

June 25, 2020

Dear Delegate to the MCC Manitoba 56th Annual General Meeting:

Greetings, in the name of Christ. Your attendance is warmly welcomed and appreciated!

In any other year this brief welcome might seem mundane, though sincere. In 2020 – COVID time – attendance and participation, however virtual and remote are appreciated as never before.

We ask your patience and understanding within an annual meeting unlike any before. MCC, like many of you, meet frequently using online platforms like Zoom. In these days of physical distance for medical safety we are Zooming more than ever. Still, the logistics of a virtual AGM are new.

We have rehearsed the technical logistics for this meeting.

- As a delegate you have pre-registered online. **Thank you!** You will be admitted to the meeting by hosts when you login.
- **Motions** – move and second – will be invited by **on-screen polls**. Click to move or second. Hosts will record the first response.
- **Votes** will also happen via **on-screen polls**. You will be able to **click to signal ‘approve,’ ‘oppose’ or ‘abstain.’** In this way, all **ballots will be secret**, including to the hosts.

Please find the delegate packet of reports and information. Given the extraordinary circumstances, we will concentrate the business portion of the meeting on the financial statements, audit appointment and actions of MCCM Board in 2019-20. Provincial department reports are brief and will not be presented in the meeting. However, you will be free to ask any questions in the designated ‘Question & Response’ portions of the agenda. Copies of the 2019-2020 audited financial statements will be provided to anyone who requests it after the meeting.

The formal business of the meeting concerns pre-COVID19 pandemic time. However, little has captured greater attention than the steps taken to respond to the pandemic. In that vein, MCCM is pleased to welcome **Paul Shetler-Fast, MCC Global Health Coordinator** to present on ways that MCC programs are positioned to respond to the COVID crisis.

We look forward to meeting you at this important annual gathering and to sharing several exciting developments in our program work and plans.

Sincerely,



Catherine Enns, Board Chair



Darryl Loewen, Executive Director

**Mennonite Central Committee Manitoba Annual General Meeting
Thursday, June 25, 2020
via Zoom and Facebook live**

***“All this is from God, who reconciled us to himself through Christ
and gave us a ministry of reconciliation...
(2 Cor. 5:18)***

- 7:00 Call to Order, Opening Prayer – *Catherine Enns, Chairperson*
Agenda & Minutes – *Catherine Enns, Chairperson*
MCC Canada Greeting
MCCM Organization Report – *Catherine Enns, Chairperson, Darryl Loewen, Executive Director*
- 7:15 Financial Report – *Carlee Friesen, Director of Finance and Administration*
Auditor’s Report – *Tony Schellenberg, Board Treasurer*
- 7:30 Question & Reply on Reports
- 7:40 Appointment of Auditor – *Tony Schellenberg, Board Treasurer*
- 7:45 Election of Director-at-large – *Catherine Enns, Chairperson*
- 7:50 Ratify Actions of the Board – *Catherine Enns, Chairperson*
- 7:55 MCC Responds to COVID – *Paul Shetler-Fast, MCC Global Health Coordinator*
- 8:15 MCCM in Pandemic – *Joanna Hiebert-Bergen, Josue Figueroa, Val Block*
- 8:20 Questions and Response
- 8:50 Closing Prayer
Adjournment

**MCC Manitoba
Annual General Meeting
MINUTES**

*September 26, 2019, 7:00 PM
Steinbach Mennonite Brethren Church
340 2 St, Steinbach, MB*

Present:

61 delegates, 5 registered guests, 9 staff

Conferences represented: Evangelical Mennonite Conference, Evangelical Mennonite Mission Conference, Mennonite Brethren Church of Manitoba, Mennonite Church Manitoba

1. Call to Order: Catherine Enns
2. Welcome and Devotional: Darryl Loewen, Executive Director MCC Manitoba
3. Agenda Review: Catherine Enns

Motion to adopt the agenda as presented. M/S Vic Rempel / Art Harms. Carried.

4. Minutes: Catherine Enns

Motion to adopt the minutes from June 8, 2018 AGM as presented. M/S Dan Block / Laura Unger. Carried.

5. Board of Directors Report: Catherine Enns

Focus in board work of FY2019 included: approval of the update on MCC's HR Policy Framework, approval of the new model of shared management with MCC Saskatchewan.

Board chair Catherine Enns thanked staff, volunteers and supporters of MCC Manitoba.

Catherine Enns shared the change of Manitoba board: departing and appreciation to Henry Buhler, Janessa Giesbrecht

Board chair invited all the attendees to participate MCC Centennial in various ways.

6. Executive Director Report: Darryl Loewen

Executive Director Darryl thanked the great many-delegates, friends, board, staff, partners, who have been participating MCCM's activities.

He acknowledged the good work of retiring board members Henry Buhler and Janessa Giesbrecht

Darryl encouraged the volunteers in Thrift Shops, boards, committees who made the Cycle Clear Lake, Relief Sale, Golf Tournament, SpringFest etc. happen. He encouraged the supporters of MCC: Churches, individuals, corporations and foundations. He encouraged participants and recipients of MCC work from Sam's Place, shoppers, newcomers and community development activity partners. He shared that the serving and learning transform all parties through a variety of activities.

