

2020 CCMBC AGM Yearbook (meeting date June 5-6, 2020)

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AGGM

Annual General Meeting

of the Canadian Conference of
Mennonite Brethren Churches

JUNE 5-6, 2020

Welcome

Welcome to the 2020 Annual General Meeting of the Canadian Conference of Mennonite Brethren Churches. As we come together from regions and churches across Canada, let us choose to walk together in courageous humility. We pray that our time together would generate honest conversations fueled by the presence of God's Spirit.

In Christ,

Bruce Enns
CCMBC moderator

Elton DaSilva
CCMBC national director

Delegate Qualifications

Each member church shall be entitled to be represented at any convention by delegates. 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 for the Canadian conference have a vote at convention by virtue of their position as Executive Board members. Each delegate must be:

- 18 years of age or older
- A member in good standing
- Approved as a delegate by the church

Agenda

Date Saturday, June 6, 2020

Location 1310 Taylor Ave,
Winnipeg, MB R3M 3Z6

Time 10 am – 3 pm CDT

1. Meeting called to order – welcome and instructions
2. Motion to appoint parliamentarians
3. Motion to approve ballot team
4. Motion to provide notice of the bylaw amendment for voting at the June Convention.
5. Motion to approve agenda as presented
6. National Director's Report
7. Motion to approve the audited financial statements as presented:
 - a. CCMBC Pension Plan
 - b. CCMBC Non-Consolidated Financials
 - c. Legacy Consolidated Financials
 - d. CCMBC Investment Financials
8. Motion to approve KPMG as auditors for:
 - a. CCMBC
 - b. Legacy
 - c. CCMBC Investments
9. Elections by ballot
 - a. Executive Board (National Assembly Executive)
 - b. Board of Faith & Life (National Faith & Life Team)
 - c. MB Seminary
 - d. Historical Commission
10. Motion to approve the Executive Board be given authority to use Referenda as described under the CCMBC General Operating Bylaws Article 5 Section 4 and in accordance with the "CCMBC 2021 Referenda Policy" approved by the Executive Board and provided with this motion.
11. Questions to Multiply and MB Seminary
12. Defining our Mission
13. The Work Ahead: Questions to Board of Faith and Life and the National Ministry Team
14. Motion to destroy ballots on the approval of the minutes by the Executive Board Secretary
15. Motion to adjourn

Rules of Order

1. We strive for unity and respect, involving the 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 or indicate you want to speak by using the "raise hand" function in Zoom. 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. For online delegates, the "Digital Voting Policy for Conventions of the Conference" will be followed. Additional instructions may be provided by the Moderator regarding any other meeting procedures required by online delegates.

9. In general, Robert's Rules of Order will be followed.

It's not about the conference ...

... and it's most certainly not about me!

But, seeing my time as moderator drawing to a close put me in a reflective mood. I curiously dug out my application to join the Executive Board. What motivated my board involvement in our MB family of churches back in the summer of 2016? The answer I gave four years ago, still passionately drives me today – *discipleship in the local church*. What a thrill to watch people *first* discover how great God really is! What a great adventure to see transformation in Jesus as we walk together in obedience to His Spirit's invitations in our lives!

A conference, or a family of churches such as ours, is simply a means to connect our local church stories to God's bigger story in the world, and to do so in a way that leverages our unique gifts for a larger impact. The conference matters a great deal - but it's not about the conference - it's about the local church.

For me, it's always been about the local church ...

Some time ago, someone asked me, "What would you do to change the world?" I thought about it for a while, and then responded, "I would serve and lead in a local church."

What could be a better vehicle to experience community, the love of Jesus, the ability to sharpen, train and encourage one another, serving others, and proclaiming the hope of the gospel with our words and with our lives? What better place than the local church ... with all its blemishes, weaknesses, faults (read "people") ... but also all its beauty, wonder, and possibility (read "people"). What an honour to join messed up, broken people, filled with the Spirit of God, called to the mission of God, compelled by the love of God, to proclaim Jesus to the world ... *starting right where we live*.

The letter to the Ephesians is the best church leadership manual I know (I'd like to quote the whole letter – but you can read it). There is one portion of this beautiful text that intrigues me, compels me, seems elusive to me and yet continually draws me back.



Elton, you have been a strong beacon guiding our conference through turbulent times. May we ignore our natural tendencies and go all in with you on collaboration in every way.



Ron, blessings on you as you take on the responsibilities of moderator (upon delegate approval). My prayer is that you will be able to accomplish infinitely more than you might ask of God or even think.

What an honour to join messed up, broken people ... in the mission of a local church... and explore the beauty, wonder and possibility that God has for us together.

Ephesians 4:11-13: *So Christ himself gave the apostles, the prophets, the evangelists, the pastors and teachers, to equip his people for works of service, so that the body of Christ may be built up until we all reach unity in the faith and in the knowledge of the Son of God and become mature, attaining to the whole measure of the fullness of Christ.*

What would it look like for the church to truly live into this? Why is it that we seem to swing from one era of gift emphasis to another, instead of embracing them all in maturity? What would a functioning expression of this look like in a local church?

As I conclude my second term as moderator, and transition out of this role, here are five things I'm going to do my best to continue:

1. Keep loving and supporting conference people, just as I have experienced, as we pursue Jesus together with vastly different perspectives. *(Is it ok to admit this will be a tiny bit easier with some than others?)*
2. Trying to remember that simplicity is a gift I too often unintentionally exchange for complexity. *(Especially when I want to add those last three points that I think will make this plan stronger).*
3. Focusing! To not be so easily distracted by novelty in our discipleship strategies. Simple, clear discipleship strategies, leveraged for the long haul ... will be the most powerful in the long term.
4. Reminding myself that we don't need perfection (which often leads to paralysis), we need simple clarity led by people being transformed by Jesus.
5. Telling everyone who will listen that local, effective discipleship can only happen as we lift our eyes to the world. Local, national, global connections are critical. *(I can get consumed with navel-gazing as well as anyone)*

Thank you for entrusting me to lead in this role for these four years. What a blessing to work with such great people on our board and staff! I look forward to what God will do through the local church... connected through our conference (MB family).

Ephesians 3: 20-21: *Now all glory to God, who is able, through his mighty power at work within us, to accomplish infinitely more than we might ask or think. Glory to him in the church and in Christ Jesus through all generations forever and ever! Amen.*



I love you all...

Bruce Enns

Together... helping multiply healthy leaders and disciple-making churches

Connecting during difficult times

Greetings, MB churches. These are different times. These are times of social isolation, forcing us to do many of the things we usually do in person, virtually. Churches quickly adapted to online platforms and technologies.

I also witnessed you participating in acts of compassion, helping your neighbours in their time of need. You have engaged in prayer, gatherings as churches, provinces, a country and even internationally. Thank you for calling on the Lord in times like this. These are challenging economic times for businesses and the people in the pews of our churches. We need to pray for them. We also pray for frontline workers, helping those that are ill. These are challenging times for our government, our camps, schools, and churches.

Grandparents cannot hold their grandchildren; people cannot embrace those who need it most. But these are the times when the church can show the love of God in a more considerable measure. I see that more and more, and I am grateful for that. Thank you, MB Church, that you are rising to the call of God for such a time as this.

You may be wondering what is going on at the conference: who is working? Who is not working? What are they doing?

Our first focus was on building connections between churches. The National Ministry Team met to discern what we felt was important for churches, resulting in a series of virtual town halls. Many of them were in the form of prayer meetings. We also engaged in a global Good Friday service that was attended and viewed by Mennonite Brethren from around the world. Thank you for joining us.

The financial impact of the Covid-19 crisis requires that CCMBC make tough economic decisions. As church income drops, so does ours. We are approaching our budget in 90-day increments: every three months, we

look at our budget, and we see where we need to cut and by how much. In the first three months, significant reductions were necessary. These reductions, combined with some government incentives, allowed us to reduce our expenses by 51 percent. Please continue to give—as you are able—to your church, to conferences, camps and schools.

You may also be wondering why we are once again holding an annual general meeting and not the National Assembly. The reason for that is that although we voted for a National Assembly format at our last AGM, we had not at that time giving the National Assembly power within our bylaws. So we were inviting church delegates to participate in this virtual AGM to approve a referendum allowing us to take the approval of new bylaws to provincial conferences next spring.

We will vote in new members to our various ministry boards, from MB Seminary, Multiply to National Assembly Executive (Executive Board) and NFLT. My sincerest thanks to all who serve on our boards across this country. My special thanks to Bruce Enns, who is leaving as the conference moderator this June. Bruce has been a blessing to all of us. His meticulous attention to detail and accountability prompts us to consider every move we make carefully. We will also present our annual audited financials for your approval.

We want to give updates on the ongoing Multiply review, the financial status of MB Seminary and what the National Ministry Team and National Faith and Life Team are planning. Lastly, we will be talking about defining our mission together.

Thank you. And may the Lord bless you.



Elton DaSilva

National Director

**You have engaged in prayer,
gatherings as churches, provinces,
a country and even internationally.
Thank you for calling on the Lord in
times like this.**

Faith & Life

The National Faith and Life Team exists to articulate and safeguard Mennonite Brethren theological convictions, produce theological and pastoral resources, and provide discernment and guidance on current issues. We continue to serve the MB churches of Canada in the area of strengthening the Canadian MB identity and community.

Since the Equip Study Conference and AGM of October 2019 the National Faith & Life Team (NFLT) formerly known as the Board of Faith and Life (BFL) continued the process of implementing the Collaborative Structure elements as they pertain to the NFL team.

As is true for of us, the NFLT only had a few months of activity since the last AGM before the COVID-19 shut-downs began. Some momentum was lost in cancelling and re-planning of events such as PCO 2020, NFLT participation in ICOMB conversations, launch of new writing and video projects, update of the provincial faith & life team mandates etc. I have personally grown in my ability to hold plans loosely and in my flexibility to adjust priorities to the needs of the moment.

With the challenge of the times comes an opportunity to re-imagine and to re-evaluate. We are confident that the Lord will use even this experience for the good his MB Church.

In response to the unique experience of this season the NFLT, and I personally, have ministered to our MB family in Canada in new ways such as:

1. Coordination of an international MB Good Friday celebration,
2. Leadership in national and provincial e-prayer gatherings,
3. Resourcing of pastors for ministry in this season through webinars, blog posts, one-on-one support and more,
4. Call for reports on what we are hearing God say to us collectively,
5. Call for stories of COVID-19 experiences for mutual encouragement and historical record.

I'm grateful to our Lord for the opportunity to

minister in these ways and to receive ministry from the MB family in Canada and around the world in return. I trust that some of these ways of ministry will continue into the future.

There has also been progress on the more usual Faith & Life work where we:

6. Completed the draft of Article 8, which is now ready for approval. This approval will take place in 2021 in line with our revised bylaws.
7. Welcomed Karen West and Adam Greely as ON and Atlantic region reps to the NFLT,
8. Launched the alternate stream credentialing process with our First Nations leaders,
9. Begun the work of defining the Disciple Identity in support of the National Ministry Framework and strategic plan.

The NFLT now also has five functioning sub-teams, each with a specific focus. The work of these teams is on-going. We are encouraged by the close collaboration between the national and provincial leadership bodies, the NFLT, the MB Seminary and Multiply. This new era of collaboration has providentially positioned us to be able to quickly and effectively navigate the COVID-19 demands together.

With the challenge of the times comes an opportunity to re-imagine and to re-evaluate. We are confident that the Lord will use even this experience for the good his MB Church, for our strengthening, for new depths of intimate relationship with Jesus, and a renewed missional fervor.

Please pray for the National Faith and Life Team – for wisdom, courage and creativity to carry out the task of guarding the treasure of the MB expression of faith in Christ; and for God to continue to send quality men and women to serve on this team and on each of the provincial faith & life teams. If you have any questions or suggestions for the NFLT please do not hesitate to connect.



Ingrid Reichard, MDiv
National Faith & Life Director
and NFLT Chair



Greeting in Christ,

We are in the midst of turbulent times. Much of what constituted our normal work schedule has been suspended. BCMB staff has been focused on supporting our pastors and churches as they face,

Isolation

The very definition of church contains the idea of the gathered people of God (ecclesia) and we are in a time when “gathering” is prohibited and for good reasons.

Fear

Driven by the constant stream of disturbing and often conflicting news reports and by the legitimate concern over the possibility of infection by this highly contagious virus.

Financial Uncertainty

Many people have lost jobs. More people have lost savings. Churches and our ministries have been built with a dependence on our projected incomes and budgets. Churches as well as the Conference are now wrestling with stewardship when we have no reliable means to forecast income.

Lay offs

Churches have laid off employees and cut programs in anticipation of reduced incomes. Our Camps are counting the cost of a lost season of rentals and campers. In all these hardships we are driven to our knees to seek the Lord for his leading and provision.

Opportunities

God is teaching us a new dependence on Him and upon each other. Churches are adapting what it means to “gather” and are finding a strong sense of community in Christ. It turns out the Holy Spirit is helping our pastors and leaders to feed their sheep in new and innovative ways.

Pastors are reporting an increased participation in their online services as well as favorable response to pastoral care expressed by phone or by careful and appropriate visitation. People are increasingly open to prayer and the message of the hope of the gospel. Youth pastors and children’s pastors are using technology creatively and there are encouraging reports of engagement.

Churches are focusing on essential discipleship and finding a renewed opportunity to connect people into small groups for prayer, worship and time listening to God through Scripture.

Churches are also serving the marginalized in their communities both through informal neighbourhood outreach and through organized online formats.

Alpha online is being launched by churches during this time. A new 8-week course has been developed by Alpha to respond to the Covid crises.

Spiritual Health and Theology

BCMB has increased its communication with churches and among churches over the past month. Newsletters are being distributed on weekly basis seeking to encourage leaders in their faith and ministry and informing them of resources available.

Podcasts have also been increased to a weekly release to provide opportunities for support and connection.

Collaborative Partnership

Our partnership with the national and global MB community has also increased. BCMB has been a catalyst in initiating a national online prayer gathering which is led by Ingrid Reichard and has significant participation. (168 + across Canada) In addition Multiply has been hosting a global prayer gathering that we as Conference staff have been actively supporting. Our national ministry team is meeting biweekly as we collaborate with other provincial conference offices to support our churches.

We are disappointed to have to cancel several significant leadership development events for this Spring. Our Postureshift Conference will be rescheduled for fall of this year and our Pastors and Spouses retreat will be canceled until next year. (Lord willing!) Consideration was given to online options but for both these events we decided that we were better off waiting until we were once again free to gather in person.

Our convention will however be going forward in a virtual format. We will record and post a Friday evening May 1 worship gathering and then host a live online format convention from

8:30 until noon on Saturday May 2. Document and reports will be distributed in advance and an online tool for voting will be provided. Only essential business will be conducted in this condensed timeline.

Churches and pastors vary widely in the level and types of support that they are looking for in a time of crises. Predictably, our larger churches have the technology and people resources to shift into a “virtual” ministry mode. They are experiencing significant blessings through these efforts. More difficult for these churches is dealing with large and program focused staffing issues. Denis Federau has been working hard to consult with reliable sources for the best HR advice in these matters.

The BCMB Stewardship

BCMB staff have worked through various financial scenarios and have provided the exec board with budgetary options. As we monitor the income we receive from the churches, we are seeking to minimize all expenses as much as possible.

Decisions about lay-offs and salary reductions are being considered by our exec board. Our desire is that we model good stewardship and financial restraint in

a time when many of our churches and pastors may be also be facing reductions. Wisdom suggests that both the Conference minister and the Director of Resource ministry are important ministry posts during this time and that our churches expect that we will be fully available to them during this time.

I close this report with a confession and a conviction. My confession is that in so many ways I don't have answers or a plan going forward for what ministry will look like in the future. My conviction is that the Lord is at work testing and refining all of us through this season. For many of us, 2019 was a very difficult year with many relational challenges. We were hoping for some “smooth sailing” in 2020 and then the year began. Jesus said the world would experience

“travail” in the days before his return. I believe we are going through birth pangs now. God is wanting to teach us a new dependence on him in prayer and moment by moment obedience. Our programs and ways of being the church have borne fruit, but they have also become “ministry ruts” out of which we rarely venture. God is taking us to a place where we feel uncertain and lost so that our eyes and dependence will be more focused on Him.

The real and present reality of sickness and suffering calls us to compassion, generosity and service. The church of Jesus Christ has always excelled when this call is put forward and I pray that we will not be found lacking in this hour. The secret to or effectiveness lies in the vitality of our connection with Christ. Let us draw close to him and serve our province well. For His glory.

In Christ,

Rob Thiessen

BCMB Conference Minister



COVID-19 has changed everyone's life, but we remain "rock solid" on the promise that Jesus Christ is the *Alpha and Omega, who is, and who was, and who is to come, the Almighty*" (Revelation 1:8).

Current Issues:

1. **MB Identity:** What does it mean for each ABMB church (and its leaders) to belong to this particular family; how are decisions made and what values are promoted? The theological grid or biblical hermeneutic that is applied has been a determinant for the temperature of engagement or dissent among some of our churches. MB identity has been a source of division for some of our churches who differ with our Confession, while for others it is the fresh wind of unity and engagement.
2. **Future Directions:** We continue to invest in two primary areas: 1) new Canadian congregations" who want to belong to a church family like ABMB; 2) and encouraging churches as they call out the next generation of Christian leaders for the church and marketplace; we aim to do this alongside our churches and partnering agencies. Church planting is taking on a bit of a different strategy as we work toward "local missions". We aim to assist the local church in their local mission field; intentional church planting will be a result.
3. **Collaborative Model:** Collaboration has multiple layers, nationally coordinating efforts while provincially working together for common purposes. Collaboration will take on greater shape into the coming year now that nationally we have come to better understand the implications.
 - a. **Theology:** Our credentialing team continues to work hard at relationally working with new pastors, while occasionally being called on to assist churches in theological matters. Our discussions on Baptism and Membership (Confession Article 8) have created healthy dialogue and better understanding.
 - b. **Leadership:** We are excited to have a Multiply mobilizer appointed for Alberta to work at nurturing and creating leadership and missional opportunities alongside our local churches and leaders, while networking with our camp, seminary, and college.

- c. **Mission:** Alberta is a mission field with significant cultural and national diversity. We are developing a team of "local missionaries" who will work with our churches to encourage and resource them for mission in their local contexts. Church planting will be an intentional outcome.
4. **Risk Factors:** We have one church that has gone through a serious split and we expect this matter to come to clarity and a measure of mutual understanding within the next few months. We continue to closely monitor a few other emerging churches (plants and "diaspora" congregations) who need strong partnering churches to guide them through their early years. We are encouraged by the level of significant involvement by our pastors and church leaders in various ministries and will continue to grow these areas.
5. **Financial Factors:** We continue to monitor our finances closely. While we were nearly realized our budget for church support and donation revenue, our expenses were also higher than expected, resulting in a small deficit. We have no reserves and so this year will likely be a watershed year for us. Early indicators for this year are that church support may remain similar to last year, but the effects of the pandemic may not yet have impacted our support from our churches. We remain committed to supporting MB Canada at 30% of the revenue we receive from ABMB churches.

Looking Ahead:

This is a season in which we must stop, wait and "listen to what the Spirit is saying to the churches." There are a few things that we will be called upon to be and do:

6. If ABMB is to move forward with greater impact, we will continue to address our tendency to "do it alone." We must break this "pioneering" and independent ethos that has been with us in Alberta. We need each other like we haven't needed each other for many years!
7. Reliance on Sunday as a primary "discipling event" may give way in this current context to some new ways of thinking about how we make disciples. Equipping disciple-makers will require personal attention and care.
8. We will learn how to do more with less, and this will include getting back to a lot of the basics. I'm excited to see how churches are beginning to think differently and act in greater productive ways.
9. We need to pay more attention to "what the Spirit has to say to our churches". God is speaking and lessons are being delivered. A faithful response (obedience) to what God is doing is imperative.

Paul J Loewen

ABMB Provincial Director
Nelson Senft (ABMB Executive Board Chairperson)



SASKATCHEWAN CONFERENCE OF
MENNONITE BRETHREN CHURCHES

Assembly 2020

On March 13-14, just prior to the provincial pandemic restrictions rolling out, delegates met to celebrate Jesus and conduct the work of the Conference. The Assembly 2020 event theme was “Overcomers: In Christ we are Victors” (Romans 8:37). A key message to delegates was that in a time when our country is in a sea of great chaos, change and fear, the church must be an island of peace, hope and joy. In Christ, we can be such an oasis.

Common Understandings & Covenant

The Assembly delegates approved the drafting of a *Common Understandings & Covenant* document for presentation at the 2021 Assembly. The primary purpose of the document is to articulate specific, tangible faith, and ministry related convictions and expectations for all member churches to sign on to. It is anticipated that this document will provide a clear template for what it means to be a member church in good standing.

Discipleship Coach

The contracted hiring of a discipleship coach was approved at the 2020 Assembly. This coach would extend the work of the Director of Ministry in the area of fostering discipleship and multiplication in the province. The discipleship coach would primarily build relationships with churches and camps, encouraging, supporting, inspiring and resourcing them in their efforts to make disciples. Luke Etelamaki, site pastor of The Compass Church (Regina), started in this role April 1st.

Financial News

Through the generous giving of churches and individuals in 2019, the Conference was able to cover all its operational expenses and SK. strategic investments and then bank a surplus amount in its Strategic Investment Fund. The 2020 budget remains the same for revenue and expenditures as 2019. The 2020 strategic investments are slightly lower than 2019 due to some last minute revisions. Due to a possible reduction in 2020 giving and revenue, a revised budget was recently implemented by the Executive Board.

Leaders Collective

The Conference will see its first group of eleven young adults complete the *Leaders Collective* training program in the Spring of 2020. The *Leaders Collective* is a six month cohort-based program which seeks to train participants who are actively serving their churches or camps. The purpose is to deepen their capacity to lead as followers of Christ.

CoVid 19: Life In The ‘New Normal’

Saskatchewan churches and camps have adapted quickly to the physical distancing restrictions. The regular use of Zoom, Facebook Live and You Tube Live are now common in our faith communities seeking to stay connected and on mission. Face-to-face pastoral care is now taking place through phone calls, emails and texts. Small groups of one shape or another are actively supplementing the pastor’s efforts to stay in touch with the needs of congregants. Online video prayer meetings have also been a blessing to many.

This season is also presenting significant concerns about meeting budgets. The Conference office, churches, camps and partner schools have revised their budgets in light of a potential shortfall in giving and other revenue. At the time of this writing a number of staff have already been temporarily laid off and our two camps are seriously discerning whether to run a summer camp program. Our partner schools (Horizon College & Seminary and Thrive Discipleship School) have sent students home early, lost considerable rental revenue and are experiencing dire financial challenges.

These are also the days of opportunity. Testimony from churches is that they are seeing new opportunities for serving and sharing the Gospel. There is an increase in the number of unchurched or dechurched folks watching Sunday services as well as pastor’s daily online devotionals. One rural pastor who provides daily online devotionals went to his local bank where two unchurched tellers said that even though they are not Christians they listen to, and are genuinely encouraged by, his devotionals.

National – Provincial Collaboration

The SKMB Five Year Strategic Framework adopted at Assembly 2020 seamlessly works with the national strategic framework and matches national’s missional focus on making disciples.

National	Provincial
Spiritual Health & Theology	Pastoral/Church Care & Conference Unity
Leadership Development	Leadership Development
Mission	Making Disciples

This year SKMB implemented one stream funding and its Director of Ministry is actively serving on the National Ministry Team. Our Executive Board is anticipating keen participation in the upcoming National Assembly.

Moving Forward

The Executive Board will be working with the Director of Ministry on a ministry tactical plan arising out of the recently adopted **Five Year strategic Framework**.

SKMB Office Communication



The Reality is...

Gathering is at the core of who we are as churches and is a deeply felt desire in each one of us. We have always valued our ability to have corporate worship and teaching together and so the loss of this privilege has been a significant struggle since the pandemic has come to our province.

Pastors and leaders are required to walk out their callings in a very new reality that hasn't come with a how-to guide. Learning how to set up and use new technology in order to preach, teach and engage with their congregations has been a whole new world bringing a new kind of stress and challenge that seems to take more energy. Weddings, funerals, anniversary celebrations, births, etc, have now become new learning curves for pastors. How do we celebrate together? How do we now grieve? Important congregational care moments that have become challenging.

The financial impact of the pandemic has been significant. Members of our churches are without jobs, businesses are in jeopardy and, for some, savings and retirement investments are depleted and at risk. So much uncertainty in what the future holds and our pastors are having to learn how to be present in this uncertainty.

The creativity is there, but the work is substantial.

Yet we thrive...

Our heritage has left us with a strong resilience and it's showing amongst our leaders and in our churches. We are discovering new ways of connecting with one another and appreciating the intentionality behind a phone or video call. These connections contain a new sense of vulnerability with people sharing and praying together and having conversations that they may not have experienced before. Some describe a new depth to their prayer meetings and small group discussions.

Others are discovering ways of having video conference prayer gatherings, and more people than ever are 'attending' and participating. Prayer meetings are

happening often, and people are appreciating those opportunities.

Another unexpected gift has come through the sermons for Sunday morning. The technology provides new spaces such as chat rooms where people can participate and give encouragement and feedback during and after the message. Some churches open up their zoom early and keep it on afterwards and have found that many people stay, as if there's coffee on in the foyer.

Finally, though there are many more stories to share, a church community used radio frequency to facilitate an Easter morning sunrise service. The church pulled up in their cars and watched the sunrise together while listening to the morning message. Beautiful.

Looking ahead...

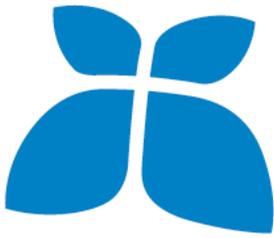
Through it all, we have learned new ways to meaningfully connect with each other. To call someone or schedule a zoom meeting has allowed for times of sharing, prayer and connection that I believe will carry on.

Church online has re-connected people who have until now, been disconnected for a time. It can take a lot of courage to walk through the doors of a place you haven't been in a while, but perhaps after a month or two of connecting online, it won't seem so daunting.

We have been finding ways to serve and meet the needs of our neighbors. Delivering groceries, picking up medicine, or just intentionally checking in with others has become a way of doing life – something we've always done, but has become more meaningful and more frequent. In some ways our lives may have never been more connected and when all is said and done, we may come out with stronger bonds than before.

We may be re-discovering that family is key to spiritual guidance and teaching, and the responsibility and opportunity provided in leading our families in following Jesus.

Cam Priebe,
MBCM Provincial Director



ONMB Report to National Assembly



When we gathered for our 89th Annual Convention in NOTL on February 21 & 22, we had no idea that it would be one of our last group gatherings for the foreseeable future. Danielle Strickland our keynote speaker brought depth to the ‘Holistic Gospel Presence’ theme, challenging us to lead courageously amidst chaos and inspiring us to seize ‘this moment’. How timely and prophetic.

By March 15th, as COVID-19 was shuttering our churches and we were learning about the new phenomenon “social distancing”, we discovered that life as we knew it was changing. New ways to share the message of Jesus were needed immediately. For some, this is a thrilling new opportunity, embraced with creativity and passion. For others it is much more challenging, forcing a season of retooling. If we are honest, all of us have experienced periods of confusion, anxiety and for some even paralysis. But there are signs of hope that although life may never quite be what it was, a bright future of effective ministry is emerging. Some highlights include:

***Reimagining Ministry:** We are experimenting with online retreats (tested by our Leaders Collective cohort), creatively developing online worship experiences, and discovering a new passion for reaching our neighbors with the love of Jesus. The DMM (Disciple-Making Movements) training is being tested in several contexts led by Derek Parenteau and members from Multiply. A collection of leaders, both ONMB staff and local pastors are attempting to discover new methods to ignite church planting, propel leadership development (in particular with MB Seminary), and reach the marginalized in life-giving ways.

***Collaboration:** This moment has propelled the National Ministry Team to actively live into the Collaborative Model. Since the pandemic is touching every part of Canada and the world, it has created space for each province and ministry to offer gifts and resources at our collective table. Evidence of this is seen in the town hall meetings resourcing our churches as well as the renewed focus on national and global prayer. One highlight was participating with 400+ Zoom participants for the Good Friday communion service.

***Financial Crunch:** In Ontario we have seen the generosity of our churches grow year over year for the past 6 years. Much like many of you, the implications that COVID-19 will have on our situation is unclear, but our ONMB Board and staff are doing all they can to mitigate any potential shortfall. We believe that our generous God will continue to provide all our needs in these days. We are also leaning into the one stream funding model that we have adopted and will do all we can to carry through with our agreed upon commitments.

***Family Covenant and Five-Year Strategic Plan:** Our desire to draw our churches together as a covenant family remains as strong as ever, as we continue to adjust both our strategies and objectives to the changing reality of COVID-19 and its impact on our shared communities. This year’s intended focus on “Holistic Gospel Presence” seems so timely. We are trusting that God will make it clear how we can best respond with and as his presence, in these days and the year ahead.

***Eyes of Faith:** We take inspiration from Paul’s challenge to the Corinthian church also living in chaotic times: “Therefore we do not lose heart. Though outwardly we are wasting away, yet inwardly we are being renewed day by day. For our light and momentary troubles are achieving for us an eternal glory that far outweighs them all. So, we our eyes not on what is seen, but on what is unseen, since what is seen is temporary, but what is unseen is eternal... For we live by faith, not by sight... So we make it our goal to please him!” 2 Cor. 4:16-18; 5:7,9a





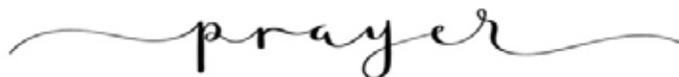
The confinement leads us to realize that having three meals a day at home has great advantages in terms of quality time and task sharing among spouses and family. I am convinced that we will change our work habits after this crisis. Several meetings may continue to be conducted via video conference, resulting in less wasted time in transportation as well as a reduction of expenses.

