship earnings with a 5% increase in church support and 6% increase in donations growth. About 50% of properties will be sold in the coming year to build cash reserves for funding transition phase. (p. 15) - Costs are being allocated to ministry centers. \$250m under mgt is returning about \$10m to clients. C2C budget (p.16) is broken out as to provincial and national contributions and expenses. \$1.1m is the contribution from national office with expenses of \$625k. The tithe from 2013 was donated to Mennonite World Conference 2016 and the contingency was donated to MBBS for non-formal education. These items are not renewed for the 2014 budget. \$1.47m is being drawn from reserves to fund the transition phase.

Discussion:

Q - A member from Westside Gathering, Montreal, QC asked what caused the compliance issues.

A - Harold Froese: The regulatory environment now calls for more safeguards for depositors and scrutiny of lenders since 2010. This causes more work for staff, reduced earnings due to higher costs.

Q - A member from Neighbourhood Church, Nanaimo, BC asked: Why is the funding for MBBS so much less than for C2C?

A - Harold Froese: Many agencies have been consulted. MBBS is funded 26% by CCMBC.

Q - A member from Eagle Ridge Bible Fellowship, Coquitlam, BC asked whether the increase in compliance ensures lower risk.

A - Harold Froese: Should the stewardship fund be limited to 2x mortgage lending? Risk is reduced by better oversight policies for lending, not by an increase in compliance.

Q - A member from Hepburn MB, Hepburn, SK asked for clarification of finance expenses.

A - Harold Froese: Operational costs are net.

Comment - A member from Southridge Community Church, St. Catherines, ON expressed gratitude for the work of the finance committee and staff in helping ON conference to rebuild.

Q - Harold Froese: How can we partner in ministry better?

Motion 2013-10-03: To approve the budget for 2013 and 2014 as presented. **SC**

10. **Notice of Motions** - Vic Martens

The following will be presented for decisions at Gathering 2014:

- A. Changes to the Memorandum of Understanding and Bylaws for MBBS Canada (MOU and Bylaws for MBBS Canada will be available electronically at Study Conference for those interested in reviewing it prior to Gathering 2014)
- B. Changes to the Bylaws for the Canadian Conference of MB Churches (Bylaws for CCMBC will be available electronically at Study Conference for those interested in reviewing it prior to Gathering 2014)

11. **Closing comments** - Password for WiFi was presented to participants. Capacity is limited.

12. **Adjournment** - The meeting was adjourned in prayer by moderator Paul Loewen at 4:55pm.

Minutes by: Victor Martens, Teresa Born

GATHERING 2014

MULTIPLYING FOR MISSION



EVENT BOOK

THE CENTRE, VANCOUVER, B.C., JUNE 11–14, 2014



CANADIAN CONFERENCE
of Mennonite Brethren Churches

WELCOME TO GATHERING 2014



God has been at work in amazing ways across Canada since we last met in Winnipeg in 2012. In fact, the very building we're meeting in testifies to God's amazing provision as the Holy Spirit has led people to give, making it possible to have a church-owned meeting space in the heart of Vancouver.

Throughout our time together, we will hear stories of the transforming power of God at work in the lives of Canadians through the local church from coast to coast. We will meet old friends and make new ones. We will worship our Creator and Lord. We will lift up the name of Jesus and declare His lordship over the Canadian Conference of Mennonite Brethren Churches. Most importantly, we will pray and seek God's guidance for the ministry He has called us to as a family of churches.

I invite you to pray that God will prepare your heart for what He wants to do in you individually and through us corporately in the days ahead. Pray for God's Spirit to speak through presenters, workshop leaders and plenary speakers. Pray for the outpouring of the Holy Spirit as we give ourselves to Jesus and His purposes in this world. Welcome to Vancouver!

Willy Reimer, Executive Director

Welcome to Gathering 2014, the biennial convention of the Canadian Conference of MB Churches! We come to Gathering for different reasons – to be inspired by what God is doing among and through our churches, to rebuild and strengthen relationships with one another, to reflect on the reports and information of the past two years, and to engage in the collective mission of MBs in Canada. We're at an important chapter in our MB story in Canada. On behalf of the Executive Board, let me say that your participation and involvement in this community is highly valued. Prepare to invest in friendship, to hear what the "Spirit is saying to the (MB) church," and to respond together in the mission He has for us! Welcome to Gathering 2014!

Paul Loewen, CCMBC Moderator

Welcome, on behalf of the MB churches in British Columbia. We've been praying for you and believe these days together have been ordained by God for His good purposes in our nation. We are especially delighted you've made the journey west to join us in celebrating Jesus right in the heart of Vancouver. Our Lord cares for the lost millions in the cities of our nation, and your presence with us is an important partnership in His mission to establish His church in B.C.'s largest urban centre. Please enjoy the beauty and diversity of this place and its people, open your heart to all that God will speak to you throughout this Gathering, and be willing to invest yourself in mission as He leads.

Rob Thiessen, B.C. Conference Minister

GATHERING 2014 NOTICE OF MOTIONS

THURSDAY SESSION:

- a. Officially call meeting to order
- b. Motion to approve agenda as presented
- c. Motion to appoint ballot team & parliamentarian
- d. Motion to approve minutes of Gathering 2012 as presented

FRIDAY DECISION MAKING SESSION:

- e. Board Elections & Affirmations by ballot:
 - i. Elections for Nomination Committee
 - ii. Elections for Executive Board member positions
 - iii. MBBS Board affirmations
 - iv. MB Mission Board affirmations
 - v. MB Historical Commission Board affirmations
- f. CCMBC general operating bylaws
- g. MBBS bylaws
- h. MB Mission bylaws (Canada)
- i. MB Mission bylaws (USA)
- j. MOU with US MB Conference regarding the Historical Commission
- k. Motion to approve MB Herald subscriptions
- l. Motion to approve draft of CCMBC mission (Sandbox)

SATURDAY DECISION MAKING SESSION:

- m. Presentation of the election results and motion to destroy ballots
- n. Motion to approve the audited financial statements as presented
- o. Motion to approve KPMG as auditors
- p. Motion to approve 2015 budget
- q. Motion to accept the reports from committees as presented in the Gathering book
- r. Motion to adjourn

CONVENTION FLOOR GUIDELINES

1. We strive for unity and respect, involving participation of all assembled, as we deliberate decisions that shape the future of our conference.
2. Delegates should stand to speak at a nearby microphone. Please use the following protocol:
 - a. Wait for acknowledgement by the Moderator.
 - b. State your name, church and community you come from.
 - c. Address the Moderator.
Delegates may not dialogue with each other on the floor.
3. Keep remarks to the point. Avoid repeating statements already made by another delegate.
4. Take care to confine remarks to the motion or resolution under discussion.
5. A delegate may speak to an issue more than once, unless there are other delegates who wish to address an issue. A delegate should not ask for the floor more than 3 times on one issue. The mover of a motion may answer questions to a motion as often as they are raised.
6. Individuals other than delegates may be permitted to speak, subject to the decision of the Moderator. The assembled delegates may, by a simple majority vote, override the decision of the chair.
7. Only delegates are permitted to vote.
8. In general, Roberts Rules of Order will be followed.

EMERGENCY CONTACT INFORMATION

In case of emergency please call Michelle Penner at 1-204-995-3018 (cell) any time.

EXECUTIVE DIRECTOR REPORT

Two years ago, I reported that the executive board believed our family of churches was poised “to make a significant contribution for Christ at this time in history.” While there is still much work to be done, we can point to many faith stories from across Canada highlighting God’s work among us. Over the next few days of Gathering 2014, you will hear some of those stories.

At Gathering 2012, we presented “Four Messages from the Heart of God” for your encouragement and discernment. The Board of Faith and Life was asked to discern the veracity and applicability of this message, which they did. (See December 2012 MB Herald.)

These four messages have provided a backdrop for the ministry of CCMBC as we recognize the timeliness of the national office review, the initiatives that have subsequently been launched and the staff the Holy Spirit has brought together.

First, we acknowledge we are ministering in a “sacred moment in time” the Lord has prepared for CCMBC. It’s been exciting to watch God work among us to increase unity, to see churches and provincial partners lean into joint ministry and to witness God’s blessing as a result of these efforts. It has been such a great privilege to work with provincial boards and staff, pastors and lay leaders who are committed to maximizing ministry impact from coast to coast. The Multiply Conference brought young and old churches together to learn from each other and discover how to better apply the concept of multiplication in disciple-making ministry.

Second, we heard CCMBC leaders express a “Holy Spirit discontent” because our conference ministries weren’t facilitating the maximum ministry impact of local churches. I’m excited to report that the discontent is slowly turning into collaboration as churches and leaders tap into the resources that connect them with other Canadian leaders who have the same agenda of seeing Canada transformed by the good news of Jesus Christ. Many pastors and ministry leaders have expressed appreciation for CCMBC’s focus on meeting the needs of the local church through administrative support (payroll, benefits and mortgages) and leadership equipping (C2C cadres, annual retreats and L2L resources at www.learners2leaders.ca).

Third, we received a word saying that future generations will ask what we did to cooperate with God’s leading at this junction in history. The Hemorrhaging Faith study (sponsored by the Evangelical Fellowship of Canada) confirmed that the church needs to consistently seek guidance from the Holy Spirit in order to understand how we can help each generation develop a deep faith that understands the timeless truth of God and is applied in timely, Spirit-led ways. There’s a national sense of urgency to inspire youth and young leaders to passionately follow Jesus. God is moving in the lives of young Canadians who desire to follow the Spirit’s leading into camp ministry, international missions, church planting and Christian leadership. As school presidents and camp directors gather in their networks, we see increasing collaboration to equip and deploy young leaders.

Our fourth and most difficult message was the call to “lower the flag” of the Mennonite Brethren denomination so “the flag of Jesus Christ alone” be lifted up, enabling God to work through us to be a “lighthouse” to the nation. This word caused concern in many quarters. Were we abandoning our convictions, confession or faith-forming history? No! Were we trying to strip our denomination of our identity? No! Do we believe God is calling us to partner with others who share our passion and vision to reach Canada with the good news of Jesus Christ? Yes! The joy of seeing multiple denominations gather monthly for teaching, resourcing, encouragement and prayer is humbling and inspiring.

Leaders from across Canada heard the Spirit calling us to raise Jesus higher than our denomination so all glory and honour will go to Him rather than our “brand.” We praise God for 154 years of faith-filled spiritual formation, forged through the fires of pain and persecution, which have created a global family that desires to faithfully and missionally express our evangelical Anabaptist convictions. We simply believe the time has come for us to use this robust heritage as the springboard for greater ministry collaboration for God’s glory and for the sake of Canadians who do not yet know Jesus Christ. In an effort to align our thinking and passions, we engaged in an exercise to articulate a new mission statement for CCMBC. Our CCMBC mission statement had not been reviewed since the mid-

1990s, and we felt the need for common language and an agreed upon set of priorities to guide us at this opportune time in history. This document, based on our Confession of Faith and expressed within our bylaws and governance model, is being presented in draft form for approval.

CCMBC MISSION:

To multiply Christ-centred churches to see Canada transformed by the good news of Jesus Christ.

GUIDING PRINCIPLES:

1. We are Bible-based and Spirit-led.
 - We accept the Bible as the infallible Word of God and the authoritative guide for faith and practice.
 - We intentionally seek guidance from the Holy Spirit with the intent of ministering in obedience to God's leading. To be Spirit-led is to be open to moving in new ways. It is timely action rooted in the timeless Word of God, which leads to new and creative thinking and methodologies.
2. We are gospel-focused and kingdom-oriented.
 - We believe in the transforming power of the gospel to bring new life to Canadians.
 - We believe in humanity's need to hear, receive and respond to the gospel message.
 - We believe the in-breaking kingdom of God was initiated by Jesus Christ and will be fully realized at His return. God's in-breaking kingdom transforms lives, society, structures and communities.
 - We believe kingdom ministry is done holistically; it is the whole gospel for the whole person exhibited by "being, telling and doing" the good news of Jesus Christ.
3. We are called to resource for fruitful ministry.
 - We focus on being a multiplier for ministry. We do not do ministry for the local church; we enhance the ministry of local churches.
 - We evaluate the work we do for fruitfulness and make changes to the effectiveness of our ministries. We will identify and report on ministry benchmarks.
 - We make every effort to minister with excellence, giving our best to maximize the resources God has given us for the benefit of the church and the glory of God.

4. We are a learning community.
 - We believe the Holy Spirit continues to reveal God's heart, creativity and methods to his people. Therefore, we will pursue new ways of fulfilling God's call to develop, resource and empower ministry leaders for multiplying Christ-centred churches.
 - We believe God speaks through His people. Therefore, we will intentionally discern the leading of the Holy Spirit through the Word of God in community.
5. We are partnership-oriented.
 - We partner with churches, provincial conferences, schools, MBBS Canada, MB Mission and like-minded ministries and leaders who also desire to multiply disciple-making Christ-centred churches.

PREFERRED CULTURE:

We are a Christ-centred, transformational community.

1. Risk-taking, Spirit-led faith
 - We bathe the planning and budgeting process in prayer, so we express the Spirit's leading in all we do.
2. Sacrificial generosity
 - We serve with generosity for the benefit of our ministry partners to enhance the effectiveness of the local church and give glory to God.
3. Interdependence and cooperation
 - We work together to maximize the effectiveness of all conference ministries to multiply Christ-centred churches.
4. Speaking truth in love
 - We honour each other by speaking truth with grace and compassion in order to bring out the best in each other.
5. Prayer-permeated
 - We bathe all CCMBC ministries in prayer, raise up prayer teams and seek to develop a culture of prayer.
6. Storytelling and celebration
 - We communicate the stories of God's work across Canada to build the church, develop partnership and inspire people.

CENTRAL MINISTRY FOCUS:

Helping multiply leaders and disciple-making churches

*Prayerfully submitted by
Willy Reimer, Executive Director*

EXECUTIVE BOARD REPORT

Gathering 2012 delegates communicated a number of issues that required the Executive Board's (EB) attention. We identified five key areas needing our attention: National Office Review (NOR), budget sustainability, stewardship fund review, monitoring and measuring CCMBC programs, and better communication. In addition to dealing with Gathering 2012 issues, the Executive Board has worked to clarify CCMBC's mission, purposes, strategic plan and financial transparency.

NATIONAL OFFICE REVIEW. Known popularly as the "Mochar Report," the review was commissioned by the Executive Board in fall 2011 in order to better understand the relationships and systems related to the national office. The review focused on what the national office was doing (or not doing) well in its relationships with provincial conferences and churches, and also highlighted internal challenges and obstacles (i.e., office systems and relationship structures, etc.). The following actions, based on Gathering 2012 requests, have been taken:

- a) A request from the Gathering floor "to have the Board of Faith and Life (BFL) take the lead to discern the Prophetic Word from the Mochar Report." The BFL and EB held a joint meeting to receive the BFL's response and dialogue together. A response was published in the December 2012 *MB Herald*.
- b) Gathering 2012 delegates voiced an interest in making the Review available to the churches. The Review, with a contextual summary, was sent to churches in October 2012. Also, a variety of town hall-type meetings were held to further process the NOR. Additional conversations with leaders across the country have kept the issues in focus and under appropriate scrutiny.
- c) The EB has processed many of the NOR's recommendations. The strategic recommendations have resulted in a new CCMBC mission (Sandbox), services model and structure. These key elements will be processed at Gathering 2014.

BUDGET SUSTAINABILITY. Gathering 2012 delegates requested two items of clarity – further information on budget sustainability and a better understanding and breakdown of the significant increase in the 2012–13 budget. The EB reviewed the 2012 budget details and presented a thorough financial report at the 2013 AGM. The 2015 budget will reflect the strategic alignment of resources to CCMBC's ministry priorities as determined by the EB's allocation of CCMBC resources.

STEWARDSHIP FUND REVIEW. Gathering 2012 delegates voiced a desire for a review of the stewardship fund particular to risk management, compliance and governance. The review has been completed and a new stewardship fund structure and governance will be presented to Gathering 2014. In addition, the Canada Revenue Agency completed a charity audit of CCMBC in December 2013.

MONITORING AND MEASURING CCMBC PROGRAMS. Conference delegates also expressed a need for better ways of monitoring and measuring major conference initiatives, such as leadership development, outreach initiatives and provincial partnerships. The EB is committed to ensuring that all CCMBC initiatives are conducted in accordance with our Confession of Faith, denominational values and ministry priorities. The EB has established a Measurements Committee to work with CCMBC staff to develop qualitative and quantitative indicators by which each ministry is evaluated. The EB is also establishing a Partnership Committee to better review alignment and relationship between our various partner agencies.

BETTER COMMUNICATION. A better communication plan is being developed and specific steps, including appointing an interim communications director and publishing regular post-board meeting updates in the *Herald*, have been taken. Provincial moderators are also taking action in this communication initiative by asking for provincial/regional meetings where such information can be delivered and received in a more contextual and relational manner. The EB and staff have invested increased effort and resources to better establish and build provincial-national partnerships and initiatives.

ISSUE /CONCERN	TASK	DUE DATE	STATUS
National Office Review	Prophetic Word – BFL discernment	October 2012	100%
	Distribution of Review	October 2012	100%
	Provincial "town hall" consultation meetings	May 2013	100%
	NOR recommendations – processed by EB	April 2014	100%
	NOR recommendations – implemented by staff	December 2020	20%
Budget	C2C reporting	January 2013	100%
	Budget increase breakdown	January 2013	100%
	Alignment of funds to services model and strategic plan	January 2015	75%
Stewardship Fund	Compliance	January 2013	100%
	Risk	January 2013	100%
	Governance	January 2013	100%
	New structure implemented	April 2014	10%
Monitoring and Measuring	Measurement Committee assigned	October 2012	100%
	Process and plan w/ CCMBC staff	April 2014	25%
Communication Plan	Establish regular reporting	January 2013	50%
	Distribute status updates	April 2014	75%

*Submitted by, Paul Loewen,
Moderator CCMBC Executive Board*



MEASUREMENT COMMITTEE REPORT - C2C NETWORK

At Gathering 2012 in Winnipeg, delegates asked the CCMBC Executive Board to measure outcomes of CCMBC's ministry, particularly the C2C Network due to concern over CCMBC's previous church planting initiatives. In an effort to enhance transparency and accountability, the Executive Board is in the process of developing qualitative and quantitative metrics for all CCMBC ministries and partner agencies to ensure strategic ministry alignment of human and material resources.

The approved CCMBC C2C budget for the 2013 fiscal year was \$1,700,000 of funding and \$1,024,000 of donations and provincial flow through, for a total of \$2,724,000. Actual expenses for 2013 were \$2,785,389, which was within 2%.

The goals of the C2C Network are to grow a church multiplication movement through inspiring and equipping established churches to multiply, and to develop a church planting network that is gospel centred, Spirit led and mission focused. In its efforts to multiply Christ-centred churches to see Canada transformed by the good news of Jesus Christ, the C2C Network openly partners with churches from other denominations across Canada. This willingness to work interdenominationally is strategic to seeing the mission of CCMBC fulfilled. C2C acts as a catalyst for church multiplication across Canada.

Many specific measurements were tracked internally by conference staff and some key measurements that indicate the progress made since June 2012 (when the request was made) to December 31, 2013 (end of the fiscal year) appear in Table 1. The numbers of church plants are listed by province so the nation-wide impact can be seen. You will see starting numbers as of June 2012, then totals for December 31, 2013. Remember that changes in totals are the result of new plants added (which increases the total) as well as church plants that have graduated or closed (which decreases the total).

Twelve new church plants were added in 2013 for a total of 55 church plants across Canada resourced by C2C. Two Mennonite Brethren church plants closed, representing a ratio 1:25 of current churches in the network. By comparison, four churches have graduated, meaning they're no longer considered

to be in the planting stage and are now established churches.

The systematic focus on large group training events (9) as well as mentoring church planting apprentices (16) shows a dedication to resourcing the growth of churches. C2C is building coaching/mentoring and other resourcing methods for the pastors and leaders in these churches. As these new initiatives develop, additional measurements may be discerned.

We are particularly pleased to report that prayer support has seen strong growth over the 18 months, as prayer is essential to the Spirit's work in church multiplication. Our sincere thanks goes to all those who pray faithfully for C2C.

C2C and the Executive Board are committed to transparency and accountability, so the measurements reported in Table 1 will continue to be tracked and reported over time. However, since C2C is a Spirit-led movement, the ten measurements should not be interpreted as the goals of C2C; rather, they are important measurements that indicate the progress made toward the ultimate goal of seeing Canada transformed by the good news of Jesus Christ.

At this point, the Measurement Committee has not developed an extensive set of measures for C2C beyond these internally tracked figures. Additional time is needed to determine the most appropriate measurements to track because C2C is a relatively new initiative and because the Executive Board is still working on service definitions as well as strategic goals and outcomes as part of the five-year board strategic plan. In addition, our director of operations, J.P. Hayashida, is a recent hire and is working internally to develop measureable outcomes. The board wants to respect this timing and work alongside staff.

The Measurement Committee is committed to work with CCMBC staff to develop a full measurement strategy of denominational initiatives, as it is our intention to have clear, measureable outcomes for all initiatives tracked over time. Resourcing Churches Developing Leaders, under Ron Toews, is already well under way in this regard.

Respectfully submitted, Sam Reimer, for the Measurement Committee

TABLE ONE	June 2012	Data from January 1 to December 31, 2013								Dec 2012	
		Total	BC	Alberta	Sask.	Manitoba	Ontario	Quebec	Atlantic		Nat'l
Total number of church plants in network	49	22	3	4	5	10	10	10	1		55
Total number of MB church plants in network	42 of 49	16	1	4	5	7	5	1	1		39 of 55
New church plants launched in 2013		7	1			2	1		1		12
New MB churches launched in 2013		5				1	1		1		8 of 12
Number of MB church plants graduated in the past 18 months		3				1					4
Church plants that closed in the past 18 months		1	0	0	0	1	0	0	0		2
Church planting apprentices	8	2	4	1	1	4	2		2		16
Candidates who went through C2C assessment system											25
C2C large-group training cadres across Canada	3	4	0	0	0	3	0	0	0	2	9
Number of prayer supporters	304	413	107	19	17	61	32	0	0	67	716

BOARD OF FAITH AND LIFE REPORT

Theology drives mission. Board of Faith and Life (BFL) members are passionate about BFL work because we realize this.

Last October, when a record number of participants gathered for the study conference in Edmonton to reflect on our Christian commitments regarding human sexuality, everyone saw why the work of the BFL is so important. Theological conversations help guide who we are in Christ and what we're called to do in Christ's service. This spring, the BFL penned a pastoral letter outlining some of our observations and exhortations coming from that gathering. It seems clear to us that our fellowship recognizes in Scripture a clear trajectory regarding human sexual expression. Our confessional language reflects this, and study conference delegates did as well.

The BFL is keenly aware that a conference cannot in the space of three days hope to do justice to all of what is connected to biblical teaching on human sexuality, especially related to its abuses in contemporary culture. For that reason, the BFL has devoted the next study conference to application of the teaching of Scripture with sensitivity and clarity. The variety of sexual idolatries, both in our culture and in our churches, demands that we give consideration not only to what we ought to do to live well before God, but also to how to address people whose lives do not reflect godly priorities. In this, the goal is always to help conference churches accomplish the work we believe God has given us to do – namely, to bring the transformation of Christ, the power of the gospel, to bear on our nation.

At Gathering 2012, the BFL was commissioned to discern the prophetic word presented to conference delegates and report back. We devoted our October meeting to working through the discernment process, and the resulting report was published in the December 2012 issue of the Herald.

In response to a directive from the executive board, the BFL developed and distributed a survey for pastors and leaders to determine the level of engagement with our confession of faith. Responses to this survey will help determine the level of review that will be undertaken. The board has taken note of the excellent review process in the USMB conference over the past 16 months, culminating in a new draft of Article 13 for the USMB conference.

The hope of the BFL is that our work can be as constructive and beneficial as the American process appears to be.

In light of the need for Canadian theological resources in French to assist our Quebec churches, the BFL has begun to translate materials, beginning with the BFL pamphlets. As well, work on a French translation of the Confession of Faith with Commentary and Pastoral Application is now nearing completion. The BFL has discerned a corresponding need for confessional resources in Chinese, and is planning to commission a translation project in the coming year.

The BFL continues to be integrally involved in other work vital to the mission of the conference. Annually, the Pastors Credentialing Orientation familiarizes about 50 pastors and leaders with Canadian conference history, theological identity and mission. The BFL also recently completed a review and update of the credentialing process; we're particularly grateful to the pastoral ministries committee of the B.C. conference for the work they did in this regard. We thank God for the resources and plentiful expertise that exist in our fellowship.

In Christ's service,
Brian Cooper (chair), Terrance Froese (vice-chair), Ingrid Reichard (secretary), Paul Doerksen, Andrew Dyck (MBBS rep), Ralph Gliege, Bill Hogg (C2C rep), Paul Lam, Richard Martens, Keith Poysti, Willy Reimer (executive director), Stéphane Rhéaume, Rob Thiessen, John Willems, Ed Willms.

NOMINATIONS COMMITTEE REPORT

The Nominations Committee met numerous times over the last two years – a combination of email and face-to-face meetings. Nominations were solicited from the membership through the MB Herald and contact with various boards and committees. These names underwent an initial screening process that consisted of an application form, faith story and professional resume, and at least three references (local church, provincial conference, character). The Nominations Committee then reviewed the documents and presented their recommendations to the Executive Board for approval and submission to Gathering 2014 for election or affirmation. The following slate is presented to Gathering 2014 for action:

1. ELECTION

- a. Executive Board:
 - i. Moderator: Harold Froese (Man.) – 2-yr. term ending 2016
 - ii. Asst. Moderator: Len Penner (Man.) – 2-yr. term ending 2016
 - iii. Secretary: Victor Martens (B.C.) – 2-yr. term ending 2016
 - iv. Members-at-large: (max. 3)
 1. Mark Wessner (B.C.) – 4-yr. term ending 2018 (MBBS rep.)
 2. Karen Grace-Pankratz (Man.) – 4-yr. term ending 2018
 3. Vacancy – to be filled when new stewardship board is constituted
- b. Nominations Committee (max. 2)
 - i. Ike Bergen (B.C.) – 4-yr. term ending 2018
 - ii. Vacancy
- c. Board of Faith and Life
 - i. Vacancy – two

2. AFFIRMATION

- a. MB Mission Board – Canadian conference representatives
 - i. David Marshall (B.C.) – 4-yr. term ending 2018
 - ii. Rick Reimer (B.C.) – 4-yr. term ending 2018
 - iii. Alan Dickens (B.C.) – 2-yr. term ending 2016
 - iv. Ed Heinrichs (Ont.) – 2-yr. term ending 2016
- b. MB Biblical Seminary – Canadian conference representatives
 - i. Kristen Corrigan (Que.) – 4-yr. term ending 2018
 - ii. Robert Dyck (B.C.) – 4-yr. term ending 2018
- c. MB Historical Commission
 - i. Dora Dueck (Man.) – 4-yr. term ending 2018
 - ii. Patricia Janzen Loewen (Man.) – 4-yr. term ending 2018

3. INFORMATION

- a. MCC Canada delegate assembly
 - i. Ernie Schmidt (B.C.) – 3-yr. term ending 2016

Paul Loewen has completed his maximum two terms as moderator, which commenced with Gathering 2010. We thank Paul for his dedication and service to our churches in providing leadership. Others are completing their terms as well, and we thank them for their contributions on various boards and commissions.

*On behalf of the Nominations Committee,
Victor Martens – chair (EB secretary)
Arnie Peters (B.C.) – MAL
Provincial moderators*



BOARD NOMINEE BIOGRAPHIES

HAROLD FROSE

Position: Executive board, moderator

Harold Froese brings leadership and administrative skills that have been developed through his service and work experiences. He has served in various positions with the Manitoba Egg Farmers and in leadership roles such as caregivers chair, council chair, trustees chair and moderator at Fort Garry MB Church, Winnipeg. He was the assistant moderator of the MBCM board from 2009–2011 and is currently the MBCM board moderator. Since 2011, he has served as the Manitoba representative on the CCMBC executive board. Harold has a passion for “developing good board and governance policies to resource ministry.”

LEN PENNER

Position (continuing): Executive board, assistant moderator

Len Penner has served on many boards at the corporate level, with small businesses, churches, non-profit agencies and CCMBC. He would contribute to the board by being an active participant in discussions, and by supporting decisions and financial oversight. Len brings leadership skills and an understanding of finance and operations. He is passionate about “creating a conference that is relevant to churches and will be an effective, dynamic support to those on the front line of church work.” Len is a member of Fort Garry MB Church, Winnipeg.

VIC MARTENS

Position (continuing): Executive board, secretary

Vic Martens is committed to serving well and supporting others on the team. He has served on the board of Columbia Bible College, as a member-at-large on CCMBC’s executive board from 2010–2012, as secretary on CCMBC’s executive board, and as the governance and nominating committee chair from 2012–2014. His passion is to serve the greater constituency as well as his local church. Vic is a member of Ross Road Community Church, Abbotsford, B.C.

HOWIE WALL

Position: Executive board, member-at-large

Howie Wall currently serves as president of Bethany College, Hepburn, Sask. He previously worked at the University of Saskatchewan as director of operations and maintenance, as well as operational auditor. Howie has a strong financial and operational background in terms of work and training, and has “an ability to understand complexity and ambiguity and bring clarity into development of a way forward.” Overall, Howie strives to be a servant leader in all he does. He is a member of Forest Grove Community Church, Saskatoon.

MARK WESSNER

Position: Executive board, member-at-large

Mark Wessner serves as pastor at Westwood Church in Prince George, B.C., and also serves on the BCMB pastoral ministries committee. He has previously served with the Regan Community Foundation and the church board of elders. His skill set includes strategic and visionary leadership; an ability to see patterns, themes and commonalities in discussions and debates which often results in a “new way” that resonates with most participants; change and transition management; and organizational discipleship. His passion is to “help continue the Spirit-led and strategic leadership that is already evident within CCMBC.”

KAREN GRACE-PANKRATZ

Position: Executive board, member-at-large

Karen Grace-Pankratz currently serves as director of human resources at MCC Canada and is a member of MBCM’s personnel committee. She has served on her church council and been chair of the church’s personnel committee. Her passion is to “encourage organizations to demonstrate their mission and values in every plan, policy and activity, and then to see those same values reflected in each staff person and work environment.” Karen currently attends Fort Garry MB Church in Winnipeg.

IKE BERGEN

Position: Nominating committee, member-at-large

Ike Bergen is committed to teaming up with the committee in prayer and discernment to seek out nominations. He has previously served on CCMBC's executive board, board of faith and life, board of education and MB Mission. His passion is to seek "God's will in finding the people that He wants to serve in various ministries." Ike currently attends King Road MB Church in Abbotsford.

KRISTEN CORRIGAN

Position (continuing): MBBS Canada board, member-at-large

Kristen Corrigan has been president of ETEM-I.B.V.I.E. since 2008 and would bring leadership and governance skills to the board. She currently serves on MBBS Canada's governance committee and was a member of CCMBC's executive board from 2004–2012. "I believe the health of an institution is most impacted by the health of its board. My passion is to help MBBS Canada be the best seminary possible by active participation with the board," she says. Kristen attends Westside Gathering in Montreal.

DORA DUECK

Position (continuing): Historical Commission, member-at-large

Dora Dueck served as associate editor and editor of the MB Herald for five years and has been a member of the Historical Commission for four years, two as a general member and two as part of the executive. With her background in writing and editing, she brings an understanding of publishing from several perspectives, which would benefit the Historical Commission. She has a "passion for Mennonite history in general, as well as a commitment to writing as [her] vocation." She currently attends Jubilee Mennonite Church, Winnipeg.

PATRICIA JANZEN LOEWEN

Position: Historical Commission, member-at-large

Patricia Janzen Loewen serves as assistant professor of history at Providence University College, Otterburne, Manitoba. She has been a board member of House Blend Ministries since 2014 and serves on the senate of Providence University College and Theological Seminary and various senate committees. With training as a religious historian and a love of archives, Patricia is "committed to understanding the past as a way of expressing [her] faith." She believes that "healthy individuals and healthy churches are grounded in their faith traditions – both to preserve and to challenge the ways that faith tradition has acted in the past." She attends River East MB Church in Winnipeg.



FINANCIAL OVERVIEW

It continues to be a privilege for us as an Executive Board finance team to serve on your behalf. God has blessed us with financial resources to use “for a time” and we are very grateful for your generosity.

At Gathering 2012, we committed to a review of everything “financial” from the perspective of compliance, risk and governance. We view this as a critical component of ministry as we resource ministry on the ground through our provinces and churches. We’ve begun the review process, but have much more to do.

AUDITED FINANCIAL INFORMATION

At our October 2013 AGM, we made the decision to change our auditors to KPMG. As part of our financial review, the 2013 audit was quite extensive. It included a review of our financial information and how it’s reported. KPMG recommended some changes in how we report our financial information, and the Executive Board supported these recommendations. The changes, which will be explained in our audit report at Gathering 2014, will also better prepare us for the stewardship changes mentioned later in this report.

The auditors also reviewed a sample of our mortgage loans, deposit investments, properties, and investment policies and procedures. They were quite happy with the review steps we’ve taken to date. During our in-camera meeting, the auditors indicated our processes were sound at a staff level. They also expressed appreciation for the cooperation from our staff during what was an intensive audit.

2015 BUDGET INFORMATION

We began reviewing the budget information format for the 2014 budget presentation at our AGM in October 2013. We’re on a journey toward improving our spending management by reducing redundancies and overlap between provinces and national groups. The increased collaboration with our provincial partners is reducing our overall cost of ministry. Partnering with C2C and sharing office accommodations are two examples of this. We’re currently in transition, so the 2015 budget information doesn’t reflect all these changes – some costs are reflected more in national rather than provincial information.

PENSION PLAN

Our pension plan has about 1,000 employees enrolled. RBC Dominion Securities looks after this investment for us, and Lonny Andrews is our fund manager. He has led us through a review of our investment policy, which we’ll be presenting to the executive board for approval. Lonny is also ensuring we are in compliance. We have updated all our procedures to be compliant. The pension plan continues to do well, and we want to ensure this continues in order to be good employers.

INVESTMENTS

This area has involved the most extensive review from the perspective of risk, compliance and governance. We engaged the services of professional advisors KPMG and Fillmore Riley LLP to assist us in this process. Their advice was to separate the Stewardship Division from CCMBC and incorporate a new federal charity under the Canada Not-for-Profit Corporations Act. This recommendation was approved by the Executive Board and work has begun on this process. We want to emphasize that this is only a structural change, as the purpose and intent of the program will not change. Our churches still need this program as an option for mortgage funding

PROPERTIES

We have also reviewed all our property ownership. Some parcels are potential church plant sites, some are office accommodations and some are properties we plan to sell. Again, we are engaging appropriate professionals to assist us in valuing and selling some properties. This is a key element in assisting our current transition. Any transition to better compliance, risk and governance can reduce income and increase cost. Liquid investments can help during this period by making cash funds available.

MORTGAGES

This is a key ministry area and one of the original purposes of our Stewardship program. It’s still difficult to finance church buildings in much of Canada, and our mortgages have allowed us to do this. The need for mortgages remains, and we want to continue to offer this support for ministry. We are reviewing our policies and all related documentation, as we want to ensure the best

compliance, risk and governance processes we can.

As a finance team, we want to sincerely thank our financial staff and their teams. Bertha, Norbert, J.P. and Willy have done an outstanding job. It's not easy managing in a transition period while reviewing financial procedures and preparing for the future which only God knows.

We also want to thank all of you. The support, comments, questions – and, yes, even criticism – have been helpful as we move forward. It's been a blessing to us to see the deposit fund continue to grow because of your support, even in these days of transition.