Most of our churches are organizing virtual gatherings on Zoom for their Sunday celebration. New people are joining them. Some churches continue their prayer meetings, house groups, youth groups, training and even organize biblical questionnaire-type activities via Zoom. Others organize themselves through Facebook or YouTube. Some even stream on their own website.

Pastors keep in touch with their people by phone, Messenger, daily email or even with a video appointment like our Prime Minister Justin Trudeau does on Facebook every day at noon. In short, our pastors are even more in contact with their members than usual!



Alain Després
Provincial coordinator



- Financial health of our Churches and our institutions (ETEQ and Camp Péniel).
- Unity for our next strategic plan.
- Need for member involvement as administrator within the AEFMQ Board.

Strategic plan

We are in the final year of our strategic plan. Starting this Fall, we will have to begin working with the churches to create a spirit of unity to build our next plan.

Collaborative model

A first collaborative approach between Quebec and Ontario. We had a first meeting ... by Zoom ... between the pastors of the churches in the Ottawa region and the pastors of the English-speaking churches in Quebec.

"Préparons la relève"

We are proud to welcome new candidates in our "Prepare the next generation" program each year who are committed to serving their local Church through personal goals and always edifying projects.

Faith and Life Team

Since its rebirth and under the direction of David Miller, the Quebec Faith and Life team has been implementing and advancing various projects to help the AEFMQ in its role of accompanying churches and pastors.

Communication

We are pleased to welcome Anne Lalonde to our team for a few hours a week to help with communication.



Although "Le Lien" has not been published physically for over a year, it remains in good health. A new editorial committee has just been formed to plan the next issues. Anne Lalonde and Alain Després join Danielle Lajeunesse on this team.

ETEQ
École de Théologie Évangélique du Québec

Even in a period of confinement, our faculty of theology was able to continue and will end its semester via Zoom. In addition, having offered courses off campus has enabled for a dozen of new MB students to register.



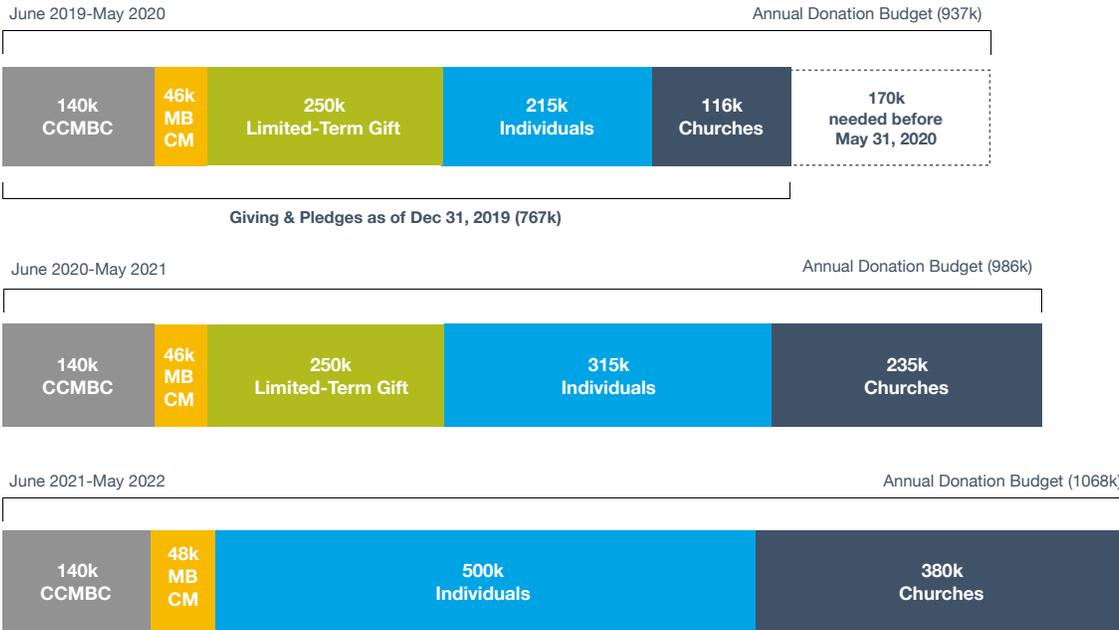
Our three churches—The Well Dartmouth, River of Life MB Church Moncton, and Gateway Community Church in Lower Sackville, are all adjusting to the new realities created by Covid-19. The focus has been on caring for pastoral needs and moving services online.

The disruption of Covid-19 has meant that several initiatives are on hold, including Gateway’s transition to new leadership (they are currently without a pastor). The Well is rejoicing in a recent salvation of a young woman. Finances in our small churches are precarious as giving is down, but River of Life is thankful the

faithful giving of God’s people. Cooperation with local churches is high, and Gateway is using The Well’s online Sunday sermons during this season. All the churches are thankful for the regional engagement and initiative of Elton and the CCMBC leadership, and we look forward to our regional meeting (our first meeting in several years) in October, God willing.

Respectfully submitted by Sam Reimer (Executive Board), with input from Barry Smith (Gateway board chair), Adam Greeley (Pastor, The Well) and Brent Hudson (Pastor, River of Life).

Donation Revenue (June 1 - Dec 31, 2019)



48%
MBS Student Growth (18/19)



227
World Campus 19/20 Course Enrolments

Graduate Training on Campus

MB Seminary offers a wide array of courses designed to equip students for effective leadership and ministry. Our classes are designed to train theologically-sound, Biblically-adept, and Spirit-led leaders who can contribute to the vitality and health of their believing communities. Discover our in-class course offerings in Langley, Saskatoon, Winnipeg, and Waterloo to find out where you can begin.

Graduate Training Off Campus

In-class courses aren't possible for everyone. That's why we offer course delivery options that meet you wherever you may be. Through the ACTS World Campus, you can earn your Master's degree fully online. We also offer formal ministry training in partnership with teaching churches across Canada. Wherever life takes you, we have a flexible study option to ensure ministry training is within your reach!

Our graduates serve 14 different denominations in 7 different countries and are involved in vocational ministry such as family counselling, Bible translation, pastoral ministry, para-church ministry, hospice ministry, chaplaincy, denominational and camp leadership!

Training for Everyone

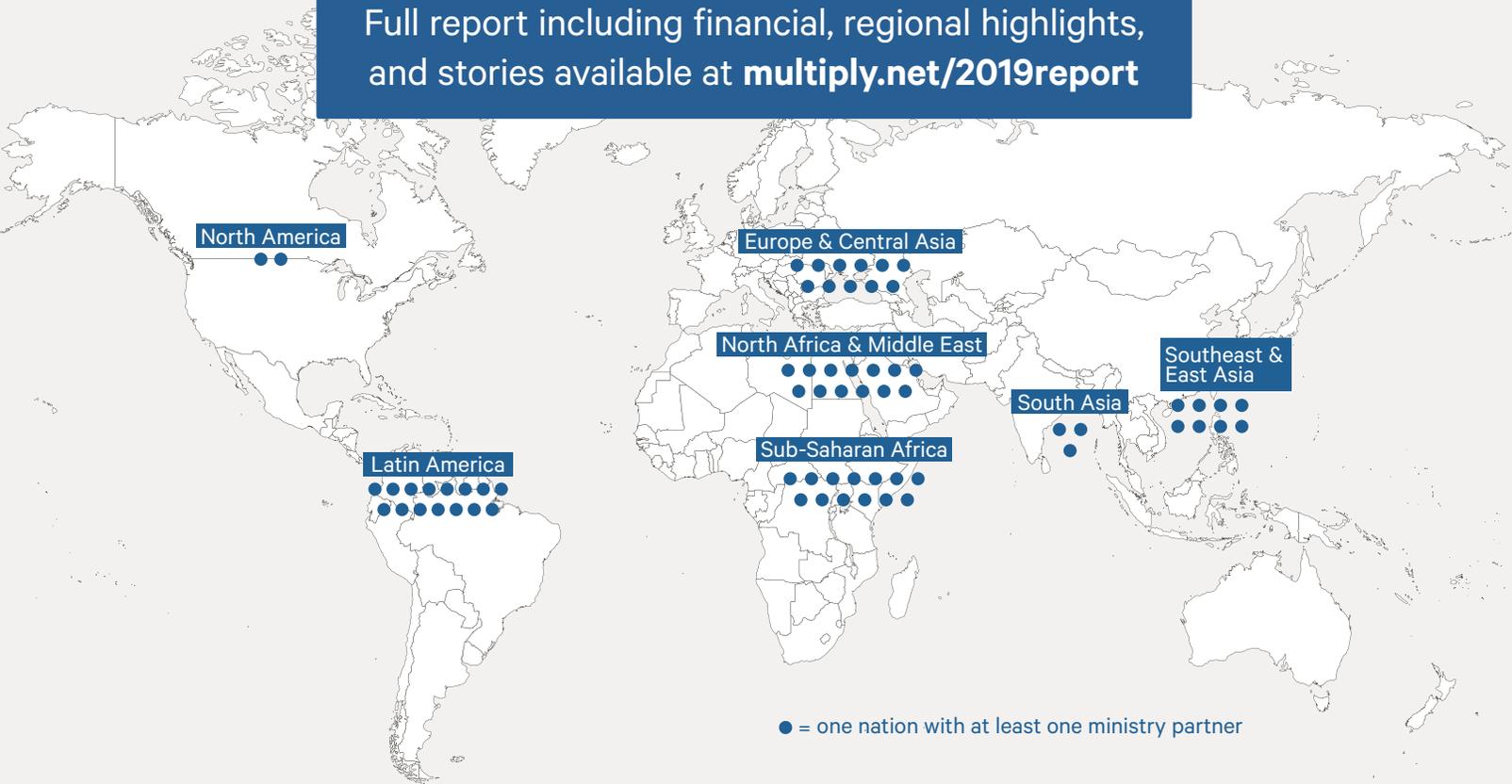


Professional Development

Would you like to give your ministry a boost? Through our network of faculty and instructors, we provide pastors, leaders, and church members the opportunity to be equipped to serve God more effectively in your own community. Consider hosting a course or workshop for your congregation or small group. We can even customize this training to meet your community's unique needs. Contact us to discover how MB Seminary can help strengthen your church and your leadership today.

Making Jesus known in 65 nations!

Full report including financial, regional highlights, and stories available at multiply.net/2019report



Let's Celebrate Our Shared Impact

Working together in 2019, we saw...





The Historical Commission — through its four archives (Fresno, Abbotsford, Hillsboro, and Winnipeg) — continues to offer research and archiving

services to MB churches — their leaders and their people — even during a pandemic.

My (Jon Isaak) COVID-19 adaptation in March and April has been to work mostly from home, but still go to the Winnipeg archives each week for a day or so. I work alone at the archives, so physical distancing isn't difficult; but, yes, the Centre for MB Studies is closed to the public, until further notice.

However, since many are spending more time online these COVID days, in this report I want to highlight one of the many Mennonite online resources available for historical research, the *Mennonite Historian*, a quarterly publication I co-edit.



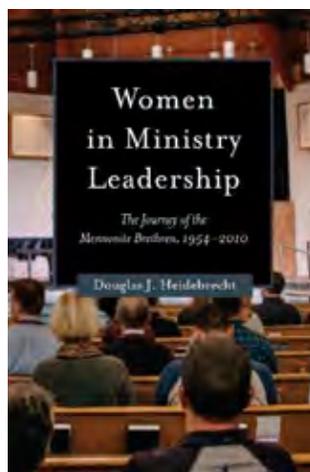
John M. Schmidt (1918-2008), one of the early MB radio preachers, recording a Gospel Light Hour broadcast in the early 1950s from the Logan Mission Church, Winnipeg.

In the March 2020 issue of *Mennonite Historian*, Canadian Mennonite University professor David Balzer presents his study of the beginnings of Mennonite radio broadcasting — its character, tone, and rhetoric — featuring the radio ministry of J.M. Schmidt.

To read David Balzer's article go to the link below and open the latest issue of the *Mennonite Historian*; his is the lead article, starting on page 2, www.mennonitehistorian.ca

And, if you want to see 112 images in the John M Schmidt photo collection, they are now viewable online at <https://archives.mhsc.ca/john-m-schmidt-photograph-collection-2>. I finished scanning and uploading these last week!

Back to my regular report: the Historical Commission funds several initiatives, including research grants, archival development grants. For application criteria and details concerning these initiatives — and the news releases announcing past recipients and their projects — see the Commission's website, <http://mbhistory.org>.



The Commission's most recent publication is *Women in Ministry Leadership: The Journey of the Mennonite Brethren, 1954-2010* by Doug Heidebrecht. The book documents the attempt to find consensus around convictions and practice regarding the role of women in church ministry and leadership.

See www.kindredproductions.com to purchase your copy.

For more information on these initiatives and resources, contact: jon.isaak@mbchurches.ca

The Historical Commission is a funded ministry of both the US Conference of Mennonite Brethren Churches and the Canadian Conference of Mennonite Brethren Churches.

Elected board members include **Don Isaac**, chair (Hillsboro), **J Janzen**, vice-chair (Abbotsford), **Chris Koop** (St. Catharines), **Patricia Loewen** (Winnipeg), **Julia Reimer** (Fresno), and **Valerie Rempel**, recording secretary (Fresno). Archival representation on the board includes **Kevin Enns-Rempel** and **Hannah Keeney** (Fresno), **Peggy Goertzen** (Hillsboro), **Richard Thiessen** (Abbotsford), and **Jon Isaak**, executive secretary (Winnipeg).



2019-2020

Jacob Esau with classmates & HCA director Trish Giesbrecht (left)



“My enrollment at CBC as an HCA student is an opportunity to pursue my desire to serve others, bringing my gifts and passion along. Taking it at CBC adds a biblical perspective for this vocation, and the blessing of learning in a Christian environment.”

Jack Meers, 2020 Youth Work grad



“I discovered my passion for youth and kids at CBC! The future of the church lies with kids and youth, and if I can have a role to play in walking alongside these kids in their everyday lives, I would argue that is the biggest privilege of any vocation.”

Kate Andres, 2020 Quest grad



“Through Self-Management class, I was exposed to a biblical perspective on time management, spiritual gifts, authenticity, and core values, which has helped inform the way I carry out my day-to-day life. The Bible has come alive for me.”

David Warkentin teaching Ethical Reasoning online



“I was pleasantly surprised to find that the Zoom platform was not only easy to use, but really enjoyable and almost gave the experience of sitting in a real classroom. Our instructor even had us split into small groups on Zoom in order to foster conversation between classmates that is usually missed with online classes.” - Sam B, student.

THANK YOU TO OUR CCBMC FAMILY FOR YOUR FAITHFUL SUPPORT.

We crave your continued prayers as we prepare for what is likely to be a challenging year ahead. We're full of hope for a robust return to in-class education in the Fall. At the same time, we're considering alternate scenarios should COVID-19 impacts continue. We're excited to cooperate with God in the months ahead!

WE LAUNCHED THE HEALTH CARE ASSISTANT PROGRAM

WE EQUIPPED YOUNG ADULTS FOR A LIFETIME OF DISCIPLESHIP, MINISTRY, AND LEADERSHIP IN SERVICE TO THE CHURCH & COMMUNITY

WE SAW OUR FIRST GROUP OF STUDENTS GRADUATE FROM THE UPDATED VERSION OF OUR QUEST DISCIPLESHIP PROGRAM

COVID-19 COMPELLED US TO CLOSE OUR CAMPUS AND TRANSITION LEARNING ONLINE. OUR STAFF & FACULTY GOT CREATIVE!



New from SBC

APPRENTICE U

Christian Education in the Secular University. Become an apprentice of Christ in kingdom living. Accredited courses offered in Winnipeg
ApprenticeU.ca

MARKETPLACE

A dynamic blend of broad abilities, specific skills and real experience. Students select their Industry Credential and add it to SBC's solid biblical foundation in a Christ centered community.

PRE-UNIVERSITY

Pathways provide biblical foundations and worldview formation for university directed students.

ONLINE BA CHRISTIAN LEADERSHIP

Extending the reach of students who require the flexibility and autonomy of earning their degree 100% online.

—PURSUIT→

With three mission trips built in, this four-month DTS (January - April) is perfect for young adults who desire to pursue God through travel, leadership experiences, discipleship, worship, community and mission.

Mission Xposure

A mission for every student! The "MX" program is an SBC distinctive. Exposing students to the needs of this world and to opportunities to live out the Gospel, extend their learning beyond the classroom and into the world. Every student participates in a different trip each year of study:



First-Year Students
Inner-City Winnipeg



Second-Year Students
Northern Manitoba



Third-Year Students
Philippines



Pursuit
Brazil

Student Experience

"I dream of pursuing a career in medicine or other sciences. I chose SBC because I heard so many good things about it and decided it would be an awesome place to develop a solid biblical foundation for my future.

My favorite part about dorm life is the positive, uplifting community that completely strives to become like Christ. Seeing others serve each other utterly selflessly every day is something so rare, but so precious and experiencing this for even a few months will change me forever." – Mitch Dueck, Certificate of Biblical Studies

Through the Province of Manitoba's degree granting act, Steinbach Bible College is authorized to grant degrees. Steinbach Bible College is a fully accredited college with the Association of Biblical Higher Education (ABHE).

Thank you CCMBC for supporting your students as they pursue a Solid Biblical Foundation in SBC's Christ Centered Community.



Dr. Rob Reimer
President

Steinbach Bible College is an evangelical Anabaptist college empowering servant leaders to follow Jesus, serve the church, and engage the world.



CANADIAN MENNONITE UNIVERSITY

2019-2020 Enrolment

822 students Shaftesbury campus
(669 FTE)

693 Undergraduate

93 Graduate

36 Outtown

75% Manitoba; **25%** other provinces
and international

37% Mennonite (MC, MB, EMC...)

46% Ecumenically Diverse (Baptist and
Pentecostal to Catholic and Orthodox)

17% Disclose no church connection
Includes **109** International students
from **31** countries

271 FTE Menno Simons College
(CMU programming at U Winnipeg)

A Faith-Nurturing University Community

• **Outtown** 20 years of helping students
learn to *Know God, Know themselves, and
Know the world.*

• **Chapel Theme** Holy, holy, holy is the
Lord. Like Isaiah, we long for God's hope and
healing throughout the world God so loves.

• **Biblical and Theological Studies**
(BTS) are part of the learning of all students.
18 credit hour minimum of BTS in all
undergraduate degrees, along with BA
Majors in Biblical and Theological Studies
and Christian Ministry.

• Graduate School of Theology and Ministry (GSTM)

- Anabaptist-ecumenical seminary
in a Canadian context
- Partnership with MB Seminary
- Includes livestreamed and intensive
(one week) course delivery

• MA Christian Ministry, MA Theological Studies, Master of

Divinity with commitments to:

- Learning and formation
- Calling and vocation
- Reflection and praxis
- Discernment for specific ministry

• **57** students presently enrolled
(26 MA Theological Studies; 23 MA Christian
Ministry; 6 MDiv; 2 Certificate)

- **17** Mennonite Church; **17** Mennonite
Brethren; **3** EMC; **20** other denominations

Livestreaming: Access various courses,
lectures, Face2Face conversations, Athletics
...wherever you are!

Greetings from Canadian Mennonite University



The quality of CMU education has continued through a time of radical pandemic disruption. CMU studies are always about personal relationships and formation, as learned through following Jesus and paths of discipleship being central to all learning and life. We are now carrying out our mission through the use of online learning, and students are responding with gratitude.

CMU Mission

Canadian Mennonite University is an innovative Christian university, rooted in the Anabaptist faith tradition, moved and transformed by the life and teachings of Jesus Christ. Through teaching, research and service CMU inspires and equips women and men for lives of service, leadership, and reconciliation in church and society.

Highlights below of how this mission is expressed through the Four CMU Commitments.

Modeling Invitational Community: Integrating faith and life

- In the words of **Mackenzie Nicolle, BA Social Sciences, Rosthern, Saskatchewan** "Universities like CMU are important. CMU invites students to think about the big picture, to develop critical and constructive thinking, to understand ideas from the context of many disciplines working together, and to learn collaboration with others. CMU also invites commitments to faith and to the church—commitments infused into all parts of the university. Multiple times each week we gather in conversation, prayer and worship. Our professors invite students into the intersection of faith and science, the links between psychology and belief systems, and the connections between films, stories and the Bible. All this creates a diverse learning community where care for one another and inspiration to act in love in the broader world, are paramount."

Educating for Peace-Justice: Seeking the Flourishing of All

- Through a **holistic university experience**, students engage a future with hope, and seek a bold imagination in relation to deep concerns of today: ecological health, mental health, vocational health, economic health, political health.
- The learning continues off campus through 41 **Portable CMU** topics, which strengthen ministry-witness in congregations across Canada.

Learning through Thinking and Doing: Educating for Vocation

- Through interdisciplinary learning and a longstanding service and work-integrated **practicum program**, every degree student deepens **vocational discernment** towards careers in ministry, medicine, farming, law, business, education, social services ... and more. This applies to all programs in all 19 BA majors, as well as the BBA, BSc, BMus and BMusTherapy.

Practising Generous Hospitality and Dialogue: Reconciliation

- This year CMU welcomed over **40 Indigenous students**
- The **GSTM** and the **Sandy Saulteaux Spiritual Centre** (a ministry training centre dedicated to Aboriginal theological education) are working together in ministry training.
- **face2face** conversations (in-person and livestreamed) focus on issues of faith and life—this winter on 'Us and Them: How have we become so polarized?'

cmu.ca

**REPORT TO THE 2020 ANNUAL GENERAL MEETING
OF THE CANADIAN CONFERENCE OF MENNONITE BROTHERS CHURCHES**

June 5-6, 2020



MAKING DISCIPLES OF «LA NATION»

Dr. Jean Martin

President and Academic Dean, Montreal (Quebec)

People belong. People stick together, proudly. People talk to each other in their common language, shared history, living culture and powerful symbols. A people watch out for each other, care mutually for one another, share common dreams. As it is with every people, nationality or tribe, so it is with Quebec. «Belonging» is a powerful roadway to rooting the Gospel in hearts and minds so that none would perish. In Quebec, the Mennonite Brethren Church is learning to serve both Church and world. We invite our people to place their eternal trust in Jesus and *engage* in His Kingdom work here and now. His Kingdom will never be in lockdown. *L'École de théologie évangélique du Québec (ETEIQ)* has been leading the battle for a life-giving, Evangelical and Anabaptist testimony which began in 1976 and has continued till now under Quebec-born leadership (Pierre Gilbert, Jean Raymond Théorêt, Marc Paré, Eric Wingender, Kristen Corrigan, Jean Martin). The CCMBC has nourished and upheld this vision. Quebec is forever thankful.

ETEIQ is adjusting to the COVID-19 crisis. All our French and English classes and programs have adjusted to virtual education. Team members have seen their hours (and salary) cut back for 4 months or have been given additional responsibilities for the same pay. As president of the school, I am leading with a self-imposed, temporary, 12-month, 30% cut in salary. There are 2 ways that MB conferences, Churches and disciples can now support their Quebec school and our about 100 students: (1) **Help** us launch our ETEIQ Center for Anabaptist study. (2) **Help** us mentor our Quebec donors to become generous donors. Contact me for details!

CENTER FOR ANABAPTIST HERITAGE, THOUGHT AND PRACTICE

Funding drive (December 2019 – June 2020): **\$25,000**

On July 1, 2020, ETEIQ launches this bilingual Study Center with a part-time director.

**MENTORING QUEBEC TOWARDS MORE GENEROUS SUPPORT OF ETEIQ
IN 2020 – 2021 – 2022**

Yes you can lead and mentor! Join us in making disciples out of **Quebec** donors!

Together at a distance of 18,365 km



“I almost can’t stand it anymore...for a few weeks I can’t talk to people about Jesus anymore, I can’t evangelize anymore,” was the sentiment from Ajaan (pastor) Naat, leader of the Thailand MB Church. But despite this lack she felt because of the quarantine, it also led to completely new opportunities. With Rebekah Hiebert (Multiply missionary in Thailand) they started to teach English online in other parts of Thailand, people they have not been able to reach until now. We have been hearing many examples like this from our global family

Since March, all Mennonite Brethren communities around the world have been affected by lockdown to some extent. This is also true for ICOMB as we try to connect our global MB family. With all the frustration of not being able to meet in person, we looked for alternatives to pursue our vision.

Thus, for the first time as a Global community, we held our Summit (May 12-15) online, with some at a distance of over 18,000 km. In Japan it was already 10 pm, and in Vancouver 6 am, but still a fellowship was possible. Two global and four regional meetings (Latin America, Europe, Africa, and Asia) were held with more people than we have ever had at a Summit meeting. We shared about the current situation of our churches, talked about our structure, future, and finances. We accepted the Mennonite Brethren Church in Malawi as a full member and exchanged ideas on how we can better support each other regionally. We plan to have several more online meetings later this year, and will continue to incorporate online meetings after restrictions are lifted.

We are thankful for the face-to-face visits we were able to make before the restrictions. ICOMB director Rudi Plett participated in a retreat in US with the Hispanic churches and personal visits with pastors in the Pacific district in August. Rudi was also able to participate in Equip with CCMBC in Waterloo in October. In November, he and Vic Wiens made a combined ICOMB/Multiply visit to the leaders and churches in Portugal, speaking with them about current realities and envisioning the future together. Rudi’s time in Europe included a visit to Germany. In February 2020, Rudi, Emerson Cardoso (ICOMB chair from Brazil), and Rodrigo Justino

(Brazilian translator) visited the MB conference of India, participating in a graduation ceremony for the theological seminary (MBCBC). They were able to visit leaders from many different churches who shared openly about their reality and the need for a different future. We are thankful that Doug and Sherry H traveled with them. In March, Rudi was able to participate in the SKMB Assembly just before the COVID-19 outbreak in Canada, and made it home before the borders closed. Since then, all meetings have been held online.

But ICOMB is not just about meeting, it’s about a fellowship that influences us, that helps us to grow together. It is a fellowship that influences each other to be more biblical, listen more to the Spirit, give honour to God, and use more of the opportunities available.

Prayer Requests

- Pray that during this time of change, we learn how to communicate so that we can be a global church supporting and meeting the needs of MB conferences.
- All MB conferences are going through a time of instability in finances. This naturally affects ICOMB. Please pray for wisdom for using available resources and finding new support.
- We have very special challenges in some conferences. Some are related to the pandemic, some are not. ICOMB wants to offer needed support. Pray for wisdom to recognize what gifts God has given us and how we can share them in the family.

You can support:

- Pray for your international family: sign up for the monthly Update at icomb.org
- Give: building up the global family involves time, skilled workers, and travel. Please pray with us for these needs.
- Volunteer: ICOMB needs people with experience leading at church and conference levels, who possess a heart ready to cross boundaries, to build up ICOMB leaders and conferences.

Dear ICOMB family in Canada, thank you for all your support for the global family!

Go to www.icomb.org to sign up for the monthly ICOMB Update Like us on [Facebook.com/icomb](https://www.facebook.com/icomb)





**Mennonite
World Conference**

A Community of Anabaptist
related Churches

**Congreso
Mundial Menonita**

Una Comunidad de
Iglesias Anabautistas

**Conférence
Mennonite Mondiale**

Une Communauté
d'Églises Anabaptistes

Report to *Canadian Conference of Mennonite Brethren Churches – 2020*

Mennonite World Conference (MWC) is called to be a communion of Anabaptist-related churches linked to one another in a worldwide community of faith for fellowship, worship, service and witness.

Giving Thanks:

- In 2017 we began **Renewal** – a 10-year series of events that commemorates the beginnings of the Anabaptist movement. The 4th annual [Renewal](#) event planned for Columbia Bible College, Abbotsford, Canada, in March 2020, has been postponed to spring 2022.
- Learn how MWC pursued justice across barriers in the [2019 highlight video](#).

Getting Involved:

- MWC is our Anabaptist global family with more than 1.4 million baptized believers in 107 national member churches, including CCMBC. Learn about our global Christ-centred faith community by [signing up for](#) the monthly online **MWC Info** newsletter, and sign up for our bimonthly **Prayer Network** and the biannual **Courier/Correo/Courrier** magazine.
- Pray for and plan to attend: **MWC Global Assembly** in Semarang, Indonesia (July 6-11, 2021); and **Global Youth Summit** (age 18–30) in Salatiga, Indonesia (July 2-5, 2021). These events take place every six years; this will be the second time in Asia. Theme: *Following Jesus Together Across Barriers*. Read the latest [Assembly news](#).
- We are grateful for the CCMBC congregations that are joining Anabaptist churches around the globe in worship by participating in [Peace Sunday](#) and [Anabaptist World Fellowship Sunday](#), and taking up a [One Lunch Offering](#) to support the ministry of our global Anabaptist church family. Thank you for your generous support of the MWC community through the CCMBC, from local churches and individual donors!



Worshippers at Holy Stadium, the Mennonite church in Semarang that will host Assembly 2021.

Prayers of Gratitude and Intercession

- Pray for the MWC leadership including global MB leaders **César García**, MWC General Secretary (Colombia); **Bill Braun**, Executive Committee (USA); **Francisca Ibanda**, West Africa Regional Representative (DR Congo); **Nzuzi Mukawa**, Faith and Life Commission (DR Congo); **José Rutilio Rivas Domínguez**, Mission Commission (Colombia); **Juan Silverio Verón Aquino**, Executive Committee (Paraguay); **David Wiebe**, Global Anabaptist Education Network (Canada); **Rafael Zaracho**, Mission Commission secretary (Paraguay).
- The COVID-19 Pandemic has served as a stark reminder that we are part of a global community. Many of our sisters and brothers, particularly in the Global South, are experiencing unimaginable shortages and challenges, without financial means or accessible healthcare. As churches face pandemics, persecution, natural disasters, political turmoil and conflict, the presence and identification with the global Anabaptist church is an essential means of support, encouragement and resources. Please remember to pray for one another.
- Barbara Nkala of Zimbabwe writes, “I really appreciate the drive to build meaningful relationships globally. It is through MWC that I have learned to appreciate that diversity provides a rich tapestry of perspective in God’s kingdom. I have seen more and more that we are one another’s keepers.”

Submitted by Gerald Hildebrand, MWC North America Representative, GeraldHildebrand@mwc-cmm.org

Mennonite Disaster Service Canada
REPORT

A MESSAGE OF HOPE



Mennonite Disaster Service is awesome. They have a key role to play. They made it easy for us to partner with them to respond to our neighbours . . . MDS is a message of hope.

That's what lead pastor Jeremy Vogt of the Cariboo Bethel Mennonite Brethren Church in Williams Lake, B.C. said about the role MDS played in his community following devastating wildfires in 2017.

"When I tell people in Williams Lake about what MDS is doing, their eyes get big," Vogt said about how MDS brought in volunteers in 2018 to help rebuild and repair five homes in the community. "They can hardly believe it. It touches their hearts. It gives them hope. Someone cares. People from all over North America care. Now wherever I can, I share the MDS story."

At MDS, we don't see this as only our story—it is the story of the church in action, restoring homes and hope for those impacted by natural disasters such as hurricanes, tornados, earthquakes, floods and fires.

In 2019 5,569 volunteers from across Canada and the U.S. gave their time, skills and compassion to build 68 new homes, complete 313 repairs and do 352 cleanups. This volunteer labour was valued at \$13.8 million.

For 2020, our story is quite different—as is yours.

The pandemic caused us to close all our projects on March 13; a week later we suspended all projects through the summer. Our hope is to get back and running in late fall, if it is safe to do so. If not, we will resume operations when given the all clear from government and health authorities.

In these uncertain times, the only thing we know for sure is "God is our refuge and strength, a very present help in trouble." (Ps. 46:1) During this challenging time, we invite you to pray for the work of MDS; the ministry of the church across North America and around the world;



for all those involved in health care; and for leaders in the U.S. and Canada. It is a difficult and challenging time for everyone.

We continue to be grateful for your support, and for the opportunity to partner in ministry with the Canadian and provincial Mennonite Brethren conferences. We pray that you, your families and your churches are safe and healthy, and that God will give you all grace, peace and comfort at this time.

—Ross Penner, Director of Canadian Operations

Respond. Rebuild. Restore.



Mennonite Disaster Service
MDS Canada

MDS Canada Office
200-600 Shaftesbury Blvd.
Winnipeg, MB Canada R3P 2J1
204-261-1274
toll-free 866-261-1274
mdscanada@mds.mennonite.net
mds.mennonite.net

Binational Office
583 Airport Road
Lititz, PA 17543 USA
717-735-3536
toll-free 800-241-8111
mdsus@mds.mennonite.net

Mennonite Central Committee 2020

Report to CCMBC

One hundred years ago, MCC was formed in faith to help people in crisis. A group of Mennonites, including MBs, responded to the needs of starving people in southern Russia. The founders of MCC were convinced that “to be biblically faithful one must relieve human suffering.” Today, we are working hard to live up to this century-old legacy.

At this unprecedented time in world history due to COVID-19, we want to dig deeper into faith; to recommit ourselves to caring for our neighbours, whether across the street or around the globe, and to be people of service, generosity and peace.

We are reviewing the plans for our centennial events, but there are meaningful ways you can be part of the celebration online at mcccanada.ca/centennial. You can read stories from throughout MCC’s 100 years, and you can even share your own MCC story or post a message of hope during this pandemic.

Peace: As MCC continues to build bridges of peace, we find ourselves back in the very place where our work began. Last spring (when air travel was still permitted), I travelled to Ukraine with the MCC Canada board to launch our centennial celebrations. There, I saw the ongoing importance of material resources, such as relief kits, comforters and canned meat. Amidst ongoing conflict and need, these gifts are tangible signs of peace, reconciliation and hope – from your hands to families around the world.

Relief: In the Democratic Republic of the Congo, conflict and violence have caused displacement and loss of agricultural livelihoods, impacting some 3.2 million people in the Kasai region. This means that families don’t always have enough to eat. With your help, MCC is partnering with three denominations – including MBs – to distribute food, provide funding for children to attend school, start livelihood projects and support trauma healing.

Development: Not only are we helping people deal with the current COVID-19 health crisis through water, sanitation and hygiene (WASH) projects, we’re also helping families manage the effects of a changing climate. In Cambodia, we provide funding for agricultural co-operatives, helping farmers find new ways to earn income from their land. These farmers can now survive the dry season as they earn income from new ventures, such as fishponds. We support more than 3,000 families with this project, funded through our account at Canadian Foodgrains Bank.

As you meet virtually with sisters and brothers from MB churches across Canada, we wish you God’s peace, hope and unity. Thank you for partnering with us in being the hands and feet of Jesus. We couldn’t do this work without you – including the many board members, staff, volunteers and SALT participants from MB congregations!

RICK COBER BAUMAN
EXECUTIVE DIRECTOR, MCC CANADA
RICKCOBERBAUMAN@MCCCANADA.CA



MCC partner Natalia Mezentseva, standing, of New Life Charitable Fund, reaches out to Lubov Yarchuk and others. New Life meets basic needs of those displaced by conflict or struggling with issues like HIV, addiction or homelessness. MCC’s work began in Ukraine in 1920. (2013 MCC photo/Matthew Sawatzky)



Tuombe Byadunia, 11, fills his water container from a rooftop catchment system at his primary school in eastern DR Congo. MCC partner Community of MB Churches in Congo (CEFMC) built latrines and rainwater catchment systems to reduce diseases related to lack of sanitation and unclean water. (MCC photo/Matthew Lester)

“All this is from God, who reconciled us to himself through Christ and gave us the ministry of reconciliation....”

— 2 Corinthians 5:18, NIV

100 YEARS |  MCC

Canadian Conference of Mennonite Brethren Churches

Report on the Financial Statements for the Year Ended December 31, 2019

Submitted by Jim Davidson and Bertha Dyck

Summary Update

The Canadian Conference of Mennonite Brethren Churches (CCMBC) operates as the coordinating national body for the denomination. The operations included all the ministry and financial support functions for the national conference through December 31, 2017. On January 1, 2018, the financial services functions moved to CCMBC Legacy Fund Inc (Legacy). This included the accounting services, payroll services, benefits and pension administration, infrastructure support, and facilities support. The staff responsible for these functions were transferred to Legacy. The remainder of the “Stewardship” assets and liabilities and the results of their operations remained in CCMBC and have been reflected in the Consolidated financial statements for CCMBC through December 31, 2018.

In December 2018, the Executive Board of CCMBC approved a beneficial transfer of the “Stewardship” assets and liabilities to Legacy with the anticipation that the resulting revenues and expenditures relating to these assets and liabilities would accrue to Legacy.

With the reorganization model for CCMBC Investments Ltd. (Investments) being finalized, it was decided that the approved transfer to Legacy would be deferred and two reorganization transfers to Investments and Legacy would occur later in the year. The impacts of this discussion are discussed later in this report in the Statement of Operations Section.

On August 30, 2019, the deposit liabilities (Funds loaned by investors to CCMBC), the mortgage portfolio and three of four private investment funds were transferred from CCMBC to Investments. The total value of the three private funds and the mortgages exceeded the value of the deposit liabilities. To balance the transfer transaction a liability was set up with a due to CCMBC. The three private investment accounts were subsequently liquidated and the obligation to CCMBC was repaid and the funds not needed for loans were invested with Capstone Asset Management (Capstone). \$2,715,507 of the cash balance in CCMBC on December 31, 2019 is a result of the repayment of this liability from Investments to CCMBC. It is important to note that it was imperative that the deposit liabilities were fully underwritten to ensure that the investors’ risk would be minimized. The mortgages that were transferred were valued net of the allowance for credit losses. Therefore, the cash difference that was repaid to CCMBC from Investments was \$3,570,742 lower than if the gross value of the mortgages would have been transferred.

On December 30, 2019, the remainder of the Stewardship assets and liabilities were transferred to Legacy. This transaction included land, buildings, artwork, capital equipment and the liability deposits from various MB churches, conferences, and related MB agencies. As the liability deposits exceeded the value of the assets transferred an amount due from a related party (CCMBC) was recorded to balance the transaction

To ensure that the deposit liabilities transferred to Investments and Legacy were fully secured, it was necessary to transfer the listed assets and sufficient cash to accomplish this. This resulted in the

transactions that were reported on the Statement of Operations and will be discussed in detail in that section.

Balance Sheet

As of December 31, 2019, the unclassified balance sheet includes cash of \$11,148,107 and accounts receivable of \$142,894. Portions of these two accounts must be restricted as they apply to endowments and annuities, Pension and benefit plans and non-registered church plants. The restricted cash amounts to \$3,183,844 and the restricted accounts receivable amount to \$36,049. These amounts are required to satisfy the recorded liabilities for these three funds. This leaves an operating cash balance of \$7,964,262 and some additional current assets in the amount of \$204,531. There are also current liabilities in the amount of \$324,749.

Statement of Operations

During the year ended December 31, 2019 the operations of CCMBC were in a state of transition which did impact the results. As noted in the summary update, we continued to operate the Stewardship assets and liabilities in CCMBC until they were transferred to Investments on August 30, 2019 and to Legacy on December 30, 2019. The impact of this decision was that there was a surplus of \$2,061,086. This was made up of a ministry operating loss of \$557,461 and a surplus from the Stewardship operations in the amount of \$2,618,547.

Revenue and Expenditures

Please refer to the attached document 2019 CCMBC Ministry Operations Commentary to see the details of the ministry operations variances from the approved budget and narratives that explain them. The \$557,461 deficit that is discussed in this document relates to the \$500,000+ deficit that Elton has been communicating to the denomination.

The \$2,618,547 represents the results of the operations of the Stewardship assets and liabilities that remained in CCMBC until August 30 and December 30, 2019.

Other Income and expenses

At the times of the reorganizations, August 30, 2019 and December 30, 2019 it was necessary to determine the appropriate value of the assets being transferred to Investments and Legacy. This was a requirement to ensure that there were the appropriate asset values being transferred to Investments and Legacy to fully underwrite the liabilities being transferred.

In respect to the transfer to Investments, as previously noted, the mortgages were transferred at a value net of the allowance for credit losses booked in CCMBC.

As a final note to the discussion around the transfers, the decision was made to transfer some of the assets of CCMBC to Legacy by way of a donation. This decision was made to ensure that there were no tax or transfer fee issues. The impact of this transaction is that there was a significant deficit created in CCMBC and a resulting reduction in the net asset operating reserve. However, the amount of this donation was posted directly to the net asset and deferred contribution accounts in Legacy which means that on a consolidated basis it did not impact the total reserves.

Discussion Summary

As of December 31, 2019, we also show an accumulated unrestricted deficit of \$1,632,863. Effectively this is the offset amount of the cash shortfall noted above. December 31, 2019 is the point in time where we can show the stand-alone position of CCMBC. The result did not just happen in 2019 but has been in the making for some time as we have noted when we told our financial story last October at Gathering. There were many events and decisions which eroded the reserve over time and when the reorganization was finalized, the resulting impacts were disclosed. As CCMBC is the sole member of Legacy, we must be clear that we have not given away the birthright of CCMBC. We have allocated assets and liabilities to Legacy and to Investments in order that we can operate in compliance with CRA and securities regulation, we can effectively manage the investments, services and infrastructure of the denomination and we can now allow CCMBC to concentrate on the ministry of the denomination.

Although there may be a perception that the CCMBC ministry entity has been unfairly impacted by these reorganization events, it should be noted that the assets and liabilities transferred were accumulated using “Stewardship” funds. Also, the primary driver for these reorganization events was to ensure that the CCMBC group of entities were in full compliance with CRA and security commissions” regulations. This objective has been completed.



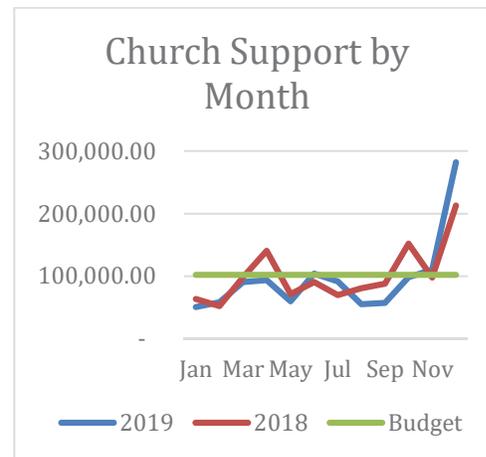
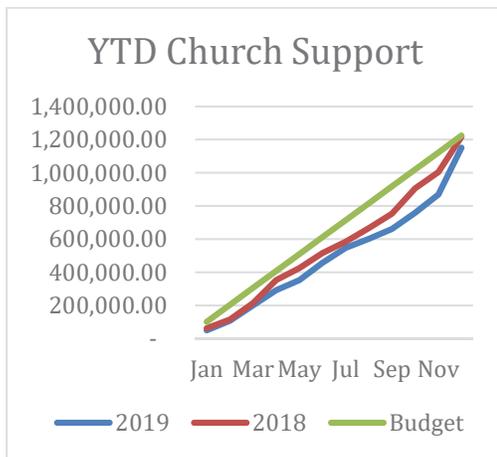
2019 Financial Review CCMBC Ministry Operations

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

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

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

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



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

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

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

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

CCMBC Legacy Fund Inc.

Report on the Consolidated Financial Statements for the Year Ended December 31, 2019

Submitted by Jim Davidson

Summary Update

CCMBC Legacy Fund Inc. (Legacy) has been created to manage the Stewardship Funds and the financial services for the Canadian Conference of the Mennonite Brethren Church of North America (CCMBC). The management of the financial services operations was transferred to Legacy in January of 2018. This transition included the transfer of all the financial and support services staff from CCMBC to Legacy. The financial services include accounting services, payroll services, benefits and pension fund administration and facilities management.

During 2019 the remainder of the Stewardship assets and liabilities were transferred from CCMBC to CCMBC Investments Ltd. (Investments) and to Legacy. These reorganization transactions finalized the division of Stewardship and Ministry operations into separate entities.

On August 30, 2019, the deposit liabilities (Funds loaned by investors to CCMBC), the mortgage portfolio and three of four private investment funds were transferred from CCMBC to Investments. As the total value of the three private funds and the mortgages exceeded the value of the deposit liabilities, a liability was set up with a due to CCMBC to balance the transaction. The three private investment accounts were subsequently liquidated, the obligation to CCMBC was repaid and the funds were invested with Capstone Asset Management (Capstone).

In relation to the August 30, 2019 reorganization an Offering Memorandum was issued on July 17, 2019 for the notes and shares offered by Investments and subsequently, Capstone, an Exempt Market Dealer, has been facilitating new investments being received. This action was necessary in order to comply with various securities regulations. The operations of Investments from August 30, 2019 until December 31, 2019 are included in the Legacy Consolidated Financial Statements.

It should be noted that Investments, being a public for profit entity, is required to follow the International Financial Reporting Standards (IFRS) and, therefore, there are standards that have to be adhered to in the process of evaluating and reporting assets and liabilities.

On December 30, 2019, the remainder of the Stewardship assets and liabilities were transferred to Legacy. This transaction included land, buildings, artwork, capital equipment and the liability deposits from various MB churches, conferences, and related MB agencies. As the liability deposits exceeded the value of the assets transferred an amount due from a related party (CCMBC) was recorded to balance the transaction. A summary of this transaction is described in Note 3 of the Consolidated Financial Statements.

Consolidated Balance Sheet

As at December 31, 2019, the unclassified balance sheet includes cash of \$28,403,345 and due from related parties in the amount of \$9,350,529. The large cash balance resulted from the liquidation of the last of the private investment funds being in transit. These funds have now been invested with Capstone or used to pay out deposit withdrawal requests. The due from related party is owing from CCMBC.

The change in net assets from a negative \$335,032 to a surplus of \$44,027 as well as the addition of the deferred contributions are a direct result of the reorganizations, previously described.

Consolidated Statement of Operations

During the year ended December 31, 2019 the operations of Legacy and Investments were in a state of transition which did impact the results.

Revenue

The transfer of the three private investment funds to Investments and the liquidation process did have a small impact on the income from other investments. During this process of liquidation and reinvestment, there were times when there was cash in the bank accounts and was earning very little interest. It is difficult to fully quantify what this amount would have been.

Expenditures

With the reorganization of Legacy and Investments, there were significant professional fees incurred, including an additional audit for the August 30, 2019 Offering Memorandum, Legal costs for consulting, OM preparation and numerous other work completed with the incorporation of Investments and the transition to a securities compliant model. It is estimated that at least 50% of the professional fees will not be recurring.

The result of the operations that are expected to be ongoing was a shortfall of \$360,383.

Other Income and expenses

At the time of the reorganizations, there were requirements to evaluate the assets that were transferred from CCMBC. These are non-cash transactions.

The mortgages were transferred at net of the allowance for credit losses (See note 4). Our mortgage portfolio must be evaluated. Our staff undertook a vigorous process of gathering information and developed a model to evaluate all our mortgages. The result of this evaluation, using conservative assumptions resulted in us having to make an adjustment of \$830,467.

The change in unrealized appreciation in value of other investments relates to the valuation of our investments with Capstone and to adjust for the current market value of the investments.

Income Taxes

As Investments is a public company, we do have to pay income taxes. The future tax is potential offset for future taxes.

Notice of Motions

Date Saturday, June 6, 2020
Location 1310 Taylor Ave,
 Winnipeg, MB R3M 3Z6
Time 10 am – 3 pm CDT

Summary of Motions:

1. Meeting called to order
2. Motion to appoint parliamentarians
3. Motion to approve ballot team
4. Motion to confirm bylaw amendment enacted by the Executive Board
5. Motion to approve agenda as presented
6. Motions to approve the audited financial statements as presented:
 - a. CCMBC Pension Plan
 - b. CCMBC Non-Consolidated Financials
 - c. Consolidated Legacy Financials
7. Motions to approve KPMG as auditors for:
 - a. CCMBC
 - b. Legacy
 - c. CCBMB Investments
8. Motion to receive and approve nominations of:
 - a. Executive Board (National Assembly Executive)
 - b. Board of Faith & Life (National Faith & Life Team)
 - c. MB Seminary
 - d. Historical Commission
9. Motion to approve the use Referenda
10. Motion to destroy ballots
11. Motion to adjourn

Detailed Motions

(and Related Documents)

2. Motion – Parliamentarians

It is moved that JP Hayashida and Michelle Knowles be appointed as parliamentarians.

3. Motion – Ballot Team

It is moved that Konrad Loewen, Janessa Giesbrecht, and Johnny Dodsworth be appointed as the ballot team.

e. Motion – Approve Legacy Nomination

It is moved that the CCMBC member representative vote in favour of the Legacy nomination.

4. Motion – Bylaw Amendment

It is moved that the amendment of the CCMBC General Operating Bylaws as enacted by the Executive Board on 23 April 2020 be confirmed.

Related Documents:

[CCMBC Bylaws enacted April 23, 2020](#)

[Bylaw Commentary](#)

[Digital Voting Policy for Conventions of the Conference](#)

5. Motion – Approval of Agenda

It is moved that the agenda for the annual general meeting be approved as presented.

Related Documents: [Agenda](#)

6. Motions – Approval of Audited Statements

It is moved that the 2019 audited financial statements of the Canadian MB Pension Plan be approved as presented.

It is moved that the 2019 audited Financial Statements for CCMBC be approved as presented.

It is moved that the CCMBC Member Representative *approve the 2019 Consolidated audited financial statements for CCMBC Legacy Fund Inc. as presented.

Related Documents:

[2019 CCMBC Non-Consolidated Financial Statement](#)

[2019 CCMBC Investments Audited Financial Statement](#)

[2019 Consolidated Financial Statements of CCMBC Legacy](#)

[Fund Inc.](#)

[2019 CCMBC Audit Commentary](#)

[2019 CCMBC Ministry Operations Commentary](#)

[2019 Legacy Audit Commentary](#)

[2019 CCMBC Audited Pension Plan](#)

7. Motions – Approval of KPMG as Auditor

It is moved that KPMG be appointed as auditor for CCMBC for fiscal year 2020.

It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Legacy Fund Inc. for fiscal year 2020.

It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Investments for fiscal year 2020.

8. Motion – Elections

It is moved that the following individuals be received and elected, by ballot, as nominees to the following boards:

Executive Board (National Assembly Executive)

- **Ron Penner** (Northview Community Church, Abbotsford) Moderator for Executive Board (National Assembly Executive)
- **Sharon Simpson** (Broadway MB Church, Chilliwack) Assistant Moderator for Executive Board (National Assembly Executive)
- **Reg Toews** (Greendale MB Church, Chilliwack) Secretary for the Executive Board (National Assembly Executive)
- **Ruth Schellenberg** (Fort Garry MB Church, Winnipeg) Manitoba rep to the Executive Board (National Assembly Executive)
- **Jeff Siemens** (West Portal MB Church, Saskatoon) Saskatchewan rep to the Executive Board (National Assembly Executive)
- **Karen West** (WMB Church, Waterloo) Ontario rep to the Executive Board (National Assembly Executive)
- **Jeff Dyck** (Northview Community Church, Abbotsford) Member-at-Large for the Executive Board (National Assembly Executive)
- **Bryant Whyte** (WMB Church, Waterloo) Member-at-Large for the Executive Board (National Assembly Executive)
- **Michael Dick** (South Abbotsford MB Church, Abbotsford) Member-at-Large for the Executive Board (National Assembly Executive)

Board of Faith & Life (National Faith & Life)

- **Adam Greeley** (The Well, Halifax) Member-at-Large for the Board of Faith & Life (NFLT).
- **Robyn Serez** (WMB Church, Kitchener) Member-at-Large for the Board of Faith & Life (NFLT).

MB Seminary

- **Donna Vollet** (Forest Grove Community Church, Saskatoon)

- **Ray Harms-Wiebe** (Willingdon Church, Burnaby)
- **Rob Reimer** (Steinbach MB Church, Steinbach)
- **Melody Loewen** (Summit Church, Calgary)

Historical Commission

- **Benny Leung** (Mountainview Grace Church, Calgary)

9. Motion – Referenda Voting

It is moved that the Executive Board be given authority to use Referenda as described under the CCMBC General Operating Bylaws Article 5 Section 4 and in accordance with the “CCMBC 2021 Referenda Policy” approved by the Executive Board and provided with this motion.

Related Documents:

[2021 Referenda Policy](#)
[Referenda Motion](#)

10. Move that the ballots be destroyed (deleted) upon the approval of the minutes by the Executive Board secretary

11. Motion – Adjournment

It is moved the Annual General Meeting be adjourned.

*Explanation of the CCMBC Member Representative:

The Multiply Bylaws and the Legacy Bylaws have been written to comply with the Canadian Not-for-Profit Corporation Act (CNCA). These bylaws state that a single individual will be selected by the CCMBC Executive Board to be the CCMBC Member Representative who will vote on behalf of the Canadian Conference of MB Churches.

The CCMBC Member Representative will vote on one motion at the Multiply Annual General Meeting:

- To elect the Multiply board members.

*Names of nominees will be brought forward for approval once the Multiply Board Review is released.

The CCMBC Member Representative will vote on three motions at the Legacy Annual General Meeting:

- To approve the Consolidated Legacy Audited Statements,
- To appoint the CCMBC Investments auditor, and
- To appoint the Legacy auditor.

The motions presented give the CCMBC Member Representative clear instructions on how to vote on each of the motions. By following this procedure, the CCMBC Executive Board is ensuring that related organizations are being accountable to the MB churches in Canada.

Nominee Profiles

Executive Board (National Assembly Executive)



Ron Penner

Ron is a retired educator, most recently serving at Columbia Bible College as Academic Dean and then as President. A Grandpa to three little ones who live next door, he finds joy in gardening, golf and volunteer work. Most of that is done via board work at MB Seminary and ACTS Seminaries, but also as a greeter at his church, Northview Community Church. Linda and Ron also enjoy golf and motorcycling together.



Sharon Simpson

Sharon is Director of Community Enrichment at Menno Place, a seniors campus-of-care. She directs the Spiritual Care staff and programs, Assisted Living and Independent Living staff and care services, the Resident Experience Team and directs Marketing and Communications. Sharon pens a monthly column for The Light Magazine from a spiritual perspective on the concerns and issues of seniors. She is the president of the Canadian Mennonite Health Assembly. She currently serves as Moderator of BCMB. Sharon is married to Gary Simpson who is the lead pastor of Broadway MB Church in Chilliwack, BC. Sharon and Gary have four adult children, two in-laws and two granddaughters. They love to camp, ride bikes and motorcycle. Sharon has a BA in Psychology from UBC and is a member of the Canadian College of Health Leaders.



Reg Toews

Reg loves Jesus and His Church, recognizing that the church is not perfect. God is still at work. Kingdom advancement is a passion – churches renewed and new churches started. Reg has been involved in full-time ministry for 37 years as a pastor, transitional leader, and church planting director. Married to Brenda for 39 years with three adult children. Two of these children are married and we have five wonderful grandchildren - we live with four of them. We are expecting another one in August.

Coaching is becoming a passion of mine as I work with men who want to be faithful to God. I run for mental and physical health. I ride my motorcycle for excitement and for guy connections.



Ruth Schellenberg

Ruth has been a pastor at Fort Garry MB church for 14 years serving children and families. She has served on the Manitoba Leadership Board for

the last 8 years, most recently as the moderator.

Ruth has been married to David for 32 years and they have 2 sons and one daughter in law.



Jeff Siemens

Jeff is associate pastor at West Portal Church (Saskatoon) and a Saskatchewan Conference of MB Churches (SKMB) Executive Board member. Jeff has served as director at Redberry Bible Camp. He graduated from Columbia Bible College with a focus on youth ministry and is working on an MA. He and wife Jennifer (Block), have three children. He desires to contribute to the health of our national conference and to represent SKMB on a national level. Jeff's heart is to make much of Jesus and bring glory to God.



Karen West

Karen is Pastor Emeritus at WMB Church in Waterloo, and serves on the ONMB Board as Moderator Rep to the national Executive Board. Karen is passionate for Jesus and the powerful message of hope that only his church can bring to the world. Karen has a Bachelor of Religious Education in Pastoral Studies and a M. Div. from Tyndale Seminary. She is married to Bruce, mom/mom-in-law to four adult kids, and grandma to three boys. Karen loves to dig into scripture, be with friends and family around a dinner table, go on long walks, and knit for her grandkids.



Jeff Dyck

Born and raised in Abbotsford, BC., Jeff and his wife Tammy live in Yarrow, BC and are members of Northview Community Church. Their three grown children are pursuing their own careers. Jeff owns and operates Terravista Professional Tech Services and Wild Frog Systems, both lower-mainland IT services companies, and serves on the Board of Directors for First West Credit Union. He joined the Stillwood leadership committee in Fall 2018 to serve and support the camp which has been so influential in the lives of all three kids. Jeff also serves on the BCMB Stewardship Advisory Committee.



Bryant Whyte

When you meet Bryant, you'll know a few things – he loves Jesus, his wife, Sarah, their three sons, and talking about the local cafe of which they are part owners. You'll also quickly discover his heart for serving others through financial support, seeing people restored after hard circumstances and setting them up for success. Bryant's financial expertise come from his education at Laurier

University's School of Business and from his work as Senior Account Manager for Kindred Credit Union (ON). Bryant, Sarah and family live in Waterloo where they enjoy life in intentional community and as part the body of Christ at WMB Church.



Michael Dick

Michael has served in various National and Provincial board positions since 1985. He was elected as a Member-at-large for CCMBC Board of Directors in 2016 and has served

on the Finance and Audit Committee for the last two years. He has over 30 years of pastoral ministry experience including 15 years as the Lead Pastor of Bakerview Church in Abbotsford, BC. In 2018 Michael joined the staff team at South Abbotsford Church as Executive Pastor. Part of Michael's community involvement includes serving on the Foundation Board of the Abbotsford Hospice Society. He and his wife, Eleanor, have two married sons and three grandsons.

Board of Faith & Life (National Faith & Life Team)



Adam Greeley

Adam is married to Suzanne and they have four children: Jacob, Charis, Katie, and Jonah. As a family, they have a passion to see a discipleship movement happen in Halifax Regional Municipality. In November, 2012 they started The Well in Dartmouth, NS. The Well has continued to grow in number, and favour in its community. As a result, they have been welcomed by unchurched residents and community leaders to host their worship gatherings at a community centre located in the heart of the neighbourhood.

They believe that the Gospel is meant to go 'viral' - transforming and renewing people, neighbourhoods, cities, provinces, countries and the world!



Robyn Serez

Robyn Serez is the Eastern Canada Mission Mobilizer with Multiply. She serves our MB churches in the capacity of global mission partnerships and journeys with new workers as they are identified and trained through our churches and agencies. She also directs Leaders Collective for the ONMB, a leadership development program for young adults serving in churches across the region. She attends the Kitchener site of WMB Church, of which she is a member.

MB Seminary



Donna Vollet

Donna is a graduate of the University of Saskatchewan and has been employed in the financial services industry since graduation. She has been with Canada Life for 21 years as

Regional Sales Manager, Wealth Management. She has served on boards & committees in the financial services industry, as well as the Leader Impact Saskatoon City Team. Donna attends Forest Grove Community Church, where she has served in roles including 6 years as Moderator. She is currently the Vice-chair and Governance Committee Chair of the MB Seminary Board. In her spare time, Donna enjoys walking the dogs and is an avid fan of the Saskatchewan Roughriders and Saskatchewan Rush. She is married to Don and they have a daughter, son-in-law and adorable granddaughter.



Ray Harms-Wiebe

Ray was born in Chilliwack, BC. He surrendered his life to Jesus at 19 years of age while attending Capernwray Bible School in Texas. In 1983, Ray married Judy in Caxias do Sul, Brazil. They have three daughters: Ashley (Colin), Alanna (Benoit) and Alyssa. They served as church planting missionaries in São Paulo, Brazil for 18 years. Following their overseas assignment, they moved to Abbotsford where Ray served on MB Mission's Lead Team for 10 years. Shortly after beginning a doctoral program in 2014, Ray was called to serve as lead pastor at Willingdon Church. His life as a missionary, pastor and educator taught him the most basic of truths: he is called to love God with all his heart, soul, mind and strength and to love his neighbour as himself. As he has grown in his love for Jesus, he has also grown in his love for the church and its mission.