Your finance team, Gerald Peters, Len Penner, Howie Wall, Harold Froese



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Gathering 2014
Canadian Conference MB Churches

Providing payroll services for
170 MB churches
and organizations

Bookkeeping services for
10 churches
and/or provincial conferences

Pension and benefits for
10000
ministry personnel

120 participated
in Multiply 2014

7 church plants launch

4 church
planter assessments
held across Canada
(completed - Vancouver & Montreal
coming soon - Calgary & Toronto)

MB Chinese Churches Association
1 new website: mbcca.ca

12 praise and prayer guides
produced by CCMBC
sign up at mennonitebrethren.ca

Canadian Conference of MB Churches

Summarized Consolidated Statement of Financial Position

	at Dec 2013	at Dec 2012 (Unaudited)
Assets		
Current assets	\$30,461,440	\$15,970,658
Mortgages and loans receivable	\$86,875,495	\$72,394,255
Land held for development	\$18,754,227	\$21,695,483
Investments	\$132,980,654	\$137,218,591
Capital assets	9,199,166	9,779,841
	<u>\$278,270,982</u>	<u>\$257,058,828</u>
Liabilities		
Current liabilities	\$3,278,952	\$2,861,651
Deposit liabilities (1)	\$266,357,137	\$243,430,925
Deferred contributions (2)	\$778,621	\$824,772
	<u>270,414,710</u>	<u>247,117,348</u>
Net assets:		
Internally restricted (3)	5,950,746	8,068,749
Restricted for endowments	1,734,937	1,716,173
Unrestricted	170,589	156,558
	<u>7,856,272</u>	<u>9,941,480</u>
	<u>\$278,270,982</u>	<u>\$257,058,828</u>

Summarized Consolidated Statement of Operations and Changes in Net Assets

	January to December 2013	June to December 2012 (Unaudited)
Revenue		
Church support	\$1,347,708	\$851,913
Donations/Grants	\$2,198,039	\$544,114
Sales	1,111,403	763,971
Interest earned	9,669,103	5,606,518
Gain on disposal of land and capital assets	1,986,959	3,398,894
Gains on disposal of investments	315,655	958,048
Other revenue	348,337	327,611
Adj. for unrealized gains (losses) on investments	(791,375)	422,427
	<u>16,185,829</u>	<u>12,873,496</u>
Expenses		
Cost of sales	540,630	260,155
Staffing	4,505,374	2,369,614
Specific programming costs	2,247,109	1,110,592
Support of outside agencies	1,570,492	520,656
Facilities and office expenses	1,723,966	859,848
Board costs and convention	383,510	233,192
Public relation costs	103,438	27,057
Interest cost	7,215,282	4,061,498
Allowance for credit losses	0	250,000
	<u>18,289,801</u>	<u>9,692,612</u>
Excess (deficiency) of revenue over expenditures	(2,103,972)	3,180,884
Transfer from (to) net assets	2,118,003	(3,166,610)
Excess (deficiency) of revenue over expenditures after transfers	<u>\$14,031</u>	<u>\$14,274</u>

	at Dec 2013	at Dec 2012 (Unaudited)
(1) Deposit Liabilities		
Trust deposits	\$192,833,286	\$177,157,963
RRSP accounts	56,312,241	53,602,438
TFSA accounts	17,211,610	12,670,524
	<u>\$266,357,137</u>	<u>\$243,430,925</u>
(2) Deferred contributions		
Emerging leaders	\$165,802	\$165,802
Centre for MB Studies	12,998	11,869
Church plants fund	115,505	-
Other external restricted	484,316	647,101
	<u>\$778,621</u>	<u>\$824,772</u>

	at Dec 2013	at Dec 2012 (Unaudited)
(3) Internally restricted net assets		
Reserve for investment	\$2,699,341	\$3,490,716
Operating reserve	1,318,812	1,810,520
Stabilization reserve	940,315	1,600,315
Tithe reserve	227,100	227,100
Transition reserve	120,761	200,000
Contingency	34,000	75,000
Evangelism Capital	514,536	581,077
Atlantic Church Planting	12,704	12,704
Departmental reserves	83,177	71,317
	<u>\$5,950,746</u>	<u>\$8,068,749</u>

Full audited statement available at www.mennonitebrethren.ca or by contacting the conference office.

Canadian Conference of MB Churches - 2013 Actual and 2014/2015 Budget Comparison by Ministry Area

	2013 <i>Actual</i> <i>Not Consolidated</i>	2013 <i>Budget</i> <i>Approved</i>	2014 <i>Budget</i> <i>Approved</i>	2014 <i>Forecast</i>	2015 <i>Budget</i> <i>Proposed</i>
Funding					
Church Support	\$1,347,708	\$1,500,000	\$1,575,000	\$1,575,000	\$1,575,000
Donations/Grants/Internal/Flow Thru	2,959,465	1,162,200	1,238,910	2,189,417	3,270,369
Deposit Fund Interest	6,874,655	12,965,500	10,500,000	12,221,000	11,367,580
Other Revenue	5,652,186	1,046,700	290,680	872,979	782,548
Operating Reserves	660,000	660,000	1,751,635	606,788	1,248,595
	<u>17,494,014</u>	<u>17,334,400</u>	<u>15,356,225</u>	<u>17,465,184</u>	<u>18,244,092</u>
Expenses					
Partner Support (see table for details)	925,754	920,000	776,000	776,000	708,000
Board of Faith & Life	125,973	170,000	174,250	116,620	158,300
Executive	640,468	599,100	533,875	645,505	544,505
C2Cnetwork	2,709,522	2,724,000	2,792,100	3,585,000	4,794,072
Resourcing Churches & Developing Leaders	540,624	570,000	775,000	747,620	735,420
Communications	1,026,365	971,100	875,000	881,281	810,295
Facilities, HR & Operations	1,385,766	890,000	1,030,000	1,543,158	1,566,520
Finance Administration	2,931,436	2,173,900	8,400,000	2,010,000	1,380,180
Finance Interest Costs	7,194,075	8,316,300	8,400,000	7,160,000	7,546,800
	<u>17,479,983</u>	<u>17,334,400</u>	<u>15,356,225</u>	<u>17,465,184</u>	<u>18,244,092</u>
Net Income	<u>14,031</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Notes for 2014 Forecast:

Increase in 2014 Forecast will include BC flow thru Deposit Fund Interest forecast based on 1st Qtr results. Includes other non-deposit fund revenue. Forecast reduces reserves needed due to other funds.

Reduction due to no Study Conference revenue in 2014. Increase from revenue for Gathering, seminars, etc. Increase in 2014 Forecast will include BC flow thru

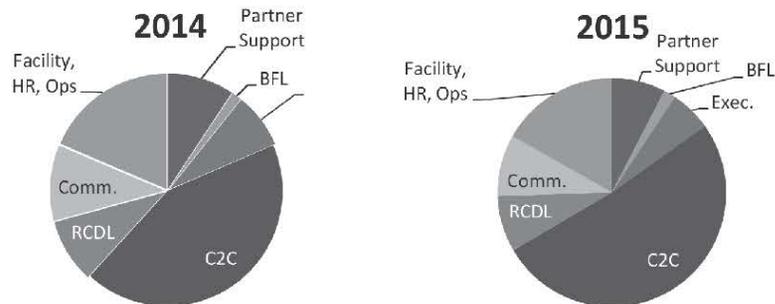
Facility costs increase due to auditor changes. Finance Administration costs displayed separately.

Also see the Summarized Budget for more details.

Breakdown of Partner Support Budgets

	2014	2015
MBBS	200,000	200,000
ICOMB	150,000	125,000
EDEM	120,000	120,000
MWC	36,000	36,000
EFC	8,000	8,000
Historical Commission	18,000	18,000
Provincial Conferences	66,000	50,000
Direction	1,000	1,000
Horizon Quebec	177,000	150,000
	<u>776,000</u>	<u>708,000</u>

Canadian Conference of MB Churches - Budgeted Distribution of Net Expenses



Canadian Conference of Mennonite Brethren Churches Summarized Budget and Divisional Breakdown

	2013 Actual	2013 Budget Approved	2014 Budget Approved	2014 Forecast	2015 Budget Proposed
Partner Support					
Church Support	\$1,347,708	\$1,500,000	\$1,575,000	\$1,575,000	\$1,575,000
Undesignated Donations					
Partner Support	(925,754)	(920,000)	(776,000)	(776,000)	(708,000)
Net (available to distribute)	421,954	580,000	799,000	799,000	867,000
Board of Faith & Life					
Funding	100,000	100,000	101,450	96,020	96,000
Registrations	72,791	70,000	72,800	20,600	62,300
Transfer to Reserves	(22,620)				
Expenses	(125,973)	(170,000)	(174,250)	(116,620)	(158,300)
Net	24,198	-	-	-	-
Executive					
Funding	568,000	568,000	520,225	516,665	501,665
CMBS Donations/Grants	19,928	6,600	6,890	18,240	18,240
Other revenue	39,055	24,500	6,760	110,600	24,600
Expenses	(640,468)	(599,100)	(533,875)	(645,505)	(544,505)
Net	(13,485)	-	-	-	-
C2C Network					
Funding	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Donations & Provincial Flow Thru	671,284	1,024,000	1,092,100	1,885,000	2,758,572
Registrations	90,683				100,500
Reserves	66,541				235,000
Expenses	(2,709,522)	(2,724,000)	(2,792,100)	(3,585,000)	(4,794,072)
Net	(181,014)	-	-	-	-
Leadership Development					
Funding	500,000	500,000	772,880	687,500	664,420
Donations/Grants	2,442	2,100	2,120	54,120	50,000
Other Revenue	17,570	67,900		6,000	21,000
Expenses	(540,624)	(570,000)	(775,000)	(747,620)	(735,420)
Net	(20,612)	-	-	-	-
Communications					
Funding	702,000	702,000	593,240	578,605	561,750
Reserves/Grants/Subsidy	152,237	99,500	106,000	148,547	130,000
Publications & KP Sales	173,042	169,600	175,760	154,129	118,545
Expenses	(1,026,365)	(971,100)	(875,000)	(881,281)	(810,295)
Net	914	-	-	-	-
Finance					
Finance - Grants	796,301	30,000	31,800	31,400	36,000
Capital Gains/Other	5,695,246	698,700		465,060	471,060
Interest Earned	6,874,655	12,965,500	10,500,000	12,221,000	11,367,580
Interest Costs	(7,194,075)	(8,316,300)	(8,400,000)	(7,160,000)	(7,546,800)
Finance Admin Costs	(2,931,436)	(2,173,900)		(2,010,000)	(1,380,180)
Facilities, HR & Operations	(1,385,766)	(890,000)	(1,030,000)	(1,543,158)	(1,566,520)
HR & Operations Revenue	16,016	16,000	35,360	16,000	
Net (available to distribute)	1,870,941	2,330,000	1,137,160	2,020,302	1,381,140

Total C2C Funding Budget 2014

REGION	Provincial	Fund Raising	F/R - Planters	Other Revenue	Total Funding	National	TOTAL REVENUE
BC	416,000.00	839,136.00	-	6,000.00	1,261,136.00	200,000.00	1,461,136.00
AB	50,000.00	70,000.00	-	1,500.00	121,500.00	150,000.00	271,500.00
SK	-	40,000.00	-	77,400.00	117,400.00	150,000.00	267,400.00
MB	90,000.00	115,000.00	-	77,000.00	282,000.00	100,000.00	382,000.00
ON	100,000.00	150,000.00	62,000.00	-	312,000.00	340,000.00	652,000.00
QC	5,000.00	15,000.00	50,000.00	202,500.00	272,500.00	111,000.00	383,500.00
ATL	-	-	-	235,000.00	235,000.00	-	235,000.00
NATIONAL	-	450,000.00	-	8,000.00	458,000.00	649,000.00	1,107,000.00
GRAND TOTAL	661,000.00	1,679,136.00	112,000.00	607,400.00	3,059,536.00	1,700,000.00	4,759,536.00

C2C Budget 2014 Notes:

F/R Planters - this money is raised by church planters from planter's personal contacts and church partnerships

National \$649,000 is used to support C2C staff and expenses. The remaining national funds are used directly for church planting and training.

Other Revenue - each province has their own reserve funds, endowments etc.

CHURCH PLANTING ACTUAL EXPENDITURES 2009-2013 and 2014 Budgeted Expenditures

YEAR	ALBERTA	BRITISH COLUMBIA	MANITOBA	SASKATCHEWAN	ONTARIO	QC	ATL	NATIONAL	TOTAL
2009	9,165.00	1,139,170.00	228,690.00	97,481.00	386,046.00	71,924.00	51,825.00	546,166.00	2,530,467.00
2010	4,635.00	1,385,431.00	233,880.00	94,104.00	378,092.00	113,294.00	45,935.00	684,325.00	2,939,696.00
2011	3,499.00	1,733,626.00	238,978.00	119,915.00	309,637.00	136,294.00	31,087.00	805,798.00	3,378,834.00
2012	34,280.00	1,490,383.00	245,662.00	131,512.00	211,630.00	135,975.00	2,078.00	1,330,624.00	3,582,144.00
2013	276,000.00	1,661,708.00	248,000.00	257,500.00	515,000.00	364,650.00	100,000.00	1,083,000.00	4,505,858.00
Budget 2014	271,500.00	1,461,136.00	382,000.00	267,400.00	652,000.00	383,500.00	235,000.00	1,107,000.00	4,759,536.00

When the Fathers of Confederation met in Charlottetown, P.E.I., in 1864, the motto for a new nation was chosen from Psalm 72:8 – “He shall have dominion also from sea to sea, and from the river unto the ends of the earth” (KJB). It is the hope and dream of the C2C Network that we might see the dominion of King Jesus from one end of this great nation to the next!

C2C is “Lifting the flag of Jesus” and God’s favour has been upon the Network!

In cities across our nation, we see that the flag of Jesus is being lifted higher and denominational flags are being lowered for the sake of kingdom partnership. Increasingly, we hear people talking about the one church of Jesus. As we centre ourselves on the gospel, follow the lead of the Holy Spirit and continue to keep the mission of reaching a lost nation in focus, it’s amazing to see the synergy God is bringing between brothers and sisters from many “tribes.” We praise God for the favour He’s showing toward us!

More than 80 church planters are now formally aligned with C2C and many others are in the pipeline. God has obviously gone ahead of us! As we enter into cities, we discover that Jesus has already been working before we arrive. Relationships that would not naturally take place are being brokered by the Holy Spirit, denominational competition and skepticism toward one another is crumbling, and God is bringing together an army of leaders, intent on one goal – bringing the gospel of Jesus to the nation.

VISION

You may have seen or heard our tagline: “C2C exists to be a catalyst for church planting and church multiplication in Canada.”

Our vision is to see our nation transformed by the gospel of Jesus as individuals embrace the life-changing message of Jesus Christ, as new churches are planted, and as existing churches join the multiplication movement.

What time is it? – Praying out the labourers

During a recent dinner conversation, one C2C planter commented that he had set his watch to beep twice a day at 10:02. Why? So that he would

be reminded to earnestly pray the Lord of the harvest to send out workers (Luke 10:2). Our C2C team decided on the spot to make this part of our team practice. What might happen if every Christian in the nation began to earnestly plead with the Father for harvest workers?

ASSESSING THE LABOUR FORCE

God is answering the prayers of His people, evidenced in 2013 by the number of candidates filling C2C assessment centres. For the first time, C2C ran four church planting assessment centres in four key cities (Montreal, Toronto, Calgary and Vancouver). Planters with a passion for Jesus and a love for lost people are being raised up from sea to sea, and we sense that we’re just at the beginning of a new move of God’s Spirit in our country.



EQUIPPING THE WORKERS

A huge part of C2C’s time and energy is spent on resourcing church planters. Each C2C planter is assigned a coach who meets with them regularly to equip, counsel and guide. Gospel Coach training has been offered to leaders in cities across Canada in order to raise up more certified coaches for the network. Regular training events, cadres, prayer clusters and one-on-one meetings fill out the calendar along with our National Planters Retreat held each fall.

In addition to our specific focus on planters, C2C has been privileged to sponsor multiple large training events that are open to lay leaders, established church pastors and other ministry leaders. These quarterlies feature a recognized leader in church planting who provides relevant

teaching over the course of a full day. Space doesn't allow a detailed report on each of these events, but a major highlight in the past year was our SOMA one-day training events with Jeff Vanderstelt, which we offered in four different Canadian cities.

Of noteworthy significance was the SOMA gathering in Montreal. Long-term leaders in Montreal stood amazed as a cross-denominational cadre of leaders continued to stream through the doors of Evangel Church's "Lighthouse" in downtown Montreal in early February 2014. One seasoned leader said he had never witnessed a gathering of this size or this diversity in over 30 years of ministry in Quebec! Simultaneous translation allowed French and English leaders to learn from Jeff Vanderstelt and SOMA Communities. During the two days of training, 250 leaders interacted around the concepts of being a family of servants sent on mission to our cities. Faith Today magazine carried a very positive article on this event in their March 2014 publication: <http://digital.faithtoday.ca/faithtoday/20140304#pg18>

MINISTRY HUBS

An exciting development in the past year was the opening of two new ministry hubs in Toronto and Ottawa. A ministry "hub" is a rented or leased facility in a strategic, central location in a city where planters can gather for training, fellowship and prayer, as well as personal ministry and study time. As most church plants meet in rented facilities and most planters have their offices at home, it can be a challenge to find mid-week space for small-group gatherings, training events, potlucks, Alpha, and many other ministries that established churches can offer out of permanent facilities.

C2C ministry hubs allow multiple church plants in the same city to share a public space available seven days a week. The C2C Network also uses these locations for our own training events. C2C is thankful to God for ministry hubs now up and running in Vancouver, Toronto and Ottawa.

MULTIPLICATION

Canada will not be transformed through church planting alone! As we celebrate the advancement of the gospel through church planting, we've been convicted by the Holy Spirit that the established church must be on mission as well. If hundreds of new churches are planted yet, at the same time, hundreds of established churches close their doors, are we really advancing the gospel?

Increasingly, established churches are asking for help in multiplying. Some are dreaming of starting a new service, planting a daughter church or sending a group out in a satellite congregation. Others realize they need to re-tool and re-purpose their church to be more effective in our mission of making disciples.

Many congregations have invited C2C to help them envision a new culture of multiplication. To this end, we've held Multiply Conferences over the past two years to inspire and equip leaders of established churches with the vision of multiplying. The vibrancy of the established church and the vision to plant new churches cannot be divorced – we need both!



ONLY BY THE POWER OF GOD

A refrain you'll hear over and over again if you spend any time with a church planter or a C2C staffer is that "there are certain things only the Spirit of God can do!" Zechariah was reminded that it would be "Not by might nor by power, but by my Spirit," says the LORD." (Zechariah 4:6). As we press forward in advancing the gospel in Canada, it's with a clear understanding that human effort alone will never transform the human heart. Unless the Spirit of God shows up to unstop the plugged ears, pull back the veil from blind eyes, and soften the hard heart of the skeptic, our labours are in vain!

In studying church history, author Tim Keller notes three signs of revival:

- "sleepy" Christians wake up,
- "nominal" Christians get saved,
- unbelievers, "far from God," start showing interest in spiritual matters.

Would you join us in fervent, regular, united prayer that the winds of the Spirit would blow in fresh ways across our nation? Our part is to be ready – to "set the sail" – and to respond in obedience when we see God at work.

Oh, that You would rend the heavens and come down, That the mountains might quake at Your presence...." (Isaiah 64:1)

Submitted by Gord Fleming, C2C Director

CANADIAN CONFERENCE'S CENTRAL MINISTRY FOCUS:

Helping multiply leaders and disciple-making churches

aider à multiplier des leaders et des Églises qui forment des disciples

This is my first report to Gathering and reflects the period of Sept. 15, 2012 – May 1, 2014. I am grateful for God's sustaining grace in my life and in this ministry, for his call to kingdom engagement in the name of Christ, and for the Spirit's equipping that alone qualifies me.

I serve in "a senior strategic role that brings oversight to all elements of how CCMBC develops, coaches, and mentors its leaders resulting in healthy churches. The main focus of this role will be to serve pastors and churches through a collaborative effort between the national and provincial conferences by making tools available to leaders that are based upon their needs and highly effective for their individual ministry contexts" (taken from my position description).

Upon beginning this role in 2012, I gave myself to a new reading of the book of Nehemiah, during which the Spirit impressed several insights on me. One in particular emerged: that while new timbers were imported to rebuild the city, existing stones and bricks were also [re]used. The stones and bricks were reusable but in disrepair. I came to appreciate that CCMBC might need a few new ministries. But perhaps not many. Maybe what was most needed was a better linkage or synergy between extant ministries, churches and leaders.

Seeking and inviting collaboration has been a major focus. As I've sought to understand the interests and needs of provincial conference ministers, executive directors and their designates over the past 20 months, I've witnessed a new collaborative impulse for which I'm grateful. The desire to see a faithful, effective and unified church in Canada has made movement toward a new synergy possible.

Finding the heart-cry of churches and pastors was necessary. A major listening process engaged around a hundred leaders; interviews revealed that

MB pastors and leaders are vitally interested in being:

- the church on mission;
- leaders who effectively equip the church to be on mission;
- leaders who live grace-motivated, holy lives;
- lifelong learners who continually seek to be spiritually renewed and theologically enriched, and to grow in their ministry and personal skills.

One particular insight that emerged from cross-Canada listening was that a "one-size-fits-all" approach wasn't going to resource all churches and develop all leaders. For example, an 11-year old church of 200 on mission in the suburbs of Montreal may require different inputs than a 41-year old church of 200 on mission in rural Saskatchewan. A 59-year old pastor will experience different developmental realities than a 23 year-old pastor. Crucial to resourcing churches and developing leaders was going to be the ability to know what



resourcing and developing was needed in the particular context of a leader or church.

Armed with the fruits of listening, our team has spent much of the past year developing capacity

to meet the resourcing and developmental needs of churches and leaders. Today, some of L2L's support is now accessed through its website L2Lnet.org through two clickable links: Coach Me and Coach Us.



The **Coach Me** assessment identifies a leader's lifelong learning interests in the areas of spiritual renewal, theological enrichment, and ministry and personal skills, and clarifies where a leader is at in his or her development. The assessment is followed by a coaching conversation that seeks to identify next steps and guides the leader toward appropriate resources, coaching relationships and online clusters.

The **Coach Us** assessment clarifies where a church is at on mission. Completed by church leadership teams, the results are foundational in prayerfully determining the resources a church needs and the coaching path that will support its mission journey.

A key part of L2L's vision is the creation of a coaching movement and culture. We've selected COACH (Connect, Outcome, Awareness, Course, Highlights), a Christian coaching model, to engage in an ongoing intentional conversation with leaders that empowers them to fully live out God's calling.

Between June and November 2014, we have five training events co-branded with C2C Network and scheduled across Canada to empower leaders in applying COACH in their ministry contexts. This is an important step in continuing to develop and utilize our own leaders as coaches and mentors whenever possible. The L2L website resources the coaching process.

L2Lnet.org is a website, but it's far more. It is a gateway to relationships, conversations and a resourcing community, bringing together leaders who have needs and learners who've found answers and are willing to share them. At will, leaders can download resources that have been placed into the site by others or share their own. The site is designed to serve both French and English speaking leaders.

Three other important communities are also being drawn together under the auspices of L2L:

- The five presidents of our MB colleges and seminary have been invited into a network in order to provide mutual support and shared understanding in their respective ministries, which collectively impact more than a thousand students annually. Strengthening church and school linkages has been a particular interest. Further, the Leadership Training Matching Grant (LTMG) has been reworked and is being well utilized. Students and churches are thankful for the conference's encouragement and funding in their ministry training.
- Directors of the 11 camping ministry programs have been invited to network for the purpose of speaking into one another's lives and ministry scenarios. MB camps play an integral role in developing young leaders; every year, they collectively impact over a thousand young women and men who serve as counsellors and leaders-in-training, as well as thousands of campers.
- Transitional pastors from across Canada are also meeting quarterly to share, learn and pray together. These pastors are particularly beneficial in helping churches navigate the sometimes painful transition from past to future.

For presidents, camping ministry directors and transitional pastors, these networks have resulted in a new synergy and a fresh sense of team as Mennonite Brethren from across Canada lean in together on the mission Christ has given his Body.

The L2L team is comprised of Teresa Born (Administrative Assistant), Dave Jackson (L2L Associate) and Daniel Beutler (Lifelong Learning Host). Stewardship Reps Al Thiessen, Lloyd Reimer, David Leung, Lorne Willms and Ben Wohlgemut transitioned from CFO John Wiebe's purview to mine on Sept. 1, 2013. I give thanks to God for this team. Our desire is to help to multiply leaders and disciple-making churches.

Respectfully, Ron Toews, L2L Director

Global Report

MB Mission
CCMBC Convention 2014

Fishing for People

Arthur Loewen is a local businessman in Abbotsford, BC who loves sharing the Gospel. . On a recent mission trip to the Philippines with our Disciple Making International program, Arthur shared the Gospel with a group of rural laborers next to a rice paddy. A number of people responded, including a medium and four other members of a local spiritist group.

Later that evening, Art climbed up into the hills to a remote village where forty others were waiting to hear the Gospel. After Art shared his testimony and presented the story of Jesus, he asked how many were expecting to go heaven. Most indicated that they weren't good enough, but they thought that trying harder to do good things might help. When they clearly understood that Jesus had made a way possible for us to experience peace with God, twenty-nine people prayed to receive Christ.

Jesus said, "Follow me, and I will make you fishers of men."

As they talked about what it meant to follow Jesus, the group of new Christ-followers asked whether they could start a new church in their community. The pastor who accompanied Art to the village committed to walking with this group and helping with their discipleship. A church was born that evening.

In reading through the book of Acts again recently, I was struck with how incredibly bold and verbal the first disciples were in sharing the reality of Christ's death and resurrection. There were a number of straightforward and even confrontational presentations of the Gospel, often at great personal cost.

One of the loudest preachers was Peter. We remember his first conversation with Jesus years earlier while he was fishing

and Jesus said, "Follow me, and I will make you fishers of men" (Matthew 4:19).

Fishing for people is something we learn. It's not a gift that we're born with. Who are we learning this skill from in our lives? Who are we teaching to fish for people?

Despite the freedom of religion and freedom of speech in western societies, many Christ-followers live as though our tongues had been cut out. It seems that the fear of man has become more powerful than our love for Christ and for his Gospel. It's ironic that the best examples of bold proclamation are coming, not out of the West, but rather out of societies where there are heavy restrictions from totalitarian governments.

It takes courage to preach the Gospel. But when we pray for those opportunities to speak into peoples' lives, God gives them. When we love people and ask good questions, it's amazing how many good conversations develop.

We recently sent a team from Thailand into a neighboring country. The team was led by a gifted evangelist and church planter who invited a number of younger interns to join him. Despite the opposition of local authorities and a history of arresting Christian leaders in this nation, this team courageously went into a remote tribal area and openly proclaimed the Gospel. In a village without any known believers, the first person to respond to the Gospel was a woman who was 104 years old! When they held the baptism, this old woman insisted on getting into the tank (a converted water trough) without any assistance from others and then boldly shared her testimony with her fellow villagers.

This team's bold witness, fervent prayer and diligent follow-up are among the reasons for why the church is growing so quickly among this people group. As disciples who make disciples, we learn by watching, then doing, then teaching others.

I've learned much in ministry from my dear brother, Carlin Weinbauer, who went home to his reward on April 19,

2014. Carlin passed away the day before Resurrection Sunday and I thought of him that next morning as we sang about the hope we have because Jesus is alive. I don't think there's any place that Carlin would have rather celebrated that morning than in the presence of the Lord!

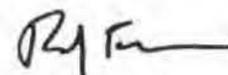
It takes courage to preach the Gospel.

Carlin would often say to me, "Prayer is the work." He also liked to remind me that, "Leaders need fresh bread every morning." Another of his wise sayings was, "Let's keep big things big and little things little." For Carlin, the Gospel was a big thing. He reminded us of the importance of living and sharing the Gospel every day. He never tired of sharing how the Gospel had transformed his life!

For a number of years, Carlin and I toured our constituency together sharing stories of transformation at "Celebrate Mission" nights and services all over North America. Carlin understood that the least reached mattered to God.

At Carlin's request, we have made it possible to honor his passion for mission by receiving donations to Global Church Planting through the Carlin Weinbauer Memorial. These funds will go toward sending teams to the most-challenging, least-reached places on this planet. It's a fitting legacy for a leader who loved the Gospel, was transformed by it, and called others to proclaim it in word and deed.

We'd like to encourage you with how God is using proclamation to reach the ends of the earth. Please read the Summer edition of *Witness* to hear testimonies of transformation from all over the world. Let's keep sharing the Good News!



Randy Friesen
General Director



MB Mission Update

Today, MB Mission has 124 workers deployed in 34 different international locations. Of those workers, 18 are from our ICOMB partner conferences.

Thanks to your support, in the past year...

30 new churches were planted among the least reached

22 mission-training schools were resourced

54 projects served church planting through training, resourcing and community development

75 new church planters from partner conferences were mobilized

254 church members were trained in community development to engage their communities

2000+ new converts started attending a church

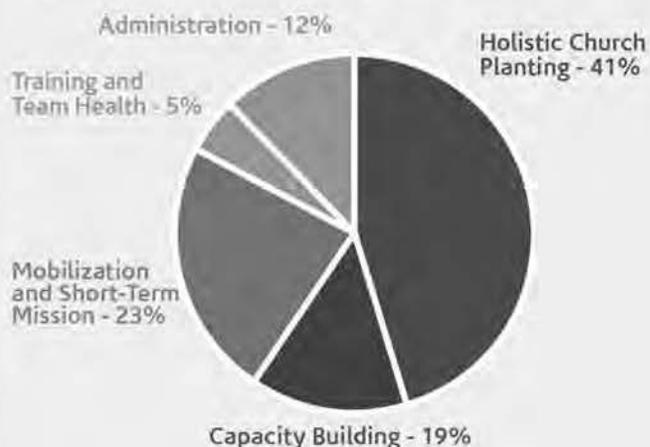
2696 leaders received further training in church planting

Together, we are making a difference in the world.

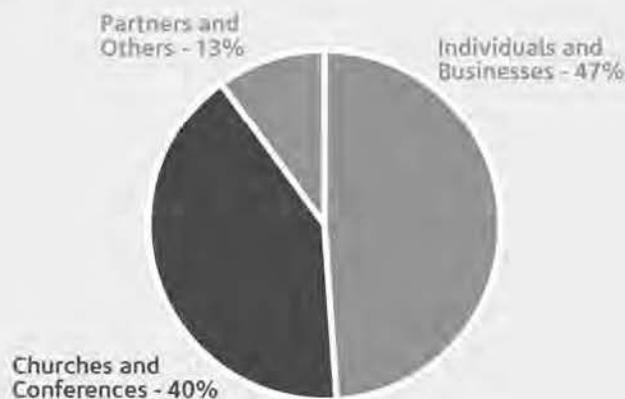
How, then, can they call on the one they have not believed in? And how can they believe in the one of whom they have not heard? And how can they hear without someone preaching to them? And how can anyone preach unless they are sent? As it is written: "How beautiful are the feet of those who bring good news!"

Romans 10:14-15

Total Expenditures: \$11,065,591



Donation Sources:



Overseas Expenditures:



LIFELONG
LEARNING



LIFELONG
MISSION

THANKS

We give thanks to God for the privilege of seeing transformation take place in the lives of students, graduates and the people they serve. The apostle Paul instructed his young student Timothy:

“ *...my dear son, be strong through the grace that God gives you in Christ Jesus. You have heard me teach these things that have been confirmed by many reliable witnesses. Now teach these truths to other trustworthy people who will be able to pass them on to others.* **”**
(2 Tim 2:2)

This describes the purpose of MBBS Canada, a seminary ministry that belongs to the Canadian Mennonite Brethren Conference. The seminary helps the Conference in disciple-making and multiplying churches by educating and equipping men and women of Christian character for effective proclamation of the gospel, compassionate service and servant leadership.

The challenges facing pastors and church leaders in a multicultural, pluralistic society are not diminishing; the need for trained leaders capable of bringing solid biblical teaching and theological reflection to a rapidly changing Canadian culture is a mission critical task! We invite you to discern the men and women who should be trained for ministry and leadership for the sake of the gospel. We invite you also to thank God with us for many answered prayers, and to pray for God's ongoing blessing on MBBS Canada students, graduates and faculty/staff team.

HIGHLIGHTS & ACHIEVEMENTS SINCE THE OFFICIAL FORMATION OF MBBS CANADA IN 2011

- Obtained degree-granting charter from the BC legislature in March 2013.
- Expanded faculty/staff team based in Langley and Winnipeg.
- Increased accessibility to seminary training with the launch of on-line courses and use of live-streaming.
- Launched **MinistryLift**, an ongoing cost-effective, onsite and live-stream conference series.
- Expanded and increased student financial aid for students by 25% to make seminary training affordable. **Approximately 50% of students received aid in 2013-2014.**
- Ongoing commitment to listening and responding to church needs.

CONSTITUENCY IMPACT

- Faculty/staff teach/preach/report in more than 50 congregations and conferences each year.
- Contributed to strengthening conference unity and theological identity through publications, presentations and conference committee and board involvement.
- Since its origin in Canada in 1999 as two extension sites (Langley and Winnipeg), **more than 380 students** have enrolled at MBBS campuses in Canada, with 145 graduates.

MAKING HISTORY TOGETHER



Mennonite Brethren HISTORICAL COMMISSION

Research and archiving service of the
Mennonite Brethren Church in North America

- Preserving and maintaining historical records of churches, schools, and people
- Assisting in research and writing on topics of historical and theological interest to MBs
- Publishing newsletters, *Profiles of Mennonite Faith*, and books
 - Funding research grants and archival internships
- Serving you with offices in Fresno, Hillsboro, Abbotsford, and Winnipeg

www.mbhistory.org

MENNONITE BRETHREN HISTORICAL COMMISSION REPORT 2014

The four MB archival centres—Fresno, Hillsboro, Abbotsford, and Winnipeg—since the last convention report in 2012, continue to be busy offering research and archiving services to MB Churches and individuals in North America and beyond. Our two “deliverables” are archival resourcing and interpretive resourcing.

- Archival resourcing includes preserving and making accessible church records (photos, minutes, reports, statistics, etc.). See www.mbhistory.org and follow links to each centre’s website.
- Interpretive resourcing includes offering analysis on questions of theology and history as requested by individuals, congregations, and conference ministries. See sampling of projects below.

The ongoing task of producing resources for MB Churches has resulted in the following initiatives:

- Profiles of Mennonite Faith, distributed to all MB Churches. These pamphlets feature stories of remarkable Christian faith, of individuals who overcame great odds to share their faith in Jesus.
- Archival Internships, awarded to two students: Amanda Bartel (2103) and Yoshio Fujii (2014). The internship involves exploration and project work at each of the four archival centres.
- Research Grant, awarded to Kristine Kampen and Dorothy Peters for their project: From Generation to Generation: The History and Transmission of the Spiritual Formation of Two Granddaughters.
- It Happened in Moscow by Maureen Klassen, published in 2013—a riveting story of a family, a secret that spans revolution and war, and a stunning discovery. See www.kindredproductions.com.
- Newsletters/Magazines published: California Mennonite Historical Society Bulletin (Fresno), Roots and Branches (Abbotsford), CMBS Newsletter (Hillsboro), and Mennonite Historian (Winnipeg).

Contact Jon Isaak, executive secretary, for more information on these services: jon.isaak@mbchurches.ca.

MB Historical Commission board members: Abe Dueck (Winnipeg), Dora Dueck (Winnipeg), Don Isaac (Hillsboro), J Janzen (Abbotsford), Julia Reimer (Fresno), and Valerie Rempel (Fresno). **Representatives of archival centres:** Kevin Enns-Rempel (Fresno), Peggy Goertzen (Hillsboro), Richard Thiessen (Abbotsford), and Jon Isaak (Winnipeg).

WHO ARE “WE”?