Rob Reimer

Rob is currently the President of Steinbach Bible College, a position he began in 2007. Prior to this role, he pastored for a combined 11 years at the Highland MB Church in Calgary, and at an MB church in Olathe, Kansas (Community Bible Church). His education includes a D. Min from Fuller Theological Seminary (2007), an M. Div from MBBS (1996) and a B.A. from the University of Winnipeg (1993). He has served on numerous local, national and international boards, including his local church (Steinbach MB Church), Christian Higher Education of Canada (CHEC), and the Association for Biblical Higher Education (ABHE). Rob has been married to Myrna for 35 years. They have three adult children and two grandchildren.



Melody Loewen

Melody Loewen (BRE, MAL cert) is the Director of Care and Team Development at Summit Church, where she disciples and nurtures people, helping them find their God-given purpose. She also develops teams

and leaders for ministry within the church and the community.

Melody has worked in churches across the country both in occupational and lay ministry. Her work experience has been in Student Development at Fresno Pacific University (Fresno CA) and Trinity Western University (Langley BC); Human Resources and Executive Assistant at Emmanuel Bible College (Kitchener ON); Research Coordinator in Nursing at University of Calgary (AB).

Melody is married to Paul and they have three sons, two daughter-in-law's, three grandchildren (almost four), and a dog. She lives in Calgary, Alberta and loves spending time with family and friends, hiking, camping, cycling, skiing; and she always has a project on the go.

Historical Commission



Benny Leung

Benny Leung, member at Mountainview Grace (MB) Church in Calgary, works as a data scientist for the Alberta Securities Commission. I

have a keen interest in history, culture, politics and the humanities. In particular, I am interested in why Anabaptist-Mennonite thought has a hard time penetrating Asian (Chinese, in particular) groups. I believe my curiosity in this question will at least spark research interest that will help Mennonite Brethren harmonize theological thinking within Asian communities.

AGGM

Annual General Meeting

of the Canadian Conference of
Mennonite Brethren Churches

JUNE 5-6, 2020

Annual Statistical Survey Report for 2019: Canadian Conference of Mennonite Brethren Churches

Survey submissions 2019 (Note 1)		AB	AP	BC	MB	ON	PQ	SK	Total
# of surveys submitted (Note 2)		20	3	78	27	16	9	28	181
total # of churches (Note 3)		22	4	94	44	31	10	32	237
survey return rate in %		91	75	83	61	52	90	88	76
Number of Churches 2019		AB	AP	BC	MB	ON	PQ	SK	Total
total # of churches 2019 (Note 3)		22	4	94	44	31	10	32	237
total # of churches 2018 (Note 4)		22	4	98	45	32	11	33	245
change in %		0.0	0.0	-4.1	-2.2	-3.1	-9.1	-3.0	-3.3
Average weekly attendance 2019		AB	AP	BC	MB	ON	PQ	SK	Total
# from survey submissions		2,478	138	28,747	5,125	4,481	860	3,481	45,310
total # for all churches 2019 (Note 5)		2,738	183	30,183	6,614	6,101	905	3,804	50,528
total # for all churches 2018 (Note 4)		2,625	n/a	30,834	6,942	5,507	930	3,691	50,529
change in %		4.3		-2.1	-4.7	10.8	-2.7	3.1	0.0
Membership as of Dec 31, 2019 (note 6)		AB	AP	BC	MB	ON	PQ	SK	Total
# from survey submissions		2,228	n/a	18,317	5,099	3,014	350	2,531	31,539
total # for all churches 2019 (Note 5)		2,228	n/a	19,057	6,471	3,746	350	2,841	34,693
total # for all churches 2018 (Note 4)		1,984	n/a	20,248	6,570	3,967	485	3,023	36,277
change in %		12.3		-5.9	-1.5	-5.6	-27.8	-6.0	-4.4

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: Using information from the 2019 Directory of Mennonite Brethren Churches in Canada or actual 2019 numbers.

Note 4: Based on the results of the 2018 Statistical Survey Report. See Gathering 2018 Yearbook.

Note 5: Based on survey responses, telephone calls, and estimates supplied by Provincial Conference Ministers' office.

Note 6: Only attendance numbers are available for the churches in the Atlantic Provinces (AP) and 39 other CCMBC churches.

Canadian Conference of Mennonite Brethren Churches

General Operating Bylaw

Approved at ~~Gathering 2016~~Convention 2020

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.

1.13 “Designate”, as related to a provincial representative attending a board meeting, is appointed by the provincial board for a specified term of service to replace the Moderator (or equivalent) at board meetings.

1.14 “Alternate”, as related to a provincial representative attending a board meeting, is an observer sent from that province for a meeting when the Moderator or designate is not available.

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 with associated documents of such Convention. Notice shall be deemed to have been sufficiently given if sent by electronic means or 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 by the registered delegate, either in person or according to the Digital Voting Policy for Conventions of the Conference. 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 and present digitally 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, approval of annual budget, 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 a designate from each province, region or area listed in Appendix B hereto attached; alternates 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. All board members must receive affirmation by at least two thirds of the delegates voting at the convention.

The officers shall be the moderator, assistant moderator, secretary and Executive Director.

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. 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 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 report the plans and activities of the Board to the Executive Board;
- (6) To be accountable to the Conference at its Convention;
- (7) 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. (See 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). Following a decision in 2014 by the US MB Conference, separate Confessions of Faith documents will now be maintained for Canada and the USA. (Appendix F is now modified to remove reciprocal approval.) The Conference's confession remains the July 1999 version. Amendments thereto may be made by the Canadian Conference.

Section 1

Notice of motion to amend the Confession of Faith may be given at any Convention or by publication through written or electronic means to all Member Churches.

Section 2

Sponsorship of a motion to amend the Confession of Faith may be initiated by either the Board of Faith and Life or the Executive Board.

Section 3

Notice of motion to amend the Confession 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 include all details of the amendments to the Confession of Faith.

Section 4

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

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 through written or electronic means to Member Churches.

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~~ six weeks 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) MB Mission;
- (2) Mennonite Brethren Historical Commission.

The basic documents for each are as follow:

- (1) Memorandum of Understanding Regarding MB Mission
- (2) Memorandum of Understanding Regarding the Mennonite Brethren Historical Commission

Article 18 Fiscal Year

The fiscal year of the Conference shall terminate on the 31st day of December 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, July, 2016~~ on 23 April 2020 as enacted by a resolution passed by the Executive Board and as confirmed by the Conference at its Convention in June 2020.

Appendix A – Confession of Faith of the Canadian Conference of Mennonite Brethren Churches, 1999 Edition

INTRODUCTION

The Mennonite Brethren Church is rooted in the evangelical Anabaptist sixteenth-century Reformation, a movement that sought to recapture the faith and life of the New Testament church. The Mennonite Brethren Church was born as a renewal movement in Russia on 1860. World mission efforts and widespread migrations have produced a movement that circles the globe. The Mennonite Brethren Church emphasized the centrality of biblical authority, articulating confessions of faith in order to connect scriptural teaching with contemporary discipleship. With Menno Simons, we hold central the biblical statement, “For no one can lay any foundation other than the one that has been laid; that foundation is Jesus Christ” (1Cor.3:11).

The 1999 North American confession is a complete revision of earlier Mennonite Brethren confessions of faith. The 1902 confession, adopted in Russia and North America, was revised in 1975. The 1999 confession was written and adopted by the North American Mennonite Brethren Church for use in the United States and Canada. The framers of the present confession gratefully acknowledge our indebtedness to the Confession of Faith in a Mennonite Perspective. The present confession is the result of a decade-long process of writing, consulting Mennonite Brethren congregations and sister national conferences, revising, and final approval at the General Conference meeting in Wichita, Kansas, in July 1999. It was submitted to the International Committee of Mennonite Brethren meeting in Buhler, Kansas, in July 1999 for final acceptance.

The Bible is our written authority. As Anabaptists, we believe that authoritative interpretation of the Bible is the result of corporate reflection under the guidance of the Holy Spirit. This confession is the result of such a process and not only describes how the Mennonite Brethren Church in Canada and the United States interprets the Bible for our context but is also an authoritative guide for biblical interpretation, theological identity, and ethical practice.

The reader should be alert to the following literary conventions adopted for this confession. Scripture references are listed at the conclusion of each article. These references are not meant to be exhaustive nor do they serve primarily as proof-texts for the articles. Pronouns referring to God are uniformly upper case to remind the reader that the use of the masculine pronoun is a convention of human language. God is neither male nor female; human male and female, are created in the image of God. A more complete commentary and pastoral application of this confession is available from Kindred Productions. A liturgical version of this confession, *Confessing Together*, is also commended for use in congregational worship.

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1. GOD

We believe in the one, true, living God, Creator of heaven and earth. God is almighty in power, perfect in wisdom, righteous in judgment, overflowing in steadfast love. God is the Sovereign who rules over all things visible and invisible, the Shepherd who rescues the lost and helpless. God is a refuge and fortress for those in need. God is a consuming fire, perfect in holiness, yet slow to anger and abounding in tender mercy. God comforts like a loving mother, trains and disciplines like a caring father, and persists in covenant love like a faithful husband. We confess God as eternal Father, Son, and Holy Spirit.

GOD THE FATHER

God the Father is the source of all life. In him we live and move and have our being. The Father seeks those who will worship him in spirit and in truth and hears the prayers of all who call on him. In the fullness of time, the Father sent the Son for the salvation of the world. Through Jesus Christ the Father adopts all who respond in faith to the gospel, forgiving those who repent of their sin and entering into a new covenant with them. God gives the Counselor – the Holy Spirit – to all his children. God's creative and redemptive love sustains this world until the end of the age.

GOD THE SON

The Son, through whom all things were created and who holds all things together, is the image of the invisible God. Conceived by the Holy Spirit and born of the virgin Mary, Jesus took on human nature to redeem this fallen world. He revealed the fullness of God through his obedient and sinless life. Through word and deed Jesus proclaimed the reign of God, bringing good news to the poor, release to the captives, and recovery of sight to the blind. Christ triumphed over sin through his death and resurrection and was exalted as Lord of creation and the church. The Saviour of the world invites all to be reconciled to God, offering peace to those far and near, and calling them to follow him in the way of the cross.

Until the Lord Jesus returns in glory, he intercedes for believers, acts as their advocate, and calls them to be his witnesses.

GOD THE HOLY SPIRIT

The Holy Spirit, the Counselor, is the creative power, presence and wisdom of God. The Spirit convicts people of sin, gives them new life, and guides them into all truth. By the Spirit believers are baptized into one body. The indwelling Spirit testifies that they are God's children, distributes gifts for ministry, empowers for witness, and produces the fruit of righteousness. As Comforter, the Holy Spirit helps God's children in their weakness, intercedes for them according to God's will and assures them of eternal life.

Genesis 1; Exodus 15:2-3; 34:6-7; Deuteronomy 6:4-6; Psalm 8; 23; 139; Isaiah 55:8-9; 66:12-13; Jeremiah 31:31-34; Hosea 11:1-4; Matthew 1:18-25; 5-7; 28:18-20; Mark 8:34-38; Luke 4:18-19; John 1:1-18; 14:26; 15:26; 16:7-15; Acts 1:8; 2:1-4; Romans 8:1-17; 1 Corinthians 12:4-7; 13; 15:3-8; 2 Corinthians 1:22; 5:16-21; 13:14; Galatians 5:22-23; Ephesians 1:15-2:22; 3:14-21; Philippians 2:6-11; Colossians 1:15-20; 1 Timothy 6:15-16; 2 Timothy 2:11-13; Hebrews 12:7-11; 1 Peter 2:21-25; 1 John 2:2; Revelation 5:5-6, 9-10

2. REVELATION OF GOD

GOD'S SELF-REVELATION

We believe that God has made himself known to all people. God's power and nature have always been evident in creation. The Old Testament reveals God as the one who established a covenant relationship with Israel to make known to all people the eternal plan of salvation. God revealed himself supremely in Jesus Christ, as recorded in the New Testament. The Holy Spirit continues to make God known to individuals and the church; this revelation is always consistent with the Scriptures.

THE WRITTEN WORD OF GOD

We believe that the entire Bible was inspired by God through the Holy Spirit. The same Spirit guides the community of faith in the interpretation of Scripture. The person, teaching and life of Jesus Christ bring continuity and clarity to both the Old and New Testaments. The Old Testament bears witness to Christ, and Christ is the one whom the New Testament proclaims. We accept the Bible as the infallible Word of God and the authoritative guide for faith and practice.

Genesis 9:1-17; 12:1-3; Exodus 6:2-8; Psalm 19:1-11; 119; Matthew 5:17-18; Luke 24:27, 44-47; John 1:16-18; 16:13; Acts 8:34-35; Romans 1:18-21; Hebrews 1:1-2; Colossians 1:15-23; 2 Timothy 3:14-17; 2 Peter 1:16-21

3. CREATION AND HUMANITY

CREATION

We believe that in the beginning God created the heavens and the earth, and they were very good. All of creation expresses God's sovereign will and design but remains distinct from the Creator. The universe

belongs to God, who takes care and delight in sustaining it. Creation declares God's wisdom and power, calling all to worship him.

HUMANITY

Humans, the crowning act of creation, were designed to live in fellowship with God and in mutually helpful relationships with each other. God created them male and female in his own image. The Creator gave them the mandate to rule and care for creation as a sacred trust and the freedom to obey or disobey him. Through the wilful disobedience of Adam and Eve, sin entered the world. As a result, human nature is distorted and people are alienated from God and creation. Creation is under the bondage of decay. Humans and all creation long to be set free.

THE NEW CREATION

Sin, guilt, or death will not prevail. God will create a new heaven and a new earth in which there will be no evil, suffering, and death. The first signs of this new creation are already present in those who accept God's forgiveness through Christ. In Christ all things are being reconciled and created anew.

Genesis 1-3; Psalm 8:6; 19:1-6; 24:1-2; 89:11; 95:5; 104; Proverbs 8:22-31; Isaiah 40:12-31; 44:24; John 1:1-4, 10; 17:5; Romans 1:19-20; 5:17, 21 6:4; 8:18-25; 1 Corinthians 8:6; 15:20-27; 2 Corinthians 3:18; 4:6; 5:16-19; Galatians 3:28; 6:15; Ephesians 1:4, 9-10; 2:11-22; 4:24; Colossians 1:15-17; Hebrews 11:3; Revelation 4:8-11; 21:1-5; 22:13

4. SIN AND EVIL

SIN AND ITS CONSEQUENCES

We believe that the first humans yielded to the tempter, Satan, and fell into sin. Since then, all people disobey God and choose to sin, falling short of the glory of God. As a result, sin and evil have gained a hold in the world, disrupting God's purposes for the created order and alienating humans from God and therefore from creation, each other and themselves. Human sinfulness results in physical and spiritual death. Because all have sinned, all face eternal separation from God.

PRINCIPALITIES AND POWERS

Sin is a power that enslaves humanity. Satan, the adversary, seeks to rule creation and uses sin to corrupt human nature with pride and selfishness. In sin people turn from God, exchanging the truth about God for a lie, worshipping and serving the creature rather than the Creator. Sin opens individuals and groups to the bondage of demonic principalities and powers. These powers also work through political, economic, social and even religious systems to turn people away from holiness, justice and righteousness. Whether in word, deed, thought or attitude, all humans are under the domination of sin and, on their own, are unable to overcome its power.

Genesis 3; 6:11-12; Psalm 14:1-3; 36:1-4; 52:1-7; 58:1-5; 82; Isaiah 53:6; Ezekiel 16:49-50; Amos 2:4-8; Mark 7:20-23; John 8:34, 44; Romans 1:21-32; 3:9-18, 23; 5:12-14, 18-19; 6:23; Galatians 5:19-21; Ephesians 2:1-3; 6:12; 1 Peter 5:8-9; 1 John 1:8-10; Revelation 12:9

5. SALVATION

GOD'S INITIATIVE

We believe that God is at work to accomplish deliverance, healing, redemption, and restoration in a world dominated by sin. From the beginning, God's purpose has been to create for himself a people, to dwell among them and to bless them. Creation and all of humanity are without hope of salvation except through God's love and grace. God's love is fully demonstrated in the life, death, and resurrection of Jesus Christ.

GOD'S PLAN

Throughout history, God has acted mightily to deliver people from bondage and draw them into a covenant relationship. Through the prophets God prepared the way of salvation until finally God reconciled the world to himself by the atoning blood of Jesus. As people place their trust in Christ, they are saved by grace through faith, not of their own doing, but as a gift of God. God forgives them, delivers them from sin's bondage, makes them new creatures in Christ, empowers them by the Holy Spirit and seals them for eternal life. When sin and death are finally abolished and the redeemed are gathered in the new heaven and the new earth, God will have completed the plan of salvation.

HUMANITY'S RESPONSE

Though Jesus entered a world ruled by sin, he chose not to submit to its allure and broke its domination. Through his obedient life, his death on the cross and his glorious resurrection, Christ triumphed over Satan and the powers of sin and death, opening the way for all people to follow. Convicted by the Holy Spirit, people turn from sin, entrust their lives to God, confess Jesus Christ as Lord, and join the family of God. All who receive Christ are born again, have peace with God, and are called to love one another and live at peace with their neighbour. Those whom God is saving no longer live for themselves, for they have been set free from sin and called to newness of life.

Exodus 6:1-8; 15:2; 20:2; Psalm 68:19-20; Isaiah 43:1; Matthew 4:1-11; Mark 10:45; John 1:12; 3:1-21; 13:34-35; 16:8-11; Romans 3:24-26; 5:8; 12-21; 8:18-25; 10:9-10; 1 Corinthians 1:18; 2 Corinthians 5:14-21; Ephesians 1:5-10, 13-14; 2:8-9; Colossians 1:13-14; 2:15; Hebrews 2:14-18; 4:12; 5:7-9; 9:15-28; 11:6; 1 John 4:7-11; Revelation 5:9-10; 21:1-4

6. NATURE OF THE CHURCH

CALLED BY GOD

We believe the church is the people called by God through Jesus Christ. People who respond in faith are united with the local congregation by the public confession of baptism. Church members commit themselves to follow Christ in a life of discipleship and witness as empowered by the Holy Spirit.

BODY OF CHRIST

The church is one body of believers, male and female, from every nation, race and class. The head of this body is Christ. The church, united by the one Spirit, makes Christ visible in the world. The church exists as local bodies of believers and as a worldwide community of faith.

WORSHIP

The church is nourished and renewed as God's people gather regularly to glorify God. The early church gathered on the first day of the week to celebrate the resurrection of Jesus Christ from the dead. The worshipping community celebrates God's faithfulness and grace, reaffirms its faithfulness to God, builds up the members of the body, and seeks God's will for its life and mission. As the church observes baptism, and the Lord's Supper, it proclaims the good news of salvation.

FELLOWSHIP AND ACCOUNTABILITY

The church is a covenant community in which members are mutually accountable in matters of faith and life. They love, care, and pray for each other, share each other's joys and burdens, and admonish and correct one another. They share material resources as there is need. Local congregations follow the New Testament example by seeking the counsel of the wider church on matters that affect its common witness and mission. Congregations work together in a spirit of love, mutual submission, and interdependence.

The New Testament guides the practice of redemptive church discipline. The church is responsible to correct members who continue to sin. Congregations forgive and restore those who repent but formally exclude those who disregard discipline.

GIFTS FOR MINISTRY

Through the Holy Spirit, God gives gifts to each member for the well-being of the whole body. These gifts are to be exercised in God's service to build up the church and to minister in the world. God calls people to equip the church for ministry. Leaders are to model Christ in their personal, family, and church life. The church is to discern leaders prayerfully and to affirm, support, and correct them in a spirit of love.

Matthew 16:13-20; 18:15-20; John 13:1-20; 17:1-26; Acts 1:8; 2:1-4, 37-47; 11:1-18; 15:1-35; Romans 12:3-8; 1 Corinthians 5:1-8; 12-14; 2 Corinthians 2:5-11; Galatians 3:26-28; 6:1-5; Ephesians 1:18-23; 2:11-22; 4:4-6; 4:11-16; 1 Thessalonians 5:22-23; 1 Timothy 3:1-7; Titus 1:7-9; 1 Peter 2:9-12; 5:1-4.

7. MISSION OF THE CHURCH

THE GREAT COMMISSION AND THE GREAT COMMANDMENT

We believe the good news of God's salvation in Jesus Christ is for all people. Christ commands the church to make disciples of all nations by calling people to repent and by baptizing and teaching them to obey Jesus. Jesus teaches that disciples are to love God and neighbour by telling the good news and by performing acts of love and compassion.

THE WITNESS

The Holy Spirit empowers every Christian to witness to God's salvation. The church as a body witnesses to God's reign in the world. By its life as a redeemed and separated community, the church reveals God's saving purposes to the world.

Matthew 5:13-16; 22:34-40; 28:18-20; Mark 1:15; 12:28-34; Luke 10:25-37; 24:45-49; John 20:21-23; Acts 1:8; Romans 1:16-18; 2 Corinthians 5:18-20; Ephesians 3:10-11

8. CHRISTIAN BAPTISM

CONFESSION

We believe that when people receive God's gift of salvation, they are to be baptized in the name of the Father, Son and Holy Spirit. Baptism is a sign of having been cleansed from sin. It is a covenant with the church to walk in the way of Christ through the power of the Holy Spirit.

MEANING

Baptism by water is a public sign that a person has repented of sins, received forgiveness of sins, died with Christ to sin, been raised to newness of life, and received the Holy Spirit. Baptism is a sign of the believer's incorporation into the body of Christ as expressed in the local church. Baptism is also a pledge to serve Christ according to the gifts given to each person.

ELIGIBILITY

Baptism is for those who confess Jesus Christ as Lord and Saviour and commit themselves to follow Christ in obedience as members of the local church. Baptism is for those who understand its meaning, are able to be accountable to Christ and the church, and voluntarily request it on the basis of their faith response to Jesus Christ.

PRACTICE

We practice water baptism by immersion administered by the local church. Local congregations may receive into membership those who have been baptized by another mode on their confession of faith. Persons who claim baptism as infants and wish to become members of a Mennonite Brethren congregation are to receive baptism on their confession of faith.

Matthew 3:13-17; 28:18-20; Acts 2:38; Romans 6:2-6; 1 Corinthians 12:13; Colossians 2:12-13; Galatians 3:26-27; Ephesians 4:4-6

9. LORD'S SUPPER

MEANING

The church observes the Lord's Supper, as instituted by Christ. The Lord's Supper points to Christ, whose body was broken for us and whose blood was shed to assure salvation for believers and to establish the new covenant. Through the supper, the church identifies with the life of Christ given for the

redemption of humanity and proclaims the Lord's death until he comes. The supper expresses the fellowship and unity of all believers with Christ and embodies remembrance, celebration, and praise, strengthening believers for true discipleship and service.

PRACTICE AND PARTICIPATION

In preparation for the fellowship of the Lord's Supper, all believers should examine themselves. All those who understand the supper's meaning, confess Jesus Christ as Lord in word and life, are accountable to their congregation, and are living in right relationship with God and others are invited to participate in the Lord's Supper. The normal pattern in the New Testament was that baptism preceded participation in the Lord's Supper.

Matthew 26:26-30; Acts 2:41-42; 1 Corinthians 10:16-17; 11:23-32

10. DISCIPLESHIP

FOLLOWING JESUS

We believe that Jesus calls people who have experienced the joy of new birth to follow him as disciples. By calling his followers to take up the cross, Christ invites them to reject the godless values of the world and offer themselves to God in a life of service. The Holy Spirit, who lives in every Christian, empowers believers to overcome the acts and attitudes of the sinful nature. Filled with love and gratitude, disciples delight to obey God.

UNITED IN A DISTINCT COMMUNITY

Christians enjoy fellowship with God and other believers. At baptism believers join the local church, commit to build up the body of Christ and witness to the good news of the Christian hope. In community members grow in maturity as they demonstrate the fruit of the Spirit, use their spiritual gifts, and practice mutual accountability in the disciplines of the Christian life. Christians confess sin, repent, and experience God's grace in the life of the Christian community.

DEMONSTRATING TRUE FAITH

Jesus teaches that discipleship is the way of self-denial and promises blessing for those who suffer for righteousness. Disciples are to resist worldly values and systems, the sinful nature, and the devil. Disciples give generously and reject materialism, which makes a god out of wealth. Disciples treat others with compassion and gentleness and reject violence as a response to injustice. Disciples speak honestly to build others up and reject dishonest, vulgar, and careless talk; they seek to avoid lawsuits to resolve personal grievances, especially with other believers. Disciples maintain sexual purity and marital faithfulness and reject immoral premarital and extramarital relationships and all homosexual practices. To be a disciple means to be true to Jesus in everyday life.

Psalm 1; 119; Amos 5:24; Matthew 5-7; 18:15-20; Mark 8:34-38; John 8:31-32; 13:34-35; 15:14-15; Acts 2:41-47; Romans 1:24-32; 8:1-30; 12; 1 Corinthians 6:9-11; 11:1; 12:1-13; 2 Corinthians 8-9; Galatians 2:20; 5:16-26; 6:1-2; Ephesians 4:11-12, 15-16; 5:1, 18; Philippians 2:6-8; Colossians 3:1-17; 1 Thessalonians 4:3-8; 5:17; 1 Timothy 1:9-11; 2:1-8; 4:6-8; 2 Timothy 3:14-17; Hebrews 12:1-3; 13:4-5; James 1:22-27; 4:7; 1 Peter 2:20-25; 3:15; 5:8-9; 1 John 1:3; 6-9; 2:15-17

11. MARRIAGE, SINGLENESS AND FAMILY

We believe that marriage and the family are instituted by God. The church blesses both marriage and singleness and encourages families to grow in love.

MARRIAGE

Marriage is a covenant relationship intended to unite a man and a woman for life. At creation, God designed marriage for companionship, sexual union, and the birth and nurture of children. Sexual intimacy rightfully takes place only within marriage. Marriage is to be characterized by mutual love, faithfulness, and submission. A believer should not marry an unbeliever.

The community of faith blesses and nurtures marriage relationships and makes every effort to bring reconciliation to troubled marriages. Human sinfulness, however, may sometimes lead to divorce, a violation of God's intention for marriage. With truth and compassion, the family of God offers hope and healing while continually upholding the biblical ideal of marital faithfulness.

SINGLENESS

Singleness is honoured equally with marriage and is sometimes even preferred. The church is to bless, respect, and fully include those who are single. Those who remain single may find unique opportunities to advance the kingdom of God. God calls all people, single and married, to live sexually pure lives.

FAMILY

God intends family relationships at all stages of life to be characterized by love. Children are a gift from God. Godly parents instruct and nurture their children in the faith. Parents are to discipline their children wisely and lovingly, not provoking them to anger. Children are to honour and obey their parents.

Genesis 1:26-31; 2:18-24; 5:1-2; 12:1-3; Exodus 22:16-17; Leviticus 18:22; 20:13; Deuteronomy 6:4; 24:1-4; Psalm 127:3-5; Proverbs 31; Matthew 5:32; 10:34-39; 19:3-12; 22:23-33; Mark 3:31-35; 7:9-13; 10:6-11; Luke 16:18; Romans 7:2-3; 14:12; 1 Corinthians 7:8-40; 2 Corinthians 6:14-15; Ephesians 5:21-33; 6:1-4; 1 Timothy 3:1-13; 5:3-16; Hebrews 13:4; 1 Peter 3:1-7

12. SOCIETY AND STATE

THE STATE AS INSTITUTED BY GOD

We believe that God instituted the state to promote the well-being of all people. Christians cooperate with others in society to defend the weak, care for the poor, and promote justice, righteousness, and truth. Believers witness against corruption, discrimination, and injustice, exercise social responsibility, pay taxes, and obey all laws that do not conflict with the Word of God.

God has given governments authority to maintain law and order and to punish wrongdoers. Followers of Christ respect and pray for those in authority so that peaceful order may prevail. We deplore the loss of life in the exercise of state-sanctioned violence.

CHRISTIAN ALLEGIANCE IN SOCIETY

The primary allegiance of all Christians is to Christ's kingdom, not the state or society. Because their citizenship is in heaven, Christians are called to resist the idolatrous temptation to give to the state the devotion that is owed to God. As ambassadors for Christ, Christians act as agents of reconciliation and seek the well-being of all peoples.

Because Christ forbids the swearing of oaths, we simply affirm the truth in legal transactions. Believers do not participate in secret societies that demand the swearing of oaths or otherwise conflict with a Christian's allegiance to Christ and the church. At all times, believers are called to live as faithful witnesses in the world, rejecting pressures that threaten to compromise Christian integrity.

Exodus 20:13, 16; Leviticus 19:11; Psalm 82:3-4; Jeremiah 29:7; Daniel 2:21; 3:17-18; 4:17; Matthew 5:13-16, 33-37; 6:33; 17:24-27; 22:17-21; John 15:19; 17:14-18; Acts 5:29; Romans 13:1-7; 1 Corinthians 5:9-13; 2 Corinthians 6:14-18; Ephesians 5:6-13; Philippians 1:27; 3:20; 1 Timothy 2:1-4; Titus 3:1-2; James 5:12; 1 Peter 2:13-17

13. LOVE AND NONRESISTANCE

GOD'S COMMUNITY OF PEACE

We believe that God in Christ reconciles people to himself and to one another, making peace through the cross. The church is a fellowship of redeemed people living by love. Our bond with other believers of Jesus transcends all racial, social, and national barriers.

CHRISTIAN PEACEMAKING

Believers seek to be agents of reconciliation in all relationships, to practice love of enemies as taught by Christ, and to be peacemakers in all situations. We view violence in its many different forms as contradictory to the new nature of the Christian. We believe that the evil and inhumane nature of violence is contrary to the gospel of love and peace. In times of national conscription or war, we believe we are called to give alternative service where possible. Alleviating suffering, reducing strife, and promoting justice are ways of demonstrating Christ's love.