Family reunions can be great occasions to discover who is in your family tree. For my Aunt Katherine’s 100th birthday, we held a reunion of descendants of my father’s siblings. I discovered that award-winning Canadian author David Bergen is married to my cousin once removed.

ICOMB – the International Community of Mennonite Brethren is like that. Theological “relatives” exist in 20 National Conferences. CCMBC is one of those 20. So consider, dear reader, that “you” are “ICOMB” – along with the near-half-million members in almost 5000 local churches. And growing! Persecution, Poverty & Politics...And Mission! As we know, poverty is the result of political injustice. Within a given country, the leadership may be corrupt, leading to lawlessness and lack of production or jobs. At the global scale, developed countries get wealthy on the backs of others. Persecution of our faith is fuelled by politics and economic injustice.

The church can play a role to “even things out”. It’s part of the genius of a global fellowship like ICOMB.

Some of our pastors are in prison, or have been killed because of their faith. Some of us have lost jobs and property. Some of us are very poor, eating only one meal a day. Some of us have only one blanket to cover 2 children at night. Some of us are fighting our own government for the right to harvest natural resources on our land.

We as the International Community of Mennonite Brethren stand in solidarity. Sometimes that means prayer, intervening, visits, or letter writing. We give spiritual “covering” and moral support.

God is at work! Amidst trials and set-backs, our family grows through mission all over the world.

SOME THINGS WE DO

PRAYER: We mobilize prayer through a monthly ICOMB Update – a few pictures and stories of recent events from our global family. You, dear reader, are invited to sign up! It’s been a blessing to many.

STUDENT SUPPORT: We distribute \$40-50,000 annually through the Global Scholarship Fund to national leaders going to school. These students are already proven leaders. Their training will equip them to lead, equip and send more locally based emerging leaders. An open Endowment account is set up with CCMBC to which anyone can contribute. Build this fund with us and empower national leaders!

CONFESS! The International Confession of Faith is the standard confession for new members like Khmu Mission and the Lithuanian Free Christian Church. ICOMB leadership was asked to review the changes proposed to Article 13 by the USMB conference. We are developing a global confessional identity.

SHARE: The stories from our community have blessed many of our churches. Invite David Wiebe for a learning-group presentation, mission banquet, or sermon. You’ll be inspired. This is family – faithful, struggling, on mission – and it’s OUR family!

...God is the one who made it grow! 1 Corinthians 3:6 (EXB)

*Submitted by David Wiebe
ICOMB Executive Director*



SPEAKER BIOGRAPHIES

BRUCE ENNS

Lead pastor, Forest Grove Community Church, Saskatoon



Bruce is first a child of the King who has served in pastoral ministry at Forest Grove Community Church since 2000. He began as young adults pastor and moved into the lead pastor role in 2004. Bruce loves sports and coaching. He served as director of athletics and recreation at Columbia Bible College until 1998. Bruce has a heart for mission and currently serves on the board for MB Mission. Bruce and Lisa have been married for 25 years and live in Saskatoon with their four daughters.

NORM FUNK

Lead pastor, Westside Church, Vancouver



Norm is a Jesus-follower who is the planter and lead pastor of Westside Church, a multi-campus church that currently meets in Downtown Vancouver and on the North Shore. Westside Church planted Reality Vancouver on the east side of the city 3 years ago, and just this past September planted Christ City Church in South Vancouver. Norm serves as the chair of the C2C B.C. board and is a member of the C2C Network national board. Norm has been married to Nicole for 19 years and they have two sons.

WILLY REIMER

Executive director, Canadian Conference of MB Churches



Executive director of CCMBC since 2011, Willy was previously known to the Canadian MB community for his service as national moderator 2006–2008, and his oversight of Ministry Advantage, a leadership coaching program for pastors. Willy was the founding pastor of SunWest Christian Fellowship (MB) in Calgary and served as lead pastor for the next 18 years. Willy and his wife Gwen live in Calgary and have three sons.

EXPERIENCE VANCOUVER

EXPERIENCE VANCOUVER is a tour (either on foot or by bus) highlighting various Mennonite Brethren ministries throughout downtown Vancouver. These tours are more than simply seeing the sights. Experience Vancouver offers participants a small taste of how MB initiatives operate in these diverse contexts. Ministry representatives will share their passion to see their neighbours experience Christ in life-transforming ways. Participants will have opportunities to pray for specific needs on location and be inspired to respond creatively to those in their home context.

During **EXPERIENCE VANCOUVER** guests will:

- Come in contact with the people, churches and ministries of Vancouver
- See an intimate picture of the spiritual need in Vancouver and be infected by a passion for the lost
- Gain a greater sense of the transferable ideas and practices that could shape local church ministry across Canada
- Be challenged to reach the lost across Canada

EXPERIENCE VANCOUVER will be an exciting continuation of worship as attendees are exposed to a city filled with energy and beauty, yet hungry for God's Word.

SCHEDULE

WEDNESDAY, JUNE 11

11:00 am – 3:00 pm
6:00 pm
7:15 pm

Registration at Vancouver Marriott Pinnacle Hotel
Registration & Network Reception at The Centre
Celebration Service (open to the public)

- Worship
- Testimonies
- Speakers – Willy Reimer & Norm Funk

THURSDAY, JUNE 12

8:00 am
8:30 am – 2:30 pm
2:45 – 4:15 pm

Café at The Centre is open for business*
Ministry Update Sessions (includes breaks & lunch)
Breakouts

- Bylaws, MOUs & Board nominee testimonies
- Budget & Stewardship
- Strategic Plan & Mission
- Board of Faith & Life - Human Sexuality Conference follow up

Experience Vancouver

- Dinner on own

4:30 – 9:00 pm

FRIDAY, JUNE 13

8:00 am
8:30 am – 1:30 pm
1:30 – 2:15 pm
2:45 – 4:15 pm

Café at The Centre is open for business*
Ministry Update Sessions (includes breaks & lunch)
Decision Making (includes break)
Ministry Workshops

- Leaders 2 Learners (L2L)
- C2C Network
- MB Mission
- MBBS Canada

Dinner on own (restaurant list available at Info Desk)
Entertainment at The Centre
Celebration Service (open to the public)

- Worship
- Testimonies
- Speaker – Bruce Enns

4:15 pm
6:30 pm
7:00 pm

SATURDAY, JUNE 14

8:00 am
8:30 am–12:00pm

Café at The Centre is open for business*
Decision Making Session (includes break)

- Focus on Jesus in Devotional & Worship
- Board of Faith & Life
- Finance (part 2)
- Discussion, discerning and deciding together

*The Café is located in the lobby at The Centre. Beverages & breakfast foods will be available for purchase.

AFFINITY GROUPS

Coloured dots on nametags indicate those with whom you may have an affinity based on role, function, position or affiliation.



Senior or Lead Pastor



Associate Pastor



Child/Family



Outreach



Worship



Youth



Church Planter



Provincial Conference Staff



Provincial Conference Board Member



Moderator & Local Church Member



Non Profit Organization (NPO)

**TO MULTIPLY
CHRIST-CENTRED CHURCHES
TO SEE
CANADA TRANSFORMED
by the
GOOD NEWS OF
JESUS CHRIST.**

A stylized graphic of a flower with five petals, rendered in various shades of blue, positioned in the lower-left quadrant of the page. The petals are layered, with some appearing in front of others, creating a sense of depth. The background is a textured, dark blue.

Consolidated Financial Statements of

**THE CANADIAN CONFERENCE OF THE
MENNONITE BRETHREN CHURCH OF
NORTH AMERICA**

Year ended December 31, 2013

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Canadian Conference of the Mennonite Brethren Church of North America

We have audited the accompanying consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG Network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Canadian Conference of the Mennonite Brethren Church of North America as at December 31, 2013 and its results of consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America as at and for the period ended December 31, 2012 are unaudited. Accordingly, we do not express an opinion on them.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedule - Church Ministry Division is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Chartered Accountants

April 28, 2014

Winnipeg, Canada

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012 (Unaudited)
Assets		
Current assets:		
Cash (note 3)	\$ 28,872,280	\$ 15,325,562
Accounts receivable	675,713	494,132
Inventories	34,721	40,732
Prepaid expenses	82,315	73,250
Donated securities	46,411	36,982
Mortgages and loans receivable (notes 4 and 10)	750,000	—
	<u>30,461,440</u>	<u>15,970,658</u>
Mortgages and loans receivable (notes 4 and 10)	86,875,495	72,394,255
Land held for development (note 6)	18,754,227	21,695,483
Investments (note 5)	132,980,654	137,218,591
Capital assets (note 7)	9,199,166	9,779,841
	<u>\$ 278,270,982</u>	<u>\$ 257,058,828</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 3,203,952	\$ 2,809,942
Deferred revenue	75,000	51,709
	<u>3,278,952</u>	<u>2,861,651</u>
Deposit liabilities:		
Trust deposits	192,833,286	177,157,963
Registered Retirement Savings Plan accounts (note 10)	56,312,241	53,602,438
Tax Free Savings Accounts (note 10)	17,211,610	12,670,524
	<u>266,357,137</u>	<u>243,430,925</u>
Deferred contributions:		
Expenses of future periods (note 11)	778,621	824,772
Net assets:		
Internally restricted (note 12)	5,950,746	8,068,749
Restricted for endowments (note 12)	1,734,937	1,716,173
Unrestricted	170,589	156,558
	<u>7,856,272</u>	<u>9,941,480</u>
Commitments (note 13)		
	<u>\$ 278,270,982</u>	<u>\$ 257,058,828</u>

See accompanying notes to consolidated financial statements.

On behalf of the Governing Board:

_____ Director

_____ Director

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Operations

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Unaudited)
Revenue:		
Contributions	\$ 3,545,747	\$ 1,396,027
Sales	1,111,403	763,971
Interest earned	9,669,103	5,606,518
Rental income	236,451	157,921
Gain on disposal of land held for development and capital assets	1,986,959	3,398,894
Gains on disposal of investments	315,655	958,048
Other revenue	111,886	169,690
Adjustment for unrealized gains (losses) on investments	(791,375)	422,427
	<u>16,185,829</u>	<u>12,873,496</u>
Expenditures:		
Cost of sales	540,630	260,155
Staffing	4,505,374	2,369,614
Specific programming costs	2,247,109	1,110,592
Support of outside agencies	1,570,492	520,656
Office expenses	1,723,966	859,848
Board costs and convention	383,510	233,192
Public relation costs	103,438	27,057
Interest	7,215,282	4,061,498
Allowance for credit losses	-	250,000
	<u>18,289,801</u>	<u>9,692,612</u>
Excess (deficiency) of revenue over expenditures	\$ (2,103,972)	\$ 3,180,884

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	Unrestricted	Internally restricted	Restricted for endowments	2013 Total	2012 Total (Unaudited)
Balance, beginning of period (unaudited)	\$ 156,558	\$ 8,068,749	\$ 1,716,173	\$ 9,941,480	\$ 6,828,150
Endowment contributions	–	–	1,387	1,387	340
Reinvested earnings during the period	–	–	17,377	17,377	10,401
Transfer of endowments	–	–	–	–	(78,295)
Excess (deficiency) of revenue over expenditures	(2,103,972)	–	–	(2,103,972)	3,180,884
Transfer from internally restricted (note 12)	2,118,003	(2,118,003)	–	–	–
Balance, end of period	\$ 170,589	\$ 5,950,746	\$ 1,734,937	\$ 7,856,272	\$ 9,941,480

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Cash Flows

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Unaudited)
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (2,103,972)	\$ 3,180,884
Adjustments for:		
Amortization	477,301	257,411
Unrealized losses (gains) on investments	791,375	(422,427)
Loss on disposal of capital assets	21,921	-
Gain on disposal of land held for development	(2,008,879)	(3,398,894)
Change in non-cash operating working capital:		
Donated securities	(9,429)	(16,758)
Accounts receivable	(181,581)	(206,279)
Inventories	6,011	(5,270)
Prepaid expenses	(9,065)	(689)
Accounts payable and accrued liabilities	394,010	(1,157,620)
Deferred revenue	23,291	51,709
Net change in deferred contributions related to expenses of future periods	(46,151)	60,092
	(2,645,168)	(1,657,841)
Cash flows from financing activities:		
Change in trust deposits, net	15,675,323	5,596,601
Change in RRSP accounts, net	2,709,803	269,824
Change in Tax Free Savings Accounts, net	4,541,086	864,913
Endowments	18,764	(67,554)
	22,944,976	6,663,784
Cash flows from investing activities:		
Purchase of capital assets	(298,547)	(904,381)
Proceeds on disposal of capital assets	380,000	-
Expenditures on land held for development	(779,465)	(385,104)
Net proceeds on disposal of land held for development	2,992,100	3,991,093
Change in investments, net	3,446,562	3,828,585
Change in mortgages and loans receivables, net	(12,493,740)	(5,927,859)
	(6,753,090)	602,334
Increase in cash	13,546,718	5,608,277
Cash, beginning of period	15,325,562	9,717,285
Cash, end of period	\$ 28,872,280	\$ 15,325,562

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Nature of organization:

The Canadian Conference of the Mennonite Brethren Church of North America (the Conference) was incorporated by an Act of the Parliament of Canada on November 25, 1945. These consolidated financial statements present the national activities of the Conference including CCMB Holdings Inc. which is a for-profit incorporated entity that owns all of the shares in the following for-profit entities:

CP Printing Solutions
Anything Storage Inc.
0927018 B.C. Ltd.

Deer River Properties Inc.
Crossfield Highways Development Inc.
6448497 Manitoba Ltd.

The Conference provides financial services to Mennonite Brethren supported missions, institutions, local churches and their members. These services include administration of funds on deposit (in the form of deposits, annuities, Tax Free Savings Accounts (T.F.S.A.'s) and Registered Retirement Savings Plan accounts (RRSP's)) and provision of loans to Church organizations, pastors, and conference employees. In addition, the Conference administers endowment funds which generate earnings to fund various programs of the Conference.

The Conference consists of two divisions being the Stewardship Division which includes CCMB Holdings Inc. and the Church Ministry Division.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

These consolidated financial statements also do not reflect the assets, liabilities, revenue, expenses and cash flows of the various colleges funded by the Conference nor do they reflect the activities of the separately incorporated provincial conferences, individual congregations and MB Mission.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Conference follows the deferral method of account for contributions. Restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in endowment net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on marketable securities is recorded as income on an accrual basis, using the effective interest method. Rental revenue includes recovery of common area maintenance costs and is recognized on an accrual basis over the term which it applies.

Sales revenue is recognized when the order is shipped or picked up by the customer.

(c) Land held for development:

Purchased land held for development is recorded at cost. Costs that are directly attributable to development of the land are capitalized, provided that the carrying value does not exceed net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The Conference amortizes its capital assets as follows:

Asset	Rate
Building	30 years straight-line
Computer equipment	3.3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line

The current year's income has been charged with an amount of \$477,301 (2012 - \$257,411) reflecting the current year's amortization which is included in operating expenses in the statement of operations.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including capital assets subject to amortization and land held for development, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Conference uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Mortgages and loans receivable:

Loans are initially measured at fair value plus incremental direct transaction costs. Loans are subsequently re-measured at their amortized cost, net of allowance for credit losses, using the effective interest method.

Interest income is accounted for on the accrual basis, except on loans classified as impaired. A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest.

When a loan is classified as impaired, accrual of interest on the loan ceases and the carrying amount of the loan is reduced to its estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows, if they can be reasonably estimated, using the effective interest rate inherent in the loan. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying amount of the loan is reduced to its estimated net realizable value based on either:

- (i) the fair value of any security underlying the loan, net of expected costs of realization, or,
- (ii) observable market prices for the loan.

As long as the loan remains classified as impaired, payments received will be credited to the carrying value of the loan. A loan will be returned to accrual status only when the timely collection of both principal and interest is reasonably assured and all arrears payments of principal and interest are brought current.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(g) Allowance for credit losses:

The Conference maintains an allowance for credit losses which, in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance for credit losses consists of specific provisions, being provisions against specific credit exposures determined on an item-by-item basis, and a general provision for losses which have occurred, but where such losses cannot be determined on an item-by-item basis.

In assessing existing credit losses, management must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. Changes in circumstances may cause future assessments of credit risk to be significantly different than current assessments and may require an increase or decrease in the allowance for credit losses.

(h) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(i) 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 Conference has elected to carry its investments 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

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 Conference 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 Conference 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.

(j) Contributed services:

Volunteers are an integral part of the activities of the Conference. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(k) Use of estimates:

The preparation of the financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include the allowance for credit losses and the carrying amounts of capital assets and land held for development. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Cash:

	2013	2012
		(Unaudited)
General funds	\$ 26,317,943	\$ 15,606,978
RRSP Trust	2,554,337	(281,416)
	<u>\$ 28,872,280</u>	<u>\$ 15,325,562</u>

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

4. Mortgages and loans receivable:

	2013		2012	
	Principal	Accrued interest	Principal (Unaudited)	Accrued interest (Unaudited)
General funds	\$ 18,661,269	\$ 194,116	\$ 11,880,490	\$ 143,432
RRSP Trust	68,718,381	276,915	60,361,614	258,719
Allowance for credit losses	(225,186)	—	(250,000)	—
	87,154,464	471,031	71,992,104	402,151
		\$ 87,625,495		\$ 72,394,255

During the year ended December 31, 2013, a mortgage was entered into as partial consideration for the sale of land held for development (note 6). The mortgage is repayable \$750,000 annually and matures on March 31, 2017. All other mortgages and loans receivable are callable on demand and are open to prepayment. Mortgages are secured by a first charge mortgage on the applicable property.

5. Investments:

	2013		2012	
	Cost	Fair Value	Cost (Unaudited)	Fair Value (Unaudited)
Mortgage fund	\$ 21,000,000	\$ 20,853,000	\$ 21,000,000	\$ 20,823,600
Mortgages	76,164,990	77,270,158	79,688,532	81,522,872
Corporate bonds	33,836,245	34,857,496	33,759,267	34,872,119
	\$ 131,001,235	\$ 132,980,654	\$ 134,447,799	\$ 137,218,591

The par value of the corporate bonds at December 31, 2013 was \$33,884,002 (2012 - \$36,653,688). The Corporate bonds have interest rates ranging from 1.54 percent to 11.20 percent (2012 - 1.53 percent to 11.20 percent) and mature between June 1, 2014 and June 1, 2036 (2012 - between January 31, 2013 and June 1, 2036).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

5. Investments (continued):

Maturities and interest rates of the corporate bonds:

December 31, 2013						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 1,715,267	\$ 26,773,940	\$ 5,841,284	\$ 527,005	\$ 34,857,496	4.46%	

December 31, 2012 (Unaudited)						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 510,999	\$ 26,870,429	\$ 6,858,237	\$ 632,454	\$ 34,872,119	4.57%	

6. Land held for development:

	2013	2012 (Unaudited)
Balance, beginning of period	\$ 21,695,483	\$ 22,287,880
Additions	779,465	385,104
Disposals	(3,720,721)	(977,501)
Balance, end of period	\$ 18,754,227	\$ 21,695,483

During the year ended December 31, 2013, the Conference disposed of certain land held for development for total cash consideration of \$2,992,000 (2012 - \$3,991,093) and a mortgage loan receivable in the amount of \$2,737,500 (2012 - nil). The Conference recognized a gain on sale of \$2,008,879 (2012 - \$3,398,894) which is included in gains on disposal of land for development in the statement of operations.

In October 2013, the Conference entered into an Offer to Purchase to sell a certain land held for development with a carrying value of \$988,309 for a purchase price of \$7,214,400. The purchaser has until July 8, 2014 to complete due diligence on the property.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

7. Capital assets:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value (Unaudited)
Land	\$ 3,221,810	\$ –	\$ 3,221,810	\$ 3,221,810
Buildings	6,818,138	1,548,022	5,270,116	5,618,085
Computer equipment	627,930	496,385	131,545	240,342
Office equipment	1,169,256	721,718	447,538	556,188
Parking lot	226,875	98,718	128,157	143,416
	\$ 12,064,009	\$ 2,864,843	\$ 9,199,166	\$ 9,779,841

8. Line of credit:

The Conference has a line of credit with the Bank of Montreal for use by the Conference and its divisions in the aggregate amount of \$2,750,000, bearing interest at prime and is secured by certain corporate bonds held by the Conference with a fair value of \$2,886,071 (2012 - \$2,914,838). As at December 31, 2013, the line of credit amount was unutilized (2012 - nil).

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$590,238 (2012 - \$456,694) for government remittances.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

10. Registered Retirement Savings Plan and Tax Free Savings Accounts:

The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division has an RRSP Trust and T.F.S.A. Trust for members of Canadian Conference churches. Funds are directed to first mortgages. Interest on member savings is calculated every six months and is credited to each account on June 30 and December 31. Members' accounts are administered by Canadian Western Trust and the Conference. At December 31, 2013, there were 1,044 RRSP accounts, 458 R.R.I.F. accounts and 925 T.F.S.A. accounts (2012 - 1,056 RRSP accounts, 438 R.R.I.F. accounts and 851 T.F.S.A. accounts).

	2013	2012 (Unaudited)
Assets:		
Cash	\$ 2,554,337	\$ (281,416)
Outstanding transfers and distributions	4,805,470	5,933,473
Loans receivable	66,164,044	60,620,905
	\$ 73,523,851	\$ 66,272,962
Liabilities:		
Accounts payable	\$ 68,229	\$ 45,288
RRSP certificates	56,244,012	53,557,150
RRSP total	56,312,241	53,602,438
TFSA certificates	17,211,610	12,670,524
	\$ 73,523,851	\$ 66,272,962

All trust deposits, RRSP Trust and T.F.S.A. funds are due on demand and bear interest at variable rates of interest which are determined at July 1 and December 31 of each year. At December 31, 2013, the interest rate applicable to trust deposits is 2.70 percent (2012 - 2.70 percent) and for RRSP Trust and T.F.S.A. funds is 2.95 percent (2012 - 2.95 percent).

11. Deferred contributions related to expenses of future periods:

Deferred contributions related to expenses of future periods are externally restricted contributions that have been received and relate to expenses to be incurred in subsequent years. Changes in deferred contributions related to expenses of future periods are as follows:

	2013	2012 (Unaudited)
Balance, beginning of period	\$ 824,772	\$ 764,680
Less amount recognized as revenue in the period	(705,112)	(312,765)
Add amount received relating to future periods	658,961	372,857
Balance, end of period	\$ 778,621	\$ 824,772

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

11. Deferred contributions related to expenses of future periods (continued):

As at December 31, 2013, deferred contributions related to expenses of future periods consists of the following:

	2013	2012 (Unaudited)
Emerging leaders	\$ 165,802	\$ 165,802
Centre for Mennonite Brethren Studies	12,998	11,869
City Church	78,453	–
Church plants fund	37,052	–
Institute Biblique Laval	–	183
MB Mission	–	32,451
Canadian Mennonite University	500	–
Mennonite Brethren Biblical Seminary	–	18,364
United Bible Society	28,412	18,996
World Impact	–	24,953
Birch Bay Bible Community Church	57,392	53,242
Other externally restricted	398,012	498,912
	\$ 778,621	\$ 824,772

12. Restrictions on net assets:

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income earned on endowments is externally restricted for specific purposes.

At December 31, net assets restricted for endowments consists of the following:

	2013	2012 (Unaudited)
CMU Endowment	\$ 205,077	\$ 205,035
Manitoba Conference Endowment	73,797	73,797
MBBS Endowment	276,625	276,625
Evangelism Endowment	158,803	158,803
Family Endowment	1,020,635	1,001,913
	\$ 1,734,937	\$ 1,716,173

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets (continued):

Internally restricted funds of the Conference include the following specific reserves:

(i) Reserve for investment:

This reserve provides for fluctuations in the market value of investments. Gains and losses on disposal of investments, unrealized gains and losses on investments, plus a surplus distribution are credited or charged to this account. For the period ended December 31, 2013, unrealized losses on investments of \$791,375 (2012 - unrealized gains of \$422,427 on investments) were recorded against the reserve for investment.

(ii) Operating Reserve:

This reserve is held for use by the Conference to fund new initiatives and unanticipated deficits in operations. For the period ended December 31, 2013, \$491,708 (2012 - nil) was transferred from the operating reserve to consolidated unrestricted net assets to fund the unanticipated deficit in operations.

(iii) Stabilization Reserve:

The purpose of the Stabilization Reserve is to fund deficits in operations resulting from market or other circumstances and to allow for normal cash flow fluctuations. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of \$660,000 (2012 - \$73,000) from the stabilization reserve to consolidated unrestricted net assets to fund the budgeted deficit in operations.

(iv) Tithe Reserve:

The purpose of the Tithe Reserve is to fund sister conferences. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of nil (2012 - \$54,900) to consolidated unrestricted net assets.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets (continued):

The remaining internally restricted net assets are amounts restricted for specified purposes and are not available for other purposes without approval from the board of directors. For the period ended December 31, 2013, a total of \$174,920 was transferred from the remaining internally restricted net assets to fund the deficit in operations. For the period ended December 31, 2012 \$328,993 relating to the excess of revenue over expenditures for the period was transferred to the remaining internally restricted net assets)

	2013	2012 (Unaudited)
Reserve for investment	\$ 2,699,341	\$ 3,490,716
Operating reserve	1,318,812	1,810,520
Stabilization reserve	940,315	1,600,315
Tithe reserve	227,100	227,100
Leadership Development	1,553	1,553
Convention	65,897	43,278
Communications	—	10,759
Retreat	15,727	15,727
Evangelism Capital	514,536	581,077
Atlantic Church Planting	12,704	12,704
Transition	120,761	200,000
Contingency	34,000	75,000
	\$ 5,950,746	\$ 8,068,749

13. Commitments:

Individual and church loans:

The Conference has made commitments to individuals and churches for loans that have not been disbursed by December 31, 2013 in the approximate amount of \$9,400,000 (2012 - \$1,900,000).

Lease commitments:

The Conference leases office space under long-term leases. The future minimum payments required under these leases are:

2014	\$	83,722
2015		67,347
2016		63,423
2017		35,462
2018		37,548

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

14. Employee pension plan:

The Conference is a participant of a money purchase pension plan. Members of the plan include employees of the Conference and related organizations. The cost of funding the plan is shared by employee and employer. The rate of employer contributions to the fund in 2013 was 5 percent (2012 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2013 was \$143,986 (2012 - \$79,708).

15. Financial risks:

(a) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the Conference holding investments denominated in United States dollars (USD) and holding cash denominated in USD. Fluctuations in the relative values of the Canadian dollar against USD can result in a positive or a negative impact on the fair value of the investments and cash. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference currently holds USD and manages this cash for the purposes of achieving foreign exchange gains and meeting the cash requirements of the Conference. This cash management approach exposes the Conference to changes in exchange rates which can affect the fund balances.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate due to changes in market interest rates. The Conference is exposed to interest rate risk on its investment in corporate bonds and investment in mortgages. Further details about the fixed rate investments are included in note 5. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

(c) Liquidity risk:

Liquidity risk is the risk that the Conference will encounter difficulty in meeting financial obligations as they become due, and arises from the Conference's management of working capital. The Conference's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

15. Financial risks (continued):

(d) Credit risk:

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other part by failing to discharge the obligation. The Conference is exposed to credit risk arising from its mortgages and loans receivable and investments in mortgages. In order to reduce its credit risk, the Conference reviews loan applications before extending credit. Mortgage investments are monitored by investment managers. An allowance for credit losses is established based upon factors surrounding the credit risk of specific accounts. The Conference has a significant number of mortgages and mortgage investments which minimizes concentration of credit risk.

There have been no changes to the Conference's financial instrument risk exposure from the prior year.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Schedule - Church Ministry Division

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013 Budget (Unaudited)	2013 Actual	2012 Actual (Unaudited)
Revenue:			
Contributions	\$ 2,632,200	\$ 3,509,561	\$ 1,541,191
Sales	452,300	588,178	313,726
	<u>3,084,500</u>	<u>4,097,739</u>	<u>1,854,917</u>
Expenditures:			
Cost of sales	104,300	190,525	56,673
Staffing	2,856,744	2,862,019	1,347,096
Specific programming costs	2,123,861	2,032,861	1,012,990
Support of outside agencies	982,900	1,669,409	517,778
Office expenses	167,522	196,442	39,323
Board costs and convention	117,806	171,330	186,453
Public relation costs	75,478	73,102	9,063
Interest	11,528	15,713	4,274
	<u>6,440,193</u>	<u>7,211,401</u>	<u>3,173,650</u>
Deficiency of revenue over expenditures for the period before allocations	(3,355,693)	(3,113,662)	(1,318,733)
Allocation of funds from Stewardship Division	3,355,693	2,952,773	1,716,900
Excess (deficiency) of revenue over expenditures for the period	-	\$ (160,889)	\$ 398,167

For the period ended December 31, 2013, the \$2,952,773 allocation of funds from Stewardship Division consists of \$1,009,690 representing the excess of revenue over expenditures in the Stewardship Division along with a transfer from the investment reserve of \$791,375 (note 12), a transfer from the Stabilization Reserve of \$660,000 (note 12) and a transfer from the operating reserve of \$491,708 (note 12). Additionally, as disclosed in note 12, \$174,920 was transferred from other internally restricted net assets of the Church Ministry Division in the period ended December 31, 2013 resulting in a change in the consolidated unrestricted fund balance of \$14,031.

For the period ended December 31, 2012, the \$1,716,900 allocation of funds from Stewardship Division consisted of \$1,662,000 from the excess of revenue over expenditures in the Stewardship Division and \$54,900 from the Tithe Reserve (note 12). Additionally, \$383,893 of the excess of revenue over expenditures in the Church Ministry Division was transferred to other internally restricted net assets of the Church Ministry Division in the period ended December 31, 2012 resulting in a change in the consolidated unrestricted fund balance of \$14,274.

Consolidated Financial Statements of

**THE CANADIAN CONFERENCE OF THE
Mennonite Brethren Church of
North America - Stewardship
Division**

Year ended December 31, 2013

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

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KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division

We have audited the accompanying consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division as at December 31, 2013 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements which indicates that the comparative information presented as at and for the period ended December 31, 2012, has been restated.

The consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division as at and for the period ended December 31, 2012, excluding the restatement described in Note 3 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 28, 2013.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2013, we audited the restatement described in Note 3 to the consolidated financial statements that was applied to restate the comparative information as at and for the period ended December 31, 2012. In our opinion, the restatement is appropriate and has been properly applied.



Chartered Accountants

April 28, 2014

Winnipeg, Canada

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Consolidated Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012 (Restated, note 3)
Assets		
Current assets:		
Cash (note 4)	\$ 24,797,435	\$ 13,147,013
Accounts receivable	331,352	292,995
Inventories	18,243	18,243
Prepaid expenses	27,938	21,715
Mortgages and loans receivable (notes 5 and 11)	750,000	-
	<u>25,924,968</u>	<u>13,479,966</u>
Mortgages and loans receivable (notes 5 and 11)	86,875,495	72,394,255
Land held for development (note 7)	18,754,227	21,695,483
Investments (note 6)	132,980,654	137,218,591
Capital assets (note 8)	9,199,166	9,779,841
	<u>\$ 273,734,510</u>	<u>\$ 254,568,136</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 456,868	\$ 425,517
Due to Church Ministry Division (note 10)	-	1,865,970
	<u>456,868</u>	<u>2,291,487</u>
Deposit liabilities:		
Trust deposits	192,833,286	177,157,963
Registered Retirement Savings Plan accounts (note 11)	56,312,241	53,602,438
Tax Free Savings Accounts (note 11)	17,211,610	12,670,524
	<u>266,357,137</u>	<u>243,430,925</u>
Net assets:		
Internally restricted (note 12)	5,185,568	7,128,651
Restricted for endowments (note 12)	1,734,937	1,716,173
	<u>6,920,505</u>	<u>8,844,824</u>

Commitments (note 13)

	<u>\$ 273,734,510</u>	<u>\$ 254,567,236</u>
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See accompanying notes to consolidated financial statements.

On behalf of the Governing Board:

_____ Director

_____ Director

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Consolidated Statement of Operations

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Restated, note 3)
Revenue:		
Sales	\$ 523,225	\$ 450,245
Interest earned	9,669,103	5,606,518
Rental income	236,451	157,921
Gain on disposal of land held for development and capital assets	1,986,959	3,398,894
Gains on disposal of investments	315,655	958,048
Other revenue	148,072	24,526
Adjustment for unrealized gains (losses) on investments	(791,375)	422,427
	<u>12,088,090</u>	<u>11,018,579</u>
Expenditures:		
Cost of sales	350,105	203,482
Operating costs	3,564,023	2,056,895
Interest	7,164,272	4,008,585
Allowance for credit losses	-	250,000
	<u>11,078,400</u>	<u>6,518,962</u>
Excess of revenue over expenditures	<u>\$ 1,009,690</u>	<u>\$ 4,499,617</u>

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	Unrestricted	Internally restricted	Restricted for endowments	2013 Total	2012 Total (Restated, note 3)
Balance, beginning of period, as previously reported	\$ -	\$ 16,589,356	\$ 1,716,173	\$ 18,305,529	\$ 15,838,788
Adjustments (note 3)	-	(9,460,705)	-	(9,460,705)	(9,709,127)
Balance, beginning of the period, as restated	-	7,128,651	1,716,173	8,844,824	6,129,661
Endowment contributions	-	-	1,387	1,387	340
Reinvested earnings during the period	-	-	17,377	17,377	10,401
Excess of revenue over expenditures	1,009,690	-	-	1,009,690	4,499,617
Transfer from internally restricted (note 12)	1,943,083	(1,943,083)	-	-	-
Transfer to Church Ministry Division (note 10)	(2,952,773)	-	-	(2,952,773)	(1,716,900)
Balance, end of period	\$ -	\$ 5,185,568	\$ 1,734,937	\$ 6,920,505	\$ 8,844,824

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Consolidated Statement of Cash Flows

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Restated)
Cash flows from operating activities:		
Excess of revenue over expenditures	\$ 1,009,690	\$ 4,499,617
Adjustments for:		
Amortization	477,301	257,411
Unrealized losses (gains) on investments	791,375	(422,427)
Loss on disposal of capital assets	21,921	-
Gain on disposal of land held for development	(2,008,879)	(3,398,894)
Change in non-cash operating working capital:		
Accounts receivable	(39,257)	(80,555)
Prepaid expenses	(6,223)	(18,646)
Accounts payable and accrued liabilities	31,351	(1,868,734)
Due to Church Ministry Division	(1,865,970)	1,363,585
	(1,588,691)	331,357
Cash flows from financing activities:		
Change in trust deposits, net	15,675,323	5,596,601
Change in RRSP accounts, net	2,709,803	269,824
Change in Tax Free Savings Accounts, net	4,541,086	864,913
Endowments	18,764	(67,554)
Transfer to Church Ministry Division	(2,952,773)	(1,716,900)
	19,992,203	4,946,884
Cash flows from investing activities:		
Purchase of capital assets	(298,547)	(1,204,810)
Proceeds on disposal of capital assets	380,000	-
Expenditures on land held for development	(779,465)	(385,104)
Net proceeds on disposal of land held for development	2,992,100	3,991,093
Change in investments, net	3,446,562	3,828,585
Change in mortgages and loans receivables, net	(12,493,740)	(5,927,859)
	(6,753,090)	301,905
Increase in cash	11,650,422	5,580,146
Cash, beginning of period	13,147,013	7,566,867
Cash, end of period	\$ 24,797,435	\$ 13,147,013

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BROTHERS CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Nature of Organization:

The Canadian Conference of the Mennonite Brethren Church of North America (the Conference) was incorporated by an Act of the Parliament of Canada on November 25, 1945. These consolidated financial statements present the financial position and results of the Stewardship Division (the Division), a division of the Conference, and its wholly owned subsidiary, CCMBC Holdings Inc. As such, these financial statements do not include all assets, liabilities, revenue and expenditures of The Canadian Conference of the Mennonite Brethren Church of North America. CCMBC Holdings Inc. is a for-profit incorporated entity that owns all of the shares in the following for-profit entities:

CP Printing Solutions
Anything Storage Inc.
0927018 B.C. Ltd.

Deer River Properties Inc.
Crossfield Highways Development Inc.
6448497 Manitoba Ltd.

The Division provides financial services to Mennonite Brethren supported missions, institutions, local churches and their members. These services include administration of funds on deposit (in the form of deposits, annuities, Tax Free Savings Accounts (T.F.S.A.'s) and Registered Retirement Savings Plan accounts (RRSP's)) and provision of loans to Church organizations, pastors, and conference employees. In addition, the Division administers endowment funds which generate earnings to fund various programs of the Conference.

The Conference consists of two divisions being the Stewardship Division which includes CCMBC Holdings Inc. and the Church Ministry Division.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

THE CANADIAN CONFERENCE OF THE MENNONITE BROTHERS CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Division follows the deferral method of account for contributions. Restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in endowment net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on marketable securities is recorded as income on an accrual basis, using the effective interest method. Rental revenue includes recovery of common area maintenance costs and is recognized on an accrual basis over the term which it applies.

Sales revenue is recognized when the order is shipped or picked up by the customer.

(c) Land held for development:

Purchased land held for development is recorded at cost. Costs that are directly attributable to development of the land are capitalized, provided that the carrying value does not exceed net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The Division amortizes its capital assets as follows:

Asset	Rate
Building	30 years straight-line
Computer equipment	3.3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line

The current year's income has been charged with an amount of \$477,301 (2012 - \$257,411) reflecting the current year's amortization which is included in operating expenses in the statement of operations.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including capital assets subject to amortization and land held for development, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Division uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Mortgages and loans receivable:

Loans are initially measured at fair value plus incremental direct transaction costs. Loans are subsequently re-measured at their amortized cost, net of allowance for credit losses, using the effective interest method.

Interest income is accounted for on the accrual basis, except on loans classified as impaired. A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest.

When a loan is classified as impaired, accrual of interest on the loan ceases and the carrying amount of the loan is reduced to its estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows, if they can be reasonably estimated, using the effective interest rate inherent in the loan. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying amount of the loan is reduced to its estimated net realizable value based on either:

- (i) the fair value of any security underlying the loan, net of expected costs of realization, or,
- (ii) observable market prices for the loan.

As long as the loan remains classified as impaired, payments received will be credited to the carrying value of the loan. A loan will be returned to accrual status only when the timely collection of both principal and interest is reasonably assured and all arrears payments of principal and interest are brought current.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(g) Allowance for credit losses:

The Division maintains an allowance for credit losses which, in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance for credit losses consists of specific provisions, being provisions against specific credit exposures determined on an item-by-item basis, and a general provision for losses which have occurred, but where such losses cannot be determined on an item-by-item basis.

In assessing existing credit losses, management must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. Changes in circumstances may cause future assessments of credit risk to be significantly different than current assessments and may require an increase or decrease in the allowance for credit losses.

(h) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(i) 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 Division has elected to carry its investments 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

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 Division 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 Division 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.

(j) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, excepting when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

(k) Use of estimates:

The preparation of the financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include the allowance for credit losses and the carrying amounts of capital assets and land held for development. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

3. Adjustments:

Prior to the year ended December 31, 2013, the Division incorrectly recorded certain assets as land held for development, which is not subject to amortization, that have been determined to be capital assets as they are held for use by the Division for rental to others or for administrative purposes. These assets are now recognized as capital assets and depreciated over their useful lives in accordance with the Division's amortization policy (note 2[d]). In addition, operating expenses relating to these capital assets are now expensed as incurred.

In addition, prior to the year ended December 31, 2013, the Division capitalized certain amounts, including interest, to land held for development and recorded interest earned that is no longer in accordance with its accounting policy for land held for development (note 2[c]). The new policy better reflects costs that are directly attributable to the development of the land.

The effect of the above changes and corrections applied retrospectively to the comparative figures as at and for the period ended December 31, 2012 is as follows:

Statement of financial position	Land held for development	Capital assets	Net assets
December 31, 2012, as previously reported	\$ 35,060,490	\$ 5,875,539	\$ 16,589,356
Increase (decrease)	(13,365,007)	3,904,302	(9,460,705)
December 31, 2012, as restated	\$ 21,695,483	\$ 9,779,841	\$ 7,128,651

The aggregate restatement to net assets at June 1, 2012 as previously reported is a decrease of \$9,709,127.

Statement of operations period ended December 31, 2012	As previously reported	Restated
Interest earned	\$ 6,329,585	\$ 5,606,518
Gain on disposal of land held for development and capital assets	2,335,639	3,398,894
Operating costs	1,965,129	2,056,895
Excess of revenue over expenditures	4,251,195	4,499,617

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

4. Cash:

	2013	2012
General funds	\$ 22,243,098	\$ 13,428,429
RRSP Trust	2,554,337	(281,416)
	<u>\$ 24,797,435</u>	<u>\$ 13,147,013</u>

5. Mortgages and loans receivable:

	2013		2012	
	Principal	Accrued interest	Principal	Accrued interest
General funds	\$ 18,661,269	\$ 194,116	\$ 11,880,490	\$ 143,432
RRSP Trust	68,718,381	276,915	60,361,614	258,719
Allowance for credit losses	(225,186)	—	(250,000)	—
	<u>87,154,464</u>	<u>471,031</u>	<u>71,992,104</u>	<u>402,151</u>
		<u>\$ 87,625,495</u>		<u>\$ 72,394,255</u>

During the year ended December 31, 2013, a mortgage was entered into as partial consideration for the sale of land held for development (note 6). The mortgage is repayable \$750,000 annually and matures on March 31, 2017. All other mortgages and loans receivable are callable on demand and are open to prepayment. Mortgages are secured by a first charge mortgage on the applicable property.

6. Investments:

	2013		2012	
	Cost	Fair Value	Cost	Fair Value
Mortgage fund	\$ 21,000,000	\$ 20,853,000	\$ 21,000,000	\$ 20,823,600
Mortgages	76,164,990	77,270,158	79,688,532	81,522,872
Corporate bonds	33,836,245	34,857,496	33,759,267	34,872,119
	<u>\$ 131,001,235</u>	<u>\$ 132,980,654</u>	<u>\$ 134,447,799</u>	<u>\$ 137,218,591</u>

The par value of the corporate bonds at December 31, 2013 was \$33,884,002 (2012 - \$36,653,688). The Corporate bonds have interest rates ranging from 1.54 percent to 11.20 percent (2012 - 1.53 percent to 11.20 percent) and mature between June 1, 2014 and June 1, 2036 (2012 - between January 31, 2013 and June 1, 2036).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

6. Investments (continued):

Maturities and interest rates of the corporate bonds:

December 31, 2013						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 1,715,267	\$ 26,773,940	\$ 5,841,284	\$ 527,005	\$ 34,857,496	4.46%	

December 31, 2012						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 510,999	\$ 26,870,429	\$ 6,858,237	\$ 632,454	\$ 34,872,119	4.57%	

7. Land held for development:

	2013	2012 (Restated)
Balance, beginning of period	\$ 21,695,483	\$ 22,287,880
Additions	779,465	385,104
Disposals	(3,720,721)	(977,501)
Balance, end of period	\$ 18,754,227	\$ 21,695,483

During the year ended December 31, 2013, the Division disposed of certain land held for development for total cash consideration of \$2,992,000 (2012 - \$3,991,093) and a mortgage loan receivable in the amount of \$2,737,500 (2012 - nil). The Division recognized a gain on sale of \$2,008,879 (2012 - \$3,398,894) which is included in gains on disposal of land for development in the statement of operations.

In October 2013, the Division entered into an Offer to Purchase to sell a certain land held for development with a carrying value of \$988,309 for a purchase price of \$7,214,400. The purchaser has until July 8, 2014 to complete due diligence on the property.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

8. Capital assets:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value (Restated)
Land	\$ 3,221,810	\$ -	\$ 3,221,810	\$ 3,221,810
Buildings	6,818,138	1,548,022	5,270,116	5,618,085
Computer equipment	627,930	496,385	131,545	240,342
Office equipment	1,169,256	721,718	447,538	556,188
Parking lot	226,875	98,718	128,157	143,416
	<u>\$ 12,064,009</u>	<u>\$ 2,864,843</u>	<u>\$ 9,199,166</u>	<u>\$ 9,779,841</u>

9. Line of credit:

The Conference has a line of credit with the Bank of Montreal for use by the Conference and its divisions in the aggregate amount of \$2,750,000, bearing interest at prime and is secured by certain corporate bonds held by the Division with a fair value of \$2,886,071 (2012 - \$2,914,838). As at December 31, 2013, the line of credit amount was unutilized (2012 - nil).

10. Related party transactions:

Contributions transferred to the Church Ministry Division for the period ended December 31, 2013 were \$2,952,773 (2012 - \$1,716,900).

The balance due to the Church Ministry Division does not bear interest and has no specific terms of repayment.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

11. Registered Retirement Savings Plan and Tax Free Savings Accounts:

The Division has an RRSP Trust and T.F.S.A. Trust for members of Canadian Conference churches. Funds are directed to first mortgages. Interest on member savings is calculated every six months and is credited to each account on June 30 and December 31. Members' accounts are administered by Canadian Western Trust and the Division. At December 31, 2013, there were 1,044 RRSP accounts, 458 R.R.I.F. accounts and 925 T.F.S.A. accounts (2012 - 1,056 RRSP accounts, 438 R.R.I.F. accounts and 851 T.F.S.A. accounts).

	2013	2012 (Restated)
Assets:		
Cash	\$ 2,554,337	\$ (281,416)
Outstanding transfers and distributions	4,805,470	5,933,473
Loans receivable	66,164,044	60,620,905
	\$ 73,523,851	\$ 66,272,962
Liabilities:		
Accounts payable	\$ 68,229	\$ 45,288
RRSP certificates	56,244,012	53,557,150
RRSP total	56,312,241	53,602,438
TFSA certificates	17,211,610	12,670,524
	\$ 73,523,851	\$ 66,272,962

All trust deposits, RRSP Trust and T.F.S.A. funds are due on demand and bear interest at variable rates of interest which are determined at July 1 and December 31 of each year. At December 31, 2013, the interest rate applicable to trust deposits is 2.70 percent (2012 - 2.70 percent) and for RRSP Trust and T.F.S.A. funds is 2.95 percent (2012 - 2.95 percent).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets:

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income earned on endowments is externally restricted for specific purposes.

At December 31, net assets restricted for endowments consists of the following:

	2013	2012 (Restated)
CMU Endowment	\$ 205,077	\$ 205,035
Manitoba Conference Endowment	73,797	73,797
MBBS Endowment	276,625	276,625
Evangelism Endowment	158,803	158,803
Family Endowment	1,020,635	1,001,913
	\$ 1,734,937	\$ 1,716,173

Internally restricted funds of the Division include the following specific reserves:

(i) Reserve for investment:

This reserve provides for fluctuations in the market value of investments. Gains and losses on disposal of investments, unrealized gains and losses on investments, plus a surplus distribution are credited or charged to this account. For the period ended December 31, 2013, unrealized losses on investments of \$791,375 (2012 - unrealized gains on investments of \$422,427) were recorded against the reserve for investment.

(ii) Operating Reserve:

This reserve is held for use by the Division to fund new initiatives and unanticipated deficits in operations. For the period ended December 31, 2013, \$491,708 (2012 - nil) was transferred from the operating reserve to unrestricted net assets to fund the unanticipated deficit in operations in the Church Ministry Division.

(iii) Stabilization Reserve:

The purpose of the Stabilization Reserve is to fund deficits in operations resulting from market or other circumstances and to allow for normal cash flow fluctuations. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of \$660,000 (2012 - \$73,000) from the stabilization reserve to unrestricted net assets to fund the budgeted deficit in operations in the Church Ministry Division.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets (continued):

(iv) Tithe Reserve:

The purpose of the Tithe Reserve is to fund sister conferences. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of nil (2012 - \$54,900) to the Church Ministry Division.

	2013	2012 (Restated)
Reserve for investment	\$ 2,699,341	\$ 3,490,716
Operating reserve	1,318,812	1,810,520
Stabilization reserve	940,315	1,600,315
Tithe reserve	227,100	227,100
	\$ 5,185,568	\$ 7,128,651

13. Commitments:

Individual and church loans:

The Division has made commitments to individuals and churches for loans that have not been disbursed by December 31, 2013 in the approximate amount of \$9,400,000 (2012 - \$1,900,000).

Lease commitments:

The Division leases office space under long-term leases. The future minimum payments required under these leases are:

2014	\$	83,722
2015		67,347
2016		63,423
2017		35,462
2018		37,548

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

14. Employee pension plan:

The Division is a participant of a money purchase pension plan. Members of the plan include employees of the Division and related organizations. The cost of funding the plan is shared by employee and employer. The rate of employer contributions to the fund in 2013 was 5 percent (2012 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2013 was \$54,847 (2012 - \$34,342).

15. Financial risks:

(a) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the Division holding investments denominated in United States dollars (USD) and holding cash denominated in USD. Fluctuations in the relative values of the Canadian dollar against USD can result in a positive or a negative impact on the fair value of the investments and cash. The Division manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Division currently holds USD and manages this cash for the purposes of achieving foreign exchange gains and meeting the cash requirements of the Division. This cash management approach exposes the Division to changes in exchange rates which can affect the fund balances.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate due to changes in market interest rates. The Division is exposed to interest rate risk on its investment in corporate bonds and investment in mortgages. Further details about the fixed rate investments are included in note 6. The Division manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Division is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

(c) Liquidity risk:

Liquidity risk is the risk that the Division will encounter difficulty in meeting financial obligations as they become due, and arises from the Division's management of working capital. The Division's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA - STEWARDSHIP DIVISION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

15. Financial risks (continued):

(d) Credit risk:

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other part by failing to discharge the obligation. The Division is exposed to credit risk arising from its mortgages and loans receivable and investments in mortgages. In order to reduce its credit risk, the Division reviews loan applications before extending credit. Mortgage investments are monitored by investment managers. An allowance for credit losses is established based upon factors surrounding the credit risk of specific accounts. The Division has a significant number of mortgages and mortgage investments which minimizes concentration of credit risk.

There have been no changes to the Division's financial instrument risk exposure from the prior year.

16. Comparative information:

Certain comparative figures have been reclassified to the financial statement presentation adopted in the current year.

Financial Statements of

**CANADIAN MENNONITE
BRETHREN PENSION PLAN**

Year ended December 31, 2013

CANADIAN MENNONITE BRETHREN PENSION PLAN

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Year ended December 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Trustees of the Canadian Mennonite Brethren Pension Plan

We have audited the accompanying financial statements of Canadian Mennonite Brethren Pension Plan, which comprise the statement of financial position as at December 31, 2013, the statement of changes in net assets available for benefits for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Mennonite Brethren Pension Plan as at December 31, 2013, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.

Other matter

The financial statements of Canadian Mennonite Brethren Pension Plan as at and for the period ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 28, 2013.

KPMG LLP

Chartered Accountants

May 16, 2014

Winnipeg, Canada

CANADIAN MENNONITE BRETHREN PENSION PLAN

Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Assets		
Cash and short-term investments	\$ 3,561,345	\$ 2,337,454
Mutual funds	622,524	1,687,109
Accounts receivable	-	12,456
Fixed income and related securities	22,524,895	19,639,794
Canadian equity and related securities	13,569,058	11,764,435
U.S. equity and related securities	14,650,017	12,326,298
International equity and related securities	11,319,235	9,137,370
	<u>66,247,074</u>	<u>56,904,916</u>
Liabilities		
Accounts payable and accrued liabilities	9,545	-
	<u>\$ 66,237,529</u>	<u>\$ 56,904,916</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

CANADIAN MENNONITE BRETHREN PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Increase in net assets:		
Contributions:		
Employer	\$ 1,970,559	\$ 1,878,909
Employees	1,970,559	1,878,892
Employee voluntary	32,015	26,268
Transfers and adjustments	55,474	33,788
Investment income (note 3)	1,664,140	1,693,575
Realized investment gains, net of realized losses	1,691,862	1,158,101
Unrealized investment gains, net of unrealized losses	5,254,991	832,485
	<u>12,639,600</u>	<u>7,502,018</u>
Decrease in net assets:		
Withdrawals	3,126,481	3,857,943
Terminations	81,536	37,442
Trustee fees	98,970	110,055
	<u>3,306,987</u>	<u>4,005,440</u>
Increase in net assets available for benefits	9,332,613	3,496,578
Net assets available for benefits, beginning of year	56,904,916	53,408,338
Net assets available for benefits, end of year	<u>\$ 66,237,529</u>	<u>\$ 56,904,916</u>

See accompanying notes to financial statements.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements

Year ended December 31, 2013

1. Description of the Plan:

The Canadian Mennonite Brethren Pension Plan (the Plan) is an employer pension plan which provides pensions for the employees of the Canadian Conference of Mennonite Brethren Churches (the Conference) and other Mennonite Brethren employers. The Plan is a defined contribution pension plan which is financed by contributions by the employers and employees. The Plan is registered under the *Pension Benefits Act* of British Columbia, registration #0561175.

These financial statements reflect only the assets and liabilities under the administration for the Trustees of the Pension Plan on behalf of the Canadian Conference of Mennonite Brethren Churches. The term "net assets", as used throughout these financial statements, refers to net assets available for benefits.

The funding policy, in accordance with the Plan is that employees must contribute 5 percent of their earnings to the Plan, with the balance of the funding coming from employers matching employees' contributions.

The Plan is fully vested upon receipt of the first contribution.

Withdrawal or transfers of the balance of the member's account are available when a member ceases to be employed by the employer.

The Plan is a registered pension plan as defined by the *Income Tax Act* (Canada) and is not subject to income taxes.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared using Canadian accounting standards for pension plans. For accounting policies that do not relate to the Plan's investment portfolio, the Plan has elected to apply Canadian accounting standards for private enterprises.

A statement of changes in pension obligations has not been provided since the changes in the pension obligation for the year is equal to the change in net assets available for benefits that year.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies:

(b) 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 Plan has elected to carry its investments 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.

(c) Fair value measurement:

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Plan uses closing market price for fair value measurement. When available, the Plan measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Plan establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

The Plan has categorized its assets and liabilities that are carried at fair value on a recurring basis, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three level fair value hierarchy. Financial assets and liabilities measured at fair value are categorized as follows:

- Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs or inputs that are derived principally for or corroborated with observable market data through correlation or other means.
- Level 3: Fair value is based on valuation techniques that require one or more significant unobservable inputs or the use of broker quotes. These unobservable inputs reflect the Plan's assumptions about the assumptions market participants would use in pricing the assets or liabilities.

All changes in fair value, other than interest and dividend income, are recognized in the statement of changes in net assets available for benefits within unrealized and realized investment gains and losses.

Fair values of investments are determined as follows:

Bonds and equities are valued at year-end closing market prices.

Since money market instruments are primarily comprised of Canada treasury bills, government and corporate short-term notes, their carrying value approximates fair value given the nature of these investments.

Mutual funds are valued at the unit values supplied by the fund administrator, which represents the Plan's proportionate share of underlying net assets at fair values determined using year-end closing market prices.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

Investments in derivative financial instruments, being forward foreign exchange contracts, are valued at year end quoted market prices where available. Where quoted prices are not available, values are determined using pricing models, which taken into account current market and contractual prices of the underlying instruments, as well as time value and yield curve or volatility factors underlying the positions.

Alternative investments are recorded at fair value determined by the external manager. A number of valuation methodologies are considered in arriving at the fair value of unquoted investments, including internal or external valuation models, which may include discounted cash flow analyses. The most appropriate methodology to determine fair value is chosen on an investment by investment basis. Any control, size, liquidity or other discounts or premiums on the investment are considered by the external manager in their determination of fair value.

(d) Foreign currency translation:

Transactions in foreign currencies are translated into Canadian dollars at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Canadian dollars at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognized in the statement of changes in net assets available for benefits within unrealized investment gains and losses.

(e) Investment transactions and income recognition:

(i) Investment transactions:

Investment transactions are accounted for on a trade date basis.

(ii) Income recognition:

Investment income has been accrued as reported by the issuer of the pooled funds and bonds. Dividend income from publicly traded securities is recorded as of the ex-dividend date. Interest income has been accrued as earned.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(f) Contributions:

Employee and employer contributions are recognized on an accrual basis.

(g) Benefits:

Benefit payments to members, termination refunds to former members, and transfer payments to other plans are recorded in the period in which they are paid or payable. Any benefit payment accruals not paid are reflected in accounts payable and accrued liabilities.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the year. Actual results could differ from those estimates.

3. Investment income:

	2013	2012
Mutual funds	\$ 9,751	\$ 19,996
Fixed income and related securities	631,595	681,301
Canadian equity and related securities	439,228	416,843
U.S. equity and related securities	351,220	371,010
International equity and related securities	232,346	204,425
	\$ 1,664,140	\$ 1,693,575

4. Risk management:

The Plan is exposed to a variety of financial risks as a result of its investment activities and has policies and procedures that govern the management of market, credit and liquidity risk. The Finance Committee establishes a target asset mix among interest bearing instruments and Canadian and foreign equities to ensure diversification across asset classes. This strategy is provided to the investment managers who implements and monitors it to ensure the policies are met.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Risk management (continued):

The Board of Directors through the Finance Committee, a permanent sub-committee of the Board, has overall responsibility for the Plan including the establishment and review of the Plan's risk management objectives and policies. The Board has appointed RBC Dominion Securities to manage the ongoing investment operations of the Plan in keeping with the agreed upon Statement of Investment Policies and Procedures (the SIPP) and as required by the law. The Finance Committee receives regular reports from RBC Dominion Securities through which it reviews the market values of the Plan assets.

The principal financial instruments used by the Plan, from which financial instrument risk arises are as follows:

- (i) cash, short-term investments and mutual funds; and
- (ii) investments in fixed income and related securities, Canadian equity and related securities, U.S. equity and related securities, and international equity and related securities.

The primary asset held in the mutual fund is cash.

There have been no substantive changes in the Plan's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or methods used to measure them from previous periods.

(a) Market risk:

(i) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Plan invests in interest-bearing financial assets. The Plan is exposed to the risk that the value of such financial assets will fluctuate due to changes in the prevailing levels of market interest rates. The Plan's exposure to interest rate risk is concentrated in its investments in fixed income funds and a money market mutual fund. To manage the Plan's interest rate risk, appropriate guidelines on the weighting and duration for fixed income investments are set by the Finance Committee and monitored by the investment manager. As at December 31, 2013, if the prevailing interest rates were raised or lowered by 100 basis points, with all other factors held constant, net assets would likely have decreased or increased, respectively, by approximately \$1,092,000 (2012 - \$1,372,000).

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Risk management (continued):

(ii) Foreign currency risk:

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate as a result of the Plan investing in foreign currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels. The Plan currently holds foreign equities. This investment approach exposes the Plan to changes in exchange rates which can affect the net assets available for benefits. The Plan does not hedge foreign currency risk.

The Plan's exposure to foreign currencies to Canadian dollars is shown below:

As at December 31, 2013	Actual currency exposure	%
Canadian	\$ 38,080,717	57.48
U.S. dollar	28,166,357	42.52
	\$ 66,247,074	100.0

As at December 31, 2012	Actual currency exposure	%
Canadian	\$ 33,645,197	59.14
U.S. dollar	23,247,263	40.86
	\$ 56,892,460	100.0

A 10 percent increase or decrease in exchange rates at December 31, 2013, with all other variables held constant, would have resulted in a change in unrealized gains (losses) of approximately \$2,817,000 (2012 - \$2,325,000).

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Plan is subject to equity price risk due to daily changes in the market values of its equity portfolio.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Risk management (continued):

Equity price risk is managed by investment policy guidelines that provide for prudent investment in equity markets within defined limits. The Plan does not use derivative instruments to reduce its exposure to equity price risk.

As at December 31 2013, a decline of 10 percent in equity values, with all other variables held constant, would have impacted the Plan's equity investments by an approximate unrealized loss of \$3,954,000 (2012 - \$3,323,000).

(b) Credit risk:

The Plan is exposed to credit risk through its investment in fixed income securities, which is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in listed securities are settled upon delivery using approved investment managers. The risk of default is considered minimal, as delivery of securities sold is only made once the investment manager has received payment. Payment is made on a purchase once the securities have been received by the investment manager. The trade will fail if either party fails to meet its obligation. The Plan utilized multiple counterparties and those that have a high credit rating in order to minimize credit risk.

Unless otherwise authorized by the Board, the asset mix of the fund must at all times be in accordance with the Plan's SIPP. In addition, all investments are required to be maintained within legal limitations for employee pension plans registered under the *British Columbia Pension Benefits Act* and the Pension Benefits Standards Regulations (1985) Canada, and in such a manner as is necessary to avoid any penalty under the *Income Tax Act* (Canada). These measures mitigate the risk of credit default. The Finance Committee reviews investment reports with the investment advisor to monitor exposure to risk.

The breakdown of the Plan's fixed income portfolio by credit ratings from various rating agencies is presented below:

Credit rating	2013		2012	
	Carrying value	Coupon rate	Carrying value	Coupon rate
AAA	\$ 5,781,555	1.9%	\$ 5,800,689	3.2%
AA	8,488,325	4.4%	9,967,908	4.5%
A	6,316,443	3.4%	3,628,450	4.4%
BBB	1,938,572	4.7%	242,747	5.8%
	\$ 22,524,895		\$ 19,639,794	

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

4. Risk management (continued):

Credit risk associated with contributions receivable is minimized due to their nature. No provision for doubtful contributions has been recorded in either 2013 or 2012.

(c) Liquidity risk:

Liquidity risk is the risk that the Plan will encounter difficulty in meeting financial obligations as they come due. The Plan may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Plan or the securities may be subject to legal or contractual restrictions on their resale. Liquidity risk is managed by investing the majority of the Plan's assets in investments that are traded in an active market and can be readily disposed.

The table below summarizes the fair value by the earliest contractual maturity of the Plan's fixed income investments:

	2013	2012
Less than one year	\$ 400,137	\$ 1,562,788
One to five years	13,683,711	3,894,313
After five years	8,441,047	14,182,693
Total fair value	\$ 22,524,895	\$ 19,639,794

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

5. Disclosures relating to fair value measurements:

The following table summarizes the fair value measurements recognized in the statement of financial position categorized by fair value hierarchy:

December 31, 2013	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 3,561,345	\$ –	\$ –	\$ 3,561,345
Mutual funds	–	622,524	–	622,524
Fixed income and related securities	–	22,524,895	–	22,524,895
Canadian equity and related securities	13,569,058	–	–	13,569,058
U.S. equity and related securities	14,650,017	–	–	14,650,017
International equity and related securities	11,319,235	–	–	11,319,235
	\$ 43,099,655	\$ 23,147,419	\$ –	\$ 66,247,074

December 31, 2012	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 2,337,454	\$ –	\$ –	\$ 2,337,454
Mutual funds	–	1,687,109	–	1,687,109
Fixed income and related securities	–	19,639,794	–	19,639,794
Canadian equity and related securities	11,764,435	–	–	11,764,435
U.S. equity and related securities	12,326,298	–	–	12,326,298
International equity and related securities	9,137,370	–	–	9,137,370
	\$ 35,565,557	\$ 21,326,903	\$ –	\$ 56,892,460

At December 31, 2013 and 2012, there were no transfers between Level 1 and Level 2.

CANADIAN MENNONITE BRETHREN PENSION PLAN

Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Capital management:

The capital of the Plan is represented by net assets available for benefits. There have been no changes in what the Plan considers to be its capital since the previous period. The Plan fulfils its objectives by adhering to specific investment policies outlined in the SIPP which is reviewed annually by the Finance Committee.

The Plan's investment positions expose it to a variety of risks which are discussed in note 4. The Plan manages net assets by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds and new funds (current year's employee and employer contributions) in accordance with the approved SIPP.

As a defined contribution pension plan, the Plan's operations are reliant on revenues generated annually. The Plan has accumulated net assets available for benefits over its history. A portion of the net assets available for benefits is retained as working capital which may be required from time to time due to timing days in receiving its primary revenues. The remaining balance in net assets available for benefits is available for the use of the Plan and is allocated between each of the pension plan members.

**Canadian Conference of Mennonite Brethren Churches
General Operating Bylaw**

Approved at Gathering 2010

Preamble

Whereas the Canadian Conference of Mennonite Brethren Churches is incorporated by an Act of the Senate of Canada, assented to as Bill G6 on November 22, 1945 for the following objects:

(1) to promote, maintain, superintend and carry on, in any and all parts of Canada, in accordance with the doctrinal laws, constitution, acts and rulings of the Canadian Conference of Mennonite Brethren Churches of any or all of the work of that body;

(2) to organize, maintain and carry on, in any and all parts of Canada, charities and missions, and to erect, maintain and conduct therein churches, schools, camps, colleges, orphanages, hospitals, and homes for the aged;

(3) to advance in other lawful ways education, religion, charity and benevolence;

(4) to administer in Canada the property, business and other temporal affairs of the Corporation and

(5) to organize and carry on, in any and all parts of Canada, in furtherance of the lawful objects of the Conference, and not otherwise, the business of printing and publishing;

And, whereas it is considered expedient to enact a general operating bylaw relating generally to the conduct and the affairs of the Conference, be it therefore enacted as a bylaw of the Conference as follows:

Article 1 Interpretations

1.1 In this bylaw and all other bylaws and resolutions of the Canadian Conference of Mennonite Brethren Churches unless the context otherwise requires it, the singular includes the plural; and the masculine gender includes the feminine;

1.2 Terms defined in the Charter have the same meanings in this bylaw;

1.3 “Board of Faith and Life” means the board pursuant to Article 11 of this bylaw established by the Conference to oversee the doctrinal and spiritual aspects of the Conference;

1.4 “Charter” means the Act of the Senate of Canada, assented to as Bill G6 on November 22, 1945 and any subsequent amendments or acts enacted in substitution therefor, from time to time;

1.5 “Committee” means any committee established by the Conference or the Executive Board pursuant to Article 10;

1.6 “Conference” means the Canadian Conference of Mennonite Brethren Churches;

1.7 “Confession of Faith” means the document annexed hereto as Appendix A, as same may be amended from time to time in accordance with Article 15;

1.8 “Convention” means a duly called meeting at which Member Churches are represented by authorized delegates;

1.9 “Delegate” means an authorized representative of a Member Church who is a Voting Member of the Conference;

1.10 “Executive Board” means the board of directors of the Conference;

1.11 “Executive Officer” means any person who holds one of the offices enumerated in Article 7;

1.12 “Member Church” means a local Christian congregation in Canada which is in agreement with the Confession of Faith and has been duly received into membership by a provincial conference or, upon recommendation of the Executive Board, by the Conference.

Article 2 Confession of Faith

The Confession of Faith shall be the statement guiding the faith and practice of the Conference.

Article 3 The Conference in Perspective

Section 1 Nationally

The Conference is and shall at all times remain a Canadian charitable organization within the meaning thereof in the Income Tax Act (Canada). Its Member Churches are local congregations which, as a condition of membership in the Conference, shall also be and remain Canadian charitable organizations.

Section 2 Provincially

A listing of provincial conferences is attached as Appendix B.

Section 3 Internationally

Internationally the Conference relates to and cooperates with similar (parallel) national bodies of Mennonite Brethren churches in other countries **which are part of ICOMB** to foster fellowship and to engage in joint ministries in the pursuit of its objects.

Article 4 The Canadian Conference in Relation to its Member Churches

Section 1 Admission as a Member Church

Where provincial conferences exist (Appendix B), churches are admitted to the national conference membership by action of their respective provincial conference. Any church that is accepted as a member in a provincial conference becomes at the same time a member in the Conference. Any Member Church established in a location outside of a provincial conference can become a member of the Conference upon the recommendation of the Executive Board.

Section 2 Process for Cessation of Membership

Any Member Church may by its own choice, or for cause, by action of its respective provincial Conference in consultation with the Executive Board, cease to be a member of the Conference provincially and therefore also nationally. Any church established in a location outside of a provincial conference is subject to the Conference and the Executive Board in the cessation process.

Section 3 Local Congregations

The Member Churches are local congregations consisting of baptized, Christian believers who are joined in a community of faith for mutual edification, outreach, and who subscribe to the Confession of Faith.

Section 4 Member Church Participation

Whereas each Member Church is free to manage its local affairs, Member Churches relate to each other and cooperate with one another by joining and supporting their respective provincial conference and the Conference for mutual encouragement and increased effectiveness in service and witness in Canada and globally.

Section 5 Assistance when Needed

When a Member Church is unable to resolve an issue which is harmful to its life and witness, the Conference has the right and the duty to offer its assistance in resolving the difficulty, upon request from or in consultation with the respective provincial conference.

Section 6 Suspension of a Member Church

The Conference may withdraw the privilege of membership from any Member Church which ceases to be substantially in harmony with the Confession of Faith.

Section 7 Membership in the Member Church

The regulation of membership of individuals in Member Churches is the responsibility of the Member Church. Guidelines shall be maintained by the Conference to assist Member Churches and to promote consistency of practice.

Section 8 No Proprietary Rights

Membership in a Member Church creates no proprietary rights in any of the tangible assets thereof. Termination of membership, for whatever reason, requires no accounting by the Member Church to the departing member with respect to such assets.

Article 5 The Authority and Accountability Structures within the Conference

Section 1 The Conference as Part of the Body of Christ

The Conference is the national entity of a community of Christian believers known as the Mennonite Brethren denomination in Canada. In partnership with fellow believers in other communities, the Conference is organized and works under the authority of the Lord Jesus Christ to take the gospel into all the world starting in our neighbourhoods, and beyond that, to our respective provinces, to our nation and to the ends of the earth.

Section 2 The Source of Legal Authority

The Conference receives its legal authority to exist and to operate from section 4 of its Charter, which empowers the membership of the Conference to establish the Executive Board to govern and direct the

affairs of the Conference. The Executive Board receives its authority to govern from, and is accountable to, the Conference.

Section 3 The Will of the Conference

The will of the Conference shall be expressed by resolutions adopted at its Conventions. The Executive Board shall govern and direct the affairs of the Conference between Conventions in accordance with the will of the Conference.

Section 4 Plebiscites and Referenda

The Conference in Convention is empowered to decide all matters corporately affecting the Member Churches. Plebiscites and referenda may be used only if authorized by a two-thirds majority vote at a Convention.

Article 6 Conventions of the Conference

Section 1 Authority to Convene a Convention

As stated in Section 4 of its Charter, the Conference shall hold annual Conventions for inspiration, reporting, direction-setting and decision-making, at such time and place as may be decided by the Executive Board.

Section 2 Special Conventions

Subject to notice as hereafter provided, the Conference may call a special Convention at any time by decision of the Executive Board.

Section 3 Date, Location and Agenda of Conventions

The Executive Board shall give at least six (6) weeks notice of any annual or special Convention. Such notice shall stipulate the date, location and agenda of such Convention. Notice shall be deemed to have been sufficiently given if sent by ordinary mail to the Member Churches, or if given by announcement in the Conference periodical publications distributed to the members of Member Churches.

Section 4 Church Representation at Convention

Each Member Church shall be entitled to be represented at any Convention by delegates. Each delegate must be 18 years of age or older, must be a member in good standing, and shall be approved as a delegate by the church membership or governing board of the church. The maximum number of delegates is one (1) pastoral delegate per church and one (1) other delegate for every twenty-five (25) members or fraction thereof of that Member Church. Executive Board members have a vote at Convention by virtue of their position as Executive Board members.

Section 5 Voting

Each delegate to a Convention shall have one vote, which must be cast in person. Proxy voting shall not be permitted.

Section 6 Quorum at Convention

A quorum for any Convention shall consist of not less than one hundred (100) delegates registered at commencement thereof, in the absence of which no binding decisions can be made. Thereafter the delegates present in person shall be deemed to constitute a quorum. The quorum shall be reduced to thirty (30) if the agenda is limited to the appointment of an auditor, and the receiving and approving of the financial statements.