Exodus 20:1-17; Matthew 5:17-28, 38-48; Romans 12:9-21; 13:8-10; 1 Peter 2:19-23

14. THE SANCTITY OF HUMAN LIFE

We believe that all human life belongs to God. Each person is created in the image of God and ought to be celebrated and nurtured. Because God is Creator and the Author and Giver of life, we oppose all actions and attitudes that devalue human life. The unborn, disabled, poor, aging, and dying are particularly vulnerable to such injustices. Christ calls the people of all nations to care for the defenceless.

God highly values human life. Ultimate decisions regarding life and death belong to God. Hence, we hold that procedures designed to take life, including abortion, euthanasia, and assisted suicide, are an affront to God's sovereignty. We esteem the life-sustaining findings of medical science, but recognize that there are limits to the value of seeking to prolong life indefinitely. In all complex ethical decisions

regarding life and death, we seek to offer hope, healing, support, and counsel in the context of the Christian community.

Genesis 1:26-27; 2:7; Exodus 20:13; Job 31:15; Psalm 139:13-16; Amos 1-2; Matthew 6:25-27; 25:31-46; John 10:11

15. STEWARDSHIP

GOD'S CREATION MANDATE

We believe the universe and everything in it belong to God the Creator. God has entrusted the care of the earth to all people, who are responsible for managing its resources. Good stewardship uses the earth's abundance to meet human need, but resists the unjust exploitation of the earth and its peoples. All God's gifts are to be received with thanksgiving and used responsibly.

RESPONSIBLE LIVING

To confess Jesus as Lord transforms values. Jesus warns that we cannot serve both God and wealth. Preoccupation with money and possessions, self-indulgent living, and eagerness to accumulate wealth for personal advantage are not in keeping with the teachings of Scripture.

GENEROUS GIVING

The Bible teaches cheerful, sacrificial, and proportional giving through the church in grateful response to God's goodness. Christians do not claim any of their possessions as their own, but manage all their resources, including money, time, abilities, and influence, in generous ways that give glory to God. They do not despise the poor but practice mutual aid within the church and share what they have with others in need. God's people seek to embrace a lifestyle of simplicity and contentment.

Genesis 1:28; Leviticus 25; Deuteronomy 15:7-11; Psalm 24:1; 115:16; Proverbs 14:31; Amos 6:4-7; Malachi 3:6-10; Matthew 6:19-34; 25:14-30; Luke 6:38; 12:13-21; Acts 2:42-47; 4:32-37; 1 Corinthians 4:7; 16:2; 2 Corinthians 8-9; Galatians 6:7; Ephesians 4:28; 1 Timothy 6:6-10, 17-19; James 2:1-7, 15-16; 5:1-6; 1 John 3:16-18; Jude 11

16. WORK, REST AND THE LORD'S DAY

We believe that God's act of creation is the model for human activity. While sin has corrupted work and rest, redeemed people are called to restore labour and rest to their proper place.

WORK

As creatures made in the image of God, Christians imitate the Creator by working faithfully as they are able. They are to use their abilities and resources to glorify God and to serve others. Because they bear the name of Christ, all believers are called to work honestly and diligently and to treat others with respect and dignity.

REST

As God rested on the seventh day, people are called to observe regular times of rest. Rest is an act of thankfulness for what God has provided. Rest is also an act of trust, reminding humans that it is not their work but God who sustains them. Finally, rest is an act of hope, anticipating the future rest assured by the resurrection of Jesus.

THE LORD'S DAY

Following the New Testament example, believers gather to commemorate the resurrection of Christ on the first day of the week. On the Lord's Day, believers joyfully devote themselves to worship, instruction in the Word, prayer, breaking of bread, fellowship and service. They limit their labour to work of necessity and deeds of mercy.

Genesis 1:26-2:3, 15; 3:14-19; Exodus 20:8-11; Leviticus 25:1-7; Deuteronomy 5:12-15; Psalm 46:10; 95:6-11; Ecclesiastes 3:13; Mark 2:23-3:6; Luke 24:1-36; Acts 2:42-47; 20:7; Romans 14:5-10; 1 Corinthians 16:2; Ephesians 6:5-9; Colossians 2:16-17; 3:22-4:1; 2 Thessalonians 3:6-10; Hebrews 4:1-10; 10:23-25; Revelation 1:10

17. CHRISTIANITY AND OTHER FAITHS

JESUS IS THE ONLY WAY

We believe that the saving grace of God in Jesus is the only means of reconciling humanity with God. Although salvation is available to all, only those who put their faith in the Lord Jesus Christ have the assurance of eternal life.

GOD'S UNIVERSAL WITNESS

God has not left anyone without a witness to the Creator's goodness and power. Due to human rebellion, people have chosen to suppress the truth. While elements of truth may be found in other religions, Scripture warns against false teachings. Christians treat people of other faiths and philosophies with respect, but lovingly and urgently proclaim Christ as the only way of salvation for all peoples.

SOVEREIGNTY OF GOD

God loves the world and does not want anyone to perish. In sovereign grace, God may communicate with people in ways that are beyond human comprehension. The Bible teaches that those who reject the gospel are under divine judgment; the eternal destiny of those who have never heard the gospel is in God's hands. Our task is to proclaim Christ as the only way of salvation to all people in all cultures. The Judge of all the earth will do what is just.

Genesis 18:25; Psalm 19:2-4; Ecclesiastes 3:11; Isaiah 46:1-10; 55:8-9; Ezekiel 33:1-20; Jonah 1-4; Matthew 8:5-13; 25:31-46; 28:18-20; Mark 7:24-30; Luke 9:51-56; 12:47-48; John 1:12; 3:16, 36; 4:8-42; 12:12-26; 14:6; Acts 1:8; 4:12; 10:1-8, 34-36; 14:16-17; 17:22-31; Romans 1:18-24; 2:1-16; 10:9-21; 11:33-35; 1 Corinthians 3:11; 12:3; 1 Timothy 2:4-5; 2 Peter 3:9; Revelation 20:15

18. CHRIST'S FINAL TRIUMPH

We believe that our Lord Jesus Christ will return visibly and triumphantly at the end of the present age. The church must always be prepared to meet the Lord, living in expectation of his imminent return.

THE LAST DAYS

In these last days, between the first and second coming of Christ, the church carries out its mission in the world. Believers often endure suffering and persecution because of their witness to Christ. In spite of opposition by evil powers, the church is assured of the final victory of Christ's kingdom. These last days come to an end with Christ's return.

DEATH

Since Christ destroyed the power of death through his resurrection, believers need not be afraid of death, the last enemy. Christ's followers go to be with the Lord when they die. When Christ returns, they will be raised and receive new bodies. Believers who are alive at Christ's coming will be transformed and will also receive new and glorious bodies, fit for life in God's eternal kingdom.

JUDGMENT

When Christ returns, he will destroy all evil powers, including the Antichrist. Satan and all those who have rejected Christ will be condemned to eternal punishment in hell, forever separated from the presence of God. Believers must appear before the judgment seat of Christ to have their lives examined and their labours rewarded. By God's grace, they will enter into the joy of God's eternal reign.

THE NEW CREATION

All God's children will be united with Christ when he appears and will reign with him in glory. Pain, sorrow, and death will be abolished and the redeemed will be gathered into the new heaven and new earth, where together with the angels they will worship God forever. God will make all things new and God will be all in all. This is the blessed hope of all believers.

Matthew 24:29-31; 25:13; Mark 13:32-37; Luke 16:9; 23:43; John 14:1-3; Acts 2:17; Romans 8:18-22; 1 Corinthians 3:13-15; 15:26; 2 Corinthians 5:10; Philippians 1:23; 1 Thessalonians 4:13-18; 5:1-11; 2 Thessalonians 1:5-12; 2:1-12; Titus 2:13; Hebrews 1:2; 9:26-28; 1 Peter 1:20; 4:7; 1 John 2:18; 3:2-3; Revelation 19:17-21; 20:7-15; 21-22

Appendix B – Listing of Provincial Conferences

The following provincial conferences are recognized by the Canadian Conference of Mennonite Brethren Churches:

- AEFMQ, L'Association des Églises des frères mennonites du Québec
- OCMB, Ontario Conference of Mennonite Brethren Churches
- MBCM, Mennonite Brethren Church of Manitoba
- SKMB, Saskatchewan Conference of Mennonite Brethren Churches
- ABMB, Alberta Conference of Mennonite Brethren Churches
- BCMB, British Columbia Conference of Mennonite Brethren Churches

Financial Statements of

CCMBC INVESTMENTS LTD.

And Independent Auditors' Report thereon

For the period from May 14, 2019 to December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Shareholders of CCMBC Investments Ltd.

Opinion

We have audited the financial statements of CCMBC Investments Ltd. (the "Entity"), which comprise the statement of financial position as at December 31, 2019, the statements of comprehensive loss, deficiency and cash flows for the period from May 14, 2019 to December 31, 2019, and notes to the financial statements, comprising a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial performance and its cash flows for the period from May 14, 2019 to December 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

April 29, 2020

CCMBC INVESTMENTS LTD.

Statement of Financial Position

As at December 31, 2019

	Note	December 31, 2019
Assets		
Cash		\$ 25,754,691
Due from related party	10	16,400
Other investments	5	40,385,643
Mortgage investments	4	82,711,769
Deferred tax assets	11	202,417
Total assets		\$ 149,070,920
Liabilities and Deficiency		
Accounts payable and accrued liabilities		\$ 473,392
Income taxes payable	11	83,548
Promissory notes	6	147,721,475
Preferred shares	7	1,114,500
Total liabilities		149,392,915
Deficiency		(321,995)
Subsequent events	7,17	
Total liabilities and equity		\$ 149,070,920

The accompanying notes form an integral part of these financial statements.

On behalf of the Board:

"Howard Wall" Director

"Michael Dick" Director

CCMBC INVESTMENTS LTD.

Statement of Comprehensive Loss

For the period from May 14, 2019 to December 31, 2019

	Note	Period ended December 31, 2019
Investment income:		
Mortgage interest	4	\$ 1,184,620
Income from other investments		733,041
Other income		22,344
Net realized gain on sale of other investments		428,522
		<u>2,368,527</u>
Expenses:		
Interest on promissory notes	6	1,454,000
Interest on preferred shares	7	3,794
Management fees	9, 10	146,867
Investment management fees	9	199,102
General and administrative		345,167
Donation to related party	10	125,000
		<u>2,273,930</u>
Net income before other income (expenses)		94,597
Other income (expenses):		
Change in unrealized appreciation in value of other investments		294,906
Provision for credit losses	4	(830,467)
		<u>(535,561)</u>
Net loss before taxes		(440,964)
Income taxes (recovery):		
Current	11	83,548
Deferred	11	(202,417)
		<u>(118,869)</u>
Net comprehensive loss		<u>\$ (322,095)</u>

The accompanying notes form an integral part of these financial statements.

CCMBC INVESTMENTS LTD.

Statement of Deficiency

For the period from May 14, 2019 to December 31, 2019

	Note	Common share	Deficit	Total equity
Net comprehensive loss for the period		\$ -	\$ (322,095)	\$ (322,095)
Issuance of common share	8	100	-	100
December 31, 2019		\$ 100	\$ (322,095)	\$ (321,995)

The accompanying notes form an integral part of these financial statements.

CCMBC INVESTMENTS LTD.

Statement of Cash Flows

For the period from May 14, 2019 to December 31, 2019

	Note	December 31, 2019
Cash flows from (used in) operating activities:		
Net comprehensive loss		\$ (322,095)
Adjustments for:		
Net realized gains on sale of other investments		(428,522)
Change in unrealized appreciation in value of other investments		(294,906)
Amortization of transaction costs	6	34,870
Provision for credit losses	4	830,467
Income taxes	11	83,548
Deferred taxes	11	(202,417)
Mortgage interest	4	(1,184,620)
Interest on promissory notes	6	1,419,130
Interest on preferred shares	7	3,794
Change in non-cash operating items:		
Accounts payable and accrued liabilities		473,392
Funding of mortgage investments	4	(2,524,391)
Mortgage repayments	4	3,797,886
Purchase of other investments		(40,506,363)
Proceeds from sale of other investments		65,695,702
Mortgage interest received		1,127,755
Interest paid on promissory notes		(33,026)
Interest paid on preferred shares		(48)
		<u>27,970,156</u>
Cash flows from (used in) financing activities:		
Proceeds on issuance of promissory notes	6	7,020,017
Repayment of promissory notes	6	(5,741,796)
Proceeds from issuance of preferred shares	7	11,500
Repayment on redemption of preferred shares	7	(33,500)
Issuance of common share	8	100
Change in due to related parties	10	(3,471,786)
		<u>(2,215,465)</u>
Increase in cash		25,754,691
Cash, beginning of period		–
Cash, end of period		<u>\$ 25,754,691</u>

Excluded from proceeds on issuance of promissory notes, proceeds from issuance of preferred shares in financing activities, transaction costs paid, and change in due to related parties in financing activities and funding of mortgage investments and acquisition of other investments in operating activities are amounts related to the initial issuance of promissory notes and preferred shares and the acquisition of mortgages and other investments as described in note 1.

The accompanying notes form an integral part of these financial statements.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements

For the period from May 14, 2019 to December 31, 2019

1. Organization of the Company:

CCMBC Investments Ltd. (the "Company") was incorporated under the *Canadian Business Corporations Act* on May 14, 2019. The Company commenced active operations on August 30, 2019. The head office of the Company is located at 1310 Taylor Avenue Winnipeg, Manitoba, Canada.

The Company's objective is to facilitate the raising of funds to accomplish the charitable purposes of Canadian Conference of the Mennonite Brethren Church of North America (CCMBC) and CCMBC Legacy Fund Inc. (Legacy or Manager). The Company issues redeemable preferred shares (preferred shares) and promissory notes (promissory notes) to facilitate the lending of money secured by mortgages for Mennonite Brethren Churches (MB Churches), pastors of Mennonite Brethren Churches (MB Church Pastors) and other Mennonite Brethren and affiliated institutions such as schools and camps (MB Church Entities). Any excess funds not required for lending are invested in other investments pursuant to specified investment guidelines.

The Company is managed by Legacy, a registered charity.

On August 30, 2019, as described in an Offering Memorandum dated July 17, 2019, CCMBC, Legacy and the Company completed a reorganization resulting in assets consisting of mortgage investments and other investments of \$149,610,420 in the aggregate being transferred by CCMBC to the Company. Pursuant to the reorganization, the Company issued 1,136,500 preferred shares for \$1,136,500 and issued promissory notes in the amount of \$145,758,413 to certain of the former investors in the CCMBC deposit note program. The subscription price for the issuance of these preferred shares and promissory notes was satisfied by the transfer of the mortgage investments and other investments from CCMBC to the Company. The excess of the mortgage investments and other investments over the promissory notes and preferred shares of \$2,715,507 was included in due to related parties (note 10). Transaction costs of \$739,879 (note 6) were incurred related to the issuance of the promissory notes which were paid by CCMBC and included in due to related parties by the Company (note 10).

2. Basis of preparation:

(a) Statement of compliance:

The financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors and authorized for issue on April 29, 2020.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

2. Basis of preparation (continued):

(b) Basis of measurement:

The financial statements have been prepared on a going concern and historical cost basis, except for other investments which are measured at fair value through profit or loss (FVTPL).

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Critical accounting estimates, assumptions and judgments:

The preparation of financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and liabilities. Actual results could differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant items subject to estimates and assumptions include:

Measurement of expected credit losses:

The determination of expected credit losses takes into account different factors and varies by nature of mortgage investment. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which would require an increase or decrease in the expected credit loss. Refer to note 3(b).

Fair value measurement:

Where the fair values of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, they are determined using a variety of valuation techniques that may include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, estimates are required to establish fair values. The Company's other investments consist of investments in private investment funds and are valued based on the net asset value of each of the investment funds.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

2. Basis of preparation (continued):

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include:

Classification of mortgage investments:

Mortgage investments are classified based on the business model for managing assets and the contractual cash flow characteristics of the asset. The Company exercises judgment in determining both the business model for managing the assets and whether cash flows of the financial asset comprise solely payments of principal and interest.

Income taxes:

The Company is subject to income taxes in different jurisdictions. Judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

3. Significant accounting policies:

(a) Cash:

Cash is comprised of cash balances held on deposit.

(b) Financial instruments:

(i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: fair value through profit or loss (FVTPL), amortized cost or fair value through other comprehensive income (FVOCI) based on the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial instruments at FVTPL are recognized initially on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Company's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statements of comprehensive income in the period in which they occur. The Company classifies its other investments as measured at FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

The Company uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost:

Financial instruments classified as amortized cost include financial assets that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and financial liabilities not classified as FVTPL. Such financial assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of these financial assets and financial liabilities is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Company classifies cash, investment income receivable, mortgage investments, accounts payable and accrued liabilities, due to related parties, promissory notes payable and preference shares as measured at amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

(iv) Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

(v) Offsetting:

Financial assets and liabilities are offset and the net amount presented in the statements of financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. At December 31, 2019, no amounts have been offset in the statement of financial position.

(vi) Impairment of financial assets:

The Company recognizes loss allowances for expected credit loss (ECL) on financial assets measured at amortized cost. The Company applies a three-stage approach to measure allowance for credit losses. The Company measures the loss allowance at an amount equal to 12 months of expected losses for performing mortgages if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on performing mortgages that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses on mortgages which are credit impaired (Stage 3).

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

The determination of a significant increase in credit risk takes into account different factors and varies by nature of investment. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due interest payment or maturity date, or pursuant to borrower specific relative criteria as identified by the Manager.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonably and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

The Company considers a financial asset to be credit impaired when the borrower is more than 90 days past due or when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest or/and when the Company has commenced enforcement remedies available to it under its contractual agreements.

The assessment of significant increase in credit risk requires experienced credit judgment. In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, the Manager relies on estimates and exercises judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

In cases where a borrower experiences financial difficulties, the Company may grant certain concessionary modifications to the terms and conditions of a mortgage. Modifications may include payment deferrals, extension of amortization periods, debt consolidation, forbearance and other modifications intended to minimize the economic loss and to avoid foreclosure or repossession of collateral. The Company determines the appropriate remediation strategy based on the individual borrower. If the Company determines that a modification results in expiry of cash flows, the original asset is derecognized while a new asset is recognized based on the new contractual terms.

Significant increase in credit risk is assessed relative to the risk of default on the date of modification. If the Company determines that a modification does not result in derecognition, significant increase in credit risk is assessed based on the risk of default at initial recognition of the original asset.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. For mortgages that were modified while having a lifetime ECL, the mortgages can revert to having 12-month ECL after a period of performance and improvement in the borrower's financial condition.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset. Lifetime ECLs are the ECLs that result from all possible default event over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). 12 month and lifetime probabilities of default are based on historical data from external credit rating agencies. Loss given default parameters generally reflect an assumed recovery rate of 80 percent. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining the expected credit loss provision, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Manager considers past events, current market conditions and reasonable forward-looking supportable information about future economic conditions. In considering the lifetime of a mortgage, the contractual period of the mortgage, including prepayment, extension and other options is generally used.

Credit-impaired financial assets

Allowances for Stage 3 are recorded for individually identified impaired mortgages to reduce their carrying value to the expected recoverable amount. The Company reviews its mortgage investments on an ongoing basis to assess whether any mortgages carried at amortized cost should be classified as credit impaired and whether an allowance or write-off should be recorded. The review of individually significant problem mortgages is conducted at least quarterly by the Manager, who assesses the ultimate collectability and estimated recoveries for a specific mortgage based on all events and conditions that are relevant to the mortgage. To determine the amount the Company expects to recover from an individually significant impaired mortgage, the Company uses the value of the estimated future cash flows discounted at the mortgage's original effective interest rate. The determination of estimated future cash flows of a collateralized impaired mortgage reflects the expected realization of the underlying security, net of expected costs and any amounts legally required to be paid to the borrower.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial asset measured at amortized cost are deducted from the gross carrying amount of the asset.

Write-offs

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write-off. The Company expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(c) Preferred shares:

The Company's preferred shares include a contractual obligation to deliver cash or another financial asset and therefore the ongoing redemption feature is not the Company's only contractual obligation. As such, the Company's preferred shares are classified as financial liabilities in accordance with International Accounting Standard 32, *Financial Instruments: Presentation*.

(d) Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

3. Significant accounting policies (continued):

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

4. Mortgage investments:

As described in note 1, pursuant to an Offering Memorandum dated July 17, 2019, the Company acquired mortgage investments with a fair value of \$84,758,866 on August 30, 2019 including accrued interest of \$430,717. Of the mortgage investments acquired, \$4,027,652 were purchased credit-impaired (POCI) consisting of \$7,598,394 in book value and expected credit losses of \$3,570,742.

As at December 31, 2019	Mortgage investments	
Mortgage investments	\$	83,054,654
Interest receivable		487,582
		83,542,236
Allowance for credit losses		(830,467)
Mortgage investments at amortized cost	\$	82,711,769

As at December 31, 2019, unadvanced mortgage commitments under the existing gross mortgage investments amounted to \$4,948,405. The mortgage investments are secured by real property and will mature between 2020 and 2044. During the period ended December 31, 2019 the Company generated net interest income of \$1,184,620.

All mortgage investments bear interest at a variable rate. At December 31, 2019, the interest rate on mortgages to MB Churches and MB Church Entities is 4.15 percent and for MB Church Pastors is 3.90 percent. The Company reviews the interest rates every six months and adjusts the rates, as required, to ensure a positive difference between its outstanding promissory notes and the mortgage investments. During the period ended December 31, 2019, the weighted average interest rate earned on net mortgage investments was 4.14 percent.

A majority of the mortgage investments contain a prepayment option, whereby the borrower may repay the principal at any time prior to maturity without penalty or yield maintenance.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

4. Mortgage investments (continued):

If not demanded, principal repayments are expected as follows:

2020	\$	5,879,462
2021		3,893,341
2022		3,754,194
2023		3,784,539
2024 and thereafter		69,313,860
	\$	86,625,396

Allowance for Credit Losses:

The allowance for credit losses is maintained at a level that the Company considers adequate to absorb expected credit-related losses on the mortgage investments. The allowance for credit losses amounted to \$830,467 as at December 31, 2019 which is recorded in mortgage investments on the statement of financial position. Certain mortgage investments held by the Company do not have an allowance for credit losses due to the value of the underlying collateral.

MB Churches	Stage 1	Stage 2	Stage 3	POCI	Total
Mortgage investments, including interest receivable	\$51,340,125	\$7,813,738	\$ –	\$1,535,218	\$ 60,689,081
Allowance for credit losses	(52,554)	(644,811)	–	(37,722)	(735,087)
Mortgage investments, net of allowance	\$51,287,571	\$7,168,927	\$ –	\$1,497,496	\$ 59,953,994

MB Church Entities	Stage 1	Stage 2	Stage 3	POCI	Total
Mortgage investments, including interest receivable	\$16,029,245	\$ –	\$ –	\$2,495,789	\$ 18,525,034
Allowance for credit losses	(65,546)	–	–	(15,206)	(80,752)
Mortgage investments, net of allowance	\$15,963,699	\$ –	\$ –	\$2,480,583	\$ 18,444,282

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

4. Mortgage investments (continued):

MB Church Pastors	Stage 1	Stage 2	Stage 3	POCI	Total
Mortgage investments, including interest receivable	\$ 3,714,580	\$ 613,541	\$ –	\$ –	\$ 4,328,121
Allowance for credit losses	(9,328)	(5,300)	–	–	(14,628)
Mortgage investments, net of allowance	\$ 3,705,252	\$ 608,241	\$ –	\$ –	\$ 4,313,493

The changes in the allowance for credit losses are shown in the following tables:

MB Churches	Stage 1	Stage 2	Stage 3	POCI	Total
Balance, beginning of period	\$ –	\$ –	\$ –	\$ –	\$ –
Transfer to/from:					
Stage 1	–	–	–	–	–
Stage 2	(211,619)	211,619	–	–	–
Stage 3	–	–	–	–	–
Remeasurement	(2,520)	399,400	–	37,722	434,602
Purchases	267,672	–	–	–	267,672
Fundings	–	33,792	–	–	33,792
Repayments	(979)	–	–	–	(979)
Write-offs	–	–	–	–	–
Balance, end of period	\$ 52,554	\$ 644,811	\$ –	\$ 37,722	\$ 735,087

MB Church Entities	Stage 1	Stage 2	Stage 3	POCI	Total
Balance, beginning of period	\$ –	\$ –	\$ –	\$ –	\$ –
Transfer to/from:					
Stage 1	–	–	–	–	–
Stage 2	–	–	–	–	–
Stage 3	–	–	–	–	–
Remeasurement	7	–	–	15,206	15,213
Purchases	66,044	–	–	–	66,044
Fundings	–	–	–	–	–
Repayments	(505)	–	–	–	(505)
Write-offs	–	–	–	–	–
Balance, end of period	\$ 65,546	\$ –	\$ –	\$ 15,206	\$ 80,752

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

4. Mortgage investments (continued):

MB Church Pastors	Stage 1	Stage 2	Stage 3	POCI	Total
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to/from:					
Stage 1	-	-	-	-	-
Stage 2	(3,110)	3,110	-	-	-
Stage 3	-	-	-	-	-
Remeasurement	(945)	2,234	-	-	1,289
Purchases	13,017	-	-	-	13,017
Fundings	507	-	-	-	507
Repayments	(141)	(44)	-	-	(185)
Write-offs	-	-	-	-	-
Balance, end of period	\$ 9,328	\$ 5,300	\$ -	\$ -	\$ 14,628

The internal risk ratings presented in the table below are defined as follows:

Low risk: Mortgage investments that have lower credit risk than the Company's risk appetite and credit standards and that have a below average probability of default.

Medium-low risk: Mortgage investments that are typical for the Company's risk appetite and credit standards and retain a below average probability of default.

Medium-high risk: Mortgage investments that are within the Company's risk appetite and credit standards and retain an average probability of default.

High risk: Mortgage investments within the Company's risk appetite and credit standards that have an additional element of credit risk that could result in an above average probability of default.

Default: Mortgage investments that are 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest and/or when the Company has commenced enforcement remedies available to it under its contractual agreements.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

4. Mortgage investments (continued):

The following table presents the gross carrying amounts of mortgage investments subject to impairment requirements by internal risk ratings used by the Company for credit risk management purposes:

MB Churches	Stage 1	Stage 2	Stage 3	POCI	Total
Low risk	\$ 16,819,668	\$ –	\$ –	\$ –	\$ 16,819,668
Medium-low risk	28,066,335	–	–	–	28,066,335
Medium-high risk	5,866,825	181,036	–	–	6,047,861
High risk	587,297	7,632,702	–	–	8,219,999
Default	–	–	–	1,535,218	1,535,218
Gross mortgage investments	51,340,125	7,813,738	–	1,535,218	60,689,081
Allowance for credit losses	(52,554)	(644,811)	–	(37,722)	(735,087)
Mortgage investments, net of allowance	\$ 51,287,571	\$ 7,168,927	\$ –	\$ 1,497,496	\$ 59,953,994

MB Church Entities	Stage 1	Stage 2	Stage 3	POCI	Total
Low risk	\$ 5,451,790	\$ –	\$ –	\$ –	\$ 5,451,790
Medium-low risk	10,252,446	–	–	–	10,252,446
Medium-high risk	325,009	–	–	–	325,009
High risk	–	–	–	–	–
Default	–	–	–	2,495,789	2,495,789
Gross mortgage investments	16,029,245	–	–	2,495,789	18,525,034
Allowance for credit losses	(65,546)	–	–	(15,206)	(80,752)
Mortgage investments, net of allowance	\$ 15,963,699	\$ –	\$ –	\$ 2,480,583	\$ 18,444,282

MB Church Pastors	Stage 1	Stage 2	Stage 3	POCI	Total
Low risk	\$ 1,647,954	\$ –	\$ –	\$ –	\$ 1,647,954
Medium-low risk	1,657,048	–	–	–	1,657,048
Medium-high risk	–	143,408	–	–	143,408
High risk	409,578	470,133	–	–	879,711
Default	–	–	–	–	–
Gross mortgage investments	3,714,580	613,541	–	–	4,328,121
Allowance for credit losses	(9,328)	(5,300)	–	–	(14,628)
Mortgage investments, net of allowance	\$ 3,705,252	\$ 608,241	\$ –	\$ –	\$ 4,313,493

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

4. Mortgage investments (continued):

Geographic analysis:

December 31, 2019	MB Churches	MB Church Entities	MB Church Pastors	Total
British Columbia	\$ 41,770,583	\$ 7,290,417	\$ 2,158,334	\$ 51,219,334
Ontario	6,916,425	9,898,990	636,615	17,452,030
Alberta	6,662,379	160,553	–	6,822,932
Saskatchewan	653,743	834,858	412,718	1,901,319
Manitoba	3,702,883	–	508,896	4,211,779
Quebec	114,890	259,463	596,931	971,284
Atlantic Provinces	133,091	–	–	133,091
	<u>\$ 59,953,994</u>	<u>\$ 18,444,281</u>	<u>\$ 4,313,494</u>	<u>\$ 82,711,769</u>

5. Other investments:

As described in note 1, pursuant to an Offering Memorandum dated July 17, 2019, the Company acquired other investments with a fair value of \$64,851,554 on August 30, 2019. The Company's other investments consist of the following at December 31, 2019 which are unconsolidated structured entities (note 13):

	December 31, 2019
Private mortgage funds	\$ 3,002,464
Private fixed income funds	37,383,179
	<u>\$ 40,385,643</u>

Prior to December 31, 2019, the Company redeemed certain other investments in the amount of \$20,391,346 for which the cash was in-transit at December 31, 2019. Subsequent to December 31, 2019, these funds were re-invested in other investments.

6. Promissory notes:

The Company is authorized to issue an unlimited number of promissory notes which can be issued in one or more series. The initial minimum subscription amount for each holder of a promissory note is \$2,500. The promissory notes are payable on demand and bear interest at a variable interest rate which is determined on January 1 and July 1 of each year. The variable interest rate is equal to the overnight lending rate of the Bank of Canada plus 115 basis points. Interest is compounded and payable on a semi-annual basis on June 30 and December 31 of each year.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

6. Promissory notes (continued):

As described in note 1, pursuant to an Offering Memorandum dated July 17, 2019, the Company issued promissory notes of \$145,758,413 on August 30, 2019. Aggregate transaction costs incurred related to the offering of the promissory notes were \$739,879 which are amortized using the effective interest rate method over five years.

The following table summarizes the promissory notes as at December 31, 2019:

	2019
Promissory notes	\$ 148,426,484
Less: transaction costs	705,009
	<u>\$ 147,721,475</u>

The following table summarizes activity for the promissory notes for the period ending December 31, 2019:

	Note	2019
Promissory notes issued		\$ 152,778,430
Transaction costs		(739,879)
Promissory notes repaid		(5,741,796)
Amortization of transaction costs		34,870
Interest on promissory notes		1,419,130
Transfer of interest on preferred shares	7	3,746
Interest paid		(33,026)
Balance, end of period		<u>\$ 147,721,475</u>

7. Preferred shares:

Preferred shares are issued on the first \$500 invested by an investor in the Company with the remainder invested in promissory notes. The preferred shares are redeemable at the option of the holder for \$1, with a minimum of fourteen days' notice to the Company. The preferred shares are not entitled to vote at any meetings of shareholders, except where otherwise provided by the Canada Business Corporations Act, and, in such case, they shall then be entitled to one vote for each preferred share held. The preferred shares are entitled in each financial year of the Company, cumulative dividends at a rate equal to 1 percent of the redemption amount of \$1 per preferred share. Individual holders of preferred shares must subscribe for 500 preferred shares and no holder of preferred shares can hold more than 500 preferred shares.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

7. Preferred shares (continued):

Pursuant to an Offering Memorandum dated July 17, 2019, the Company issued 1,136,500 preferred shares for cash consideration of \$1,136,500 on August 30, 2019.

The following tables summarize the preferred shares as at December 31, 2019:

	Number	Amount
Authorized:		
Unlimited preferred shares, non-voting, cumulative dividend entitlement of 1 percent of the redemption amount annually, redeemable at the option of the holder for \$1	1,114,500	\$ 1,114,500

The following table summarizes activity for the preferred shares for the period ending December 31, 2019:

	Note	2019
Preferred shares issued		\$ 1,148,000
Preferred shares repurchased		(33,500)
Accrued interest		3,794
Interest paid		(48)
Transfer of interest to promissory notes	6	(3,746)
Balance, end of period		\$ 1,114,500

On January 1, 2020, 256,000 preferred shares in the amount of \$256,000 were redeemed and the amount was transferred to the applicable preferred shareholder's promissory notes (note 6).

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

8. Share capital:

On May 14, 2019, the Company issued 1 common share for cash consideration of \$100 to Legacy.

	Number	Amount
Authorized and issued: 1 common share	1	\$ 100

9. Management and investment management fees:

The Company is managed by Legacy. For the period ended December 31, 2019, the Company incurred management fees of \$146,867 which are included in due to related parties at December 31, 2019.

The Company has entered into an Investment Management and Distribution Agreement with a third party that can be cancelled at any time on written notice without penalty. The investment management fees are as follows:

- \$400,000 on the first \$30,000,000 of assets under management (AUM)
- 0.80% on AUM from \$30,000,000 to \$50,000,000
- 0.60% on AUM from \$50,000,000 to \$150,000,000

10. Related party transactions:

The Company is managed by Legacy and pays management fees as described in note 9.

During the period ended December 31, 2019, the Company acquired mortgage investments and other investments from CCMBC as described in note 1.

During the period ended December 31, 2019, the Company donated \$125,000 to Legacy.

At December 31, 2019, the Company had a receivable in the amount of \$16,400 from Legacy which is due on demand with no specified terms of repayment.

Key management personnel

During the period ended December 31, 2019, no amounts were paid to the Company's Board of Directors. The compensation to the senior management of Legacy is paid through management fees paid to Legacy.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

11. Income taxes:

Components of income tax expense:

	2019
Current tax expense	\$ 83,548
Deferred tax recovery	(202,417)
Total income tax recovery	\$ (118,869)

Reconciliation of total tax recovery:

	2019
Loss before tax	\$ (440,965)
Combined federal and provincial statutory tax rates	27%
Expected income taxes using combined statutory rates	(119,060)
Effects of other differences, net	191
Total income tax recovery	\$ (118,869)

Deferred tax at December 31, 2019:

	Statement of financial position December 31, 2019
Provision for credit losses	\$ 211,364
Transaction costs	(8,947)
Net deferred tax assets	\$ 202,417

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

12. Fair value measurement:

When measuring the fair value of an asset or of a liability, the Company uses market observable data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between levels during the period ended December 31, 2019.

The Company's other investments are carried at fair value and fair value is based on level 2 inputs.

There is no quoted price in an active market for the mortgage investments. The Manager makes its determination of fair value based on its assessment of the current lending market for the mortgage investments of same or similar terms. As a result, the fair value of mortgage investments is based on level 3 inputs.

The promissory notes and preferred shares are due on demand and therefore their fair values approximate their carrying values. The fair values of the remaining financial assets and liabilities carried at amortized cost approximate their carrying values due to their short maturity.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

13. Interest in unconsolidated structured entities:

The table below describes the types of structured entities that the Company does not consolidate, but in which it holds an interest:

Type of structured entity	Nature and purpose	Interest held by the Company
Investments funds	To manage assets on behalf of third party investors and generate fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investment in units issued by the funds

The tables below set out interests held by the Company in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held.

December 31, 2019				
Underlying funds	Number of underlying funds held	Total net assets of underlying funds	Carrying amount	
Private mortgage funds	2	\$ 171,269,006	\$ 3,002,464	
Private fixed income funds	2	92,075,223	37,783,179	
Underlying funds	Principal place of business	Country of domicile	Average cost	Carrying amount included in other investments
Private mortgage funds	Canada	Canada	\$ 3,002,464	\$ 3,002,464
Private fixed income funds	Canada	Canada	37,088,273	37,383,179
Total			\$ 40,090,737	\$ 40,385,643

During the period, the Company did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support. The Company can redeem their investment in the underlying funds weekly.

The Company has determined the funds (Investee Funds) in which it invests are unconsolidated structured entities generally because decision making about the Investee Funds' investing activities is not governed by voting rights held by the Company and other investors.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

13. Interest in unconsolidated structured entities (continued):

The Investee Funds are managed by an asset manager who is unrelated to the Company (note 9) and applies various investment strategies to accomplish their respective investment objectives. These objectives include generating income and cash flow along with capital appreciation by investing in fixed income securities and mortgages. The Investee Funds invest in unconsolidated structured entities (investment funds) which comprise approximately 59 percent of the aggregate net assets of the private fixed income funds.

The change in fair value of each Investee Fund is included in the statement of income and comprehensive income in 'Change in unrealized appreciation in value of other investments'.

14. Guarantees:

On August 22, 2019, and as amended October 25, 2019, CCMBC and Legacy entered into Letter Agreements with the Bank of Montreal providing for operating facilities for use by CCMBC and Legacy. The Company has provided a guarantee in the amount of \$3,000,000 and a general security agreement over the assets of the Company to the Bank of Montreal as part of the security for the operating facility of Legacy. The Company has provided a guarantee in the amount of \$400,000 and a general security agreement over the assets of the Company to the Bank of Montreal as part of the security for the operating facility of CCMBC.

At December 31, 2019, the operating facilities for use by CCMBC and Legacy were unutilized.

15. Capital risk management:

The Company manages its capital structure in order to support ongoing operations while focusing on its primary objectives of raising funds to accomplish the charitable purposes of CCMBC and Legacy. The Company defines its capital structure to include common shares, promissory notes and preferred shares. The Company reviews its capital structure on an ongoing basis and adjusts its capital structure in response to mortgage investment opportunities and anticipated changes in general economic conditions.

The Company utilizes mortgage investment policies to manage the risk profile of the mortgage investments and investment guidelines to manage the risk profile of its other investments.

16. Risk management:

The Company is exposed to the symptoms and effects of national and global economic conditions and other factors that could adversely affect its business, financial condition and operating results. Many of these risk factors are beyond the Company's direct control.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

16. Risk management (continued):

The Manager and Board of Directors play an active role in monitoring the Company's key risks and in determining the policies that are best suited to manage these risks.

The Company's business activities, including its use of financial instruments, exposes the Company to various risks, the most significant of which are market rate risk (interest rate risk), credit risk, and liquidity risk.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of financial assets or financial liabilities will fluctuate because of changes in market interest rates.

As of December 31, 2019, \$82,711,769 of net mortgage investments bear interest at variable rates. If there were a decrease or increase of 1 percent in interest rates, with all other variables constant, the impact from variable rate mortgage investments would be a decrease or increase in net comprehensive loss of approximately \$282,000.

As of December 31, 2019, \$147,721,475 of promissory notes bear interest at variable rates. If there was a decrease or increase of 1 percent in interest rates, with all other variables constant, the impacting from variable rate promissory notes would be a decrease or increase in net comprehensive loss of approximately \$489,000.

The Company manages its sensitivity to interest rate fluctuations by managing the interest rate spread between its promissory notes and mortgage investments.

The Company's cash, other investment income receivable, accounts payable and accrued liabilities and due to related parties have no exposure to interest rate risk due to their short-term nature. Cash carries a variable rate of interest and is subject to minimal interest rate risk and the preferred shares have no exposure to interest rate risk due to their fixed interest rate.

The Company is also exposed to interest rate risk through its investments in Investee Funds (note 13).

The Investee Funds are exposed to interest rate risk through their investments in interest-bearing financial instruments and in underlying funds exposed to interest rate risk. The Investee Funds have high-yield (or below investment grade) exposure to mortgages and therefore net assets tend to be affected more by changes in economic growth than changes in interest rates.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements (continued)

For the period from May 14, 2019 to December 31, 2019

16. Risk management (continued):

(b) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant direct exposure, or indirect exposure through its investment in Investee Funds, to currency risk at December 31, 2019.

(c) Credit risk:

Credit risk is the risk that a borrower may be unable to honour its debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. The Company mitigates this risk by the following:

- (i) adhering to the mortgage investment policies and investment guidelines (subject to certain duly approved exceptions);
- (ii) ensuring all new mortgage investments over a pre-determined threshold are approved by the Board of Directors, and by appropriate members of management below a pre-determined threshold before funding; and
- (iii) actively monitoring the mortgage investments and initiating recovery procedures, in a timely manner, where required.

The exposure to credit risk at December 31, 2019 relating to net mortgages amounts to \$82,711,769.

The Company has recourse under these mortgages in the event of default by the borrower; in which case, the Company would have a claim against the underlying collateral. Management believes that the potential loss from credit risk with respect to cash that is held at a Schedule I bank to be minimal.

The Company is also exposed to credit risk through its investments in Investee Funds (note 13).

The Investee Funds are exposed to credit risk through investments in debt securities, mortgage loans and promissory notes. The mortgage loans are secured by all assets of the borrower as defined by general security agreements which may be subordinate to other lenders.

CCMBC INVESTMENTS LTD.

Notes to Financial Statements

For the period from May 14, 2019 to December 31, 2019

16. Risk management (continued):

d) Liquidity risk:

Liquidity risk is the risk that the Company, will encounter difficulty in meeting its financial obligations as they become due. This risk arises in normal operations from fluctuations in cash flow as a result of the timing of mortgage investment advances and repayments and the need for working capital. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

The Company's promissory notes and preferred shares are due on demand. All of the rest of the Company's financial liabilities are due within one year.

The Company is also exposed to liquidity risk through its investments in Investee Funds (note 13).

The Investee Funds are exposed to liquidity risk through weekly cash redemptions on their units and therefore they invest a portion of assets in underlying funds that they can redeem within one week or less. A portion of the amounts invested in underlying funds are subject to redemption restrictions exercisable by the manager of the underlying fund to manage extraordinary liquidity pressures which includes the ability to suspend redemptions or withhold varying amounts of any redemption requested.

17. Subsequent event:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The current challenging economic climate may lead to adverse changes in cash flows and/or working capital levels, which may also have a direct impact on the Company's operating results and financial position in the future. While the extent and duration of the impact of COVID-19 on the Canadian and local economies, financial markets, and sectors and issuers in which the Company may invest is uncertain at this point, the outbreak has the potential to adversely affect the value of the Company's mortgages and other investments and the extent of promissory note redemptions. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company's business is not known at this time.

Consolidated Financial Statements of

CCMBC LEGACY FUND INC.

Year ended December 31, 2019

CCMBC LEGACY FUND INC.

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Year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Directors of CCMBC Legacy Fund Inc.

Opinion

We have audited the consolidated financial statements of CCMBC Legacy Fund Inc. (the "Entity"), which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, comprising a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Other Matter - Comparative Information

The comparative information as at and for the year ended December 31, 2018 is unaudited. Accordingly, we do not express an opinion on it.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

May 8, 2020

CCMBC LEGACY FUND INC.

Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
		(Unaudited)
Assets		
Cash	\$ 28,403,345	\$ 1,850,526
Accounts receivable	250,014	162,860
Due from related parties (note 14)	9,350,529	810
Inventories	18,243	-
Other investments (note 5)	48,928,338	-
Mortgage investments (note 4)	82,711,769	-
Prepaid expenses and other assets	230,296	439,794
Land held for sale	6,917,180	-
Capital assets (note 6)	4,104,265	-
Future tax asset	202,417	-
	\$ 181,116,396	\$ 2,453,990

Liabilities, Deferred Contributions and Net Assets

Accounts payable and accrued liabilities (note 8)	\$ 694,387	\$ 131,778
Income taxes payable	83,548	-
Due to related party (note 14)	-	2,657,244
Deposit notes (note 9)	28,540,802	-
Promissory notes (note 10)	147,721,475	-
Preferred shares (note 11)	1,114,500	-
	178,154,712	2,789,022
Deferred contributions:		
Capital assets (note 12)	2,917,657	-
Net assets:		
Unrestricted	44,027	(335,032)
Commitments (note 15)		
Subsequent events (notes 11 and 18)		
	\$ 181,116,396	\$ 2,453,990

See accompanying notes to consolidated financial statements.

On behalf of the Governing Board:

"Howard Wall" Director

"Michael Dick" Director

CCMBC LEGACY FUND INC.

Consolidated Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018 (Unaudited)
Revenue:		
Contributions	\$ 63,213	\$ 76,443
Payroll and accounting services (note 14)	250,541	200,740
Rental income	18,000	10,500
Mortgage interest (note 4)	1,184,620	-
Income from other investments	733,041	-
Other income	50,798	18,477
Net realized gain on sale of other investments	428,522	-
	<u>2,728,735</u>	<u>306,160</u>
Expenditures:		
Salaries and benefits	973,482	1,134,172
Professional fees	297,652	1,388
Occupancy	80,128	31,129
General and administrative	80,960	20,524
Interest on promissory notes (note 10)	1,454,000	-
Interest on preferred shares (note 11)	3,794	-
Donation to related party (note 14)	-	125,000
Investment management fees (note 13)	199,102	-
	<u>3,089,118</u>	<u>1,312,213</u>
Deficiency of revenue over expenditures before the undernoted	(360,383)	(1,006,053)
Other income (expenses):		
Donation from related party (note 14)	-	1,000,000
Change in unrealized appreciation in value of other investments	294,906	-
Allowance for credit losses (note 4)	(830,467)	-
	<u>(535,561)</u>	<u>1,000,000</u>
Deficiency of revenue over expenditures before tax	(895,944)	(6,053)
Income taxes (recovery):		
Current	83,548	-
Future	(202,417)	-
	<u>(118,869)</u>	<u>-</u>
Deficiency of revenue over expenditures	\$ (777,075)	\$ (6,053)

See accompanying notes to consolidated financial statements.

CCMBC LEGACY FUND INC.

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	2019	2018 (Unaudited)
Balance, beginning of year	\$ (335,032)	\$ (328,979)
Deficiency of revenue over expenditures	(777,075)	(6,053)
Contribution of non-amortizable capital assets (note 3)	1,156,134	-
Balance, end of year	\$ 44,027	\$ (335,032)

See accompanying notes to consolidated financial statements.

CCMBC LEGACY FUND INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
		(Unaudited)
Cash flows from (used in) operating activities:		
Deficiency of revenue over expenditures	\$ (777,075)	\$ (6,053)
Adjustments for:		
Net realized gain on sale of other investments	(428,522)	-
Change in unrealized appreciation in value of other investments	(294,906)	-
Amortization of transaction costs (note 10)	34,870	-
Allowance for credit losses (note 4)	830,467	-
Income taxes	83,548	-
Future taxes	(202,417)	-
Mortgage interest (note 4)	(1,184,620)	-
Interest on promissory notes (note 10)	1,419,130	-
Interest on preferred shares (note 11)	3,794	-
Change in non-cash operating working capital:		
Accounts receivable	(45,155)	(162,860)
Prepaid expenses	388,317	(439,794)
Accounts payable and accrued liabilities	510,559	131,778
Funding of mortgage investments	(2,524,391)	-
Mortgage repayments	3,797,886	-
Purchase of other investments	(40,506,363)	-
Proceeds from sale of other investments	65,695,702	-
Mortgage interest received	1,127,755	-
Interest paid on promissory notes (note 10)	(33,026)	-
Interest paid on preferred shares (note 11)	(48)	-
	<u>27,895,505</u>	<u>(476,929)</u>
Cash flows from (used in) financing activities:		
Proceeds on issuance of promissory notes (note 10)	7,020,017	-
Repayment of promissory notes (note 10)	(5,741,796)	-
Proceeds from issuance of preferred shares (note 11)	11,500	-
Repayment on redemption of preferred shares (note 11)	(33,500)	-
Change in due from/to related parties (note 14)	(2,833,735)	2,327,455
	<u>(1,577,514)</u>	<u>2,327,455</u>
Cash flows from investing activities:		
Acquisition of cash (note 3)	234,828	-
Increase in cash	26,552,819	1,850,526
Cash, beginning of year	1,850,526	-
Cash, end of year	<u>\$ 28,403,345</u>	<u>\$ 1,850,526</u>

Excluded from proceeds on issuance of promissory notes, proceeds from issuance of preferred shares in financing activities, transaction costs paid, and change in due to related parties in financing activities and funding of mortgage investments and acquisition of other investments in operating activities are amounts related to the initial issuance of promissory notes and preferred shares and the acquisition of mortgages and other investments as described in note 3.

See accompanying notes to consolidated financial statements.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements

Year ended December 31, 2019

1. Nature of organization:

CCMBC Legacy Fund Inc. (the "Legacy") was incorporated under the Canada Not-for-profit Corporations Act on July 30, 2015 and amended on May 30, 2016. Legacy is a registered charity within the meaning of the *Income Tax Act* and therefore is exempt from income taxes under Section 149(1) of the *Income Tax Act*. The sole member of Legacy is The Canadian Conference of Mennonite Brethren Church of North America (CCMBC).

Through its wholly-owned for-profit subsidiary, CCMBC Investments Ltd. (CCMBC Investments), Legacy's objective is to facilitate the raising of funds to accomplish the charitable purposes of CCMBC. CCMBC Investments issues redeemable preferred shares (preferred shares) and promissory notes (promissory notes) to facilitate the lending of money secured by mortgages for Mennonite Brethren Churches (MB Churches), pastors of Mennonite Brethren Churches (MB Church Pastors) and other Mennonite Brethren and affiliated institutions such as schools and camps (MB Church Entities). Any excess funds not required for lending are invested in other investments pursuant to specified investment guidelines. Legacy also provides accounting and payroll services to Canadian MB Churches and MB Church Entities and administers deposit notes for MB Churches and MB Church Entities.

These consolidated financial statements present the activities of Legacy and its wholly-owned subsidiaries CCMBC Investments and CCMBC Holdings Inc. (CCMBC Holdings). CCMBC Holdings is a for-profit entity that owns all of the shares in the following entities:

CP Printing Solutions	Deer River Properties Inc.
Crossfield Highways Development Inc.	

On August 30, 2019, CCMBC, CCMBC Investments and Legacy completed a reorganization as described in note 3 and on December 30, 2019, CCMBC and Legacy completed an additional reorganization as described in note 3.

2. Significant accounting policies:

(a) Basis of accounting:

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

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(b) Revenue recognition:

Legacy 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. Contributions restricted for the purposes of capital assets are deferred and amortized into revenue at a rate corresponding with the related capital 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 mortgage investments and other investments 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.

(c) Land held for sale:

Purchased land held for sale 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.

Legacy amortizes its capital assets as follows:

Asset	Rate
Buildings	30 years straight-line
Computer equipment	3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line
Artwork	Indefinite

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(e) Impairment of long-lived assets:

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

(f) Assets held for sale:

Long-lived assets are classified by Legacy as an asset held for sale at the point in time when the asset is available for immediate sale, management has committed to a plan to sell the asset and is actively locating a buyer for the asset at a sales price that is reasonable in relation to the current fair value of the asset, and the sale is probable and expected to be completed within a one-year period.

Assets to be disposed of are separately presented on the consolidated statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the appropriate asset and liability sections of the consolidated statement of financial position.

(g) Mortgage investments:

Mortgage investments are initially measured at fair value plus incremental direct transaction costs. Mortgage investments 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 mortgages classified as impaired. A mortgage 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.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

When a mortgage is classified as impaired, accrual of interest on the mortgage ceases and the carrying amount of the mortgage 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 mortgage. When the amounts and timing of cash flows cannot be reasonably estimated, the carrying amount of the mortgage is reduced to its estimated net realizable value based on either:

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

As long as the mortgage remains classified as impaired, payments received will be credited to the carrying value of the mortgage. A mortgage 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.

(h) Allowance for credit losses:

Legacy 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.

(i) Inventories:

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

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(j) 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. Legacy has elected to carry its other 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.

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, Legacy 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 Legacy 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.

(k) Income taxes:

The for-profit subsidiaries of Legacy use the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. Refundable taxes that will be recovered on the payment of qualifying dividends are recognized as a future income tax asset.

A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the company's provision for the current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(l) 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 sale. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Reorganizations:

August 30, 2019

On August 30, 2019, as described in an Offering Memorandum dated July 17, 2019, CCMBC, CCMBC Investments and Legacy completed a reorganization resulting in assets consisting of mortgage investments and other investments of \$149,610,420 in the aggregate being transferred by CCMBC to CCMBC Investments. Pursuant to the reorganization, CCMBC Investments issued 1,136,500 preferred shares for \$1,136,500 and issued promissory notes in the amount of \$145,758,413 to certain of the former investors in the CCMBC deposit note program. The subscription price for the issuance of these preferred shares and promissory notes was satisfied by the transfer of the mortgage investments and other investments from CCMBC to CCMBC Investments. The excess of the mortgage investments and other investments over the promissory notes and preferred shares of \$2,715,507 was included in due to related parties (note 14). Transaction costs of \$739,879 (note 10) were incurred related to the issuance of the promissory notes which were paid by CCMBC and included in due to related parties (note 14).

December 30, 2019

On December 30, 2019, as approved by the Board of Directors, CCMBC and Legacy completed a reorganization resulting in certain assets of CCMBC, including its interest in CCMBC Holdings, being transferred to Legacy and Legacy assuming certain liabilities of CCMBC.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

3. Reorganizations (continued):

The following table summarizes the assets transferred and liabilities assumed by Legacy:

Assets transferred:	
Cash	\$ 234,828
Accounts receivable	41,999
Due from CCMBC (note 14)	12,628,613
Inventories	18,243
Other investments (note 5)	8,542,695
Prepaid assets and deposits	178,819
Land held for sale	6,917,180
Capital assets (note 6)	30,474
	<u>28,592,851</u>
Liabilities assumed:	
Accounts payable and accrued liabilities	\$ 52,049
Deposit notes (note 9)	28,540,802
	<u>28,592,851</u>

In addition, on December 30, 2019, CCMBC donated capital assets with a carrying amount of \$4,073,791 to Legacy (note 6). \$1,109,453 of the capital assets relate to land and \$46,681 relate to artwork which are not amortized. As a result, \$1,156,134 of the donation has been recorded as a direct increase to net assets. The remaining amount of the donation of \$2,917,657 has been recorded within deferred contributions related to capital assets (note 12).

4. Mortgage investments:

As described in note 3, Legacy's wholly owned subsidiary, CCMBC Investments, acquired mortgage investments of \$88,329,608 on August 30, 2019 including accrued interest of \$430,717. Of the mortgage investments acquired, \$7,598,394 were acquired with an allowance for credit losses of \$3,570,742.

	2019		2018	
	Principal	Accrued interest	Principal (Unaudited)	Accrued interest (Unaudited)
Mortgages investments	\$ 86,625,396	\$ 487,582	\$ —	\$ —
Allowance for credit losses	(4,401,209)	—	—	—
	<u>82,224,187</u>	<u>487,582</u>	<u>—</u>	<u>—</u>
	<u>\$ 82,771,769</u>		<u>\$ —</u>	

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Mortgage investments (continued):

As at December 31, 2019, unadvanced mortgage commitments under the existing gross mortgage investments amounted to \$4,948,405. The mortgage investments are secured by real property and will mature between 2020 and 2044. During the year ended December 31, 2019 Legacy generated net interest income of \$1,184,620.

All mortgage investments bear interest at a variable rate. At December 31, 2019, the interest rate on mortgages to MB Churches and MB Church Entities is 4.15 percent and for MB Church Pastors is 3.90 percent. Legacy reviews the interest rates every six months and adjusts the rates, as required, to ensure a positive difference between its outstanding promissory notes and the mortgage investments. During the year ended December 31, 2019, the weighted average interest rate earned on net mortgage investments was 4.14 percent.

A majority of the mortgage investments contain a prepayment option, whereby the borrower may repay the principal at any time prior to maturity without penalty or yield maintenance.

If not demanded, principal repayments by contractual maturity dates are expected as follows:

2020	\$	5,879,462
2021		3,893,341
2022		3,754,194
2023		3,784,539
2024 and thereafter		69,313,860
	\$	86,625,396

The following table summarizes the mortgage investments and allowance for credit losses at December 31, 2019:

December 31, 2019	MB Churches	MB Church Entities	MB Church Pastors	Total
Mortgage investments, including interest receivable	\$ 61,955,915	\$ 20,759,440	\$ 4,397,623	\$ 87,112,978
Allowance for credit losses	(2,001,920)	(2,315,159)	(84,130)	(4,401,209)
	\$ 59,953,995	\$ 18,444,281	\$ 4,313,493	\$ 82,711,769

The internal risk ratings presented in the table below are defined as follows:

Low risk: Mortgage investments that have lower credit risk than Legacy's risk appetite and credit standards and that have a below average probability of default.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Mortgage investments (continued):

Medium-low risk: Mortgage investments that are typical for Legacy's risk appetite and credit standards and retain a below average probability of default.

Medium-high risk: Mortgage investments that are within Legacy's risk appetite and credit standards and retain an average probability of default.

High risk: Mortgage investments within Legacy's risk appetite and credit standards that have an additional element of credit risk that could result in an above average probability of default.

Default: Mortgage investments that are 90 days past due and when there is objective evidence that there has been a deterioration of credit quality to the extent Legacy no longer has reasonable assurance as to the timely collection of the full amount of principal and interest and/or when Legacy has commenced enforcement remedies available to it under its contractual agreements.

The following table presents the gross carrying amounts of mortgage investments by internal risk ratings used by Legacy for credit risk management purposes:

December 31, 2019	MB Churches	MB Church Entities	MB Church Pastors	Total
Low risk	\$ 16,819,667	\$ 5,451,790	\$ 1,647,953	\$ 23,919,410
Medium-low risk	28,066,335	10,252,446	1,657,049	39,975,830
Medium-high risk	6,047,861	325,009	143,408	6,516,278
High risk	8,219,999	—	879,711	9,099,710
Default	2,802,053	4,730,195	69,502	7,601,750
Mortgage investments	61,955,915	20,759,440	4,397,623	87,112,978
Allowance for credit losses	(2,001,920)	(2,315,159)	(84,130)	(4,401,209)
Mortgage investments	\$ 59,953,995	\$ 18,444,281	\$ 4,313,493	\$ 82,711,769

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

4. Mortgage investments (continued):

Geographic analysis:

December 31, 2019	MB Churches	MB Church Entities	MB Church Pastors	Total
British Columbia	\$ 41,770,584	\$ 7,290,417	\$ 2,158,333	\$ 51,219,334
Ontario	6,916,425	9,898,990	636,615	17,452,030
Alberta	6,662,379	160,553	–	6,822,932
Saskatchewan	653,743	834,858	412,718	1,901,319
Manitoba	3,702,883	–	508,896	4,211,779
Quebec	114,890	259,463	596,931	971,284
Atlantic Provinces	133,091	–	–	133,091
	\$ 59,953,995	\$ 18,444,281	\$ 4,313,493	\$ 82,711,769

5. Other investments:

As described in note 3, Legacy's wholly owned subsidiary, CCMBC Investments, acquired other investments with a fair value of \$64,851,554 on August 30, 2019. As described in note 3, Legacy acquired other investments with a fair value of \$8,542,695 on December 30, 2019. Legacy's other investments consist of the following at December 31, 2019:

	2019		2018	
	Cost	Fair Value	Cost (Unaudited)	Fair Value (Unaudited)
Private fixed income funds	\$ 41,732,701	\$ 42,027,607	\$ –	\$ –
Private mortgage funds	3,002,464	3,002,464	–	–
Corporate bonds	2,863,267	2,863,267	–	–
Guaranteed income certificates	1,035,000	1,035,000	–	–
	\$ 48,633,432	\$ 48,928,338	\$ –	\$ –

Prior to December 31, 2019, Legacy redeemed certain other investments in the amount of \$20,391,346 for which the cash was in-transit at December 31, 2019. Subsequent to December 31, 2019, these funds were re-invested in other investments.