Section 7 Role of Delegates

The role of the delegates at a Convention, in addition to those which are delineated by the Charter or by virtue of law, shall be as follows:

- (1) To elect those members of the Executive Board, the Board of Faith and Life and the Nominating Committee prescribed by the governing documents; and to elect the moderator, assistant moderator and secretary.
- (2) To receive reports from the Executive Board, the Board of Faith and Life, the Nominating Committee and the external Auditor.
- (3) To hold the reporting boards/committee(s) accountable for their actions;
- (4) To provide policy direction; and
- (5) To approve amendments to the governing documents.

Article 7 The Executive Board

Section 1 The Composition and Election

As stated in Section 4 of the charter, the Executive Board consists of not less than **eleven** and not more than **fifteen** members.

The Executive Board shall be composed of the following voting members:

- (1) the moderator of the Conference, who shall chair Conventions of the Conference and meetings of the Executive Board, except if and when prevented or excused, and shall act as formal representative of the Conference;
- (2) the assistant moderator of the Conference, who shall assist the Moderator and act in the capacity of Moderator in the absence of the incumbent;
- (3) the secretary of the Conference, who shall oversee and be responsible for the recording of minutes of Conventions and of meetings of the Executive Board, and shall carry out such other duties customarily the responsibility of secretaries of corporate bodies;
- (4) the moderators or their equivalents or their designates from each province, region or area listed in Appendix B hereto attached; **designates will not have voting rights**
- (5) **additional** members-at-large **as required** elected at an **annual** Convention.

In addition, the Executive Board includes the following non-voting members:

- (1) the Executive Director;
- (2) two members of the Board of Faith and Life appointed by the said Board from its membership.

The Executive Director, as an ex-officio, non-voting board member, has the right to speak to any issue. Attendance by other executive staff members is by specific invitation. In compliance with the Charter, all board members chosen by provincial conferences or who may be members by virtue of office shall be subject to a vote of ratification at the annual Convention.

Section 2 Term of Office

(1) The term of office of each elected member-at-large (**see section 1.1,2,3,5**) is four (4) years. Members will be eligible for a second four (4) year term. Terms of elected members shall be staggered. Vacancies occurring between Conventions shall be filled, if necessary, by appointment of the Executive Board.

(2) The term of office of moderator, assistant moderator and secretary shall be two (2) years within their four-year elected term. The moderator, assistant moderator and secretary may not serve in the same position for more than two consecutive, full terms.

(3) In special circumstances, this provision may be set aside by a two-thirds majority vote of the delegates present and voting at a delegate Convention.

(4) Vacancies occurring among elected members-at-large and office holders such as moderator, assistant moderator and secretary, shall be filled by appointment of the Executive Board for the unexpired portion of the term of office. When a provincial moderator or his designate must be replaced, the respective province shall make the appointment.

(5) Newly elected provincial representatives and members elected at large shall take office upon adjournment of the annual Convention.

(6) The term of office of any member of the Executive Board may be suspended for misconduct upon resolution of at least two-thirds of its voting members. Any such suspension shall continue until the next following annual Convention, at which further disposition of the case, including termination, may be made by the Convention.

Section 3 Responsibility

The Executive Board shall through prayerful discernment seek God's leading to provide leadership in promoting vision, strategic planning, determination of the mission, enunciation of the values, overseeing financial and operational matters, setting of goals and evaluation of results in matters relating to the extension of the kingdom of God through the Member Churches.

Section 4 Specific Duties and Functions

The Executive Board as the board of directors of the Conference shall govern and oversee the affairs and assets of the Conference as required by the Charter and by virtue of law. Without restriction, this shall include the following:

- (1) select and engage an Executive Director to implement the goals and policies of the Canadian Conference;
- (2) delegate management authority and responsibility to the Executive Director;
- (3) approve the Strategic Plan and priorities;
- (4) monitor performance and measure strategic outcomes;
- (5) oversee financial and operational matters, assume fiduciary responsibility for the conference, seek financial solvency and integrity;
- (6) represent the Conference externally;
- (7) foster inter-church relations and contacts with other church-related agencies;
- (8) consult with member churches in the process of strategic planning;
- (9) provide a forum for dialogue related to matters of congregational polity;
- (10) design governance structure and processes;
- (11) meet at least three (3) times per year;
- (12) maintain a current Governance Manual;
- (13) be accountable to the Conference at its Conventions;
- (14) engage consultants, appoint commissions and create advisory and ad hoc committees as required;

- (15) appoint a parliamentarian to serve during a Convention for the purpose of ensuring that decisions are in compliance with the Conference's governing documents and that transactions are conducted according to commonly accepted rules of parliamentary procedure;
- (16) evaluate and improve itself as the governing board; and
- (17) appoint the following ~~three~~ committees: Finance, Audit Review, Governance and others.

Article 8 Board and Committee Polity

Section 1 Board and Committee Integrity

A board or committee can express its will only when it is in session either in one location or in a teleconference. A board or committee cannot function as such except in meetings duly called and convened, and then only after roll call and before adjournment.

Section 2 Board and Committee Solidarity

Individual members have no authority to speak for or act on behalf of the board or committee except when such authority has been officially delegated. Members must take care not to commit or to appear to commit the board or committee to any stand, in private or public statements, which the board or committee as a whole may be unwilling to take.

Section 3 Protection of Directors and Officers

Every board and committee member of the Conference and any other person, including every employee, who has undertaken or is about to undertake any liability on behalf of the Conference, and their respective heirs, executors, administrators and assigns respectively, shall at all times be indemnified and saved harmless, out of the funds of the Conference from and against:

- (1) All costs, charges and expenses which such a board or committee member or other person sustains or incurs in or about any action, suit or proceeding which is brought by or prosecuted against him/her for, or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him/her in or about the execution of the duties of his/her office, except such costs, charges or expenses as are occasioned by his/her own wilful neglect or deliberate illegal acts; and
- (2) All other costs, charges and expenses, which he sustains or incurs, in or about or in relation to the affairs thereof except such costs, charges and expenses as are occasioned by his/her own wilful neglect or deliberate illegal acts.

Article 9 Executive Director

The Executive Board shall employ an Executive Director, who shall be accountable to the Executive Board for the management of the affairs of the Conference, including the following:

- (1) To develop the staff infrastructure to fulfil the values, goals and mission of the Conference;
- (2) To act as the team leader of the executive staff, providing direction in line with the vision and strategic plans of the Conference;
- (3) To present to the Executive Board tactical and financial plans that comply with the strategic plan;

- (4) To provide pastoral counsel where needed or requested by provincial conferences;
- (5) To plan public events such as gatherings, study conferences, and pastors' orientation;
- (6) To represent the Conference as appropriate.

Article 10 The Additional Conference Board and Committee

The Conference shall maintain the Board of Faith and Life and Nominating Committee.

Article 11 Board of Faith and Life

Section 1 Composition

The Board shall be composed of the following members:

- (1) three (3) members elected by the Conference at the Convention;
- (2) one (1) member elected by each of the organizations listed in Appendix B hereto;
- (3) conference ministers elected or appointed by the organizations listed in Appendix B hereto.
- (4) the executive director as an ex-officio, non-voting member.

Section 2 Duties and Functions

The specific duties of the Board of Faith and Life include:

- (1) To initiate the appropriate action or serve as a resource in issues of faith and life through consultation, teaching, and publishing;
- (2) To be responsible for promoting the Conference's peace witness in Member Churches and Canada;
- (3) To plan study conferences in consultation with the Executive Board;
- (4) To appoint two of its members to the Executive Board to monitor the actions taken at an Executive Board meeting for their ethical soundness and biblical correctness and to report their findings to the Convention;
- (5) ~~To be responsible for the representation of the Conference on the delegate body of Mennonite Central Committee (Canada);~~
- (6) To report the plans and activities of the Board to the Executive Board;
- (7) To be accountable to the Conference at its Convention;
- (8) To undertake such other duties as Conventions may from time to time assign to this Board.

Article 12 Nominating Committee

Section 1 Composition

The Committee shall be composed of the following members:

- (1) the Secretary of the Conference **who shall normally act as nominating committee chair;**
- (2) the moderators, or their equivalents, or others designated by each of the organizations listed in Appendix B hereto;
- (3) two (2) members elected by a Convention.
- (4) the Executive Director as ex officio member**

Section 2 Duties

The Committee shall nominate persons for election by Conventions of the Conference as required from time to time. In furtherance of its function, this Committee shall assess the skills required for elective or appointed positions and shall maintain a database of the elected and appointed incumbents and their respective terms of office.

Article 13 Audit Review Committee

Section 1 Appointment and Composition

At its first meeting after each annual meeting, the Board shall appoint the Audit Review Committee, including the chairperson. This committee shall consist of not less than three (3) and not more than five (5) members, the majority of which shall be Executive Board members.

Section 2 General Role

The Audit Review Committee's role is to act on behalf of the Board and oversee qualitative aspects of financial reporting, processes for the management of financial risk, control and audit functions, and compliance with policy and significant applicable legal, ethical and regulatory requirements.

Section 3 Specific Responsibilities

Without limiting the general responsibility, the committee will do at least the following:

- (1) To recommend to the Executive Board the appointment of an independent public auditor;
- (2) To meet at least twice annually, unless otherwise directed by the Executive Board, plan and review the annual audit with the external auditor, negotiate the remuneration to be paid to the external auditor for the ensuing year, and report to the Executive Board on the audit, and any management or audit comments by the external auditor, when the audited financial statements are presented;
- (3) To assure itself and the Executive Board that the Conference's financial policies, functions, and responsibilities are in compliance with the highest standards of integrity and in accordance with applicable laws.

Article 14 The Finance Committee

Section 1 Appointment and Composition

At its first meeting after each annual meeting, the Board shall appoint the Finance Committee, including the chairperson. This committee shall consist of not less than three (3) and not more than five (5) members, the majority of which shall be Executive Board members.

Section 2 General Role

The role of the Finance Committee is to advise the Board on all financial matters, including investments, affecting the Conference and to approve on behalf of the Board those financial strategies, contracts and agreements delegated to it under board Policy.

Section 3 Specific Responsibilities

Without limiting the general responsibility the committee will also carry out the following functions:

- (1) recommend investment policies and direction to the Executive Board;
- (2) give advice as requested by staff;
- (3) monitor the financial limitations and expectations policies; and
- (4) provide the Executive Board with progress reports and results of the investment portfolio in a timely manner but in any event not less than annually.

Article 15 Amending the Confession of Faith

The Confession of Faith has been developed by the Conference in collaboration with the United States Conference of Mennonite Brethren Churches. Amendments thereto shall be made only if that body and the Conference both agree (Appendix F: Memorandum of Understanding taken from the book entitled 86th Convention of the General Conference of Mennonite Brethren Churches, July 25-27, 2002, pages 88 and 89).

Article 16 Amending the General Operating Bylaw

Section 1

Notice of motion to amend the Bylaw may be given at any Convention or by publication in the Conference periodical publications.

Section 2

Sponsorship of a motion to amend the Bylaw may be initiated by the Executive Board, by any Member Church or by a group of at least 50 individuals who are members in good standing of Member Churches and who have signed a document to that effect.

Section 3

Notice of motion to amend the Bylaw must be presented to all Member Churches three months before the Convention at which it is to be voted on. The notice of motion will disclose the movers of the motion.

Section 4

A two-thirds majority of those present and voting at a Convention shall be required to carry an amendment.

Article 17 Separately Organized Ministries

The Conference is active in several joint ministries that are operated by boards with representation from both the US Conference of Mennonite Brethren Churches and the Conference. The representation by the Conference to these boards is by appointment from within the Executive Board as further specified in Article 7, Section 1. Accountability to the Conference is through communication and coordination with the Executive Board and by reports to the Conference at the annual Convention. The joint ministries are

(1) ~~Mennonite Brethren Biblical Seminary;~~

Mennonite Brethren Mission and Service International (now renamed as MB Mission);

~~(2)~~(3) Mennonite Brethren Historical Commission.

The basic documents for each are attached as appendices C and D, as follow:

(1) Appendix C: ~~Memorandum of Understanding Regarding Mennonite Brethren Biblical Seminary, taken from the book entitled 86th Convention of the Conference of Mennonite Brethren Churches, July 25-27, 2002, pages 49-50.~~

~~(2) Appendix D:~~ Memorandum of Understanding Regarding Mission and Service International (now renamed as MB Mission) ~~ibid.~~ taken from the book entitled 86th Convention of the Conference of Mennonite Brethren Churches, July 25-27, 2002, pages 91-93.

~~(3) Appendix ED:~~ Memorandum of Understanding Regarding the Mennonite Brethren Historical Commission, *ibid.*, pages 47-48.

Article 18 Fiscal Year

The fiscal year of the Conference shall terminate on the 31st day of ~~December~~ ~~May~~ in each year or on such other date as the Executive Board may from time to time by resolution determine.

Article 19 Appointment of Auditor by Members

The annual Convention shall appoint an auditor to audit the books of the Conference. The term of office shall be until the next annual Convention. Any interim vacancy in the office of the auditor may be filled by the Executive Board. The remuneration of the auditor shall be fixed by the Convention or by the Executive Board, if authorized to do so by the Convention.

Article 20 Notice

Section 1 Method of Notice

Except where otherwise provided in this Bylaw, notice shall be validly given if given by telephone, or if in writing, by prepaid letter post, by facsimile, by email, or by other electronic method, addressed to the person for whom it is intended at the last address shown on the Conference's records.

Section 2 Omissions and Errors

The accidental omission to give notice of any meeting or the non-receipt of any such notice by anyone in a board or committee, or any error in any notice not affecting its substance does not invalidate any resolution passed or any proceedings taken at the meeting. Any Executive Board member, committee member or the Auditor may at any time waive his/her having to receive notice of any meeting and may ratify and approve any or all proceedings taken thereat.

Article 21 Dissolution

Upon dissolution of the Conference, and after the payment of all debts and liabilities, its remaining property shall be distributed to one or more charitable organizations which are registered as such within the meaning of subsection 248 (1) of the Income Tax Act and which have objects similar to those of the Conference.

Article 22 Effective Date

This Bylaw shall come into force when enacted by the Conference at its Convention, June, 2014.

CCMBC Mission:
To multiply Christ-centred churches to see
Canada transformed by the good news of Jesus Christ.



Guiding Principles:

1. We are Bible-based and Spirit-led.
 - We accept the Bible as the infallible Word of God and the authoritative guide for faith and practice.
 - We intentionally seek guidance from the Holy Spirit with the intent of ministering in obedience to God's leading. To be Spirit-led is to be open to moving in new ways. It is timely action rooted in the timeless Word of God, which leads to new and creative thinking and methodologies.
2. We are gospel-focused and kingdom-oriented.
 - We believe in the transforming power of the gospel to bring new life to Canadians.
 - We believe in humanity's need to hear, receive and respond to the gospel message.
 - We believe the in-breaking kingdom of God was initiated by Jesus Christ and will be fully realized at His return. God's in-breaking kingdom transforms lives, society, structures and communities.
 - We believe kingdom ministry is done holistically; it is the whole gospel for the whole person exhibited by "being, telling and doing" the good news of Jesus Christ.
3. We are called to resource for fruitful ministry.
 - We focus on being a multiplier for ministry. We do not do ministry for the local church; we enhance the ministry of local churches.
 - We evaluate the work we do for fruitfulness and make changes to the effectiveness of our ministries. We will identify and report on ministry benchmarks.
 - We make every effort to minister with excellence, giving our best to maximize the resources God has given us for the benefit of the church and the glory of God.
4. We are a learning community.
 - We believe the Holy Spirit continues to reveal God's heart, creativity and methods to his people. Therefore, we will pursue new ways of fulfilling God's call to develop, resource and empower ministry leaders for multiplying Christ-centred churches.
 - We believe God speaks through His people. Therefore, we will intentionally discern the leading of the Holy Spirit through the Word of God in community.
5. We are partnership-oriented.
 - We partner with churches, provincial conferences, schools, MBBS Canada, MB Mission and like-minded ministries and leaders who also desire to multiply disciple-making Christ-centred churches.

Preferred Culture:

We are a Christ-centred, transformational community.

1. Risk-taking, Spirit-led faith
 - We bathe the planning and budgeting process in prayer, so we express the Spirit's leading in all we do.
2. Sacrificial generosity
 - We serve with generosity for the benefit of our ministry partners to enhance the effectiveness of the local church and give glory to God.
3. Interdependence and cooperation
 - We work together to maximize the effectiveness of all conference ministries to multiply Christ-centred churches.
4. Speaking truth in love
 - We honour each other by speaking truth with grace and compassion in order to bring out the best in each other.
5. Prayer-permeated
 - We bathe all CCMBC ministries in prayer, raise up prayer teams and seek to develop a culture of prayer.
6. Storytelling and celebration
 - We communicate the stories of God's work across Canada to build the church, develop partnership and inspire people.

Central Ministry Focus:
Helping multiply leaders and disciple-making churches

MENNONITE BRETHERN BIBLICAL SEMINARY

BYLAWS

(For Approval at Gathering, June 14, 2014)

ARTICLE 1 - INTERPRETATION

- 1.1 All terms in the *MBBS Act* have the same meaning in the Bylaws, unless the context otherwise requires,
- a. “Board” or “Directors” mean the Board of Directors of the Seminary and “Director” means a member of the Board;
 - b. “Bylaws” means the Bylaws of the Seminary;
 - c. “CCMBC” or “the Conference” means the Canadian Conference of Mennonite Brethren Churches;
 - d. “Chair” means the person who is the Chairperson of the Board;
 - e. “CCMBC Executive Board” means the Executive Board of the CCMBC;
 - f. “Confession of Faith” means the approved document in which the CCMBC, from time to time, sets out its theological beliefs;
 - g. “*MBBS Act*” means the *Mennonite Brethren Biblical Seminary Act*, S.B.C. 2013, Pr 402 and amendments thereto;
 - h. “President” means the President of the Seminary;
 - i. “Seminary” means Mennonite Brethren Biblical Seminary; and
 - j. “Special Resolution” means a resolution passed by a majority of not less than 75% of the Directors attending a meeting at which the resolution is proposed who, being entitled to vote, do so.

ARTICLE 2 – RELATIONSHIP BETWEEN CCMBC AND THE SEMINARY

- 2.1 The Seminary will provide recognized graduate and other levels of theological education and leadership training that strengthen the theological identity, direction, cohesiveness, and mission of the CCMBC.

- 2.2 The Board is responsible for the governance of the Seminary in accordance with the *MBBS Act*. The Board will:
- (a) Report to CCMBC or CCMBC Executive Board on an annual basis, and at any other time reasonably requested by the CCMBC or CCMBC Executive Board. Such reports shall include, but are not limited to, information about budgets, appointment of auditors, capital projects, and board minutes;
 - (b) Submit proposals for substantive changes in direction of the Seminary, and any capital projects involving loans greater than 10% of the operating budget, to CCMBC or CCMBC Executive Board prior to proceeding.

ARTICLE 3 – CONFESSION OF FAITH

- 3.1 The Confession of Faith of the CCMBC shall also be the Confession of Faith of the Seminary. Any doctrinal statement issued by the Seminary and all activities carried on by the Seminary shall be in complete harmony with the Confession of Faith.

ARTICLE 4 - DIRECTORS AND OFFICERS

- 4.1 **Purpose and Responsibilities of the Board.** The Board may exercise the power to do all acts and things that the *MBBS Act* and these Bylaws permit, except insofar as such powers may be limited by law. The Board is responsible for the management of the direction, leadership, programs, property and business of the Seminary. In addition to the powers and duties specified in subsection 6(2) of the *MBBS Act*, the responsibilities of the Board include the following:
- a. To guide and guard the mission, theological integrity, and vision of the Seminary;
 - b. To define and periodically review the philosophy and strategic direction of the Seminary to ensure consistency with the vision and mission of the Seminary;
 - c. To organize and monitor Board operations for effectiveness including the appointment of officers, and members to committees and taskforces, and the provision of a program of orientation, development and assessment for Directors;
 - d. To appoint and supervise a qualified President and to delegate to the President powers prescribed by the Board, and not delegated to others by the Board or these Bylaws;

- e. To approve the appointment of senior administrative personnel and regular faculty as recommended by the President;
- f. To establish teaching centres;
- g. To oversee the curriculum of the Seminary and ensure that it is in accordance with the Confession of Faith;
- h. To ensure that the quality of education and training provided by the Seminary is consistent with applicable accreditation standards, including those of the Association of Theological Schools, to the extent applicable;
- i. To authorize the awarding of earned degrees and honorary degrees upon recommendation of the Academic Council;
- j. To oversee the property and the financial affairs of the Seminary including approving the annual budget, tuition and fees, arranging for appropriate audits and financial reporting, and establishing investment policies;
- k. To assist in the securing of resources for the operations of the Seminary;
- l. To approve the construction of new buildings and major renovations of existing buildings and to approve the sale and purchase of land, buildings or major equipment for the use of the Seminary;
- m. To authorize the incurring of debts for the benefit of the Seminary and securing thereof by mortgage and pledge of real and personal property, tangible and intangible;
- n. To maintain strong constituency relations with the churches that make up the CCMBC and other churches that may be served by the Seminary; and
- o. To ensure appropriate communication with the constituencies served by the Seminary, and to report to the CCMBC or CCMBC Executive Board as required by the Bylaws.

4.2 Director Qualifications. In order to be a member of the Board an individual must:

- a. Subscribe to the Confession of Faith;
- b. If appointed by the CCMBC or the CCMBC Executive Board, be a member in good standing of a congregation that is a member of the CCMBC;

- c. Demonstrate commitment to the mission of the Seminary by making the Seminary a matter of personal concern and prayer, and supporting the Seminary financially;
- d. Be willing to make attendance at meetings a priority.

4.3 **Remuneration.** No Director shall be remunerated for being or acting as a Director, but a Director may be reimbursed for all expenses reasonably incurred while engaged in the affairs of the Seminary.

4.4 **Board Size and Composition.** The Board shall consist of not less than ten (10) or more than sixteen (16) Directors with voting rights. A majority of the members of the Board shall be appointed by the CCMBC. Subject to section 4.2, the Board shall be constituted as follows:

- a. Not less than six (6) individuals from the CCMBC constituency shall be appointed by the CCMBC at an annual general meeting after having been approved by the CCMBC Executive Board;
- b. An additional four (4) individuals shall be appointed by the CCMBC Executive Board as follows:
 - i. A member of the Executive Board of the CCMBC;
 - ii. A member of the CCMBC Board of Faith and Life;
 - iii. The Executive Director of the CCMBC, or designate; and
 - iv. A senior member of the administration or a member from the Board of Mennonite Brethren Mission;
- c. At any time the Board wishes, such additional individuals appointed by the Board at the sole discretion of the Board, provided the Board does not exceed sixteen (16) Directors;
- d. The President is a non-voting member of the Board of Directors. The Board may determine by a majority vote at any time, and from time to time, to exclude the President from a meeting of the Board, or from a meeting of any Board Committee, due to confidentiality of subject matter, conflict of interest or other reasonable cause.

4.5 **Term of Office.** The length of term of a Director appointed under section 4.4 (a) to (b), and the number of consecutive terms that may be served by such a Director, shall be governed by the Bylaws of the CCMBC. The terms of such a Director shall commence upon the Director's appointment by the CCMBC. The term of a Director appointed under section 4.4 (c) shall be for four (4) years, unless a shorter term is designated by the Board, and shall commence immediately upon appointment unless otherwise designated by the Board. A Director may serve for a

maximum of two consecutive terms. To the greatest extent possible, the terms of Directors shall be staggered to allow for continuity and balance of membership. The Board shall consult with the CCMBC Executive Board regarding any adjustments to terms necessary to accomplish these objectives.

- 4.6 **Vacancies.** If any vacancy shall occur in the Board by death, resignation, removal or otherwise, the unexpired term of said vacated position shall be filled as follows: a vacant CCMBC-appointed position shall be filled at the discretion of the Executive Board of the CCMBC. A vacated Board-appointed position may be filled by appointment by the Board in consultation with the CCMBC Executive Board.
- 4.7 **Observer-Participants.** An observer-participant permitted to attend by the Board at a Board meeting has speaking but not voting rights. Observer-Participants may include:
- a. The Moderator (or designate) of the CCMBC;
 - b. A representative appointed by the Faculty of the Seminary to reflect the interests of faculty; or
 - c. Such additional individuals as the Board believes may be of assistance in providing expertise in a specific matter, or in ensuring appropriate representation of the constituency of the Seminary.
- 4.8 **Removal.** A Director appointed by the CCMBC may be removed by action of the CCMBC at an annual general meeting or by the CCMBC Executive Board, and a successor to complete the term of office may be appointed pursuant to section 4.6. A Director appointed by the Board may be removed by majority vote of the Board. Before any Director is removed, the Director shall first be notified and given an opportunity to be heard by the party having the power to remove that Director.

A person will cease to be a Director:

- a. Upon delivering a written resignation to any of the Officers of the Board;
 - b. Upon becoming bankrupt or suspending payments with creditors;
 - c. Upon being found to be incapable of managing personal affairs by reason of mental infirmity;
 - d. Upon being convicted of an indictable offence or felony;
 - e. Upon no longer meeting the qualifications in section 4.2 of these Bylaws and, after the Board attempting to work with the person, fails to remedy such failure to meet the qualifications, the Board votes by Special Resolution to remove the Director; or
 - f. Upon two consecutive absences from Board meetings and the Board votes by Special Resolution to remove the Director.
- 4.9 **Meetings.** The Board shall meet at least three times a year. All meetings shall be conducted in accordance with rules of order adopted by the Board from time to

time. Additional meetings of the Board may be called by the Chairperson or by a majority of the Directors at such place as may be specified.

- a. Notice of Meetings. Notice of all Board meetings shall be given at least ten (10) days prior to the time fixed for a meeting. Notice of a Board meeting shall specify the place, day and hour of meeting and, in case of special business, the general nature of that business. The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the Directors entitled to receive notice does not invalidate proceedings at that meeting.
- b. A notice may be given to a Director personally, by facsimile, by mail to a registered address, or by electronic mail. A notice sent by mail shall be deemed to have been given on the fifth day following that day on which the notice is posted and, in proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle. A notice sent by facsimile transmission or electronic mail, shall be deemed to have been given on the next day following, provided no notice has been received indicating a failure of delivery.
- c. Subject to subsection 4.4 (b), the President of the Seminary shall be entitled to receive all notices of, and attend all meetings of, the Board.
- d. Quorum. A quorum for the transaction of business at any meeting of the Board shall consist of two thirds of the total number of Directors then serving.
- e. Electronically Facilitated Meetings. Directors, or any committee or commission thereof, may constitute a meeting of the Board, or committee, or commission by means of telephone conference or other electronic communications equipment, which allows all persons participating in the meeting to hear and speak to each other. Participation in such meeting shall constitute presence at such meeting.
- f. Votes. Decisions of the Board shall be determined by a majority of all votes cast, unless otherwise required by these Bylaws. Each Director is entitled to one vote. Any action required or permitted to be taken at any meeting of the Board or any committee or commission thereof may be taken, to the extent permissible by law, without a meeting and by mail ballot, fax ballot or e-mail ballot at the discretion of the Chairperson of the Board or the chairperson of the committee or commission. A resolution in writing, signed by all the Directors and placed with the minutes of the Directors, is as valid and effective as if regularly passed at a meeting of Directors.
- g. Proxies (i.e., the designation of substitutes). Directors shall not be allowed

to attend, or to vote, by proxy at any meetings of the Board.

- h. In Camera Executive Session. The Board, at the discretion of the Chairperson, may meet in closed executive session without prior notice. The Board may request the attendance of administrative personnel or others at all or any portion of an executive session. Observer-Participants and other non-Directors shall be excluded from an in camera executive session unless invited to participate by the Board.

4.10 Officers of the Board. The Board shall elect such officers as, from time to time, it deems necessary in order to conduct the Seminary's affairs properly. Such officers shall include, but are not necessarily limited to, the following:

Chair. The Chair shall preside at all meetings of the Board and the Executive Committee. The Chair shall be responsible for the preparation of the agenda for each Board meeting, consulting with other members of the Board and the President as required. The Chair shall be a non-voting *ex officio* member of all Board committees other than the Executive Committee and shall perform such other duties as are incident to this office.

Vice-Chair. The Vice-Chair shall serve as assistant to the Chair, and shall, in the absence of the Chair, possess all the powers and perform all the duties of the Chairperson.

Secretary. The Secretary shall be responsible for the preparation and custody of minutes of the Board and the Executive Committee. The Secretary may or may not actually serve as recording secretary. If the Board designates another individual as recording secretary, the Secretary shall be responsible for reviewing and approving the minutes to ensure the accuracy thereof. The Secretary shall perform all such other duties as are incident to this office.

Treasurer. The Treasurer shall be responsible to provide expertise and oversight regarding the Seminary's financial operations and to perform such other duties as the Board may designate. The Treasurer will be the chair of the Finance Committee.

Eligibility. Any Director who is a member in good standing of a congregation that is a member of the CCMBC shall be eligible to serve as an officer.

Term. All officers of the Board shall be elected and hold office for the term of two (2) years with a four consecutive-term limit, unless resignation or removal as a Board member shall precede the completion of said term, in which case the term shall be completed as of the date of the resignation or removal.

Vacancies. Vacancies in any office created by resignation, death, removal, or

otherwise, shall be filled by the Board for the remainder of the term.

- 4.11 **Committees.** The Board may establish such Committees as are deemed necessary for the effective and efficient functioning of the Board. All Committees are subordinate to the Board. The general purposes of Committees are to do preparatory or delegated work for the Board as identified in their duties or serve an advisory function for the President. In no case may a Committee determine policy for the Board.

Standing committees include the following: Executive Committee, Finance Committee, and Governance Committee. The Board may appoint additional Ad-hoc Committees or Task Forces as deemed necessary.

Committee appointments take place at the first regular Board meeting following the CCMBC annual general meeting. Committee appointments are generally for a two-year term and where possible, effort will be made to ensure continuity on a Committee through the use of staggered terms. The President is a member of all Committees by virtue of office. Subject to the Bylaws, the Board may remove and replace members of a Committee, in its discretion.

Committee quorum is a majority of the total number of members of assigned to the committee.

Each Committee is responsible to forward its agendas, appendices, and minutes to the Seminary within four weeks of their meeting. Committee minutes will be forwarded to the full Board for information. Committees should be prepared to submit reports and recommendations to Board meeting agendas.

- 4.12 **Executive Committee.** The Executive Committee consists of the elected officers of the Board, the President of the Seminary and such additional at-large members as may be appointed by the Board from time to time, for terms corresponding to the periods during which such office is held or as specified by the Board in the case of election of at-large members, but in any event for no longer than a two-year term except in the case of re-election to office.

The Executive Committee is responsible to:

- a. Oversee preparation for effective and efficient meetings of the Board;
- b. Serve as a sounding board and resource for the President between Board meetings;
- c. Monitor the President's performance, well-being, and compensation;
- d. Oversee the Seminary's institutional planning process in collaboration with the President;

- e. Attend to the development and maintenance of positive relationships with key regulatory bodies, stakeholders and other key partnerships; and
- f. Act on behalf of the Board in emergencies, except as prohibited by law or limitations set by the Board.

4.13 **Finance Committee.** The Finance Committee consists of at least three members appointed by the Board. The Committee may include one non-Board member except for the position of the Committee chair. The Treasurer serves as Committee chair.

As a committee supporting the Board in financial matters, the Committee is responsible to:

- a. Monitor the financial health of the Seminary and work with the President to address financial challenges throughout the fiscal year;
- b. Preview the budget prior to its recommendation to the Board;
- c. Ensure that the Seminary is in compliance with all regulatory matters pertaining to finances;
- d. Ensure that adequate risk management policies, instruments, and practices are in place;
- e. Direct the annual Seminary audit process by engaging with the auditor, formulating any recommendations arising from the audit that the Board should process, and recommend the appointment of an auditor for the next fiscal year; and
- f. Propose required financial policies to the Board in collaboration with the Governance Committee.

4.14 **Governance Committee.** The Governance Committee consists of at least three members appointed by the Board. The Committee may include one non-Board member except for the position of the Committee chair. It appoints its chair and is responsible to:

- a. Serve as Nominations Committee for the Board by proposing nominees for Directors, Officers, and Standing Committees;
- b. Design and conduct a program of orientation for new Directors;
- c. Serve a parliamentary role in Board sessions, ensuring that the Board operates consistently with the *MBBS Act*, its Bylaws, operating manual, and policies;

- d. Monitor the Board's relationship and governance performance and prepare needed education and skill development opportunities for the Board;
- e. Review current Bylaws, governance policies, and relationship descriptions, and recommend revisions and additions as directed by the Board.

ARTICLE 5 – ACADEMIC COUNCIL

- 5.1 The Board shall establish the terms and responsibilities of the Academic Council.

ARTICLE 6 - LIABILITY AND INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

- 6.1 Subject to the *MBBS Act*, no Director or officer or employee for the time being of the Seminary shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage, expense happening to the Seminary through the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the Seminary shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, firm or society with whom or which any money, security or effect shall be lodged or deposited or for any loss occasioned by any error of judgment or oversight on his or her part or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of their respective office or trust or in relation thereto unless the same shall happen by or through his or her own willful act or default, negligence, breach of trust or breach of duty.
- 6.2 Subject to the provisions of the *MBBS Act*, the Directors of the Board may cause the Seminary to indemnify any Director, officer, employee or agent of the Seminary or of a subsidiary of the Seminary (notwithstanding that he or she is also a Director) or of a society, partnership, joint venture, trust or other enterprise for which he or she is serving at the request of the Seminary, and any heirs and personal representatives against all costs, charges and expenses whatsoever incurred and resulting from actions as a Director, officer, employee or agent of the Seminary or such society or such other enterprise. In addition the Seminary shall indemnify the President, vice-president, secretary, treasurer and their respective heirs and personal representatives against all costs, charges and expenses whatsoever incurred by all or any one of them and arising out of the functions assigned to them by the *MBBS Act* or these Bylaws and each such person shall on being appointed be deemed to have contracted with the Seminary on the terms of the foregoing indemnity.

- 6.3 The failure of a Director or officer of the Seminary to comply with the provisions of the *MBBS Act* or these Bylaws shall not invalidate any indemnity to which they are entitled under this part.
- 6.4 The Directors may cause the Seminary to purchase and maintain insurance for the benefit of any person who is or was serving as a Director, officer, employee or agent of the Seminary or as a Director, officer, employee or agent of a subsidiary of the Seminary, or as a Director, officer, employee or agent of a society, partnership, joint venture, trust or other enterprise for which he or she is serving at the request of the Seminary, and their heirs or personal representatives against any liability incurred as a Director, officer, employee or agent.

ARTICLE 7 - TEACHING CENTRES

- 7.1 The Board, in consultation with CCMBC or the CCMBC Executive Board, may establish teaching centres as are deemed appropriate to carry out the mandate of the Seminary. The President of the Seminary shall be the President of all teaching centres. The President shall appoint administrative personnel to oversee the operations of each centre.

ARTICLE 8 - THE PRESIDENT

- 8.1 **Appointment.** The President of the Seminary shall be appointed by the Board and may be replaced by the Board. The President shall be appointed for such a term of service as determined by the Board. Regular performance evaluations of the President shall be made by the Board.
- 8.2 **Responsibilities and Function.** The President of the Seminary is the chief executive officer and administrative head of the Seminary. The President is directly responsible to the Board for the management of Seminary and shall recommend to the Board such matters as require policy decisions. The President shall exercise all of the powers expressly delegated by the Board except those powers specifically delegated to others in these Bylaws and those powers reserved to the Board by these Bylaws or applicable law.

The President shall be responsible for the designation of responsibility to such administrators and faculty members as is deemed necessary for the efficient and effective operation of the Seminary.