The funds in which Legacy invests (Investee Funds) are managed by asset managers who apply various investment strategies to accomplish their respective investments objectives. These objectives include generating income and cash flow along with capital appreciation by investing in fixed income securities and mortgages. The Investee Funds also invest in underlying funds. At December 31, 2019, Legacy invests in three private fixed income funds and two private mortgage funds. Legacy can redeem their investment in the Investee Funds ranging from weekly to monthly.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Other investments (continued):

The guaranteed income certificates have interest rates ranging from 2.03 percent and 2.20 percent and mature in August 2020. The weighted average interest rate is 2.12 percent.

The par value of the corporate bonds at December 31, 2019 was \$2,781,000. The corporate bonds have interest rates ranging from 3.52 percent to 4.25 percent and mature between May 2025 and June 2029.

Maturities and interest rates of the corporate bonds are as follows:

December 31, 2019						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ -	\$ -	\$ 2,863,267	\$ -	\$ 2,863,267	3.82%	

6. Capital assets:

As described in note 3, Legacy acquired capital assets in the amount of \$30,474 and CCMBC donated capital assets in the amount of \$4,073,791 to Legacy on December 30, 2019. Legacy's capital assets consist of the following at December 31, 2019:

	2019		2018	
	Cost	Accumulated amortization	Net book value	Net book value
				(Unaudited)
Land	\$ 1,109,453	\$ -	\$ 1,109,453	\$ -
Artwork	46,681	-	46,681	-
Buildings	2,729,296	-	2,729,296	-
Computer equipment	38,243	-	38,243	-
Office equipment	86,189	-	86,189	-
Parking lot	94,403	-	94,403	-
	\$ 4,104,265	\$ -	\$ 4,104,265	\$ -

7. Operating facility and guarantee:

On August 22, 2019, and as amended October 25, 2019, Legacy entered into a Letter of Agreement with the Bank of Montreal which provides for an operating facility for use by Legacy in the aggregate amount of \$2,750,000, bearing interest at prime. The operating facility is secured by a general security agreement over the assets of Legacy and its subsidiaries, a \$3,000,000 corporate guarantee from CCMBC, a general security agreement over the assets of CCMBC, and by the corporate bonds and guaranteed income certificates held by Legacy (note 5). As at December 31, 2019, the operating facility was unutilized.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

7. Operating facility and guarantee (continued):

In addition, Legacy has provided a guarantee in the amount of \$400,000 and a general security agreement to the Bank of Montreal as security for the operating facility of CCMBC. As at December 31, 2019, the operating facility of CCMBC was unutilized

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$2,678 (2018 - \$2,417) for government remittances.

9. Deposit notes:

As described in note 3, Legacy assumed deposit notes in the amount of \$28,592,851 from CCMBC on December 30, 2019.

Legacy issues deposit notes to MB Churches and MB Church Entities. All deposit notes are due on demand and bear interest at a variable rate of interest which is determined at July 1 and December 31 of each year.

10. Promissory notes:

CCMBC Investments is authorized to issue an unlimited number of promissory notes which can be issued in one or more series. The initial minimum subscription amount for each holder of a promissory note is \$2,500. The promissory notes are payable on demand and bear interest at a variable interest rate which is determined on January 1 and July 1 of each year. The variable interest rate is equal to the overnight lending rate of the Bank of Canada plus 115 basis points. Interest is compounded and payable on a semi-annual basis on June 30 and December 31 of each year.

As described in note 3, CCMBC Investments issued promissory notes of \$145,758,413 on August 30, 2019. Aggregate transaction costs incurred related to the offering of the promissory notes were \$739,879 which are amortized using the effective interest method over five years.

The following table summarizes the promissory notes as at December 31, 2019 and 2018:

	2019	2018
		(Unaudited)
Promissory notes	\$ 148,426,484	\$ —
Less: transaction costs	705,009	—
	<u>\$ 147,721,475</u>	<u>\$ —</u>

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

10. Promissory notes (continued):

The following table summarizes activity for the promissory notes for the years ending December 31, 2019 and 2018:

	Note	2019	2018
			(Unaudited)
Promissory notes issued		\$ 152,778,430	\$ –
Transaction costs		(739,879)	–
Promissory notes repaid		(5,741,796)	–
Amortization of transaction costs		34,870	–
Interest on promissory notes		1,419,130	–
Transfer of interest on preferred shares	11	3,746	–
Interest paid		(33,026)	–
Balance, end of year		\$ 147,721,475	\$ –

11. Preferred shares:

Preferred shares are issued on the first \$500 invested by an investor in CCMBC Investments with the remainder invested in promissory notes. The preferred shares are redeemable at the option of the holder for \$1, with a minimum of fourteen days' notice to CCMBC Investments. The preferred shares are not entitled to vote at any meetings of shareholders, except where otherwise provided by the Canada Business Corporations Act, and, in such case, they shall then be entitled to one vote for each preferred share held. The preferred shares are entitled in each financial year of CCMBC Investments, cumulative dividends at a rate equal to 1 percent of the redemption amount of \$1 per preferred share. Individual holders of preferred shares must subscribe for 500 preferred shares and no holder of preferred shares can hold more than 500 preferred shares.

As described in note 3, CCMBC Investments issued 1,136,500 preferred shares for cash consideration of \$1,136,500 on August 30, 2019.

The following table summarizes the preferred shares:

	2019		2018	
	Number	Amount	Number	Amount
			(Unaudited)	(Unaudited)
Authorized:				
Unlimited preferred shares, non-voting, cumulative dividend entitlement of 1 percent of the redemption amount annually, redeemable at the option of the holder for \$1	1,114,500	\$ 1,114,500	–	\$ –

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

11. Preferred shares (continued):

The following table summarizes activity for the preferred shares:

	Note	2019	2018
			(Unaudited)
Preferred shares issued		\$ 1,148,000	\$ —
Preferred shares repurchased		(33,500)	—
Accrued interest		3,794	—
Interest paid		(48)	—
Transfer of interest to promissory notes	10	(3,746)	—
Balance, end of year		\$ 1,114,500	\$ —

On January 1, 2020, 256,000 preferred shares in the amount of \$256,000 were redeemed and the amount was transferred to the applicable preferred shareholder's promissory notes (note 10).

12. Deferred contributions related to capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount of donated capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. As described in note 3, on December 30, 2019, CCMBC contributed \$2,917,657 of amortizable capital assets to Legacy.

			2019	2018
	Donations	Accumulated amortization	Net book value	Net book value
				(Unaudited)
Buildings	\$ 2,729,296	\$ —	\$ 2,729,296	\$ —
Computer equipment	38,243	—	38,243	—
Office equipment	55,715	—	55,715	—
Parking lot	94,403	—	94,403	—
	\$ 2,917,657	\$ —	\$ 2,917,657	\$ —

13. Investment management fees:

CCMBC Investments has entered into an Investment Management and Distribution Agreement with a third party that can be cancelled at any time on written notice without penalty. The investment management fees are as follows:

- \$400,000 on the first \$30,000,000 of assets under management (AUM)
- 0.80% on AUM from \$30,000,000 to \$50,000,000
- 0.60% on AUM from \$50,000,000 to \$150,000,000

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

14. Related party transactions:

As described in note 3, on August 30, 2019, Legacy, through its wholly-owned subsidiary, CCMBC Investments, acquired mortgage investments and other investments from CCMBC. In addition, on December 30, 2019, Legacy acquired certain assets and assumed certain liabilities from CCMBC as described in note 3 and received donated capital assets in the amount of \$4,073,791 from CCMBC.

At December 31, 2019, Legacy had a receivable in the amount of \$9,350,529 from CCMBC which is due on demand with no specified terms of repayment.

At December 31, 2018, Legacy had receivable in the amount of \$810 from CCMBC Holdings and a payable in the amount of \$2,657,244 to CCMBC which were due on demand with no specified terms of repayment.

At December 31, 2019, Legacy holds \$834,279 (2018 - nil) on deposit from CCMBC which bears interest at a variable rate of interest, 2.90 percent at December 31, 2019.

During the year ended December 31, 2019, Legacy provided accounting and payroll services to CCMBC for \$47,700 (2018 - \$47,700).

During the year ended December 31, 2018, Legacy donated \$125,000 to CCMBC and CCMBC donated \$1,000,000 to Legacy.

These transactions are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

15. Commitments:

Lease commitments:

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

2020	\$	28,080
2021		18,320
2022		9,000

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

16. Employee pension plan:

Legacy is a participant of a money purchase pension plan. Members of the plan include employees of Legacy. The cost of funding the plan is shared by employee and employer. The rate of employer contributions to the fund in 2019 was 5 percent (2018 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2019 was \$35,820 (2018 - \$40,858).

17. Financial risks:

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Legacy is exposed to interest rate risk on its investments in private fixed income funds and mortgage investments.

As of December 31, 2019, \$82,711,769 of net mortgage investments bear interest at variable rates. If there were a decrease or increase of 1 percent in interest rates, with all other variables constant, the impact from variable rate mortgage investments would be a decrease or increase in revenue over expenditures of approximately \$282,000.

As of December 31, 2019, \$147,721,475 of promissory notes and \$28,540,802 of deposit notes bear interest at variable rates. If there was a decrease or increase of 1 percent in interest rates, with all other variables constant, the impacting from variable rate promissory notes would be a decrease or increase in revenue over expenditures of approximately \$489,000.

Legacy manages its sensitivity to interest rate fluctuations by managing the interest rate spread between its promissory notes and mortgage investments.

Legacy is also exposed to interest rate risk through its investments in Investee Funds (note 5).

The Investee Funds are exposed to interest rate risk through their investments in interest-bearing financial instruments and in underlying funds exposed to interest rate risk. Two of the private fixed income Investee Funds have high-yield (or below investment grade) exposure to mortgages and therefore net assets tend to be affected more by changes in economic growth than changes in interest rates.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

17. Financial risks (continued):

(b) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Legacy has no significant direct exposure, or indirect exposure through its investment in Investee Funds, to currency risk at December 31, 2019.

(c) Credit risk:

Credit risk is the risk that a borrower may be unable to honour its debt commitments as a result of a negative change in market conditions that could result in a loss to the Company. Legacy mitigates this risk by the following:

- (i) adhering to the mortgage investment policies and investment guidelines (subject to certain duly approved exceptions);
- (ii) ensuring all new mortgage investments over a pre-determined threshold are approved by the Board of Directors, and by appropriate members of management below a pre-determined threshold before funding; and
- (iii) actively monitoring the mortgage investments and initiating recovery procedures, in a timely manner, where required.

The exposure to credit risk at December 31, 2019 relating to net mortgages amounts to \$82,711,769 and for accounts receivable amounts to \$250,014. Legacy has recourse under these mortgages in the event of default by the borrower; in which case, Legacy would have a claim against the underlying collateral. Management believes that the potential loss from credit risk with respect to cash that is held at a Schedule 1 bank to be minimal.

Legacy is also exposed to credit risk through its investments in Investee Funds (note 5).

Two of the private fixed income Investee Funds, which represent approximately 89 percent of the investment in private fixed income funds, are exposed to credit risk through investments in debt securities, mortgage loans and promissory notes. The mortgage loans are secured by all assets of the borrower as defined by general security agreements which may be subordinate to other lenders.

For the other private fixed income Investee Fund, it is exposed to credit risk through corporate bonds and debentures. At December 31, 2019, 48.3% of this Investee Funds' debt securities had a credit rating of A or above as obtained from external credit rating agencies with the remainder having a credit rating of BBB.

CCMBC LEGACY FUND INC.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

17. Financial risks (continued):

(d) Liquidity risk:

Liquidity risk is the risk that Legacy will encounter difficulty in meeting financial obligations as they become due. This risk arises in normal operations from fluctuations in cash flow as a result of the timing of mortgage investment advances and repayments and the need for working capital. Management routinely forecasts future cash flow sources and requirements to ensure cash is efficiently utilized.

Legacy's deposit notes, promissory notes and preferred shares are due on demand. All of the rest of Legacy's financial liabilities are due within one year.

Legacy is also exposed to liquidity risk through its investments in Investee Funds (note 5).

The Investee Funds are exposed to liquidity risk through weekly or monthly cash redemptions on their units and therefore they invest a portion of assets in investment and underlying funds that they can redeem within one week or less. A portion of the amounts invested in underlying funds are subject to redemption restrictions exercisable by the manager of the underlying fund to manage extraordinary liquidity pressures which includes the ability to suspend redemptions or withhold varying amounts of any redemption requested.

18. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The current challenging economic climate may lead to adverse changes in cash flows and/or working capital levels, which may also have a direct impact on Legacy's operating results and financial position in the future. While the extent and duration of the impact of COVID-19 on the Canadian and local economies, financial markets, and sectors and issuers in which Legacy may invest is uncertain at this point, the outbreak has the potential to adversely affect the value of Legacy's mortgages and other investments and the extent of promissory note redemptions. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on Legacy is not known at this time.

Non-consolidated Financial Statements of

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

Year ended December 31, 2019

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

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Year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the non-consolidated financial statements of The Canadian Conference of the Mennonite Brethren Church of North America (the "Entity"), which comprise the non-consolidated statement of financial position as at December 31, 2019, the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, comprising a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at December 31, 2019, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter - Comparative Information

The comparative information as at and for the year ended December 31, 2018 is unaudited. Accordingly, we do not express an opinion on it.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Winnipeg, Canada

May 8, 2020

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Non-Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018 (Unaudited)
Assets		
Cash (notes 4 and 16)	\$ 11,148,107	\$ 17,481,218
Accounts receivable	142,894	175,510
Due from related party (note 16)	–	2,657,244
Donated securities	62,963	43,665
Inventories	1,059	2,205
Other investments (note 6)	–	86,080,247
Mortgage and loans receivable (note 5)	–	92,102,557
Prepaid expenses and deposits	33,664	194,432
Capital assets (note 8)	54,854	4,355,507
Investment in CCMBC Holdings Inc.	–	1
	\$ 11,443,541	\$ 203,092,586
Liabilities, Deferred Contributions and Net Assets		
Accounts payable and accrued liabilities (note 11)	\$ 1,823,472	\$ 2,722,202
Due to related party (note 16)	9,350,529	–
Deposit notes (note 12)	–	122,516,477
Registered Retirement Savings Plan accounts (note 13)	–	47,210,231
Tax Free Savings Accounts (note 13)	–	27,237,232
	11,174,001	199,686,142
Deferred contributions:		
Expenses of future periods (note 14)	473,826	491,083
Net assets:		
Restricted for endowments (note 15)	1,365,442	1,364,487
Unrestricted	(1,569,728)	1,550,874
	(204,286)	2,915,361
Commitments (note 17)		
Subsequent event (note 20)		
	\$ 11,443,541	\$ 203,092,586

See accompanying notes to non-consolidated financial statements.

On behalf of the Governing Board:

"Bruce Enns" Director

"Howard Wall" Director

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Non-Consolidated Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018 (Unaudited)
Revenue:		
Contributions	\$ 4,841,915	\$ 8,231,398
Donation from related party (note 16)	—	125,000
Sales	343,952	330,909
Mortgage interest	2,501,616	3,239,514
Interest on other investments	1,832,428	3,417,961
Rental income	275,768	321,444
Net gains on disposal of land held for sale and capital assets (note 9)	—	580,844
Realized gain on disposal of other investments (note 6)	3,049,863	1,186,564
	<u>12,845,542</u>	<u>17,433,634</u>
Expenditures:		
Cost of sales	94,514	72,095
Staffing	707,898	736,187
Specific programming costs	3,361,668	3,859,518
Support of outside agencies	1,344,089	4,261,627
Office expenses (note 16)	1,342,281	1,735,410
Board costs and convention	255,171	122,441
Public relations costs	1,022	19,543
Interest	3,677,813	4,827,711
	<u>10,784,456</u>	<u>15,634,532</u>
Excess of revenue over expenditures before the undernoted	2,061,086	1,799,102
Other income (expenses):		
Donation to related party (note 16)	(4,073,791)	(1,000,000)
Unrealized loss on other investments	(996,380)	(1,596,485)
Allowance for credit losses (note 5)	(111,517)	(160,570)
	<u>(5,181,688)</u>	<u>(2,757,055)</u>
Deficiency of revenue over expenditures	<u>\$ (3,120,602)</u>	<u>\$ (957,953)</u>

See accompanying notes to non-consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Non-Consolidated Statement of Changes in Net Assets

Year ended December 31, 2019, with comparative information for 2018

	Unrestricted	Restricted for endowments	2019 Total	2018 Total (Unaudited)
Balance, beginning of year (unaudited)	\$ 1,487,739	\$ 1,364,487	\$ 2,915,361	\$ 3,871,457
Reinvested earnings during the year	–	955	955	1,857
Deficiency of revenue over expenditures	(3,120,602)	–	(3,120,602)	(957,953)
Balance, end of year	\$ (1,632,863)	\$ 1,365,442	\$ (204,286)	\$ 2,915,361

See accompanying notes to non-consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
		(Unaudited)
Cash flows from (used in) operating activities:		
Deficiency of revenue over expenditures	\$ (3,120,602)	\$ (957,953)
Adjustments for:		
Amortization	239,341	298,602
Realized gain on disposal of other investments (note 6)	(3,049,863)	(1,186,564)
Unrealized loss on other investments	996,380	1,596,485
Net gains on disposal of land held for sale and capital assets (note 9)	–	(580,844)
Allowance for credit losses (note 5)	111,517	160,570
Write down of capital assets (note 8)	–	39,913
Donation of capital assets (notes 3 and 8)	4,073,791	–
Change in non-cash operating working capital:		
Accounts receivable	32,616	409,554
Donated securities	(19,298)	(23,313)
Inventories	1,146	823
Prepaid expenses	(15,562)	(20,638)
Accounts payable and accrued liabilities	(861,810)	319,600
Net change in deferred contributions related to expenses of future periods	(17,257)	(1,049,494)
	(1,629,601)	(993,259)
Cash flows from (used in) financing activities:		
Change in trust deposits, net	(13,677,096)	(15,924,562)
Change in RRSP accounts, net	(5,271,103)	(4,123,045)
Change in tax free savings accounts, net	(2,580,026)	(1,550,623)
Endowments	955	1,857
	(21,527,270)	(21,596,373)
Cash flows from (used in) investing activities:		
Purchase of capital assets	(12,479)	(121,827)
Proceeds on disposal of capital assets (note 9)	–	268,661
Expenditures on land held for sale (note 7)	–	(22,827)
Net proceeds on disposal of land held for sale (note 9)	–	4,060,601
Change in investments, net	14,739,481	29,849,465
Change in mortgages and loans receivables, net	2,908	(7,760,420)
Change in due from/to related party (note 16)	2,093,850	(2,327,455)
	16,823,760	23,946,198
Increase (decrease) in cash	(6,333,111)	1,356,566
Cash, beginning of year	17,481,218	16,124,652
Cash, end of year	\$ 11,148,107	\$ 17,481,218

Excluded from certain line items in the above non-consolidated statement of cash flows are amounts related to the reorganizations disclosed in note 3.

See accompanying notes to non-consolidated financial statements.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2019

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 December 18, 1945. The Conference is a registered charity within the meaning of the *Income Tax Act* and therefore is exempt from income taxes under Section 149(1) of the *Income Tax Act*.

The Conference provides services to Mennonite Brethren supported missions, institutions, local churches and their members. In addition, the Conference administers endowment funds which generate earnings to fund various programs of the Conference.

Prior to the reorganizations described in note 3, these services included financial services including administration of funds on deposit (in the form of deposits, annuities, Tax Free Savings Accounts (TFSA's) and Registered Retirement Savings Plan accounts (RRSP's) and provision of mortgages to Mennonite Brethren Churches (MB Churches), pastors of Mennonite Brethren Churches (MB Church Pastors) and other Mennonite Brethren and affiliated institutions such as schools and camps (MB Church Entities).

The Conference is the sole member of CCMBC Legacy Fund Inc. (Legacy), a registered charity. CCMBC Investments Ltd. (CCMBC Investments) is a for-profit wholly-owned subsidiary of Legacy. On August 30, 2019, CCMBC, CCMBC Investments and Legacy completed a reorganization as described in note 3 and on December 30, 2019, CCMBC and Legacy completed an additional reorganization as described in note 3.

2. Significant accounting policies:

(a) Basis of accounting:

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

These non-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 Multiply (formerly MB Mission).

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(b) Controlled entities:

The Conference accounts for its controlled entities using the cost method, except that when a controlled entity's equity securities are quoted in an active market, the investment is accounted for at its quoted amount.

Investments in non-consolidated controlled entities are assessed individually 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 timing or amount of future cash flows from the investment. If there is a significant adverse change in the expected cash flows, the carrying amount of the investment is reduced to the higher of the present value of the expected cash flows and the amount that could be realized from selling the investment. When the extent of impairment of a previously written down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.

(c) 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 mortgage and other investments 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.

(d) Land held for sale:

Purchased land held for sale 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(e) 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
Buildings	30 years straight-line
Computer equipment	3 - 5 years straight-line
Office equipment	5 - 10 years straight-line
Parking lot	15 years straight-line
Artwork	Indefinite

The current year's income has been charged with an amount of \$239,341 (2018 - \$298,602) reflecting the current year's amortization which is included in office expenses in the non-consolidated statement of operations.

(f) Impairment of long-lived assets:

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

(g) Assets held for sale:

Long-lived assets are classified by the Conference as an asset held for sale at the point in time when the asset is available for immediate sale, management has committed to a plan to sell the asset and is actively locating a buyer for the asset at a sales price that is reasonable in relation to the current fair value of the asset, and the sale is probable and expected to be completed within a one-year period.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

Assets to be disposed of are separately presented on the non-consolidated statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the appropriate asset and liability sections of the non-consolidated statement of financial position.

(h) 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.

(i) 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

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.

(j) Inventories:

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

(k) 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 other 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.

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.

(l) 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

2. Significant accounting policies (continued):

(m) 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 sale. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Reorganizations:

August 30, 2019

On August 30, 2019, as described in an Offering Memorandum dated July 17, 2019, CCMBC, CCMBC Investments and Legacy completed a reorganization resulting in assets consisting of mortgage and loans receivable and other investments of \$149,610,420 in the aggregate being transferred by the Conference to CCMBC Investments. Pursuant to the reorganization, CCMBC Investments issued 1,136,500 preferred shares for \$1,136,500 and issued promissory notes in the amount of \$145,758,413 to certain of the former investors in the Conference's deposit note program. The subscription price for the issuance of these preferred shares and promissory notes was satisfied by the transfer of the mortgage and loan receivables and other investments from the Conference to CCMBC Investments. The excess of the mortgage and loans receivable and other investments over the promissory notes and preferred shares of \$2,715,507 was included in due from related parties (note 16).

December 30, 2019

On December 30, 2019, as approved by the Board of Directors, the Conference and Legacy completed a reorganization resulting in certain assets of the Conference, including its interest in CCMBC Holdings, being transferred to Legacy and Legacy assuming certain liabilities of the Conference.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

3. Reorganizations (continued):

Assets transferred to Legacy:	
Other investments (note 6)	\$ 8,542,695
Mortgage and loans receivable (note 5)	7,229,266
Prepaid assets and deposits	176,330
Investment in CCMBC Holdings Inc.*	1
	15,948,292
Liabilities assumed by Legacy:	
Accounts payable and accrued liabilities	\$ 36,920
Deposit notes (note 12)	28,540,802
	28,577,722
Amount due to Legacy (note 16)	\$ 12,629,430

* CCMBC Holdings Inc. is a for-profit entity that owns all of the shares of CP Printing Solutions, Deer River Properties and Crossfield Highway Development Inc.

In addition, on December 30, 2019, the Conference donated capital assets with a carrying amount of \$4,073,791 to Legacy (note 8).

4. Cash:

	2019	2018
		(Unaudited)
General funds	\$ 11,148,107	\$ 11,734,560
RRSP Trust	-	5,746,658
	\$ 11,148,107	\$ 17,481,218

5. Mortgage and loans receivable:

	2019		2018	
	Principal	Accrued interest	Principal	Accrued interest
			(Unaudited)	(Unaudited)
Mortgage and loans receivable	\$ -	\$ -	\$ 95,420,414	\$ 252,885
Allowance for credit losses	-	-	(3,520,457)	(50,285)
			91,899,957	202,600
			\$ -	\$ 92,102,557

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHERN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

5. Mortgage and loans receivable (continued):

All mortgage and loans receivable are callable on demand and are open to prepayment. Mortgages are secured by a first charge mortgage on the applicable property.

On August 30, 2019, mortgage and loans receivable including accrued interest in the amount of \$88,329,608 net of an allowance for credit losses of \$3,570,742 were transferred to CCMBC Investments (note 3).

On December 30, 2019, mortgage and loans receivable including accrued interest in the amount of \$7,340,783 net of an allowance for credit losses of \$111,517 were transferred to Legacy (note 3).

No gain or loss was recognized on the transfers to CCMBC Investments or Legacy.

6. Other investments:

	2019		2018	
	Cost	Fair Value	Cost (Unaudited)	Fair Value (Unaudited)
Private mortgage funds	\$ —	\$ —	\$ 32,069,486	\$ 33,443,072
Private fixed income funds	—	—	49,266,009	49,013,044
Corporate bonds	—	—	3,773,853	3,624,131
	\$ —	\$ —	\$ 85,109,348	\$ 86,080,247

On August 30, 2019, other investments in the amount of \$64,851,554 were transferred to CCMBC Investments (note 3). A net realized gain on disposition of \$3,389,616 was recognized in the statement of operations.

On December 30, 2019, other investments in the amount of \$8,542,695 were transferred to Legacy (note 3). A net realized loss on disposition of \$73,432 was recognized in the statement of operations.

The par value of the corporate bonds at December 31, 2018 was \$3,654,000. At December 31, 2018, the corporate bonds had interest rates ranging from 3.35 percent to 4.25 percent and matured between March 15, 2023 and December 6, 2027.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

6. Other investments (continued):

Maturities and interest rates of the corporate bonds are as follows:

December 31, 2018 (unaudited)						Weighted average yield
Under one year	1 - 5 years	6 - 10 years	Over 10 years	Total		
\$ -	\$ 1,292,456	\$ 2,331,675	\$ -	\$ 3,624,131	3.66%	

7. Land held for sale:

	2019	2018 (Unaudited)
Balance, beginning of year	\$ -	\$ 1,854,362
Additions	-	22,827
Transferred to assets held for sale (note 9)	-	(1,877,189)
Balance, end of year	\$ -	\$ -

8. Capital assets:

	2019		2018 (Unaudited)	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ -	\$ -	\$ -	\$ 1,109,453
Artwork	-	-	-	46,681
Buildings	-	-	-	2,989,467
Computer equipment	19,685	12,838	6,847	59,242
Office equipment	53,757	5,750	48,007	139,208
Parking lot	-	-	-	11,456
	\$ 73,442	\$ 18,588	\$ 54,854	\$ 4,355,507

On December 30, 2019, the Conference donated capital assets with a net book value of \$4,073,791 to Legacy (note 3).

Capital assets of \$39,913 were written down to nil during the year ended December 31, 2018 which is included in office expenses in the non-consolidated statement of operations.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

9. Assets held for sale:

Assets held for sale are comprised of capital assets, including buildings and land held for sale.

	2019	2018 (Unaudited)
Balance, beginning of year	\$ —	\$ 1,871,229
Amounts transferred from assets held for sale:		
Land held for sale (note 7)	—	1,877,189
Disposal of land held for sale	—	(3,500,078)
Disposal of capital assets	—	(248,340)
Balance, end of year	\$ —	\$ —

During the year ended December 31, 2018, the Conference disposed of certain buildings, and leasehold improvements for net cash consideration of \$268,661. The Conference recognized a net gain on sale of \$20,321.

During the year ended December 31, 2018, the Conference disposed of land held for sale for net cash consideration of \$4,060,601. The Conference recognized a net gain on sale of \$560,523.

10. Operating facility and guarantee:

On August 22, 2019, and as amended October 25, 2019, the Conference entered into a Letter of Agreement with the Bank of Montreal which provides for an operating facility for use by the Conference in the aggregate amount of \$250,000, along with letters of credit up to \$100,000, bearing interest at prime. The operating facility is secured by a general security agreement over the assets of the Conference, a \$300,000 corporate guarantee from Legacy and CCMBC Holdings Inc., a \$400,000 corporate guarantee from CCMBC Investments and general security agreements over the assets of Legacy, CCMBC Holdings Inc. and CCMBC Investments. As at December 31, 2019, the operating facility was unutilized.

In addition, the Conference has provided a guarantee in the amount of \$3,000,000 and a general security agreement to the Bank of Montreal as security for the operating facility of Legacy. As at December 31, 2019, the operating facility of Legacy was unutilized.

Prior to the Letter of Agreement, the Conference had a line of credit with the Bank of Montreal for use by the Conference in the aggregate amount of \$2,750,000, bearing interest at prime and was secured by certain corporate bonds held by the Conference with a fair value of \$3,624,131 at December 31, 2018. As at December 31, 2018, the line of credit amount was unutilized.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

11. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is \$1,306 (2018 - \$322) for government remittances.

12. Deposit notes:

Until August 30, 2019 the Conference issued deposit notes to MB Churches and MB Church Entities along with members of Canadian Conference churches and from August 30, 2019 to December 30, 2019 to MB Churches and MB Church Entities.

All deposit notes were due on demand and bear interest at a variable rate of interest which is determined at July 1 and December 31 of each year. At December 31, 2018, the interest rate applicable to trust deposits was 2.25 percent.

On August 30, 2019, deposit notes in the amount of \$80,298,579 were included as part of the reorganization described in note 3.

On December 30, 2019, deposit notes in the amount of \$28,577,722 were included as part of the reorganization described in note 3.

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

Until August 30, 2019, the Conference had an RRSP Trust and TFSA Trust for members of Mennonite Brethren churches. Funds were directed to first mortgages. Interest on member savings was calculated every six months and credited to each account on June 30 and December 31. Members' accounts were administered by Canadian Western Trust and the Conference. At December 31, 2018, there were 662 RRSP accounts, 501 RRIF accounts and 731 TFSA accounts.

RRSP Trust and TFSA Trust funds were due on demand and bore interest at variable rates of interest which were determined at July 1 and December 31 of each year. At December 31, 2018, the interest rate applicable to RRSP Trust and TFSA Trust funds was 2.50 percent.

On August 30, 2019, RRSP Trust funds in the amount of \$41,939,128 and TFSA Trust funds in the amount of \$24,657,206 were included as part of the reorganization described in note 3.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

14. 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:

	2019	2018
Balance, beginning of year	\$ 491,083	\$ 1,540,577
Add amount received relating to future periods	675,279	612,734
Less amount recognized as revenue in the period	(692,536)	(683,693)
Less amount transferred to Multiply	-	(978,535)
Balance, end of year	\$ 473,826	\$ 491,083

As at December 31, 2019, deferred contributions related to expenses of future periods consists of the following:

	2019	2018
Emerging leaders	\$ 11,388	\$ 33,437
Centre for Mennonite Brethren Studies	28,990	22,821
Non-registered church plants	355,729	327,373
United Bible Society	63,364	75,244
Church planting initiatives	883	20,752
Church planters reserve	12,020	11,456
Other externally restricted	1,452	-
	\$ 473,826	\$ 491,083

During the year ended December 31, 2018, pursuant to a Management and Agency agreement, deferred contributions of \$978,535 related to expenses of future periods related to C2C Network were transferred to Multiply.

15. 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.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

15. Restrictions on net assets (continued):

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

	2019	2018
CMU Endowment	\$ 205,077	\$ 205,077
Manitoba Conference Endowment	73,797	73,797
Evangelism Endowment	158,803	158,803
Family Endowment	927,765	926,810
	<u>\$ 1,365,442</u>	<u>\$ 1,364,487</u>

16. Related party transactions:

As described in note 3, on August 30, 2019, the Conference transferred mortgage and loans receivable and certain other investments to CCMBC Investments as part of the reorganization. In addition, on December 30, 2019, the Conference transferred certain assets and liabilities to CCMBC Legacy as part of the reorganization described in note 3 and donated capital assets in the amount of \$4,073,791 to Legacy.

At December 31, 2019, the Conference has a payable in the amount of \$9,350,529 to Legacy which is due on demand with no specified terms of repayment. At December 31, 2018, the Conference had a receivable from Legacy in the amount of \$2,657,244 which was due on demand with no specified terms of repayment.

At December 31, 2019, the Conference has \$834,279 (2018 - nil) on deposit with Legacy which bears interest at a variable rate of interest, 2.90 percent at December 31, 2019.

During the year ended December 31, 2019, Legacy provided accounting and payroll services to the Conference for \$47,700 (2018 - \$47,700).

During the year ended December 31, 2018, Legacy donated \$125,000 to the Conference and the Conference donated \$1,000,000 to Legacy.

These transactions are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

17. Commitments:

Lease commitments:

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

2020	\$ 150,292
2021	19,800

18. 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 2019 was 5 percent (2018 - 5 percent) of the employee salaries. The pension expense for the year ended December 31, 2019 was \$43,424 (2018 - \$40,864).

19. 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 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 financial instrument will fluctuate due to changes in market interest rates. The Conference was exposed to interest rate risk on its investments in corporate bonds, private fixed income and mortgage funds, and investments in mortgages until their disposal in 2019 (note 3). Further details about the fixed rate investments are included in note 6. The Conference managed its investment portfolio to earn investment income and invested according to a Statement of Investment Policy approved by The Board and monitored by investment managers.

THE CANADIAN CONFERENCE OF THE MENNONITE BRETHREN CHURCH OF NORTH AMERICA

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2019

19. Financial risks (continued):

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.

(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 was exposed to credit risk arising from its mortgage and loans receivable and investments in corporate bonds and private fixed income and mortgage funds until their disposal in 2019 (note 3). In order to reduce its credit risk, the Conference reviewed loan applications before extending credit. Investments were monitored by investment managers. An allowance for credit losses was established based upon factors surrounding the credit risk of specific accounts. The Conference had a number of corporate bonds, private fixed income and mortgage funds and mortgage and loans receivable which minimizes concentration of credit risk.

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

20. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and provincial governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The current challenging economic climate may lead to adverse changes in cash flows and/or working capital levels, which may also have a direct impact on the Conference's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Conference is not known at this time.

CCMBC AGM Minutes

June 6, 2020
10:30am – 3:00pm CDT

	Type of meeting:	Annual General Meeting
	Note taker:	Kara Friesen

Minutes

Agenda item: Welcome & Prayer

Presenter: Bruce Enns

Discussion:

There were 132 delegates signed in at the beginning of the meeting.

Meeting called to order at 10:10am CDT

Bruce provided some general Zoom etiquette, tech support options and online voting protocols as per the virtual voting policy document.

All motions have been moved by members of the Executive Board Michael Dick, Howie Wall (on behalf of the finance audit committee), and Sharon Simpson (on behalf of the nominating committee).

Motion: It is moved that JP Hayashida and Michelle Knowles be appointed as parliamentarians. **SC**

Motion: It is moved that Konrad Loewen, Janessa Giesbrecht and Johnny Dodsworth be appointed as the ballot team. An amendment to the motion – due to unforeseen circumstances Johnny was not able to be present. **SC**

Motion: It is moved that the amendment of the CCMBC General Operating Bylaws as enacted by the Executive Board on 23 April 2020 be confirmed. **SC**

Ingrid Reichard (Glencairn MB Church) - Is this bylaw enacted permanently?

- This bylaw is primarily for this meeting as we are currently under revision to align with the Collaborative Model.

Motion: It is moved that Reg Toews, Jason Dyck and Gerald Dyck be appointed as the minute review committee. **SC**

Motion: It is moved that the agenda for the annual general meeting be approved as presented with the addition of a motion of approving the minute review committee, a motion prior to adjourning the meeting to destroy ballots upon approval of minutes by the Executive Board Secretary, and to move the financial conversation to follow the National Director's report. **SC**

Bruce communicated the reasoning for not voting on the Multiply board nominees due to the Multiply Leadership and Board Review currently underway.

Minutes from the October 2019 AGM will not be approved today due to an oversight. These minutes will be deferred to the next AGM.

Richard Lougheed (AEFMQ) - Could we know how many people are voting on each of the motions?

- The ballot team reported that there are 143 delegates voting on the motions.

Agenda item: National Director Report

Presenter: Elton DaSilva

Returning to Ancient Ways.

We do not have a lack of vision. For many years we have proposed many visions, each one being unique. However, each one of these was never fully owned or embraced at the grass roots level.

5 Phases:

1. **Rebuilding** – Shoring up (observing, gathering data, adjustments, and big picture development). One observance is that we have lost our sense of polity as a denomination.

2. **Demolishing** – eliminating, reducing, shifting and exposing. We have seen the de-merger of Multiply, the end of the print version of the MB Herald. We have currently brought the national (CCMBC) down to the studs.
3. **Designing** – cost, evaluation, consulting, choosing, writing, contracting and explaining. We are currently in this phase. Looking at how we are going to rebuild by looking at what is important to us as a denomination. Currently we are only receiving 64% of our projected donations. In response, significant cuts are being made with assessments every 90 days to ensure we end the year with a balanced budget. We look at the costs and adapt and design accordingly.
4. **Building** – scheduling, expertise, collaboration, coordination, celebration, and communication. We are already equipped within our denomination to build everything we need to build.
5. **Living In** – adjustments, metrics, sustainability, long-term view, forecasting, and transition.

We are naming our troubles, but we are on our way to a rebuild.

Agenda item: Financial Update

Presenter: Bertha Dyck, Howie Wall,
Jim Davidson

We have a significant deficit of approx. \$1.6 million recorded. There are a number of factors at play – some from CCMBC operations, but a bulk of it is from separating CCMBC from Legacy and the accounting related to that.

CCMBC 2019 non-consolidated statements

Jim Davidson provided some of the financial background to the separation of Legacy and CCMBC:

- The shortfall Elton referenced are included in the reports and video that has been circulated on the website.
- In 2012 the conference was given the direction to make changes to our organization to ensure that we are conducting our operations in compliance with our Order of Parliament Charter, our bylaws, the CRS (Common Reporting Standard), and securities commissions.
- There were transitional issues that occurred through the end of 2014 which included the need of the Finance and Audit Committee to engage in the operations to support staff. This inhibited our ability to address the direction that was given to the conference in 2012.
- Principles that were followed throughout the process:
 - o to make sure it was done right.
 - o complete the transition on a timely basis.
 - o to ensure that the ministry to support MB Churches and MB Pastors with loans supported by mortgage documents.
 - o to make the transition as transparent as possible to those who entrusted us with their loans.
- In 2018 CCMBC completed the transition to become fully compliant. The first phase of the transition was completed in August 2019. This included the transition of the loan liabilities, mortgage assets and investments assets being transferred to CCMBC Investments Ltd. Investments has engaged Capital Asset Management to serve as our Exempt Market Dealer in respect to accepting new loans. Capstone has also been engaged as our portfolio manager to manage the investment of our excess funds, replacing the multiple funds that were managed in house previously.
- December 30, 2019, the remainder of the stewardship assets and liabilities were transferred to CCMBC Legacy Fund Inc.
- This transition process was reviewed and supported by our auditors, KPMG to ensure that there was a proper allocation and transfer of the appropriate assets and liabilities. The transition of the stewardship assets and liabilities were necessary to meet the direction of the guidance given in 2012. This was a substantial reorganization.
- The impacts of the reorganization have created a stark realization, which was communicated at the AGM in October 2019. Details can be found in the commentaries and reports posted.
- Unconsolidated statements show an accumulated deficit of \$1.6 million.
 - o Transactions show that the CCMBC financial position is not what we hoped it would be. Stewardship has needed to step in to assist with cash operational shortfalls. The basic operational processes and policies have been sound. Budgets have been prepared, reviewed, and approved. The annual financial statements have prepared audited and approved.
 - o When it was recognized that there may be shortfalls in the revenue stream there was insufficient action taken to eliminate spending required to balance the budget. On the revenue side, from 2013 through 2018 the actual church giving was \$1.3 M below the amounts budgeted. Adequate effort was not taken to minimize spending.

Steps Forward:

- o Elton, Bertha and the Finance and Audit Committee (FAC) will continue to look at spending to ensure that there are funds available to support the spending.

- o Elton has made the commitment to end the 2020 fiscal year with a balanced budget. Elton, Bertha & the FAC will also work to find opportunities to replenish approximately \$480 K of the accumulated deficit.
- o Possibly looking to increase investment margins without also increasing risk.
- o Reviewing subsidy support to some of our partner agencies
- o Looking at sales opportunities for the two remaining properties in Alberta.

Howie Wall shared that Jim will be completing his role of CEO of Legacy. A job profile is being developed. A thank you has been expressed for the work and time Jim has put in over the years through this reorganization season.

Questions/Comments

David Esau (Eagle Ridge Bible Fellowship) – with the losses and transfers, etc., what is the balance stating? Do we have debt to cover? What is the amount in our reserves?

There is a significant amount of cash in CCMBC. CCMBC is working to identify what their cash requirements will be above donations.

Harold Froese (Fort Garry MB Church) – We have to change the culture. We don't have an option anymore. We have been responding to things after the fact. We have not overspent on the budget, but we have overspent on the money that actually has come in. Affirmation for what the board is doing, but we need to acknowledge the seriousness of the situation. Can the audited statements be done earlier?

- The FAC will continue the conversation with KPMG to see if the audited statements can be done earlier.
- The Legacy board values policies and these are being developed. It is an ongoing task to keep policies relevant up to date. This is a critical part of the go-forward solution.
- The margins we are getting on our non-mortgage investments have been low. That is by design. Within CCMBC Investments 45% of our funds are in liquid and cash assets. We have a significant cash buffer before we get to a point of dire straight situation where mortgages become the only assets offsetting our investments. There is not an urgent concern over the withdrawals that have occurred as they are for good reasons.

Elton responded with a few comments: One of the pieces we should think about is the weight of accumulated decisions going back to 2013. The staff and current board are working hard at getting this resolved. It takes time.

The reality of the cuts that are happening are not COVID related, but an intentional action to reduce costs to meet income.

Vic Martens (Ross Road Community Church) – One of the problems we have had for many years (even prior to 2010) is the culture. We need to look at the root issue, which is culture - what is happening in our local churches to support our provincial and national conferences. What can churches do to promote the various ministries together provincially and nationally?

Motion: It is moved that the 2019 audited financial statements of the Canadian MB Pension Plan be approved as presented. **SC**

- Howie reiterated that the pension plan is held separately and is not co-mingled with any other funds.

Motion: It is moved that the 2019 audited Non-consolidated statements for CCMBC be approved as presented. **SC**

Motion: It is moved that the CCMBC Member Representative approve the 2019 Consolidated audited financial statements for CCMBC Legacy Fund Inc. as presented. **SC**

- CCMBC Investments is rolled up within the Legacy statements. This has been posted on the CCMBC website.

Motion: It is moved that KPMG be appointed as auditor for CCMBC for fiscal year 2020. **SC**

- This includes the pension plan as well.

Motion: It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Legacy Fund Inc. for fiscal year 2020. **SC**

Motion: It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Investments for fiscal year 2020. **SC**

Keeping our Promises

On the CCMBBC website, along with the AGM documents is a document called "Keeping our Promises". This is simply for reporting and accountability. This is for attendees to review on their own.

All of the promises made during the Financial Story were taken, categorized and reported. This document will continue to be worked on and updated by the Executive Board.

Agenda item: Nominations & Referenda Voting

Presenter: Sharon Simpson & Bruce Enns

Discussion:

Sharon Simpson on behalf of the nominating committee reported on the nominees presented on the nomination slate. The caliber of the nominees is exceptional. This has been affirmation in a difficult season.

Sharon provided thanks and appreciation for outgoing Executive Board members: Howie Wall, Matt Dyck, Bruce Enns, and Steve Berg.

Karen West acknowledged and thanked Bruce Enns for his role as Moderator the last 4 years.

Michael Dick prayed a blessing over Bruce.

Motion: It is moved that the following individuals be received and elected, by ballot, as nominees to the following boards. **SC**

Executive Board (National Assembly Executive)

Ron Penner (Northview Community Church, Abbotsford) Moderator for Executive Board (National Assembly Executive)

Sharon Simpson (Broadway MB Church, Chilliwack) Assistant Moderator for Executive Board (National Assembly Executive)

Reg Toews (Greendale MB Church, Chilliwack) Secretary for the Executive Board (National Assembly Executive)

Ruth Schellenberg (Fort Garry MB Church, Winnipeg) Manitoba rep to the Executive Board (National Assembly Executive)

Jeff Siemens (West Portal MB Church, Saskatoon) Saskatchewan rep to the Executive Board (National Assembly Executive)

Karen West (WMB Church, Waterloo) Ontario rep to the Executive Board (National Assembly Executive)

Jeff Dyck (Northview Community Church, Abbotsford) Member-at-Large for the Executive Board (National Assembly Executive)

Bryant Whyte (WMB Church, Waterloo) Member-at-Large for the Executive Board (National Assembly Executive)

Michael Dick (South Abbotsford MB Church, Abbotsford) Member-at-Large for the Executive Board (National Assembly Executive)

Board of Faith & Life (National Faith & Life)

Adam Greeley (The Well, Halifax) Member-at-Large for the Board of Faith & Life (NFLT).

Robyn Serez (WMB Church, Kitchener) Member-at-Large for the Board of Faith & Life (NFLT).

MB Seminary

Donna Vollet (Forest Grove Community Church, Saskatoon)

Ray Harms-Wiebe (Willingdon Church, Burnaby)

Rob Reimer (Steinbach MB Church, Steinbach)

Melody Loewen (Summit Church, Calgary)

Historical Commission

Benny Leung (Mountainview Grace Church, Calgary)

Ingrid Reichard (Glencaim MB Church) – would like to propose an amendment related to the nominee Adam Greeley. He is going to be a Maritimes Rep rather than a Member-At-Large and as such does not need to be voted, so is proposing an amendment to the motion.

- Parliamentarians responded saying that the Atlantic region is not listed within the existing bylaws, therefore, Adam Greeley will need to remain as a MAL for the Faith & Life team. The motion as it was presented stands.

Walter Fast (Steinbach MB Church) – Was there any concern expressed in the nomination process in how 5/9 board members are representatives of BC? Could this be considered a power move?

- Sharon Simpson responded saying that this conversation was had at the nominations team meetings and at the Executive Board. In the end, these were the names that were brought forth and each of them come highly recommended and with the right skillset needed for the boards and teams they will represent.

Harold Froese (Fort Garry MB Church) – Do we need to vote on provincial reps to the Executive Board?

- Parliamentarian reported that an affirmation vote is needed for all ex-officio nominees in order to be in compliance with federal corporation requirements.

Vic Martens (Ross Road) – We need to ensure that nominees are actually volunteering for the role.

Motion: It is moved that the Executive Board be given authority to use Referenda as described under the CCMBC General Operating Bylaws Article 5 Section 4 and in accordance with the "CCMBC 2021 Referenda Policy" approved by the Executive Board and provided with this motion. **SC**

Elton provided an explanation for the use of referenda.

Referenda is the mechanism to employ major decision making to happen at provincial conventions. This is something that already exists within our existing bylaws. This essentially means that major decision making is able to take place at provincial conventions.

Any motions or decisions made at provincial conventions will be brought to Town Hall meetings prior in order to engage the local church in the conversations. Anyone interested in commenting on any of the motions brought forth will be able to do so.

Matt Unruh (Cornerstone Community Church) – Article 4.3 states that it needs to happen in person. Does an amendment need to be made to the motion?

Parliamentarians spoke to the matter. The article was written with that consideration. Registration at the provincial conferences is a provincial jurisdiction. If a province allows for online voting or online registration, we have included it as an option in the article. Every province will host their own conventions and will control how voting will happen.

Agenda item: Commissioning

Presenter: Sharon Simpson, Bruce Enns

Sharon led through a time of prayer and a commissioning for all of the incoming board members and for Ron Penner as Moderator.

Agenda item: Questions for Multiply & MB Seminary

Presenter: Bruce Enns, Randy Friesen & Mark Wessner

The National Ministry Team (NMT) is a strategic table to think collectively and bring each provincial/agency context to serve the MB churches in Canada. The NMT is made up of the President of MB Seminary, President of Multiply, Provincial staff leaders, NFLT director and the National Director.

Multiply

Randy Friesen provided a Multiply report. The video posted on the CCMBC website outlines the financial information and stories of transformation.

Last summer through the de-merger, the word Multiply received was "Stop, wait and listen". This is the posture the organization has tried to embody.

The operating side of the budget is anticipating a surplus. One-time transition costs around are approximately \$950,000 (due to severances), but with the operational surplus it offsets the total deficit to be closer to \$700,000.

Randy expressed gratitude to this family of churches for support and prayers.

MB Seminary

Mark Wessner provided some opening remarks on behalf of the Seminary. Most of us are in difficult situations, but God is still in control. We live in a mix of turmoil and uncertainty but also a deep assurance of God's hope.

The last year has been one of blessing and difficulty.

Acts Online campus is going really well. This has been encouraging especially in a season of COVID. Classes and students were minimally disrupted as the online platform was already being used.

The current financial and restructuring situation

- **Past** (financial crisis): \$300,000 gap between operations and revenue
- **Present** (expense reduction) – operations - \$125,000; Admin - \$70,000, Instruction - \$60,000 (additional in 2021/2022). This will lead to a balanced budget in 2 years.
- **Future** (impact and rebuilding) – Ministry will be affected. BC – same model, reduced FTE; MB – new model, reduced FTE, ON/SK/Multiply – reduced admin; NMT – strategic plan; MBS 2.0. – integration with churches, network of scholars and churches.

Questions and Comments for Multiply

What is the importance for being on the NMT?

- The invitation into the strategy team has been encouraging. Historically, Multiply has been at an arm's length away operating in a parallel reality. The NMT gives us a place to bring vision, mission & strategy into a larger collaborative process. This is a healthy model.
- Multiply is holding off moving forward with its strategic plan until the new Collaborative Model strategy gets further fleshed out so that the two can be in alignment with one another.

Karen West (WMB) – For Randy & Mark, what message would you want us as delegates to go back to our churches with?

- Call your members and us as leaders to collaboration. If not, our tendency is to go back to our own ways. Keep one another accountable.
- It's difficult to do ministry when the goal posts keep moving.
- As churches you are owners not donors.
- This way of strategy, collaboration and measuring is unprecedented. We have never done anything like this before.
- It's easy for churches to do their own thing. It is a choice to engage and to be involved in something bigger than ourselves.
- Send emails and engage informally with leaders and offer some solutions around ways your church can engage.

Questions and Comments for Seminary

Harold Froese (Fort Garry MB Church) – The impacts of the restructuring on Manitoba is huge – for CMU, for individuals, etc. The MBCM board and CMU are working to help discern the way forward in the future.

- Not all HR factors have been finalized. The Seminary is not ready to communicate any of those details yet in order to honour the team.
- Nothing will change in Manitoba for this next year, but things will change the year after so that things can be sustainable. The conversations are ongoing. This is in process and will involve churches and donors.

What is the importance for being on the NMT?

- Mark and the Seminary really appreciate being a part of the NMT. The team has gelled, and we see each other as allies. The mandate of the Seminary has always been national, but it has realistically played out regionally, so working strategically with provinces is important.

James Toews (Neighbourhood) - The NMT brings strong leaders together, but it doesn't involve the community. This results in the constituency not owning. Frustrated people vote with their cheque books.

When people are talking and engaging with one another, it communicates care. "Gossip shows that people care".

- The idea behind the strategic plan is that through the summer and fall the NMT will bring the churches to speak into the strategy. The strategic plan will create more opportunities and levels of engagement between agencies, provinces and churches.

Jason Kehler (Fourth Ave) – Withholding giving is not the only way to respond to certain situations. It's not about withholding money but being engaged. Appreciation for Randy and the transparency over the last year that he has modeled and communicated.

Rob Thiessen (BCMB Provincial Director) – The goal of the NMT is to increase engagement among the provinces and also nationally. The Collaborative Model is starting to work in that way. There is still a gap between the church and the provincial conference, but this has allowed provincial leaders to speak into the agencies and vice-versa.

Agenda item: Defining our Mission

Presenter: Elton DaSilva

What is God calling us to as MB's in Canada?

By involving Multiply into the Collaborative Model, it actually expands our reach and mission globally because Multiply is at the table.

For a number of years, the North American church has been defining its mission as church planting. We need to have churches being planted. Recent studies show that areas of the globe where discipleship is the mission of the church, we see evidence of the church growing.

Everyone is able to engage in the area of discipleship.

We want to shift our priorities to discipleship being at the forefront rather than church planting. This is where we are going with the National Ministry Team.

Agenda item: Questions for NFLT & NMT

Presenter: Elton DaSilva

Ingrid Reichard (NFLT director) shared on behalf of the National Faith and Life Team? (NFLT). Historically the NFLT (then BFL) was structured outside of the organizational chart of CCMBC and this was a challenge. It would address issues in a reactionary way after the fact. It was difficult to speak into the decisions in the moment. Now, through the Collaborative Model structure, that is changed. The faith and life team is at the NMT table, actively speaking into strategy and confessional matters.

This is not what the national want the churches to do, but rather what the churches need the national to do in order to support the collective mission each of our churches has. This is to support the church.

Some of the big rocks that the NFLT is moving right now is article revision in the Confession of Faith, credentialing, alternative credentialing (particularly for First Nations leaders), and defining the values of MB's.

For those who don't feel involved, contact your provincial leaders and engage in the conversation. The opportunities are there.

Harold Froese (Fort Garry MB Church; MBCM moderator) – caution expressed that we need to manage our enthusiasm and passion at the national level. Practically, this relates to time requests around areas of credentialing, etc. The challenge for provincial staff is balancing the perceived pushing/leading from the national on such matters.

There is a disconnect at the church level. The reality is that many of the people in our churches are not on these calls. We are still in the trust rebuilding process and in the communication rebuilding process. At the church level, some of us are in a situation where individuals who used to work for the conference all of a sudden need spiritual and emotional support, and sometimes financial support. That same conference body is coming back saying "yes, we did that, but we want you as a church to continue supporting us." Those are hard conversations to have at the local church level. Be patient. Listen as we rebuild trust and communication.

Timothy Quek (New Life Christian Church) – from the far east and he saw the church grow because of discipleship. What has been observed in NA is that we plant churches but then planters reach a ceiling and they don't know how to disciple. Discipleship and church planting really need to work together. They are not mutually exclusive. What happened to the uniqueness about how we come together as MB's? How can we create systems where we can be stronger at church planting and discipleship together?

- Discipleship pathways have been made in the past. We are taking a new crack at it – taking the best of what is available by bringing as many people together in the process.

Scott Koop (Highland MB Church) – Appreciation for the 30-year historical perspective. Churches plant churches. Larger parachurch organizations and dominations provide resources, support, etc., but they don't plant churches. When churches plant churches we don't observe that same statistical drop-off after a 5-year period that we see when dominations plant churches.

Vic Thiessen (Glencairn MB Church) – Didn't realize what he was missing when he stepped away from the denomination. Affirmation for the macro plan. The challenge is getting down to the floor where the everyday person is. Discipleship is about the individual. God is always in the process of transforming people. We quickly become dependent on our own

strength and processes. We need to remember our dependence on God's transformation. God is doing a new life in us. Discipleship is about a call to obedience and obedience is how we manifest our love of Jesus. How can we draw those in the pew to greater obedience?

Alinea Piche (Crossroads MB Church) – We have been in this cycle of creating and demolishing discipleship programs. What is behind that? Perhaps understanding that cycle will allow us to understand how to interrupt the cycle.

- Part of the reason we aren't sticking with things is because we have an independent way of operating. Everyone has some kind of leadership development program and we have the ability to pick and choose. What is lacking is a real sense of ownership. When we collaborate and come together, we create ownership.

Paul Loewen (ABMB Provincial Director) – In 2003 the heart's desire at convention was for us to come together as boards and collaborate. We haven't had good mechanisms to talk together at the higher-up level, never mind at the grassroots/church level.

Ingrid (NFLT Director) – As soon as discipleship is put on the agenda, the conversation perks up. That is a huge affirmation for where we are headed. 2021 is looking like it might be the small church/house church model, which lends itself to obedience-based discipleship rather than knowledge-based discipleship.

Bryan Born (Central Heights Church) – I hope we don't become fearful to move into new areas. There also needs to be some risk-taking that needs to happen. Appreciation among the MB's for engagement in mission and pressing into Jesus. There is something beautiful about stepping out and failing rather than doing nothing.

Rob Thiessen (BCMB Provincial Director) – The way our historical discipleship structures have been built have been from the point of view that there were stewardship funds available to fund the ministry. When we have a 'piece' in the game (finances) we create greater ownership.

The NMT members want to connect with and engage with leaders.

Agenda item: Closing Remarks **Presenter:** Bruce Enns

Bruce conveyed his thanks and appreciation for board members and for the kind words that were shared towards him.

Encouragement to churches to get involved.

97 churches were represented at this AGM. We have approximately 230 churches in Canada, so there are many more churches who still need be involved and engaged. For those who can't serve right now, encourage those who do lead.

Pray for the NMT and for Elton.

Step forward, lean in and extend help. Critique and gossip can be seen as care and love, but speak truth in a posture of love.

Motion: It is moved that the ballots be destroyed upon the approval of the minutes by the Executive Board Secretary. **SC**

Motion: It is moved the Annual General Meeting be adjourned. **SC**

Parting words and encouragement from Bruce Enns to Ron Penner.

Meeting adjourned at 2:58 PM CDT

Summary of Motions

1. **Motion:** It is moved that JP Hayashida and Michelle Knowles be appointed as parliamentarians. **SC**
2. **Motion:** It is moved that Konrad Loewen, Janessa Giesbrecht and Johnny Dodsworth be appointed as the ballot team.
 - An amendment to the motion – due to unforeseen circumstances Johnny was not able to be present. **SC**

3. **Motion:** It is moved that the amendment of the CCMBC General Operating Bylaws as enacted by the Executive Board on 23 April 2020 be confirmed. **SC**
4. **Motion:** It is moved that Reg Toews, Jason Dyck and Gerald Dyck be appointed as the minute review committee. **SC**
5. **Motion:** It is moved that the agenda for the annual general meeting be approved as presented with the addition of a motion of approving the minute review committee, a motion prior to adjourning the meeting to destroy ballots upon approval of minutes by the Executive Board Secretary, and to move the financial conversation to follow the National Director's report. **SC**
6. **Motion:** It is moved that the 2019 audited financial statements of the Canadian MB Pension Plan be approved as presented. **SC**
7. **Motion:** It is moved that the 2019 audited Non-consolidated statements for CCMBC be approved as presented. **SC**
8. **Motion:** It is moved that the CCMBC Member Representative approve the 2019 Consolidated audited financial statements for CCMBC Legacy Fund Inc. as presented. **SC**
9. **Motion:** It is moved that KPMG be appointed as auditor for CCMBC for fiscal year 2020. **SC**
10. **Motion:** It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Legacy Fund Inc. for fiscal year 2020. **SC**
11. **Motion:** It is moved that the CCMBC Member Representative* vote in favour of KPMG being appointed as auditor for CCMBC Investments for fiscal year 2020. **SC**
12. **Motion:** It is moved that the following individuals be received and elected, by ballot, as nominees to the following boards. **SC**
13. **Motion:** It is moved that the Executive Board be given authority to use Referenda as described under the CCMBC General Operating Bylaws Article 5 Section 4 and in accordance with the "CCMBC 2021 Referenda Policy" approved by the Executive Board and provided with this motion. **SC**
14. **Motion:** It is moved that the ballots be destroyed upon the approval of the minutes by the Executive Board Secretary. **SC**
15. **Motion:** It is moved the Annual General Meeting be adjourned. **SC**

Notes

*Explanation of the CCMBC Member Representative:

The Multiply Bylaws and the Legacy Bylaws have been written to comply with the Canadian Not-for-Profit Corporation Act (CNCA). These bylaws state that a single individual will be selected by the CCMBC Executive Board to be the CCMBC Member Representative who will vote on behalf of the Canadian Conference of MB Churches.