- 8.3 **Attendance at Meetings.** Unless otherwise requested by the Board, the President shall attend and have full voice, but not voting rights, at any meeting of the Board, including executive sessions, and any meeting of the Standing Committees of the Board. Unless otherwise requested by the Board, the President may also attend and

have full voice, but not voting rights, at any meeting of ad hoc committees of the Board.

ARTICLE 9 - FACULTY

- 9.1 The spiritual, personal and academic qualifications of candidates for a faculty position shall always be the deciding factor in the selection of a faculty member.
- 9.2 A full-time faculty member must be a member in good standing of a CCMBC congregation.
- 9.3 Full-time and part-time regular Seminary faculty members shall, prior to renewal of their appointment, sign a statement indicating agreement with the Confession of Faith, a Board-approved Community covenant, and the Seminary mission statement. The President of the Seminary shall ensure that each faculty member complies with this requirement.

ARTICLE 10 – DISSOLUTION

- 10.1 The Seminary may be dissolved by a decision of the CCMBC at an annual general meeting. Immediately following the CCMBC decision, the Board will pass a Special Resolution to complete dissolution of the seminary.
- 10.2 Subject to the *MBBS Act*, upon the winding up or dissolution of the Seminary, any assets remaining after all debts have been paid or provisions for their payment has been made, shall be distributed by the Board to one or more charitable organizations or foundations with similar objects as the Seminary as approved by the CCMBC at an annual general meeting or the CCMBC Executive Board.

ARTICLE 11 - AUDITOR

- 11.1 The Seminary will conduct an annual audit under the direction of the Finance Committee. The audited financial statements will be presented to the CCMBC Executive Board within six (6) months of the fiscal year end. The Board shall appoint a qualified and reputable auditor with the approval of the CCMBC Executive Board to hold office until he or she is re-elected or a successor is appointed at a subsequent Board meeting.

ARTICLE 12 - RECORDS

- 12.1 A “Document” of the Seminary is any tangible representation of information or

ideas in print or electronic form that is important for the existence, continuity, or operation of the Seminary. Documents of the Seminary shall be kept at the Seminary unless the Directors resolve otherwise. All documents of the Seminary are in the custody and control of such person or such persons as may from time to time be ordered by the Board.

- 12.2 A Director, the auditor of the Seminary, and subject to applicable privacy legislation a member of the CCMBC Executive Board, may inspect documents of the Seminary during normal business hours at the place where the records of the Seminary are kept if he or she has applied in writing to the Secretary of the Board. Upon receipt of such an application, the Secretary shall promptly bring the same to the attention of the Board or the Executive Committee who shall make the requested records available to the applicant not later than one (1) week from the day on which the Secretary received the application. The provisions of this article shall only apply to records relating to financial transactions of the Seminary, and the minutes of Board meetings. A report of all such requests and actions taken must be supplied to the Board at the next regular meeting. Information pertaining to personnel or legal matters that have been sealed will only be released upon consent from the Board.

ARTICLE 13 - BYLAWS

- 13.1 Amendments to the Bylaws may be initiated by either the Directors or the CCMBC Executive Board.
- 13.2 Amendments proposed by Directors require a Special Resolution prior to being forwarded to the CCMBC Executive Board for their approval, and then presented at a CCMBC annual general meeting for final approval.
- 13.3 Amendments proposed by the CCMBC Executive Board, in consultation with the MBBS Board, shall be presented at a CCMBC annual general meeting for final approval.
- 13.4 These Bylaws are revised and in effect as of June 14, 2014.

MB MISSION

GENERAL BY-LAW NUMBER 2013 - 1

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1 **INTERPRETATION**

1.1 **Meaning of Words**

In this By-Law and all other By-Laws, resolutions and Board Regulations of the Corporation, unless otherwise defined:

- 1.1.1 “Act” means the *Canada Not-for-profit Corporations Act*, S.C. 2009, c.23, including the Government Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
- 1.1.2 “Annual General Meeting” means an Annual General Meeting of Members;
- 1.1.3 “Appointed Director” means a Director appointed under section 6.1.3;
- 1.1.4 “Articles” means original or restated Articles of Incorporation, or Articles of Amendment, amalgamation, continuance, reorganization, arrangement, dissolution or revival;
- 1.1.5 “Board” means the Directors of the Corporation from time to time;
- 1.1.6 “Board Regulation” means a regulation passed by the Board in accordance with Article 8;
- 1.1.7 “Canadian Conference” means the Canadian Conference of Mennonite Brethren Churches;
- 1.1.8 “Canadian Director” means a Director elected under section 6.1.1;
- 1.1.9 “Confession of Faith” has the meaning in Article 2;
- 1.1.10 “Corporation” means **MB MISSION**;
- 1.1.11 “Director” means a member of the Board;
- 1.1.12 “Elected Director” means either a Canadian Director or a U.S. Director;
- 1.1.13 “Government Regulations” means the regulations made under the Act as amended, restated or in effect from time to time;
- 1.1.14 “Ineligible Individual” has the meaning in section 149.1 of the *Income Tax Act* (Canada), as amended from time to time;
- 1.1.15 “Member” means a person who has become a Member in accordance with section 3.1;
- 1.1.16 “Ordinary Resolution” means a resolution passed by Written Resolution or by a majority of the votes cast on that resolution;
- 1.1.17 “Officer” means an Officer elected or appointed pursuant to Article 9 or by Board Regulation.
- 1.1.18 “Public Accountant” means the Public Accountant of the Corporation appointed pursuant to Article 15;
- 1.1.19 “Special Meeting of Members” includes any meeting of Members that is not an Annual General Meeting;
- 1.1.20 “Special Resolution” means a resolution passed by Written Resolution or by a majority of not less than two-thirds (2/3rds) of the votes cast on the resolution; and
- 1.1.21 “U.S. Conference” means the United States Conference of Mennonite Brethren Churches;
- 1.1.22 “U.S. Director” means a Director elected under section 6.1.2;

- 1.1.23 "Written Resolution" means a resolution in writing signed by all the Directors or Members entitled to vote on that resolution at a meeting of the Board or the Members, as the case may be, and which is valid as if it had been passed at a meeting of the Board or Members.

2 CONFESSION OF FAITH

The Confession of Faith of the U.S. and Canadian Conferences of the Mennonite Brethren Churches (the "**Confession of Faith**") shall also be the confession of faith of the Corporation. Directors and key staff will be asked to affirm the Confession of Faith from their country of residence.

3 MEMBERSHIP

3.1 Composition

Subject to the Articles, there shall be the following two (2) classes of Members in the Corporation

- 3.1.1 the Canadian Conference; and
- 3.1.2 the U.S. Conference.

A Corporation or other entity may be a Member.

3.2 Members' Rights

Each Member shall be entitled to receive notice of, attend and vote at all meetings of the Members of the Corporation.

3.3 Appointment by Corporate Member

A Member that is a corporation or other entity shall, from time to time, appoint a person who shall be its authorized representative. Such Member shall provide the details and contact information of the authorized representative from time to time to the Executive Director or to the Secretary (or Secretary-Treasurer), either of whom shall immediately update the Corporation's records for the purposes of providing notice of all meetings to which the authorized representative is entitled to attend.

3.4 Termination of Membership

Membership in the Corporation automatically terminates upon the occurrence of any of the following events:

- 3.4.1 the resignation in writing of a Member of the Corporation;
- 3.4.2 the dissolution, insolvency or bankruptcy of a Member; or
- 3.4.3 the liquidation or dissolution of the Corporation under the Act.

3.5 No Compensation for Members

A Member shall not be entitled to any compensation upon termination of membership.

4 MEETINGS OF THE MEMBERS

4.1 Annual General Meeting

The Annual General Meeting of the Members shall be held within Canada, or, if all Members entitled to vote at the meeting consent, outside Canada, at a place and date and time determined by the Board, for the purpose of:

- 4.1.1 hearing and receiving the reports and statements required by the Act to be read and laid before the Corporation, which are:
 - 4.1.1.1 financial statements prepared in accordance with generally accepted accounting principles;
 - 4.1.1.2 the report of the Public Accountant, if any;
 - 4.1.1.3 any further information respecting the financial position of the Corporation and the results of its operations required by the Articles, By-Laws or unanimous member agreement.
- 4.1.2 appointing the Public Accountant and fixing or authorizing the Board to fix their remuneration; and
- 4.1.3 the transaction of any other business properly brought before the meeting.

The Annual General Meeting shall be held not later than fifteen (15) months following the last Annual General Meeting provided that any Annual General Meeting should be held within six (6) months of the financial year end of the Corporation.

4.2 Meetings by Electronic Conference

A Member may participate in a meeting of Members by means of an electronic or other communication device that permits all participants to communicate adequately with each other during the meeting. Any person participating by electronic conference is deemed to be present at that meeting. Any security, confidentiality or other considerations with respect to the conduct of such a meeting shall be as determined by the Board from time to time.

4.3 Special Meeting

The Board may at any time call a Special Meeting of Members for the transaction of any business specified in the notice calling the meeting. The Board shall call a Special Meeting of Members upon receipt of a written request for such a meeting signed by at least five percent (5%) of the Members entitled to vote.

4.4 Notice of Meetings

Notice of the time, place and date of any meeting of Members and sufficient information for a Member to make a reasoned judgment on the business to be considered shall be given to each Member entitled to vote at the meeting, to each Director and to the Public Accountant of the Corporation:

- 4.4.1 by mail, courier or personal delivery, during a period of twenty-one (21) to sixty (60) days before the day on which the meeting is to be held; or

- 4.4.2 by telephone, or other electronic means, during a period of twenty-one (21) to thirty-five (35) days before the day on which the meeting is to be held. If a Member requests that notice of a meeting be given by non-electronic means, the notice will be sent by mail, courier or personal delivery as provided in section 4.4.1.

4.5 Those Entitled To Be Present

The only persons entitled to be present at a meeting of Members shall be:

- 4.5.1 those entitled to vote at the meeting,
4.5.2 the Directors and the Public Accountant of the Corporation, and
4.5.3 such other persons who are entitled or required under any provision of the Act, the Articles or By-Laws of the Corporation to be present at the meeting.

Any other person may be admitted only on the invitation of the chair of the meeting or by Ordinary Resolution of the Members.

4.6 Quorum

- 4.6.1 A quorum for the transaction of business at meetings of the Members shall be at least a majority of all of the Members of the Corporation entitled to vote, and present in person or by telephone.
- 4.6.2 No business shall be transacted at any meeting of the Members unless the necessary quorum is present at the commencement of such meeting.
- 4.6.3 Provided however that where:
- 4.6.3.1 less than a quorum, but two (2) or more, persons are present in person one-half hour after the commencement time specified in the notice calling the meeting of Members; and
- 4.6.3.2 the business transacted is limited to the selection of a chair and a secretary for the meeting, the recording of the names of those present, and the passing of a motion to adjourn the meeting with or without specifying a date, time and place for the resumption of the meeting,
- then two (2) persons present in person constitute a quorum.
- 4.6.4 If a quorum is not present at the opening of a meeting of Members, the Members present may adjourn the meeting to a fixed time and place but may not transact any other business.

4.7 Chair

In the absence of the Chair of the Board and the Vice-Chair of the Board, the Members present and entitled to vote and present at any meeting of Members shall choose another Director as chair. If no Director is present or if all the Directors present decline to act as chair, the Members present and entitled to vote shall choose a Member to be chair.

4.8 Voting by Members

The method of voting at any meeting of the Members shall be determined by the chair of the meeting prior to any vote being taken. Each Member shall have one (1) vote on each question raised at any meeting of the Members, and all questions shall be determined by a majority of the votes cast. In the case of an equality of votes, the vote shall be deemed to have been lost.

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MB MISSION

GENERAL BY-LAW NUMBER 2013 - 1

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5.5 Vacancies

Subject to section 5.4, vacancies on the Board, except a vacancy resulting from an increase in the number or the minimum or maximum number of Directors provided for in the Articles for that class or from a failure to elect the number or minimum number of Directors provided for in the Articles for the class, shall be dealt with in the following manner:

- 5.5.1 where a vacancy occurs among the Directors elected by a class of Members,
 - 5.5.1.1 the remaining Directors elected by that class may fill the vacancy for the remainder of the outgoing Director's unexpired term, or
 - 5.5.1.2 if there are no remaining Directors elected by the class, or if the Directors do not fill the vacancy, any Member of the class may call a meeting of the class to fill the vacancy.
- 5.5.2 where a vacancy occurs among the Appointed Directors,
 - 5.5.2.1 so long as a quorum of Directors remains in office, the remaining Directors may fill the vacancy for the remainder of the outgoing Appointed Director's unexpired term, or
 - 5.5.2.2 if there is no quorum of Directors in office, or if the Directors do not fill the vacancy, any Member may call a meeting of the Members to fill the vacancy.

5.6 Remuneration of Directors

The Directors of the Corporation shall serve without remuneration. Directors shall, however, be entitled to receive reimbursement for reasonable expenses incurred in carrying out their duties on behalf of the Corporation.

6 ELECTION OF THE BOARD

6.1 Election of Directors

Subject to the provisions of the Act and Articles, Directors shall be elected in the following manner:

- 6.1.1 four (4) Directors shall be elected by the Canadian Conference, and shall be referred to as the "Canadian Directors";
- 6.1.2 four (4) Directors shall be elected by the U.S. Conference, and shall be referred to as the "U.S. Directors";
- 6.1.3 up to four (4) Directors shall be elected by the Members from among the nominees nominated pursuant to section 6.5.2, and shall be referred to as the "Appointed Directors".

6.2 Election in Rotation

At the first election of Directors following the confirmation of these By-Laws by the Members, Directors shall be elected for the following terms of office:

- 6.2.1 two (2) Canadian Directors shall be elected for four (4) years;
- 6.2.2 two (2) Canadian Directors shall be elected for two (2) years;

- 6.2.3 two (2) U.S. Directors shall be elected for four (4) years;
- 6.2.4 two (2) U.S. Directors shall be elected for two (2) years;
- 6.2.5 as near as possible to one-half of the number of Appointed Directors shall be elected for four (4) years; and
- 6.2.6 as near as possible to one-half of the number of Appointed Directors shall be elected for two (2) years.

Thereafter, the term of office of a Director shall be four (4) years. A Director's term of office will expire at the Board meeting that occurs four years after the Board meeting at which the Director's term began. If no successor is elected to replace the Director's at the end of his or her term, the Director's term expires when a successor is elected.

6.3 Ceasing to be a Director

A person shall immediately cease to be a Director:

- 6.3.1 upon delivering his or her resignation in writing to the Secretary or to the address of the Corporation;
- 6.3.2 upon the expiry of the Director's term under section 6.2;
- 6.3.3 upon his or her death;
- 6.3.4 upon being removed under section 5.4.

6.4 Elections

A number of Directors equal to the number of Directors retiring plus any vacancies then outstanding shall be elected each year at a Special Meeting of the Members called for that purpose. The election of the Directors will take effect as of the first Board meeting following the Special Meeting at which the Directors were elected.

6.5 Nominations

Candidates for the office of Director shall include:

- 6.5.1 in the case of Directors elected by a class of Members, the persons whose names are put in nomination by that class of Members before the close of nominations at the meeting of Members at which the election of Directors is held.
- 6.5.2 in the case of Appointed Directors, the candidates proposed by the Nominating Committee and approved by the Board by Ordinary Resolution not later than the start of the meeting at which the election of Directors is held.

6.6 Nominating Committee

The composition of the Nominating Committee shall be determined by Board Regulation.

6.7 Forms

The Board may prescribe the form of nomination paper and the form of a ballot.

7 MEETING OF DIRECTORS

7.1 Calling Meetings

Meetings of the Board may be called by the Chair of the Board, the Vice-Chair of the Board, the Secretary or any two (2) Directors and shall be held at the place specified in the notice. The Board shall meet at least twice each year.

7.2 Regular Meetings

There shall be at least two regular meetings of the Board each year. The Board may appoint one or more days in each year for regular meetings of the Board at a set place and time. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each Director as soon as possible after being passed, but no other notice shall be required for any such regular meeting except as may be required pursuant to the Act.

7.3 Notice of Meetings

Subject to the provisions of section 7.2, notice of Board meetings shall be given to each Director:

- 7.3.1 by telephone, fax, email or other electronic method at least five (5) days before the meeting is to take place, excluding the date on which notice is given; or
- 7.3.2 by prepaid letter post at least ten (10) days before the meeting is to take place, excluding the date on which notice is given.

7.4 Meetings by Electronic Conference

If all the Directors consent generally, or in respect of a particular meeting, any person entitled to attend a meeting of Directors may participate in a meeting by means of an electronic or other communication device that permits all participants to communicate adequately with each other during the meeting. Any person participating by electronic conference is deemed to be present at that meeting. Any security, confidentiality or other considerations with respect to the conduct of such a meeting shall be as determined by the Board from time to time.

Provided that at the outset of each such meeting, and whenever votes are required, the chair of the meeting shall confirm that a quorum is present.

7.5 Quorum

A quorum for the transaction of business at meetings of the Board shall be at least a majority of the Directors.

7.6 Voting

The method of voting at any meeting of the Board shall be determined by the chair of the meeting prior to any vote being taken. Each Director shall have one (1) vote on each question raised at any meeting of the Board, and all questions shall be determined by a majority of the votes cast. In the case of an equality of votes, the vote shall be deemed to have been lost. For greater certainty, the Chair of the meeting shall vote.

7.7 Written Resolutions

A Written Resolution, signed by all the Directors entitled to vote on that resolution at a meeting of Directors, is valid.

7.8 Electronic Signatures

Any matter requiring a signature of a Director, including Written Resolution, may be signed using an electronic signature that meets the following requirements:

- 7.8.1 the signature resulting from the use by the person of the technology or process is unique to the person;
- 7.8.2 the technology or process is used by the person to incorporate, attach or associate the person's signature to the electronic document; and
- 7.8.3 the technology or process can be used to identify its user.

7.9 Consensus

Subject to section 7.10, the Board may make decisions by consensus. A consensus is reached when:

- (a) every Director expresses agreement with the decision being taken; or
- (b) some Directors agree with the decision while others prefer a different decision but all Directors express a willingness to support the decision of the majority or plurality.

Consensus is not achieved when one or more Directors do not agree to support the decision of the majority or plurality. In the event that consensus cannot be reached, the decision shall be referred to a vote in accordance with section 7.6.

7.10 Matters that may not be decided by Consensus

Any matter requiring approval by Special Resolution may not be decided by consensus.

7.11 Adjournments

Any meeting of Directors may be adjourned to any time. Any business that might have been transacted at the original meeting from which the adjournment took place may be transacted upon the resumption of the adjourned meeting. No notice is required for the resumption of any adjourned meeting if the time and place of the adjourned meeting is announced at the original meeting.

8 BOARD REGULATIONS

8.1 Board Regulations

The Board may make Board Regulations with regard to any matter not inconsistent with the Act and the By-Laws. These regulations are outlined in a document identified as the “Board Governance Manual”.

9 OFFICERS

9.1 Officers

There may be a Chair of the Board and such other Officers that may be elected or appointed by Board Regulation from time to time. Subject to the Act, the Articles and the By-Laws, the terms and duties of such Officers shall be defined in the Board Regulations passed by the Board from time to time.

9.2 Executive Director May Attend All Meetings

The Executive Director, if any, shall have the right to receive notice of, to attend and to speak at but not to vote (unless otherwise also a Director) at all meetings of the Board, any committee of the Board, including the Executive Committee, and any meeting of the Members, except those meetings where the terms of employment, compensation or performance of the Executive Director are discussed.

10 COMMITTEES

10.1 Committees

Subject to the Act and the By-Laws, the Board may by Board Regulation appoint such committees as it deems appropriate from time to time and set the rules governing such committees.

10.2 Executive Committee

The Board may appoint from among the Directors of the Corporation an Executive Committee and delegate to the Executive Committee any of the powers of the Directors except those powers listed in section 10.3.

10.3 Limits on Authority of Committees

No committee, including the Executive Committee, has authority to:

- 10.3.1 submit to the Members any question or matter requiring approval of the Members;
- 10.3.2 fill a vacancy among the Directors or in the office of Public Accountant or appoint additional Directors;
- 10.3.3 issue debt obligations except as authorized by the Board;
- 10.3.4 approve any financial statements;

- 10.3.5 adopt, amend or repeal any By-Law; or
- 10.3.6 establish contributions to be made, or dues to be paid, by Members.

11 CONFLICT OF INTEREST

11.1 Conflict of Interest

In accordance with the Act and any Board Regulations, Directors and Officers shall disclose any interests, whether direct, indirect or imputed, in any matter as required by the Act, and shall refrain from voting on any resolution related to that matter. Further guidance consistent with the Act may be provided by the Board Regulations.

12 EXECUTION OF DOCUMENTS

12.1 Execution of Documents

The Board may by Board Regulation prescribe the person(s) authorized to execute classes of documents on behalf of the Corporation. All documents executed in accordance with the Board Regulations are binding on the Corporation without further action or formality.

13 BORROWING BY THE CORPORATION

13.1 General Borrowing Authority

Subject to the Board Regulations, the Directors may, without authorization from the Members:

- 13.1.1 borrow money on the credit of the Corporation;
- 13.1.2 issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
- 13.1.3 give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- 13.1.4 mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Subject to the terms upon which the Members have authorized the exercise of the above powers, the Directors may delegate these powers to a Director, committee of Directors, or Officer.

14 FINANCIAL YEAR

14.1 Financial Year Determined

The financial year of the Corporation shall terminate on the last day of May in each year or on such other date as the Board may determine.

15 PUBLIC ACCOUNTANT

15.1 Board May Make Initial Appointment

The Board may, following incorporation, appoint a Public Accountant to hold office until the first Annual General Meeting. The Public Accountant must meet the requirements in the Act.

15.2 Annual Appointment

Subject to the Act and its Government Regulations, the Members of the Corporation at each Annual General Meeting shall appoint one or more Public Accountants. The Public Accountant will hold office until the close of the next Annual General Meeting and if an appointment is not made, the incumbent Public Accountant continues in office until a successor is appointed.

15.3 Removal of Public Accountant

The Members, by Ordinary Resolution at a Special Meeting of the Members, may remove any Public Accountant before the expiration of the term of office in accordance with the Act.

15.4 Vacancy in the Office of Public Accountant

The Board shall fill any vacancy in the office of Public Accountant, but while the vacancy continues any remaining Public Accountant may act.

15.5 Remuneration of Public Accountant

The remuneration of a Public Accountant appointed by the Members may be fixed by the Members by Ordinary Resolution, or shall be fixed by the Board if the Members do not do so.

16 FINANCIAL STATEMENTS

16.1 Making Financial Statements Available to Members

The Corporation may, instead of sending copies of the annual financial statements and related documents to the members, publish a notice to its members stating that the annual financial statements and related documents are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail.

16.2 Filing of Financial Statements with Corporations Canada

As required by the Act, and subject to any amendments to the Act, the Corporation shall file copies of its annual financial statements to Corporations Canada not less than 21 days before the Annual General Meeting of Members. If the Annual General Meeting is conducted by Written Resolution, a copy of the annual financial statements shall be filed with Corporations Canada as soon as possible following the signing of the Written Resolution by the Members.

17 NOTICE

17.1 When notice deemed given

When notice is given under the By-Laws by the following means, that notice is deemed to have been given at the following time:

- 17.1.1 If given by telephone, notice is deemed given at the time of the telephone call;
- 17.1.2 If given in writing by prepaid letter post to the last address shown on the Corporation's records, notice is deemed given on the third day after mailing;
- 17.1.3 If given in writing by courier or personal delivery, notice is deemed given when delivered;
- 17.1.4 If given by email, notice is deemed given when sent; and
- 17.1.5 If provided by other electronic means, notice is deemed given when transmitted.

17.2 Declaration of Notice

At any meeting, the declaration of the Secretary or chair of the meeting that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice. No formal notice of a meeting is necessary if all those entitled to notice are present or if those absent have signified their consent to the meeting being held without notice and in their absence.

17.3 Computation of Time

In computing the date when notice must be given under any provision of the By-Laws requiring a specified number of days' notice of any meeting or other event:

- 17.3.1 where reference is made to "at least", then the number of days does not include the day notice is given or the day of the meeting or event;
- 17.3.2 in all other cases the number of days shall exclude the day of the meeting or other event and include the day notice is given, unless otherwise provided; and
- 17.3.3 where the time for giving the notice falls on a holiday, the notice may be given on the next day that is not a holiday.

17.4 Omissions and Errors

Any resolution passed or proceeding taken at a meeting of the Board, a committee of the Board or Members shall not be invalidated by:

- 17.4.1 an error in notice that does not affect its substance;
- 17.4.2 the accidental omission to give notice; or

17.4.3 the accidental non-receipt of notice by any Director, Member or Public Accountant.

Any Director, Member or Public Accountant may at any time waive notice of, and ratify and approve any proceeding taken at any meeting.

17.5 Waiver

Where a notice or document is required to be sent pursuant to the By-Laws or the Act, the person entitled to receive the notice or document may consent in writing to waive either the sending of the notice or document or the time within which the notice or document must be sent.

18 BY-LAWS AND EFFECTIVE DATE

18.1 Effective Date of this By-law

This By-Law shall only be effective upon the issuance of the Corporation's Certificate of Continuance under the Act by Industry Canada.

18.2 Amendments requiring Special Resolution

Amendments to the following sections of this By-Law shall only be effective upon approval of the Members by Special Resolution:

18.2.1 Section 1.1.9;

18.2.2 Section 3.1;

18.2.3 Section 3.2;

18.2.4 Section 4.4;

18.2.5 Section 4.10;

18.2.6 Section 5.1; and

18.2.7 any section that adds, changes, or removes a provision that is contained in the Corporation's Articles.

18.3 By-Laws and Effective Date

Subject to the Articles, the Board of Directors may make, amend or repeal any By-Law that regulates the activities or affairs of the Corporation. Subject to section 18.2, any such By-Law, amendment or repeal shall be effective from the date of the resolution of Directors until the next meeting of Members where it may be confirmed, rejected or amended by Ordinary Resolution of the Members.

If the By-Law amendment or repeal is confirmed or confirmed as amended by the Members, it remains effective in the form in which it was confirmed. The By-Law amendment or repeal ceases to have effect if it is not submitted to the Members at the next meeting of Members or if it is rejected by the Members at the meeting.

19 REPEAL OF PRIOR BY-LAWS

19.1 Repeal

Subject to the provisions of section 19.2 hereof, all prior By-Laws, resolutions and other enactments of the Corporation inconsistent in either form or content with the provisions of this By-Law are repealed.

19.2 Prior Acts

The repeal of prior By-Laws, resolutions and other enactments shall not impair in any way the validity of any act or thing done pursuant to any such repealed By-Laws, resolution or other enactment.

ENACTED by the Directors as a By-Law of **MB MISSION** this _____ day of _____, 201__.

Chair of the Board

Secretary

CONFIRMED by the Members in accordance with the *Canada Not-for-profit Corporations Act* on the _____ day of _____, 201__.

Chair of the Board

Secretary

Copy of the signed and fully approved By-Laws provided to the Ministry of Industry on the _____ day of _____, 201__. (required to be deposited within one year of approval).

BYLAWS OF
MENNONITE BRETHREN
MISSION AND SERVICE INTERNATIONAL MB MISSION
(~~Ratified July 2006~~ Proposed summer 2014 at USMB and Canadian MB Conventions)

PREAMBLE

These Bylaws constitute the rules for managing the operation of the global mission program of the United States Conference of the Mennonite Brethren Churches ("the U.S. Conference") and the Canadian Conference of Mennonite Brethren Churches ("the Canadian Conference").

ARTICLE I. GENERAL

SECTION 1. Name. The corporation shall be referred to as Mennonite Brethren Mission and Service International MB Mission (hereinafter "the Corporation").

SECTION 2. Purpose. The purpose of the Corporation shall be to operate global Christian mission programs by training and sending missionaries to all parts of the world, as well as financing mission programs in cooperation with international partners. The Corporation shall carry out its purpose in accordance with the Great Commission proclaimed by Jesus Christ in Matthew 28:19-20a: "Therefore go and make disciples of all the nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you." (NIV).

SECTION 3. Confession of Faith. The Confession of Faith of the U.S. and Canadian Conferences of the Mennonite Brethren Churches (hereinafter "the Confession of Faith") shall also be the confession of faith of the Corporation. ~~Any doctrinal statement issued by the Corporation shall be in complete harmony with the Confession of Faith~~ Directors and key staff will be asked to affirm the Confession of Faith from their country of residence.

SECTION 4. Policies and Procedures. The Corporation may, from time to time, establish policies and procedures setting forth, in more detail, guidelines concerning the Corporation's operations and structures. Commissions or committees described herein may also be authorized to establish such policies and procedures. Any such policies and procedures shall be subject to and in harmony with the Confession of Faith, these Bylaws and the Articles of Incorporation of the Corporation.

SECTION 5. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of June in each year.

ARTICLE II. CORPORATION STRUCTURE AND PROCESS

SECTION 1. Membership. The members of the Corporation shall consist of the U.S. Conference and the Canadian Conference (hereinafter collectively referred to as “the National Conferences”). These conferences shall each ~~be represented by their elected governing boards from time to time, appoint a person who shall be their authorized representative. Such representative shall be entitled to receive notice of, attend and vote at all meetings of the Members of the Corporation.~~

SECTION 2. Meetings.

- A. **National Conference Conventions.** The periodic conventions of each of the National Conferences, including any joint conventions of said National Conferences, may serve as meetings of the portion of the Corporation there represented when expressly provided in these bylaws, and may serve as meetings of the portion of the Corporation there represented at the direction of the Board of Directors of the Corporation, for the purpose of:
- (i) Affirming National Convention appointed ~~members-directors of the Board of Directors~~ of the Corporation as set forth in these Bylaws;
 - (ii) Receiving reports from the Board of Directors and officers and employees of the Corporation;
 - (iii) Bringing concerns and suggestions from the National Conferences to the Board of Directors and administration of the Corporation;
 - (iv) Transacting such other business as may be submitted by the Boards of Directors of the National Conferences or the Corporation's Board of Directors, if otherwise authorized by law.
- B. **Annual Meeting.** The Board of Directors shall call the annual meeting for a date within the first six months of the beginning of the fiscal year of the Corporation, and the fixing of the date of the meeting by the Board shall constitute adequate notice to members of the date of the annual meeting. The Board of Directors shall serve as the representatives of the members of the Corporation for the purpose of conducting the annual meeting.
- C. **Officers.** ~~The officers of the Corporation's Board of Directors, as elected by the Board, shall also serve as the officers of the Corporation.~~ The Chair of the Board of Directors, or in the Chair's absence the Vice-Chair, shall preside at all meetings of the Corporation, except that, at any National Conference Convention, the presiding officer of said convention may also serve as presiding officer for the purpose of conducting business relating to the Corporation as set forth in Article II, Section 2.A. of these Bylaws.
- D. **Transaction of Business.** A majority of voting representatives present at any meeting shall determine any matters submitted, except when a larger percentage is required by law or these Bylaws.
- E. **Governance.** The Corporation shall be governed in accordance with Article III of these Bylaws which are expressly approved by the National

Conferences.

ARTICLE III. GOVERNANCE STRUCTURE AND PROCESS

SECTION 1 Board of Directors

- A. **Representation.** The Board of Directors (herein after the Board) shall consist of not less than eight (8), nor more than twelve (12) ~~members~~directors. A majority of the ~~members~~directors of the Board shall be ~~appointed~~elected from the National Conferences. The Board shall be constituted as follows:
- (i) Four (4) ~~members~~directors shall be ~~appointed~~elected by the ~~Board of Directors of the~~ U.S. Conference ~~and affirmed at their conference convention~~;
 - (ii) Four (4) ~~members~~directors shall be ~~appointed~~elected by the ~~Executive Board of the~~ Canadian Conference ~~and affirmed at their conference convention~~;
 - (iii) Up to four (4) ~~members~~directors, having full voice and voting rights, shall be ~~appointed~~elected by the Members from among the nominees nominated by the Corporation's Board of Directors at its sole discretion;
 - ~~(iv) Members of the Board shall not be allowed to attend meetings of the Board through proxies.~~
- B. **Qualifications.** ~~Members~~Directors of the Board who are appointed by the National Conferences shall be members in good standing of a church congregation which is a member of the respective National Conference. The National Conferences may consult with the Board in identifying nominees for ~~Board membership~~directors to ensure that desired expertise, giftedness and diversity are represented on the Board.
- C. **Term of Office.**
- ~~(i) The length of term of a U.S. Conference or Canadian Conference appointed member of the Board~~director shall be four years, and the number of consecutive terms that may be served by such a member, shall be governed by the bylaws of the National Conference from which the member is appointed; except that in the absence of any such governing bylaw then a one year term shall apply. The terms of such members shall commence upon the ~~member's director being elected~~appointment;
 - ~~(ii) The term of a member of the Board appointed by the Board shall be four (4) years, unless a lesser term is designated by the Board, and shall commence immediately upon appointment unless otherwise designated by the Board.~~
- D. **Staggered Terms.** To the greatest extent possible, the terms of Board members shall be staggered to allow for continuity and balance of membership. The Board shall consult with the National Conferences

regarding any adjustments to terms necessary to accomplish these objectives.

- E. **Vacancies.** If any vacancy shall occur in the membership of the Board by death, resignation, removal or otherwise, the unexpired term of said vacated position shall be filled as follows:
- (i) A vacated conference appointment may be filled by ~~appointment by the respective National Conference board~~ the remaining Directors of that respective National Conference.
 - (ii) A vacated board appointment- may be filled by ~~appointment by~~ the Board.
- F. **Authority.** The ultimate sources of authority for the Board are the National Conferences, in their capacity as members of the Corporation.
- (i) Sources. The Board shall have all of the powers of a corporation under state law including the powers, directly or by delegation, to manage the property, services, affairs and business of the Corporation, and shall have the power, directly or by delegation, to carry out any other functions which are permitted by the Articles of Incorporation or by these Bylaws, except insofar as such powers may be limited by law or reserved to the entire membership of the Corporation.
 - (ii) Limits. In exercising its authority, the Board may not cause or allow the Corporation to be in violation of the laws in the countries where it is registered ~~or operates~~, or of these Bylaws.
- G. **Removal.** A conference ~~appointed member elected director~~ may be removed by action of the National Conference which ~~appointed elected the member~~ director. A Board ~~appointed member nominated director~~ may be removed by majority vote of the ~~Board~~ Members.
- H. **Board Responsibilities** The functions of the Board include the following:
- (i) Design the Board's structure and governance processes
 - (ii) Provide strategic leadership by determining the Corporation's values, beneficiaries and services, vision, mission and priorities
 - (iii) Delegate management authority and responsibility to the Executive Director
 - (iv) Monitor risk management and performance and measure strategic results.
- I. **Expectations of Responsibilities.** In fulfilling its responsibilities the Board is expected to:
- (i) Seek and respect the counsel of the constituent churches of the National Conferences in its strategic planning process and in its governance of the vision, mission and priorities;
 - (ii) Maintain strong constituency relations with the churches that make up the National Conferences;

- (iii) Appoint and evaluate the Executive Director of the Corporation;
- (iv) Promote research and make environmental scanning field visits;
- (v) Carry out a program of orientation for ~~Board members~~directors;
- (vi) Monitor financial condition and the quality of relationships;
- (vii) Measure the impact of the ministry of the Corporation.

J. **Monitoring Performance and Measuring Results**

- (i) The Board is accountable to the membership of the Corporation of the National Conferences, through their elected governing boards and to any other representatives who may be designated by these bylaws and to the appropriate legal and regulatory authorities.
- (ii) The Board's accountability shall include the submission of required documentation to applicable authorities and clear and true reporting to the National Conferences.

SECTION 2. Officers

A. **Positions.** The Board shall elect the following officers in order to properly conduct ~~Corporation~~ affairs:

- (i) *Chair.* The Chair shall preside at all meetings of the Corporation (unless otherwise provided for herein) and the Board. The Chair shall be a non-voting *ex officio* member of all Board committees and commissions and shall perform such other duties as are incident to this office.
- (ii) *Vice-Chair.* The vice-chair shall serve as assistant to the Chair and take the place of the Chair during the Chair's absence or inability to serve.
- (iii) *Secretary.* The Secretary shall be responsible for the minutes of the Board. The Secretary may or may not actually serve as recording secretary. In the event the Board designates another individual as recording secretary, the Secretary shall be responsible for reviewing and approving the minutes to ensure the accuracy thereof. The Secretary shall perform all such other duties as are incident to this office.
- (iv) ~~Treasurer. Chief Financial Officer. The chief financial officer, who may also be called "treasurer," shall provide expertise and oversight regarding the Corporation's financial operations; and shall~~ The board treasurer shall perform such ~~other~~ duties as may be designated by the Board.
- (v) Other. The Board may elect such officers as, from time to time, it deems necessary in order to properly conduct Corporations affairs.

B. **Eligibility.** Any duly elected or appointed ~~member of the Board~~director shall be eligible to serve as an officer in the role of board Chair, board Vice-Chair, Secretary, or Treasurer. Any individual who is a member in good standing of a church congregation which is a member of one of the

National Conferences shall be eligible to serve as an officer [under Section 2 A \(v\)](#).

- C. **Term.** All officers of the Corporation shall hold office for a term of two (2) years, unless an officer's term as director shall end before the end of that term, in which case the officer's term shall automatically end when his or her term as director ends; or unless the Board removes the officer, which removal may be at the discretion of the Board.
- D. **Vacancies.** Vacancies in any office created by resignation, death, removal, or otherwise, shall be filled by the Board for the remainder of the term of the officer whose office has been vacated.

SECTION 3. GOVERNANCE PROCESS

- A. **Regular Meetings.** The Board shall meet regularly at least two times during the year. Meetings shall be conducted in accordance with generally accepted rules of order. The Board shall determine such meeting dates and no particular form, mode or timing of notice is required.
- B. **Special Meetings.** Special meetings of the Board may be called by the Chair or by a majority of the [members of the Board](#) ~~directors~~ for such place as may be specified. Notice of special meetings shall be given at least ten (10) days prior to the time fixed for such a meeting. By consent of the Board, special meetings may be held without notice.
- C. **Quorum.** A quorum for the transaction of business at any regular or special meeting of the Board shall consist of a majority of the total number of [Board members](#) ~~directors~~ then appointed to the Board.
- D. **Votes.** Decisions of the Board shall be determined by a majority of all votes cast unless otherwise required by these Bylaws. Any action required or permitted to be taken at any meeting of the Board or any committee or commission thereof may be taken without a meeting and by mail ballot, fax ballot or e-mail ballot at the discretion of the Chair of the Board or the chair of the committee or commission.
- E. **Closed Sessions.** The Board shall retain at all times the power to invite and permit administrative personnel and/or other persons to observe or participate in Board meetings; however, nothing in this subsection or in these Bylaws shall be construed to give ex officio status or other rights of participation or voting rights to such persons who are not [members of the Board](#) ~~directors~~. To the extent to which administrative personnel are by normal or special invitation present at or included in Board meetings, the Board nonetheless may, at the discretion and call of the Chair, meet in closed session without prior notice.
- F. [Proxies. Directors shall not be allowed to attend meetings of the Board through proxies.](#)

ARTICLE IV. AMENDMENTS AND REVISIONS TO BYLAWS AND ARTICLES OF INCORPORATION

SECTION 1. Procedure. An amendment or revision to the Bylaws or Articles of Incorporation of the Corporation may be proposed by the Board of Directors or by either of the National Conference members of the Corporation. If an amendment or revision is proposed, it shall first be submitted to the Board at least 90 days prior to the national or special convention(s) at which it will be acted upon, and the Board shall prepare the proposal for formal presentation to the convention(s).

SECTION 2. Approval. A proposed amendment or revision to the Bylaws or Articles of Incorporation of the Corporation may be acted upon by submitting the proposed revision or amendment to the National Conferences for consideration. A proposed revision or amendment shall be deemed to be adopted by the membership of the Corporation if approved by both of the National Conferences. Approval by a National Conference shall occur upon the affirmative vote of two-thirds (2/3) of the voting representatives at a regular or special National Conference Convention. In the event a proposed revision or amendment is not so approved by the National Conferences, it may be resubmitted to the National Conferences at a future time.

SECTION 3. Exception to Procedure. Notwithstanding any other provision contained herein, the Board of Directors shall be empowered to amend the Articles of Incorporation, if necessary, in order to change the name and/or address of the Corporation's agent for service of process.

SECTION 4. Content. No revisions or amendments to the Bylaws or Articles of Incorporation may in any way be in conflict with any part of The Confession of Faith.

ARTICLE V. DISSOLUTION

SECTION 1. Procedure. The Corporation may be dissolved only upon the affirmative vote of two-thirds (2/3) of the voting representatives present [at each respective National Conference Convention at a special meeting for that purpose and called](#) pursuant to Article II, Section 2.A. of these Bylaws.

SECTION 2. Distribution of Assets. Upon dissolution, the remaining assets of the Corporation shall be distributed in accordance with applicable law and in a manner

recommended by the Board of Directors and approved by a majority vote of the representatives present and voting at the special meeting discussed in Section 1 of this Article.

| Approved by the US and Canadian MB Conferences, July ~~2006~~[2014](#)

MEMORANDUM OF UNDERSTANDING REGARDING MENNONITE BRETHREN HISTORICAL COMMISSION 2014 proposed update

This Memorandum is entered into between the United States Conference of the Mennonite Brethren Churches (“the U.S. Conference”) and the Canadian Conference of Mennonite Brethren Churches (“the Canadian Conference”) in order to formalize their agreement regarding the ongoing operation of the Mennonite Brethren Historical Commission.

INTRODUCTION

Since 1969, the Historical Commission of the General Conference of Mennonite Brethren Churches has been charged with the collection and preservation of historical materials relating to the Mennonite Brethren churches of the United States and Canada. It has served as a clearinghouse and coordinating agency between the various Mennonite Brethren regional archival centers and has also overseen the Fresno center and its work of collecting General Conference archival materials. The national conferences recognize the value of these responsibilities and desire to continue the work of the Commission following divestiture of the General Conference ministries to the national conferences.

The national conferences acknowledge and affirm that the Mennonite Brethren of North America have a rich history that must not be forgotten. The work of the Historical Commission has been critical to securing that heritage for future generations. In addition, the Commission has been instrumental in preserving the history of the greater Mennonite Brethren community, from local congregations to Mennonite Brethren conferences around the world. The national conferences feel strongly that the discontinuance of a bi-national North American conference must not jeopardize the preservation of the denomination’s historical foundations.

The national conferences therefore agree to covenant together to continue the mandate and ministry of the Historical Commission through a bi-national partnership.

LEGAL STATUS

The present work of the General Conference Historical commission will be continued by a bi-national commission which will be known as the Mennonite Brethren Historical Commission. The Commission will not have a separate legal existence. Instead, it will operate under the oversight of the US Conference and the Canadian Conference, with its financial affairs managed by Fresno Pacific University (“FPU”) and the Canadian Conference. Accounting and bookkeeping services will be provided by FPU.

The Commission will report to the regularly scheduled conventions of the US and Canadian Conferences. In addition, it will communicate as needed with the executive personnel and executive bodies of the US and Canadian Conferences.

MEMBERSHIP AND STRUCTURE

The Commission will be composed of six members and should include, but not necessarily be limited to, individuals with competence in historical research and archival work. Members shall be selected as follows:

- 3 elected or appointed by the Canadian Conference;
- 3 elected or appointed by the United States Conference;

All commission members must be members in good standing of a church congregation that is a member of one of the national conferences.

Commission members will serve four-year terms. Any limit on the number of consecutive terms served by a member will be determined by the respective national conferences. Terms will be staggered in order to allow for continuity and balance of membership.

The Commission will organize itself by selecting a Chair, Associate Chair and Recording Secretary from among its elected and appointed members. The Chair and Associate Chair will come from different national conferences and the nationality of the persons filling these roles will normally alternate between the two conferences.

An Executive Secretary will be selected by the Historical Commission and be employed by a legal entity (e.g., a Mennonite Brethren school, Conference or congregation). The Historical Commission will reimburse the legal entity for the employee's salary and benefits, according to the funding arrangement made between the Historical Commission and the legal entity.

In addition, one representative from each of the regional archival centers (currently located in Hillsboro, Fresno, Winnipeg and Abbotsford) shall sit on the Commission as ex officio members.

Representatives of historical committees from other Mennonite Brethren national conferences may be invited to participate with the Commission as liaison members. In the future, consideration may be given to formally adding additional member conferences to the Commission and/or evolving the Commission into an ICOMB-based agency.

FUNDING

Each national conference shall provide the Commission with an annual grant (currently \$17,000 US). Periodic review of this amount will take place with the leadership boards of the national conferences. The Commission's budget and financial statement will be provided annually to the leadership boards of the US and Canadian Conferences.

Additional funding for the work of the Commission will continue to be provided by the Cloud of Witnesses Endowment, which is held by Mennonite Brethren Foundation; and by the Historical Commission Endowment, which is held by the Canadian Conference of Mennonite Brethren Churches.

REVIEW

The agreements set forth in this memorandum of understanding and the relationships established herein will be reviewed by the national conferences at least every four years to determine whether any changes are desired.

Annual Statistical Survey Report for 2013: Canadian Conference of Mennonite Brethren Churches

Survey submissions 2013 (note 1)	AB	AP	BC	MB	ON	PQ	SK	Total
# of surveys submitted (note 2)	20	3	88	26	20	15	33	205
total # of churches (note 3)	21	4	106	40	33	15	33	252
survey return rate in %	95	75	83	65	61	100	100	81

Number of Churches 2013	AB	AP	BC	MB	ON	PQ	SK	Total
total # of churches 2013 (note 3)	21	4	106	40	33	15	33	252
total # of churches 2012 (note 4)	22	5	113	41	32	15	32	260
change in %	-4.5	-20.0	-6.2	-2.4	3.1	0.0	3.1	-3.1

Average weekly attendance 2013	AB	AP	BC	MB	ON	PQ	SK	Total
# from survey submissions	2,587	140	27,348	5,177	4,372	804	3,695	44,123
total # for all churches (note 5)	2,613	170	29,661	7,522	5,447	804	3,695	49,912

Membership 2013	AB	AP (note 6)	BC	MB	ON	PQ	SK	Total
# from survey submissions	2,040	n/a	18,611	4,731	3,597	738	3,141	32,858
total # for all churches 2013 (note 7)	2,040	n/a	20,805	6,342	4,094	738	3,141	37,160
total # for all churches 2012 (note 8)	2,333	n/a	20,542	6,500	4,597	563	3,037	37,665
change in %	-12.6	n/a	1.3	-2.4	-10.9	31.1	3.4	-1.3

Note 1: The survey queried 5 areas: average weekly attendance; membership; baptisms; participation in Sunday School, Youth Programs, and mid-week activities; and contact information for leadership. Complete survey results are on file at the Centre for Mennonite Brethren Studies, Winnipeg.

Note 2: Based on survey responses returned by individual churches to the Centre for Mennonite Brethren Studies, Winnipeg.

Note 3: Based on entries in the 2014/2015 Directory of Mennonite Brethren Churches in U.S. and Canada (published by Kindred Productions). Gives 2013 totals.

Note 4: Based on entries in the 2013/2014 Directory. Gives 2012 totals.

Note 5: Based on survey responses, information supplied by Provincial Conference Ministers, and estimates.

Note 6: Only attendance numbers are available for the churches in the Atlantic Provinces.

Note 7: Based on entries in the 2014/2015 Directory. Gives 2013 totals. If no new numbers are submitted, the numbers from the previous year are assumed.

Note 8: Based on entries in the 2013/2014 Directory. Gives 2012 totals. If no new numbers are submitted, the numbers from the previous year are assumed.

Annual Statistical Survey Report for 2012: Canadian Conference of Mennonite Brethren Churches

Survey submissions 2012 (note 1)	AB	AP	BC	MB	ON	PQ	SK	Total
# of surveys submitted (note 2)	14	2	75	30	20	10	17	168
total # of churches (note 3)	22	5	113	41	32	15	32	260
survey return rate in %	64	40	66	73	63	67	53	65
Number of Churches 2012	AB	AP	BC	MB	ON	PQ	SK	Total
total # of churches 2012 (note 3)	22	5	113	41	32	15	32	260
total # of churches 2011 (note 4)	21	4	106	40	35	10	29	245
change in %	4.8	25.0	6.6	2.5	-8.6	50.0	10.3	6.1
Average weekly attendance 2012	AB	AP	BC	MB	ON	PQ	SK	Total
# from survey submissions	2,148	160	20,003	5,769	4,719	587	2,842	36,228
total # for all churches (note 5)	2,673	240	29,664	7,049	5,714	737	3,534	49,611
Membership 2012	AB	AP	BC	MB	ON	PQ	SK	Total
# from survey submissions	1,790	125	14,711	5,389	3,721	462	2,451	28,649
total # for all churches 2012 (note 6)	2,333	174	20,452	6,500	4,597	563	3,046	37,665
total # for all churches 2011 (note 7)	2,223	224	19,635	6,433	4,634	612	3,087	36,848
change in %	4.9	-22.3	4.2	1.0	-0.8	-8.0	-1.3	2.2

Note 1: The survey queried 5 areas: average weekly attendance; membership; baptisms; participation in Sunday School, Youth Programs, and mid-week activities; and contact information for leadership. Complete survey results are on file at the Centre for Mennonite Brethren Studies, Winnipeg.

Note 2: Based on survey responses returned by individual churches to the Centre for Mennonite Brethren Studies, Winnipeg.

Note 3: Based on entries in the 2013/2014 Directory of Mennonite Brethren Churches in U.S. and Canada (published by Kindred Productions). Gives 2012 totals.

Note 4: Based on entries in the 2012/2013 Directory. Gives 2011 totals.

Note 5: Based on information supplied by Provincial Conference Ministers and estimates.

Note 6: Based on entries in the 2013/2014 Directory. Gives 2012 totals.

Note 7: Based on entries in the 2012/2013 Directory. Gives 2011 totals.

Gathering 2014 Yearbook

Event Statistics

Number of Registrants:		245
Number of Canadian MB Churches Represented:		75
Province of Registrants:		
	BC	133
	AB	17
	SK	19
	MB	53
	ON	17
	QC	6

List of Exhibitors

CCMBC
 Kindred Productions
 MBBS Canada
 MB Mission
 Historical Commission

ICOMB
 Bethany College
 Columbia Bible College
 CMU/Outtatown
 ETEM
 Square One World Media
 Mennonite World Conference
 Mennonite Disaster Service
 Mennonite Central Committee Canada
 NCOL

Nominee Roster for Gathering 2014

Board Position	Incumbent	Prov	Ending Term	Eligible	Nominee	Prov	Ending Term	Eligible	Notes
Executive Board – Elected at Gathering – max 15 as per charter									
Executive Committee – 2 year terms – Two term limit									
Moderator	Paul Loewen	BC	2014	N	Harold Froese	MB	2016	Y	
Assistant Moderator	Len Penner	MB	2014	Y	Len Penner	MB	2016	N	
Secretary	Vic Martens	BC	2014	Y	Victor Martens	BC	2016	N	
Members at large – 6 positions – 4 year terms – Two term limit									
Member at large	Nancy Boese	ON	2014	N	<i>Vacancy – Stewardship Bd</i>				
Member at large	David McLauren	BC	2014	Y	Mark Wessner	BC	2018	Y	
Member at large	Howie Wall	SK	2016	Y					
Member at large	Sam Reimer	NB	2016	N					
Member at large	John Unger	MB	2014	N	Karen G Pankratz	MB	2018	Y	
Member at large	Gerald Peters	ON	2016	N					
Provincial Moderators on Executive Board <i>ex officio</i>									
Exec BD	Michael Dick	BC	ex off						
Exec BD	Kerry Dyck	AB	ex off						
Exec BD	Todd Hardy	SK	ex off						
Exec BD	Harold Froese	MB	ex off						
Exec BD	Karen West	ON	ex off						
Exec BD	Reginald Fauteux	QC	ex off						
Nominating Committee – 2 positions elected at Gathering – 4 year terms – Two term limit									
Chair: Board Secretary	Vic Martens	BC							
Canadian Member	Arnie Peters	BC	2014	N	Ike Bergen	BC	2018		
Canadian Member	Vacancy								
MB Mission Board – 6 elected/affirmed at Gathering – 4 year terms – Two term limit – terms staggered									
	Beatrice Pauls	MB	2014		Beatrice Pauls	MB	2016		
	Bruce Enns	SK	2014		Bruce Ens	SK	2018		
EB appointees	Ed Heinrichs	ON	2016	Y	Ed Heinrichs	ON	2016		
	Allan Dickens	BC	2016	Y	Allan Dickens	BC	2016		
	David Marshall	BC			David Marshall	BC	2018		
	Rick Reimer	BC			Rick Reimer	BC	2018		
Executive Board Rep	Willy Reimer								

MBBS Board – 6 Elected/affirmed at Gathering – 4 year terms – Two term limit – 7th position is Exec. Board MAL appointed to MBBS

Canadian Member	Roger Braun	BC	2016			
Canadian Member	Kristen Corrigan	PQ	2014	Kristen Corrigan	PQ	2018
Canadian Member	Darlene Klassen	SK	2014	Robert Dyck	BC	2018
	John Neufeld	MB	2016			
	Ron Penner	BC	2016			
	James Toews	BC	2016			
Executive Board Rep	John Unger			Mark Wessner	BC	2018

Historical Commission – 2 elected/affirmed at Gathering – 4 year terms – Two term limit – 3rd position appointed upon HC recommendation

Canadian Member	J. Janzen	BC	2016	Y		
Canadian Member	Dora Dueck	MB	2014	Y	Dora Dueck	2018 MB
Canadian Member	Abe Dueck	MB	2014	N	Patricia Janzen-Loewen	2018 MB

Board of Faith and Life – 3 MAL positions elected at Gathering – 4 year terms – Two term limit

Member at large	Vacancy			
Member at large	Vacancy			
Member at large	Ingrid Reichard	ON	2016	Y

BFL Provincial Reps elected in their provinces; Conf Ministers ex officio on BFL

Provincial Rep	John Willems	AB	2016	N
Provincial Rep	Paul Doerksen	MB	2016	N
Provincial Rep	Terrance Froese (V-Chair)	SK	2016	N
Provincial Rep		QC	2016	N
Provincial Rep	Brian Cooper (Chair)	BC	2016	Y
Provincial Rep	Richard Martens	ON	2016	Y
Conference Minister	Rob Thiessen	BC		
Conference Minister	Vacant	AB		
Conference Minister	Terrance Froese	SK		
Conference Minister	Keith Poysti	MB		
Conference Minister	Ed Willms	ON		
Conference Minister	Stephane Rheaume	QC		
Seminary Rep	Andrew Dyck			

MCC Representatives – 2 positions Delegate Assembly – 1 position Resource Pool – 4 year terms – Two term limit

Delegate Assembly	Vacancy		
Delegate Assembly	Ernie Schmidt	BC	2016
Resource Pool	David Chow	BC	



CANADIAN CONFERENCE
of Mennonite Brethren Churches

BUSINESS AGENDA

Thursday, June 12, 2014

8:30 am – 2:30 pm - Ministry Update Sessions

- Executive Board report
- Finance report
- Executive Director report
- Sand Box & Strategic Plan presentation
- Introduction to Budget
- Board of Faith & Life – Human Sexuality follow up
- Historical Commission report
- MCC report
- Orientation to Experience Vancouver

2:45 – 4:15 pm - Breakouts - will provide an opportunity to dialogue about:

- Bylaws, MOUs & Board Nominee testimonies
- Budget & Stewardship
- Strategic Plan & Mission
- Board of Faith & Life – Human Sexuality follow up

Friday, June 13, 2014

8:30 am – 12:00 pm - Ministry Update Sessions

- MBBS Canada report
- MB Mission report
- Leaders to Learners (L2L) report
- C2Cnetwork report

1:30 – 2:15 pm - Ministry Discernment & Decision

- Strategic Plan & Mission
- General Operating Bylaws
- USMB Conference MOUs
- Board Elections
- MBBS Canada Bylaw revisions
- MB Mission Bylaw revisions

2:30 – 4:15 pm - Ministry Workshops will provide more information about:

- C2Cnetwork
- Leaders to Learners (L2L)
- MB Mission
- MBBS Canada

Saturday, June 14, 2014

8:30 am – 12:00 pm - Ministry Discernment & Decision

- Board of Faith & Life (BFL) report
- Financial Statements
- Appoint Auditors
- Approve Budget
- MB Herald subscriptions
- Commissioning of new Board Members & Senior Staff Team
- Wrap Up

CCMBC Boards, Committees and Appointees

Executive Board

To contact the Executive Board please email mbboard@mbchurches.ca

Harold Froese (Moderator) - 2016

Home Church: Fort Garry MB Church, Winnipeg, MB

Len Penner (Assistant Moderator) - 2016

Home Church: Fort Garry MB Church - Winnipeg, MB

Victor Martens (Secretary) - 2016

Home Church: Ross Road Community Church, Abbotsford, BC

Karen Grace-Pankratz (MAL) - 2018

Home Church: Fort Garry MB Church, Winnipeg, MB

Howie Wall (MAL) - 2016

Home Church: Forest Grove Community Church, Saskatoon, SK

Sam Reimer (MAL) - 2016

Home Church: River of Life MB Church, Moncton, NB

Mark Wessner (MAL-MBBS Rep) - 2014

Home Church: Westwood MB Church, Prince George, BC

Gerald Peters (MAL) - 2016

Home Church: Meadow Brook Fellowship, Leamington ON

Michael Dick (BC Moderator)

Home Church: Bakerview MB Church, Abbotsford, BC

Kerry Dyck (Alberta Moderator)

Home Church: Riverwest Christian Church, Edmonton, AB

Todd Hardy (Saskatchewan Moderator)

Home Church: Hepburn MB Church, Hepburn, SK

Gerald Dyck (Manitoba Moderator)

Home Church: Fort Garry MB Church, Winnipeg, MB

Karen West (Ontario Moderator)

Home Church: Waterloo MB Church, Waterloo, Ontario

Reginald Fauteux (Quebec)

Home Church: Eglise chrétienne de Ste-threse, Ste-Therese, QC

Board of Faith and Life

To contact the Board of Faith and Life please email brian.cooper@twu.ca

Brian Cooper- Chair/ BC Provincial Rep – 2016

Home Church: Northside Community Church, Mission BC

Ingrid Reichard – Vice-Chair / MAL – 2016

Home Church: Hope Fellowship Church, Saskatoon, SK

John Willems – AB Provincial Rep – 2016

Paul Doerksen – MB Provincial Rep – 2016

Vacant – QC Provincial Rep – 2016

Richard Martens – ON Provincial Rep – 2016

Andrew Dyck - Seminary Rep

Rob Thiessen – BC Conference Minister – ex officio

Vacant – AB Conference Minister – ex officio

Terrance Froese – SK Conference Minister – ex officio

Keith Poysti – MB Conference Minister – ex officio

Ed Willms – ON Conference Minister – ex officio

Stephane Rheaume - QC Conference Minister - ex officio

2 Member at large positions- Vacant

Senior Leadership Team**Willy Reimer – Executive Director**

160-340 Midpark Way SE, Calgary, AB T2X 1P1

willy.reimer@mbchurches.ca

403-256-3211

JP Hayashida - Director of Operations

#101-32310 South Fraser Way, Abbotsford, BC V2T 1X1

jp.hayashida@mbchurches.ca

604-853-6959

Norbert Bargaen - Human Resources Director

1310 Taylor Ave, Winnipeg, MB R3M 3Z6

norbert.bargaen@mbchurches.ca

204-669-6575

Ron Toews - Director of L2L

#102-32310 South Fraser Way, Abbotsford, BC V2T 1X1

ron.toews@mbchurches.ca

604-853-6959

Gord Fleming – C2Cnetwork National Director
#203-32310 South Fraser Way, Abbotsford, BC V2T 1X1
gord@c2cnetwork.ca
604-746-2238

Nominating Committee

Vic Martens
Ike Bergen
Vacancy

Finance/Audit Committee

Len Penner
Gerald Peters
Howie Wall

Governance Committee

Victor Martens
Michael Dick

Personnel Compensation Committee

Karen Grace-Pankratz
Len Penner

MBBS Board

Roger Braun
James Toews
Robert Dyck
John Neufeld
Ron Penner
Kristen Corrigan
Mark Wessner (Executive Board Rep)

MCC Representatives

Ernie Schmidt (BC)
David Chow (BC)

Consolidated Financial Statements of

**THE CANADIAN CONFERENCE OF THE
Mennonite Brethren Church of
North America**

Year ended December 31, 2013

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

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Year ended December 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Canadian Conference of the Mennonite Brethren Church of North America

We have audited the accompanying consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Canadian Conference of the Mennonite Brethren Church of North America as at December 31, 2013 and its results of consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

The consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America as at and for the period ended December 31, 2012 are unaudited. Accordingly, we do not express an opinion on them.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedule - Church Ministry Division is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Chartered Accountants

April 28, 2014

Winnipeg, Canada

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012 (Unaudited)
Assets		
Current assets:		
Cash (note 3)	\$ 28,872,280	\$ 15,325,562
Accounts receivable	675,713	494,132
Inventories	34,721	40,732
Prepaid expenses	82,315	73,250
Donated securities	46,411	36,982
Mortgages and loans receivable (notes 4 and 10)	750,000	—
	<u>30,461,440</u>	<u>15,970,658</u>
Mortgages and loans receivable (notes 4 and 10)	86,875,495	72,394,255
Land held for development (note 6)	18,754,227	21,695,483
Investments (note 5)	132,980,654	137,218,591
Capital assets (note 7)	9,199,166	9,779,841
	<u>\$ 278,270,982</u>	<u>\$ 257,058,828</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 3,203,952	\$ 2,809,942
Deferred revenue	75,000	51,709
	<u>3,278,952</u>	<u>2,861,651</u>
Deposit liabilities:		
Trust deposits	192,833,286	177,157,963
Registered Retirement Savings Plan accounts (note 10)	56,312,241	53,602,438
Tax Free Savings Accounts (note 10)	17,211,610	12,670,524
	<u>266,357,137</u>	<u>243,430,925</u>
Deferred contributions:		
Expenses of future periods (note 11)	778,621	824,772
Net assets:		
Internally restricted (note 12)	5,950,746	8,068,749
Restricted for endowments (note 12)	1,734,937	1,716,173
Unrestricted	170,589	156,558
	<u>7,856,272</u>	<u>9,941,480</u>
Commitments (note 13)		
	<u>\$ 278,270,982</u>	<u>\$ 257,058,828</u>

See accompanying notes to consolidated financial statements.

On behalf of the Governing Board:

_____ Director

_____ Director

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Operations

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Unaudited)
Revenue:		
Contributions	\$ 3,545,747	\$ 1,396,027
Sales	1,111,403	763,971
Interest earned	9,669,103	5,606,518
Rental income	236,451	157,921
Gain on disposal of land held for development and capital assets	1,986,959	3,398,894
Gains on disposal of investments	315,655	958,048
Other revenue	111,886	169,690
Adjustment for unrealized gains (losses) on investments	(791,375)	422,427
	<u>16,185,829</u>	<u>12,873,496</u>
Expenditures:		
Cost of sales	540,630	260,155
Staffing	4,505,374	2,369,614
Specific programming costs	2,247,109	1,110,592
Support of outside agencies	1,570,492	520,656
Office expenses	1,723,966	859,848
Board costs and convention	383,510	233,192
Public relation costs	103,438	27,057
Interest	7,215,282	4,061,498
Allowance for credit losses	-	250,000
	<u>18,289,801</u>	<u>9,692,612</u>
Excess (deficiency) of revenue over expenditures	\$ (2,103,972)	\$ 3,180,884

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	Unrestricted	Internally restricted	Restricted for endowments	2013 Total	2012 Total (Unaudited)
Balance, beginning of period (unaudited)	\$ 156,558	\$ 8,068,749	\$ 1,716,173	\$ 9,941,480	\$ 6,828,150
Endowment contributions	–	–	1,387	1,387	340
Reinvested earnings during the period	–	–	17,377	17,377	10,401
Transfer of endowments	–	–	–	–	(78,295)
Excess (deficiency) of revenue over expenditures	(2,103,972)	–	–	(2,103,972)	3,180,884
Transfer from internally restricted (note 12)	2,118,003	(2,118,003)	–	–	–
Balance, end of period	\$ 170,589	\$ 5,950,746	\$ 1,734,937	\$ 7,856,272	\$ 9,941,480

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Consolidated Statement of Cash Flows

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013	2012 (Unaudited)
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenditures	\$ (2,103,972)	\$ 3,180,884
Adjustments for:		
Amortization	477,301	257,411
Unrealized losses (gains) on investments	791,375	(422,427)
Loss on disposal of capital assets	21,921	-
Gain on disposal of land held for development	(2,008,879)	(3,398,894)
Change in non-cash operating working capital:		
Donated securities	(9,429)	(16,758)
Accounts receivable	(181,581)	(206,279)
Inventories	6,011	(5,270)
Prepaid expenses	(9,065)	(689)
Accounts payable and accrued liabilities	394,010	(1,157,620)
Deferred revenue	23,291	51,709
Net change in deferred contributions related to expenses of future periods	(46,151)	60,092
	<u>(2,645,168)</u>	<u>(1,657,841)</u>
Cash flows from financing activities:		
Change in trust deposits, net	15,675,323	5,596,601
Change in RRSP accounts, net	2,709,803	269,824
Change in Tax Free Savings Accounts, net	4,541,086	864,913
Endowments	18,764	(67,554)
	<u>22,944,976</u>	<u>6,663,784</u>
Cash flows from investing activities:		
Purchase of capital assets	(298,547)	(904,381)
Proceeds on disposal of capital assets	380,000	-
Expenditures on land held for development	(779,465)	(385,104)
Net proceeds on disposal of land held for development	2,992,100	3,991,093
Change in investments, net	3,446,562	3,828,585
Change in mortgages and loans receivables, net	(12,493,740)	(5,927,859)
	<u>(6,753,090)</u>	<u>602,334</u>
Increase in cash	13,546,718	5,608,277
Cash, beginning of period	15,325,562	9,717,285
Cash, end of period	<u>\$ 28,872,280</u>	<u>\$ 15,325,562</u>

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Nature of organization:

The Canadian Conference of the Mennonite Brethren Church of North America (the Conference) was incorporated by an Act of the Parliament of Canada on November 25, 1945. These consolidated financial statements present the national activities of the Conference including CCMB Holdings Inc. which is a for-profit incorporated entity that owns all of the shares in the following for-profit entities:

CP Printing Solutions
Anything Storage Inc.
0927018 B.C. Ltd.

Deer River Properties Inc.
Crossfield Highways Development Inc.
6448497 Manitoba Ltd.

The Conference provides financial services to Mennonite Brethren supported missions, institutions, local churches and their members. These services include administration of funds on deposit (in the form of deposits, annuities, Tax Free Savings Accounts (T.F.S.A.'s) and Registered Retirement Savings Plan accounts (RRSP's)) and provision of loans to Church organizations, pastors, and conference employees. In addition, the Conference administers endowment funds which generate earnings to fund various programs of the Conference.

The Conference consists of two divisions being the Stewardship Division which includes CCMB Holdings Inc. and the Church Ministry Division.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

These consolidated financial statements also do not reflect the assets, liabilities, revenue, expenses and cash flows of the various colleges funded by the Conference nor do they reflect the activities of the separately incorporated provincial conferences, individual congregations and MB Mission.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Conference follows the deferral method of account for contributions. Restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in endowment net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on marketable securities is recorded as income on an accrual basis, using the effective interest method. Rental revenue includes recovery of common area maintenance costs and is recognized on an accrual basis over the term which it applies.

Sales revenue is recognized when the order is shipped or picked up by the customer.

(c) Land held for development:

Purchased land held for development is recorded at cost. Costs that are directly attributable to development of the land are capitalized, provided that the carrying value does not exceed net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The Conference amortizes its capital assets as follows:

Asset	Rate
Building	30 years straight-line
Computer equipment	3.3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line

The current year's income has been charged with an amount of \$477,301 (2012 - \$257,411) reflecting the current year's amortization which is included in operating expenses in the statement of operations.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including capital assets subject to amortization and land held for development, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Conference uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Mortgages and loans receivable:

Loans are initially measured at fair value plus incremental direct transaction costs. Loans are subsequently re-measured at their amortized cost, net of allowance for credit losses, using the effective interest method.

Interest income is accounted for on the accrual basis, except on loans classified as impaired. A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest.

When a loan is classified as impaired, accrual of interest on the loan ceases and the carrying amount of the loan is reduced to its estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows, if they can be reasonably estimated, using the effective interest rate inherent in the loan. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying amount of the loan is reduced to its estimated net realizable value based on either:

- (i) the fair value of any security underlying the loan, net of expected costs of realization, or,
- (ii) observable market prices for the loan.

As long as the loan remains classified as impaired, payments received will be credited to the carrying value of the loan. A loan will be returned to accrual status only when the timely collection of both principal and interest is reasonably assured and all arrears payments of principal and interest are brought current.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(g) Allowance for credit losses:

The Conference maintains an allowance for credit losses which, in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance for credit losses consists of specific provisions, being provisions against specific credit exposures determined on an item-by-item basis, and a general provision for losses which have occurred, but where such losses cannot be determined on an item-by-item basis.

In assessing existing credit losses, management must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. Changes in circumstances may cause future assessments of credit risk to be significantly different than current assessments and may require an increase or decrease in the allowance for credit losses.

(h) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(i) 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 Conference has elected to carry its investments 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

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 Conference 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 Conference 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.

(j) Contributed services:

Volunteers are an integral part of the activities of the Conference. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(k) Use of estimates:

The preparation of the financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include the allowance for credit losses and the carrying amounts of capital assets and land held for development. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Cash:

	2013	2012
		(Unaudited)
General funds	\$ 26,317,943	\$ 15,606,978
RRSP Trust	2,554,337	(281,416)
	<u>\$ 28,872,280</u>	<u>\$ 15,325,562</u>

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

4. Mortgages and loans receivable:

	2013		2012	
	Principal	Accrued interest	Principal (Unaudited)	Accrued interest (Unaudited)
General funds	\$ 18,661,269	\$ 194,116	\$ 11,880,490	\$ 143,432
RRSP Trust	68,718,381	276,915	60,361,614	258,719
Allowance for credit losses	(225,186)	—	(250,000)	—
	87,154,464	471,031	71,992,104	402,151
		\$ 87,625,495		\$ 72,394,255

During the year ended December 31, 2013, a mortgage was entered into as partial consideration for the sale of land held for development (note 6). The mortgage is repayable \$750,000 annually and matures on March 31, 2017. All other mortgages and loans receivable are callable on demand and are open to prepayment. Mortgages are secured by a first charge mortgage on the applicable property.

5. Investments:

	2013		2012	
	Cost	Fair Value	Cost (Unaudited)	Fair Value (Unaudited)
Mortgage fund	\$ 21,000,000	\$ 20,853,000	\$ 21,000,000	\$ 20,823,600
Mortgages	76,164,990	77,270,158	79,688,532	81,522,872
Corporate bonds	33,836,245	34,857,496	33,759,267	34,872,119
	\$ 131,001,235	\$ 132,980,654	\$ 134,447,799	\$ 137,218,591

The par value of the corporate bonds at December 31, 2013 was \$33,884,002 (2012 - \$36,653,688). The Corporate bonds have interest rates ranging from 1.54 percent to 11.20 percent (2012 - 1.53 percent to 11.20 percent) and mature between June 1, 2014 and June 1, 2036 (2012 - between January 31, 2013 and June 1, 2036).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

5. Investments (continued):

Maturities and interest rates of the corporate bonds:

December 31, 2013						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 1,715,267	\$ 26,773,940	\$ 5,841,284	\$ 527,005	\$ 34,857,496		4.46%

December 31, 2012 (Unaudited)						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 510,999	\$ 26,870,429	\$ 6,858,237	\$ 632,454	\$ 34,872,119		4.57%

6. Land held for development:

	2013	2012 (Unaudited)
Balance, beginning of period	\$ 21,695,483	\$ 22,287,880
Additions	779,465	385,104
Disposals	(3,720,721)	(977,501)
Balance, end of period	\$ 18,754,227	\$ 21,695,483

During the year ended December 31, 2013, the Conference disposed of certain land held for development for total cash consideration of \$2,992,000 (2012 - \$3,991,093) and a mortgage loan receivable in the amount of \$2,737,500 (2012 - nil). The Conference recognized a gain on sale of \$2,008,879 (2012 - \$3,398,894) which is included in gains on disposal of land for development in the statement of operations.

In October 2013, the Conference entered into an Offer to Purchase to sell a certain land held for development with a carrying value of \$988,309 for a purchase price of \$7,214,400. The purchaser has until July 8, 2014 to complete due diligence on the property.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

7. Capital assets:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value (Unaudited)
Land	\$ 3,221,810	\$ –	\$ 3,221,810	\$ 3,221,810
Buildings	6,818,138	1,548,022	5,270,116	5,618,085
Computer equipment	627,930	496,385	131,545	240,342
Office equipment	1,169,256	721,718	447,538	556,188
Parking lot	226,875	98,718	128,157	143,416
	\$ 12,064,009	\$ 2,864,843	\$ 9,199,166	\$ 9,779,841

8. Line of credit:

The Conference has a line of credit with the Bank of Montreal for use by the Conference and its divisions in the aggregate amount of \$2,750,000, bearing interest at prime and is secured by certain corporate bonds held by the Conference with a fair value of \$2,886,071 (2012 - \$2,914,838). As at December 31, 2013, the line of credit amount was unutilized (2012 - nil).

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$590,238 (2012 - \$456,694) for government remittances.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

10. Registered Retirement Savings Plan and Tax Free Savings Accounts:

The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division has an RRSP Trust and T.F.S.A. Trust for members of Canadian Conference churches. Funds are directed to first mortgages. Interest on member savings is calculated every six months and is credited to each account on June 30 and December 31. Members' accounts are administered by Canadian Western Trust and the Conference. At December 31, 2013, there were 1,044 RRSP accounts, 458 R.R.I.F. accounts and 925 T.F.S.A. accounts (2012 - 1,056 RRSP accounts, 438 R.R.I.F. accounts and 851 T.F.S.A. accounts).

	2013	2012 (Unaudited)
Assets:		
Cash	\$ 2,554,337	\$ (281,416)
Outstanding transfers and distributions	4,805,470	5,933,473
Loans receivable	66,164,044	60,620,905
	<u>\$ 73,523,851</u>	<u>\$ 66,272,962</u>
Liabilities:		
Accounts payable	\$ 68,229	\$ 45,288
RRSP certificates	56,244,012	53,557,150
RRSP total	56,312,241	53,602,438
TFSA certificates	17,211,610	12,670,524
	<u>\$ 73,523,851</u>	<u>\$ 66,272,962</u>

All trust deposits, RRSP Trust and T.F.S.A. funds are due on demand and bear interest at variable rates of interest which are determined at July 1 and December 31 of each year. At December 31, 2013, the interest rate applicable to trust deposits is 2.70 percent (2012 - 2.70 percent) and for RRSP Trust and T.F.S.A. funds is 2.95 percent (2012 - 2.95 percent).

11. Deferred contributions related to expenses of future periods:

Deferred contributions related to expenses of future periods are externally restricted contributions that have been received and relate to expenses to be incurred in subsequent years. Changes in deferred contributions related to expenses of future periods are as follows:

	2013	2012 (Unaudited)
Balance, beginning of period	\$ 824,772	\$ 764,680
Less amount recognized as revenue in the period	(705,112)	(312,765)
Add amount received relating to future periods	658,961	372,857
Balance, end of period	<u>\$ 778,621</u>	<u>\$ 824,772</u>

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

11. Deferred contributions related to expenses of future periods (continued):

As at December 31, 2013, deferred contributions related to expenses of future periods consists of the following:

	2013	2012 (Unaudited)
Emerging leaders	\$ 165,802	\$ 165,802
Centre for Mennonite Brethren Studies	12,998	11,869
City Church	78,453	-
Church plants fund	37,052	-
Institute Biblique Laval	-	183
MB Mission	-	32,451
Canadian Mennonite University	500	-
Mennonite Brethren Biblical Seminary	-	18,364
United Bible Society	28,412	18,996
World Impact	-	24,953
Birch Bay Bible Community Church	57,392	53,242
Other externally restricted	398,012	498,912
	\$ 778,621	\$ 824,772

12. Restrictions on net assets:

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income earned on endowments is externally restricted for specific purposes.

At December 31, net assets restricted for endowments consists of the following:

	2013	2012 (Unaudited)
CMU Endowment	\$ 205,077	\$ 205,035
Manitoba Conference Endowment	73,797	73,797
MBBS Endowment	276,625	276,625
Evangelism Endowment	158,803	158,803
Family Endowment	1,020,635	1,001,913
	\$ 1,734,937	\$ 1,716,173

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets (continued):

Internally restricted funds of the Conference include the following specific reserves:

(i) Reserve for investment:

This reserve provides for fluctuations in the market value of investments. Gains and losses on disposal of investments, unrealized gains and losses on investments, plus a surplus distribution are credited or charged to this account. For the period ended December 31, 2013, unrealized losses on investments of \$791,375 (2012 - unrealized gains of \$422,427 on investments) were recorded against the reserve for investment.

(ii) Operating Reserve:

This reserve is held for use by the Conference to fund new initiatives and unanticipated deficits in operations. For the period ended December 31, 2013, \$491,708 (2012 - nil) was transferred from the operating reserve to consolidated unrestricted net assets to fund the unanticipated deficit in operations.

(iii) Stabilization Reserve:

The purpose of the Stabilization Reserve is to fund deficits in operations resulting from market or other circumstances and to allow for normal cash flow fluctuations. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of \$660,000 (2012 - \$73,000) from the stabilization reserve to consolidated unrestricted net assets to fund the budgeted deficit in operations.

(iv) Tithe Reserve:

The purpose of the Tithe Reserve is to fund sister conferences. Transfers to the reserve are made upon approval of the board of directors. For the period ended December 31, 2013, the board of directors approved a transfer of nil (2012 - \$54,900) to consolidated unrestricted net assets.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

12. Restrictions on net assets (continued):

The remaining internally restricted net assets are amounts restricted for specified purposes and are not available for other purposes without approval from the board of directors. For the period ended December 31, 2013, a total of \$174,920 was transferred from the remaining internally restricted net assets to fund the deficit in operations. For the period ended December 31, 2012 \$328,993 relating to the excess of revenue over expenditures for the period was transferred to the remaining internally restricted net assets)

	2013	2012 (Unaudited)
Reserve for investment	\$ 2,699,341	\$ 3,490,716
Operating reserve	1,318,812	1,810,520
Stabilization reserve	940,315	1,600,315
Tithe reserve	227,100	227,100
Leadership Development	1,553	1,553
Convention	65,897	43,278
Communications	—	10,759
Retreat	15,727	15,727
Evangelism Capital	514,536	581,077
Atlantic Church Planting	12,704	12,704
Transition	120,761	200,000
Contingency	34,000	75,000
	\$ 5,950,746	\$ 8,068,749

13. Commitments:

Individual and church loans:

The Conference has made commitments to individuals and churches for loans that have not been disbursed by December 31, 2013 in the approximate amount of \$9,400,000 (2012 - \$1,900,000).

Lease commitments:

The Conference leases office space under long-term leases. The future minimum payments required under these leases are:

2014	\$ 83,722
2015	67,347
2016	63,423
2017	35,462
2018	37,548

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

14. Employee pension plan:

The Conference is a participant of a money purchase pension plan. Members of the plan include employees of the Conference and related organizations. The cost of funding the plan is shared by employee and employer. The rate of employer contributions to the fund in 2013 was 5 percent (2012 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2013 was \$143,986 (2012 - \$79,708).

15. Financial risks:

(a) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the Conference holding investments denominated in United States dollars (USD) and holding cash denominated in USD. Fluctuations in the relative values of the Canadian dollar against USD can result in a positive or a negative impact on the fair value of the investments and cash. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference currently holds USD and manages this cash for the purposes of achieving foreign exchange gains and meeting the cash requirements of the Conference. This cash management approach exposes the Conference to changes in exchange rates which can affect the fund balances.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate due to changes in market interest rates. The Conference is exposed to interest rate risk on its investment in corporate bonds and investment in mortgages. Further details about the fixed rate investments are included in note 5. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

(c) Liquidity risk:

Liquidity risk is the risk that the Conference will encounter difficulty in meeting financial obligations as they become due, and arises from the Conference's management of working capital. The Conference's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2013

15. Financial risks (continued):

(d) Credit risk:

Credit risk is the risk that on party to a financial instrument will cause a financial loss for the other part by failing to discharge the obligation. The Conference is exposed to credit risk arising from its mortgages and loans receivable and investments in mortgages. In order to reduce its credit risk, the Conference reviews loan applications before extending credit. Mortgage investments are monitored by investment managers. An allowance for credit losses is established based upon factors surrounding the credit risk of specific accounts. The Conference has a significant number of mortgages and mortgage investments which minimizes concentration of credit risk.

There have been no changes to the Conference's financial instrument risk exposure from the prior year.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Schedule - Church Ministry Division

Year ended December 31, 2013, with comparative information for the 7 month period ended
December 31, 2012

	2013 Budget (Unaudited)	2013 Actual	2012 Actual (Unaudited)
Revenue:			
Contributions	\$ 2,632,200	\$ 3,509,561	\$ 1,541,191
Sales	452,300	588,178	313,726
	<u>3,084,500</u>	<u>4,097,739</u>	<u>1,854,917</u>
Expenditures:			
Cost of sales	104,300	190,525	56,673
Staffing	2,856,744	2,862,019	1,347,096
Specific programming costs	2,123,861	2,032,861	1,012,990
Support of outside agencies	982,900	1,669,409	517,778
Office expenses	167,522	196,442	39,323
Board costs and convention	117,806	171,330	186,453
Public relation costs	75,478	73,102	9,063
Interest	11,528	15,713	4,274
	<u>6,440,193</u>	<u>7,211,401</u>	<u>3,173,650</u>
Deficiency of revenue over expenditures for the period before allocations	(3,355,693)	(3,113,662)	(1,318,733)
Allocation of funds from Stewardship Division	3,355,693	2,952,773	1,716,900
Excess (deficiency) of revenue over expenditures for the period	-	\$ (160,889)	\$ 398,167

For the period ended December 31, 2013, the \$2,952,773 allocation of funds from Stewardship Division consists of \$1,009,690 representing the excess of revenue over expenditures in the Stewardship Division along with a transfer from the investment reserve of \$791,375 (note 12), a transfer from the Stabilization Reserve of \$660,000 (note 12) and a transfer from the operating reserve of \$491,708 (note 12). Additionally, as disclosed in note 12, \$174,920 was transferred from other internally restricted net assets of the Church Ministry Division in the period ended December 31, 2013 resulting in a change in the consolidated unrestricted fund balance of \$14,031.

For the period ended December 31, 2012, the \$1,716,900 allocation of funds from Stewardship Division consisted of \$1,662,000 from the excess of revenue over expenditures in the Stewardship Division and \$54,900 from the Tithe Reserve (note 12). Additionally, \$383,893 of the excess of revenue over expenditures in the Church Ministry Division was transferred to other internally restricted net assets of the Church Ministry Division in the period ended December 31, 2012 resulting in a change in the consolidated unrestricted fund balance of \$14,274.

Consolidated Financial Statements of

**THE CANADIAN CONFERENCE OF THE
MENNONITE BRETHREN CHURCH OF
NORTH AMERICA**

Year ended December 31, 2014

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

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Year ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of The Canadian Conference of the Mennonite Brethren Church of North America

We have audited the accompanying consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Canadian Conference of the Mennonite Brethren Church of North America as at December 31, 2014 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.

Other Matters

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedule - Church Ministry Division is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Chartered Accountants

June 26, 2015

Winnipeg, Canada

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Consolidated Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash (note 3)	\$ 7,943,121	\$ 28,872,280
Accounts receivable	750,355	675,713
Inventories	23,418	34,721
Prepaid expenses	164,584	82,315
Donated securities	-	46,411
Mortgages and loans receivable (notes 4 and 10)	750,000	750,000
	<u>9,631,478</u>	<u>30,461,440</u>
Mortgages and loans receivable (notes 4 and 10)	81,346,675	86,875,495
Land held for development (note 6)	16,851,865	18,754,227
Investments (note 5)	161,725,384	132,980,654
Capital assets (note 7)	9,263,486	9,199,166
	<u>\$ 278,818,888</u>	<u>\$ 278,270,982</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 2,811,942	\$ 3,203,952
Deferred revenue	60,500	75,000
	<u>2,872,442</u>	<u>3,278,952</u>
Deposit liabilities:		
Trust deposits	190,250,330	192,833,286
Registered Retirement Savings Plan accounts (note 10)	57,191,865	56,312,241
Tax Free Savings Accounts (note 10)	20,548,973	17,211,610
	<u>267,991,168</u>	<u>266,357,137</u>
Deferred contributions:		
Expenses of future periods (note 11)	739,276	778,621
Net assets:		
Internally restricted (note 12)	5,680,553	5,950,746
Restricted for endowments (note 12)	1,360,342	1,734,937
Unrestricted	175,107	170,589
	<u>7,216,002</u>	<u>7,856,272</u>
Subsequent event (note 6)		
Commitments (note 13)		
	<u>\$ 278,818,888</u>	<u>\$ 278,270,982</u>

See accompanying notes to consolidated financial statements.

On behalf of the Governing Board:

 Director

 Director

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN
CHURCH OF NORTH AMERICA**

Consolidated Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Contributions	\$ 3,820,126	\$ 3,545,747
Sales	1,095,492	1,111,403
Interest earned	9,935,153	10,032,459
Rental income	219,275	236,451
Gain on disposal of land held for development and capital assets (note 6)	6,387,019	1,986,959
Gains on disposal of investments	145,664	315,655
Gain on contribution of capital asset	118,000	-
Other revenue	113,904	111,886
Adjustment for unrealized gains (losses) on investments	546,474	(791,375)
	<u>22,381,107</u>	<u>16,549,185</u>
Expenditures:		
Cost of sales	414,477	540,630
Staffing	4,576,558	4,505,374
Specific programming costs	2,823,061	2,610,465
Support of outside agencies	1,573,742	1,570,492
Office expenses	1,774,333	1,723,966
Board costs and convention	438,662	383,510
Public relation costs	137,396	103,438
Interest	7,264,876	7,215,282
Impairment of land held for development (note 6)	185,365	-
Allowance for credit losses (note 4)	3,335,447	-
	<u>22,523,917</u>	<u>18,653,157</u>
Deficiency of revenue over expenditures	<u>\$ (142,810)</u>	<u>\$ (2,103,972)</u>

See accompanying notes to consolidated financial statements.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2014, with comparative information for 2013

	Unrestricted	Internally restricted	Restricted for endowments	2014 Total	2013 Total
Balance, beginning of year	\$ 170,589	\$ 5,950,746	\$ 1,734,937	\$ 7,856,272	\$ 9,941,480
Endowment contributions	–	–	1,550	1,550	1,387
Reinvested earnings during the year	–	–	1,742	1,742	17,377
Transfer of endowments	–	–	(377,887)	(377,887)	–
Deficiency of revenue over expenditures	(142,810)	–	–	(142,810)	(2,103,972)
Net transfer from Tithe Reserve (note 12)	–	(122,865)	–	(122,865)	–
Net transfer to (from) internally restricted (note 12)	147,328	(147,328)	–	–	–
Balance, end of year	\$ 175,107	\$ 5,680,553	\$ 1,360,342	\$ 7,216,002	\$ 7,856,272

See accompanying notes to consolidated financial statements.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Consolidated Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from operating activities:		
Deficiency of revenue over expenditures	\$ (142,810)	\$ (2,103,972)
Adjustments for:		
Amortization	545,585	477,301
Unrealized losses (gains) on investments	(546,474)	791,375
Gain on disposal of land held for development and capital assets	(6,387,019)	(2,008,879)
Loss on disposal of capital assets	-	21,921
Gain on contribution of capital asset	(118,000)	-
Allowance for credit losses	3,335,447	-
Impairment of land held for development	185,365	-
Change in non-cash operating working capital:		
Donated securities	46,411	(9,429)
Accounts receivable	(74,642)	(181,581)
Inventories	11,303	6,011
Prepaid expenses	(82,269)	(9,065)
Accounts payable and accrued liabilities	(392,010)	394,010
Deferred revenue	(14,500)	23,291
Net change in deferred contributions related to expenses of future periods	(39,345)	(46,151)
	<u>(3,672,958)</u>	<u>(2,645,168)</u>
Cash flows from financing activities:		
Change in trust deposits, net	(2,582,956)	15,675,323
Change in RRSP accounts, net	879,624	2,709,803
Change in tax free savings accounts, net	3,337,363	4,541,086
Endowments	(374,595)	18,764
	<u>1,259,436</u>	<u>22,944,976</u>
Cash flows from investing activities:		
Purchase of capital assets	(491,905)	(298,547)
Proceeds on disposal of capital assets	-	380,000
Expenditures on land held for development	(297,221)	(779,465)
Net proceeds on disposal of land held for development	8,401,237	2,992,100
Change in investments, net	(28,198,256)	3,446,562
Change in mortgages and loans receivables, net	2,193,373	(12,493,740)
Net transfer from Tithe Reserve (note 12)	(122,865)	-
	<u>(18,515,637)</u>	<u>(6,753,090)</u>
Increase (decrease) in cash	(20,929,159)	13,546,718
Cash, beginning of year	28,872,280	15,325,562
Cash, end of year	<u>\$ 7,943,121</u>	<u>\$ 28,872,280</u>

See accompanying notes to consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements

Year ended December 31, 2014

1. Nature of organization:

The Canadian Conference of the Mennonite Brethren Church of North America (the Conference) was incorporated by an Act of the Parliament of Canada on November 25, 1945. These consolidated financial statements present the national activities of the Conference including CCMB Holdings Inc. which is a for-profit incorporated entity that owns all of the shares in the following for-profit entities:

CP Printing Solutions	Deer River Properties Inc.
Crossfield Highways Development Inc.	6448497 Manitoba Ltd.
0927018 B.C. Ltd.	

The Conference provides financial services to Mennonite Brethren supported missions, institutions, local churches and their members. These services include administration of funds on deposit (in the form of deposits, annuities, Tax Free Savings Accounts (T.F.S.A.'s) and Registered Retirement Savings Plan accounts (RRSP's) and provision of loans to Church organizations, pastors, and conference employees. In addition, the Conference administers endowment funds which generate earnings to fund various programs of the Conference.

The Conference consists of two divisions being the Stewardship Division which includes CCMBC Holdings Inc. and the Church Ministry Division.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

These consolidated financial statements also do not reflect the assets, liabilities, revenue, expenses and cash flows of the various colleges funded by the Conference nor do they reflect the activities of the separately incorporated provincial conferences, individual congregations and MB Mission.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Conference follows the deferral method of accounting for contributions. Restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in endowment net assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest on marketable securities is recorded as income on an accrual basis, using the effective interest method. Rental revenue includes recovery of common area maintenance costs and is recognized on an accrual basis over the term which it applies.

Sales revenue is recognized when the order is shipped or picked up by the customer.

(c) Land held for development:

Purchased land held for development is recorded at cost. Costs that are directly attributable to development of the land are capitalized, provided that the carrying value does not exceed net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The Conference amortizes its capital assets as follows:

Asset	Rate
Building	30 years straight-line
Computer equipment	3.3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line

The current year's income has been charged with an amount of \$545,585 (2013 - \$477,301) reflecting the current year's amortization which is included in office expenses in the statement of operations.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Long-lived assets, including capital assets subject to amortization and land held for development, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Conference uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

(f) Mortgages and loans receivable:

Loans are initially measured at fair value plus incremental direct transaction costs. Loans are subsequently re-measured at their amortized cost, net of allowance for credit losses, using the effective interest method.

Interest income is accounted for on the accrual basis, except on loans classified as impaired. A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest.

When a loan is classified as impaired, accrual of interest on the loan ceases and the carrying amount of the loan is reduced to its estimated realizable amount. Estimated realizable amounts are measured by discounting the expected future cash flows, if they can be reasonably estimated, using the effective interest rate inherent in the loan. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying amount of the loan is reduced to its estimated net realizable value based on either:

- (i) the fair value of any security underlying the loan, net of expected costs of realization, or,
- (ii) observable market prices for the loan.

As long as the loan remains classified as impaired, payments received will be credited to the carrying value of the loan. A loan will be returned to accrual status only when the timely collection of both principal and interest is reasonably assured and all arrears payments of principal and interest are brought current.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

2. Significant accounting policies (continued):

(g) Allowance for credit losses:

The Conference maintains an allowance for credit losses which, in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance for credit losses consists of specific provisions, being provisions against specific credit exposures determined on an item-by-item basis, and a general provision for losses which have occurred, but where such losses cannot be determined on an item-by-item basis.

In assessing existing credit losses, management must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. Changes in circumstances may cause future assessments of credit risk to be significantly different than current assessments and may require an increase or decrease in the allowance for credit losses.

(h) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(i) 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 Conference has elected to carry its investments 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

2. Significant accounting policies (continued):

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 Conference 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 Conference 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.

(j) Contributed services:

Volunteers are an integral part of the activities of the Conference. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(k) Use of estimates:

The preparation of the financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include the allowance for credit losses and the carrying amounts of capital assets and land held for development. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Cash:

	2014	2013
General funds	\$ 7,061,572	\$ 26,317,943
RRSP Trust	881,549	2,554,337
	<u>\$ 7,943,121</u>	<u>\$ 28,872,280</u>

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

4. Mortgages and loans receivable:

	2014		2013	
	Principal	Accrued interest	Principal	Accrued interest
General funds	\$ 14,446,988	\$ 56,213	\$ 18,661,269	\$ 194,116
RRSP Trust	70,907,451	128,414	68,718,381	276,915
Allowance for credit losses	(3,442,391)	—	(225,186)	—
	81,912,048	184,627	87,154,464	471,031
		\$ 82,096,675		\$ 87,625,495

During the year ended December 31, 2013, a mortgage was entered into as partial consideration for the sale of land held for development (note 6). The mortgage is repayable \$750,000 annually and matures on March 31, 2017. All other mortgages and loans receivable are callable on demand and are open to prepayment. Mortgages are secured by a first charge mortgage on the applicable property.

5. Investments:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Mortgage fund	\$ 21,000,000	\$ 20,937,000	\$ 21,000,000	\$ 20,853,000
Mortgages	88,670,186	90,125,394	76,164,990	77,270,158
Corporate bonds	49,529,305	50,662,990	33,836,245	34,857,496
	\$ 159,199,491	\$ 161,725,384	\$ 131,001,235	\$ 132,980,654

The par value of the corporate bonds at December 31, 2014 was \$50,650,748 (2013 - \$33,884,002). The Corporate bonds have interest rates ranging from 1.50 percent to 10.50 percent (2013 - 1.54 percent to 11.20 percent) and mature between February 1, 2015 and August 1, 2029 (2013 - between June 1, 2014 and June 1, 2036).

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

5. Investments (continued):

Maturities and interest rates of the corporate bonds:

December 31, 2014						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 2,201,089	\$ 38,816,880	\$ 9,361,508	\$ 283,513	\$ 50,662,990	3.69%	

December 31, 2013						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ 1,715,267	\$ 26,773,940	\$ 5,841,284	\$ 527,005	\$ 34,857,496	4.46%	

6. Land held for development:

	2014	2013
Balance, beginning of year	\$ 18,754,227	\$ 21,695,483
Additions	297,221	779,465
Disposals	(2,014,218)	(3,720,721)
Impairment	(185,365)	-
Balance, end of year	\$ 16,851,865	\$ 18,754,227

During the year ended December 31, 2014, the Conference disposed of certain land held for development for net cash consideration of \$8,401,237 (2013 - \$2,992,000) and a mortgage loan receivable in the amount of nil (2013 - \$2,737,500). The Conference recognized a gain on sale of \$6,387,019 (2013 - \$2,008,879) which is included in gains on disposal of land for development in the statement of operations.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

7. Capital assets:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 2,933,410	\$ -	\$ 2,933,410	\$ 2,632,210
Buildings	7,602,940	1,883,827	5,719,113	5,859,716
Computer equipment	668,476	549,528	118,948	131,545
Office equipment	1,242,213	863,095	379,118	447,538
Parking lot	226,875	113,978	112,897	128,157
	\$ 12,673,914	\$ 3,410,428	\$ 9,263,486	\$ 9,199,166

8. Line of credit:

The Conference has a line of credit with the Bank of Montreal for use by the Conference and its divisions in the aggregate amount of \$2,750,000, bearing interest at prime and is secured by certain corporate bonds held by the Conference with a fair value of \$3,777,843 (2013 - \$2,886,071). As at December 31, 2014, the line of credit amount was unutilized (2013 - nil).

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$542,927 (2013 - \$590,238) for government remittances.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

10. Registered Retirement Savings Plan and Tax Free Savings Accounts:

The Canadian Conference of the Mennonite Brethren Church of North America - Stewardship Division has an RRSP Trust and T.F.S.A. Trust for members of Canadian Conference churches. Funds are directed to first mortgages. Interest on member savings is calculated every six months and is credited to each account on June 30 and December 31. Members' accounts are administered by Canadian Western Trust and the Conference. At December 31, 2014, there were 1,007 RRSP accounts, 485 R.R.I.F. accounts and 924 T.F.S.A. accounts (2013 - 1,044 RRSP accounts, 458 R.R.I.F. accounts and 925 T.F.S.A. accounts).

	2014	2013
Assets:		
Cash	\$ 881,549	\$ 2,554,337
Outstanding transfers and distributions	8,400,426	4,805,470
Loans receivable	68,458,863	66,164,044
	\$ 77,740,838	\$ 73,523,851
Liabilities:		
Accounts payable	\$ 2,231	\$ 68,229
RRSP certificates	57,189,634	56,244,012
RRSP total	57,191,865	56,312,241
TFSA certificates	20,548,973	17,211,610
	\$ 77,740,838	\$ 73,523,851

All trust deposits, RRSP Trust and T.F.S.A. funds are due on demand and bear interest at variable rates of interest which are determined at July 1 and December 31 of each year. At December 31, 2014, the interest rate applicable to trust deposits is 2.50 percent (2013 - 2.70 percent) and for RRSP Trust and T.F.S.A. funds is 2.75 percent (2013 - 2.95 percent).

11. Deferred contributions related to expenses of future periods:

Deferred contributions related to expenses of future periods are externally restricted contributions that have been received and relate to expenses to be incurred in subsequent years. Changes in deferred contributions related to expenses of future periods are as follows:

	2014	2013
Balance, beginning of period	\$ 778,621	\$ 824,772
Less amount recognized as revenue in the period	(566,312)	(705,112)
Add amount received relating to future periods	526,967	658,961
Balance, end of period	\$ 739,276	\$ 778,621

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

11. Deferred contributions related to expenses of future periods (continued):

As at December 31, 2014, deferred contributions related to expenses of future periods consists of the following:

	2014	2013
Emerging leaders	\$ 157,200	\$ 165,802
Centre for Mennonite Brethren Studies	12,727	12,998
Non-registered church plants	171,916	115,505
Canadian Mennonite University	500	500
Mennonite Brethren Biblical Seminary	292	-
United Bible Society	42,773	28,412
Birch Bay Bible Community Church	3,000	57,392
Other externally restricted	350,868	398,012
	<u>\$ 739,276</u>	<u>\$ 778,621</u>

12. Restrictions on net assets:

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income earned on endowments is externally restricted for specific purposes.

At December 31, net assets restricted for endowments consists of the following:

	2014	2013
CMU Endowment	\$ 205,077	\$ 205,077
Manitoba Conference Endowment	73,797	73,797
MBBS Endowment	-	276,625
Evangelism Endowment	158,803	158,803
Family Endowment	922,665	1,020,635
	<u>\$ 1,360,342</u>	<u>\$ 1,734,937</u>

During the year ended December 31, 2014, the board of directors of the Conference approved the transfer of certain endowments to the Mennonite Brethren Biblical Seminary (MBBS).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

12. Restrictions on net assets (continued):

Internally restricted funds of the Conference include the following specific reserves:

(i) Reserve for investment:

This reserve provides for fluctuations in the market value of investments. Gains and losses on disposal of investments, unrealized gains and losses on investments, plus a surplus distribution are credited or charged to this account. For the year ended December 31, 2014, unrealized gains on investments of \$546,474 (2013 - unrealized losses of \$791,375 on investments) were recorded in the reserve for investment (2013 - against). Additionally, for the year ended December 31, 2014 \$1,305,685 (2013 - nil) was transferred to the reserve for investment from the excess of revenue over expenditures of the Stewardship Division.

(ii) Operating Reserve:

This reserve is held for use by the Conference to fund new initiatives and unanticipated deficits in operations. For the year ended December 31, 2014, \$811,320 was transferred from the operating reserve to consolidated unrestricted net assets to fund the budgeted deficit in operations of the Church Ministry Division and \$29,135 was transferred to the operating reserve from the remaining internally restricted net assets. For the period ended December 31, 2013, \$491,708 was transferred from the operating reserve to consolidated unrestricted net assets to fund the unanticipated deficit in operations.

(iii) Stabilization Reserve:

The purpose of the Stabilization Reserve is to fund deficits in operations resulting from market or other circumstances and to allow for normal cash flow fluctuations. Transfers to the reserve are made upon approval of the board of directors. For the year ended December 31, 2014, the board of directors approved a transfer of \$940,315 (2013 - \$660,000) from the stabilization reserve to consolidated unrestricted net assets to fund the budgeted deficit in operations of the Church Ministry Division.

(iv) Tithe Reserve:

The purpose of the Tithe Reserve is to fund sister conferences. Transfers to the reserve are made upon approval of the board of directors. For the year ended December 31, 2014, the board of directors approved a transfer of \$150,000 (2013 - nil) to the International Community of Mennonite Brethren (ICOMB) of which \$27,135 remains in a trust deposit account for use by ICOMB at December 31, 2014.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

12. Restrictions on net assets (continued):

The remaining internally restricted net assets are amounts restricted for specified purposes and are not available for other purposes without approval from the board of directors. For the period ended December 31, 2014 a total of \$220,717 (2013 - \$174,920) was transferred from the remaining internally restricted net assets to fund the deficit in operations of the Church Ministry Division and \$29,135 was transferred to the operating reserve.

	2014	2013
Reserve for investment	\$ 4,551,500	\$ 2,699,341
Operating Reserve	536,627	1,318,812
Stabilization Reserve	—	940,315
Tithe Reserve	77,100	227,100
Leadership Development	1,553	1,553
Convention	64,360	65,897
Retreat	15,727	15,727
Evangelism Capital	386,982	514,536
Atlantic Church Planting	12,704	12,704
Transition	—	120,761
Contingency	34,000	34,000
	\$ 5,680,553	\$ 5,950,746

13. Commitments:

Individual and church loans:

The Conference has made commitments to individuals and churches for loans that have not been disbursed by December 31, 2014 in the approximate amount of \$12,509,000 (2013 - \$9,400,000).

Lease commitments:

The Conference leases office space under long-term leases. The future minimum payments required under these leases are:

2015	\$ 166,013
2016	167,556
2017	148,395
2018	56,615

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

14. Employee pension plan:

The Conference is a participant of a money purchase pension plan. Members of the plan include employees of the Conference and related organizations. The cost of funding the plan is shared by employee and employer. The rate of employer contributions to the fund in 2014 was 5 percent (2013 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2014 was \$159,245 (2013 - \$143,986).

15. Financial risks:

(a) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of the Conference holding investments denominated in United States dollars (USD) and holding cash denominated in USD. Fluctuations in the relative values of the Canadian dollar against USD can result in a positive or a negative impact on the fair value of the investments and cash. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference currently holds USD and manages this cash for the purposes of achieving foreign exchange gains and meeting the cash requirements of the Conference. This cash management approach exposes the Conference to changes in exchange rates which can affect the fund balances.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate due to changes in market interest rates. The Conference is exposed to interest rate risk on its investment in corporate bonds and investment in mortgages. Further details about the fixed rate investments are included in note 5. The Conference manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board and monitored by investment managers. The Conference is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

(c) Liquidity risk:

Liquidity risk is the risk that the Conference will encounter difficulty in meeting financial obligations as they become due, and arises from the Conference's management of working capital. The Conference's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

15. Financial risks (continued):

(d) Credit risk:

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the other party by failing to discharge the obligation. The Conference is exposed to credit risk arising from its mortgages and loans receivable and investments in mortgages. In order to reduce its credit risk, the Conference reviews loan applications before extending credit. Mortgage investments are monitored by investment managers. An allowance for credit losses is established based upon factors surrounding the credit risk of specific accounts. The Conference has a significant number of mortgages and mortgage investments which minimizes concentration of credit risk.

There have been no changes to the Conference's financial instrument risk exposure from the prior year.

16. Comparative information:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

**THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN
CHURCH OF NORTH AMERICA**

Schedule - Church Ministry Division

Year ended December 31, 2014, with comparative information for 2013

	2014 Budget (Unaudited)	2014 Actual	2013 Actual
Revenue:			
Contributions	\$ 3,372,617	\$ 3,818,687	\$ 3,509,561
Sales	577,627	632,678	588,178
	3,950,244	4,451,365	4,097,739
Expenditures:			
Cost of sales	136,108	100,471	190,525
Staffing	3,502,670	3,247,857	2,862,019
Specific programming costs	2,229,643	2,286,614	2,032,861
Support of outside agencies	805,529	1,573,742	1,669,409
Office expenses	489,148	596,705	196,442
Board costs and convention	125,218	202,033	171,330
Public relation costs	92,264	119,910	73,102
Interest	25,760	23,804	15,713
	7,406,340	8,151,136	7,211,401
Deficiency of revenue over expenditures for the year before allocations	(3,456,096)	(3,699,771)	(3,113,662)
Unrestricted fund balance, beginning of year		170,589	156,558
Allocation of funds from Stewardship Division		3,483,572	2,952,773
Transfer from other internally restricted net assets		220,717	174,920
Unrestricted fund balance, end of year		\$ 175,107	\$ 170,589

For the year ended December 31, 2014, the \$3,483,551 allocation of funds from Stewardship Division consists of \$1,731,937 representing a portion of the excess of revenue over expenditures in the Stewardship Division along with a transfer from the investment reserve of nil (note 12), a transfer from the Stabilization Reserve of \$940,315 (note 12) and a transfer from the operating reserve of \$811,320 (note 12). Additionally, as disclosed in note 12, \$220,717 was transferred from other internally restricted net assets of the Church Ministry Division in the year ended December 31, 2014 resulting in a change in the consolidated unrestricted fund balance of \$4,518.

For the period ended December 31, 2013, the \$2,952,773 allocation of funds from Stewardship Division consists of \$1,009,690 representing the excess of revenue over expenditures in the Stewardship Division along with a transfer from the investment reserve of \$791,375 (note 12), a transfer from the Stabilization Reserve of \$660,000 (note 12) and a transfer from the operating reserve of \$491,708 (note 12). Additionally, as disclosed in note 12, \$174,920 was transferred from other internally restricted net assets of the Church Ministry Division in the period ended December 31, 2013 resulting in a change in the consolidated unrestricted fund balance of \$14,031.