Darryl reviewed the role of executive director, including engagement with the congregation, churches, ministries of MCC and related organizations. Also, ED carries national function to work out the strategy planning, the budgeting and shared policies by the MCCs in Canada/US.

Darryl introduced the current structure of MCC Manitoba which results in the collective decline in revenue, though the year to date (YTD) is on target.

Darryl shared more details on the centennial celebration. Great winter Warm up (GWWU) on January 18, 2020, Worship weekend event on September 20, 2020. Also, the ongoing Centennial Campaign is a highlight.

He encouraged all to rejoice in the ministry of relief, development & peace.

7. Program Report: Joanna Hiebert Bergen

Interim Program Director Joanna Hiebert Bergen shared the overview of MCCM program. Highlights included:

- MCC Manitoba programs across Indigenous Neighbors, Abuse Response Prevention, Migration and Resettlement, International Volunteer Exchange, Low German and Peacebuilding and Advocacy have met with our constituency and partners to listen and learn in total of 45 times throughout the fiscal year.
- *We Mamawe Ota Askihk – Sharing our Life Together Here on Earth* – a weeklong gathering that brought together 45 indigenous and non-Indigenous people to learn about sustainable food production and medicines from the land.
- *Share the Gifts – Honor the Treaties* was held at Sandy-Saulteaux Spiritual Center to gather wisdom from Indigenous Elders and knowledge keepers.
- *We Are All Treaty People Celebration* was held at the Folks in partnership with the Quakers and the United Church of Canada with 150 attendance.
- 14 diverse participants from MCC constituency churches joined MCC 's Indigenous Initiatives Learning Tour of North End Winnipeg which provided a full one-day learning opportunity to visit 5 Indigenous-led initiatives.
- Abuse Response Prevention Program's new website abuseresponseandprevention.ca launched.
- *Theatre of the Beat's #ChurchToo* show took place in last October and November and our ARP coordinator presented as a resource and panel member at all 3 performances.
- Sponsorship groups are provided with information on family wellbeing and trauma awareness through our ARP program.
- In the past fiscal year, MCC's Migration and Resettlement Program along with sponsoring groups welcomed 102 newcomers to Manitoba.
- Kurdish Initiatives, most of whom from this community came to Manitoba as sponsored refugees through MCC, agreed to sponsor the entire group of referred refugees – 7 Syrian families for a total of 35 people.
- 6 young people participated International Volunteer Exchange Program (IVEP), and worked within various organizations including, the Kildonan Thrift Store, Indigenous Family Center, Winkler Bible Camp, Thrive Community Support Circles, Winnipeg Harvest and Sam's Place.
- Peacebuilding and Advocacy continued to provide spaces for learning and discussion related to the MCC Ottawa Office advocacy initiative over a five-year period focusing on Palestine and Israel.

8. Communications and Donor Relations Report: Valorie Block

Communications and Donor Relations Director Valorie Block shared her and her family's MCC story as one of the great many MCC stories over 100 years.

She reviewed the priorities of the communications and donor relations team, which are connecting with donors by impactful storytelling, deepening the connections between MCC and donors, learning about and understand complex situations, and advocating on behalf of those who need a voice.

She highlighted Cycle Clear Lake, the annual MCC golf tournament, SpringFest, the Brandon Relief Sale, the Grow Hope initiative that unites farmers and urban donors together in support of MCC food projects and stories about programs and social enterprise initiatives in Manitoba and globally in the annual report.

On behalf of CDR department, Valorie thanked to our congregation and invited them to be part of 2020 MCC Centennial, in which CDR is looking forward to new ways to engage and inspire our donors to the places they can bring change.

9. Social Enterprise and Thrift Report: Josué Figueroa

Social Enterprise director Josué Figueroa shared the highlights of the thrift shops and Sam's place:

1) Thrift network

Josue reported a newly formed SE team and the new Sam's place's chief. He reported that, in store and online, SE team are concentrating importance of customer experience, service and engagement to create brand awareness and loyalty. Some of the activities are: National campaigns, such as *Thrift your wedding*, *Reading Month* and *national volunteer week*, *National Thrift shop Day* and *Beacon Hill Pop-Up Shop*. Josue reported the Brandon's expansion which took place this year. It has been a big project through three phase's work. A grand re-opening will happen after phase three with hopes of end of October 2019.

2) Sam's Place

Sam's place 's kitchen renovations were completed, which enables it to provide better industry standard training in our kitchen. All equipment's are updated to commercial standard and kitchen doubled in size to provide more hands-on shadowing of food preparation.

With the support of a grant named *Extend!* Volunteers has been largely engaged. They were given opportunity to track through three different tiers of training, they are also been provided with certifications such as Food Handlers certificates.

On the management level, a new Sam's Place manager was appointed last November. Our performer and rental policies have been updated, creating a more systematic process and coming more in line with industry standards.

We have been seeing an increase in performances and calendar events at Sam's Place, as well as increased social media engagement. The first phase of our social media planned rolled into effect, creating more online engagement with our customer base.

10. MCCC Report: Rick Cober Bauman, Executive Director

Rick Cober Bauman shared of his visit to Ukraine this year and the gratitude of those who received sponsorship and MCC's service around the world through MCC via a video presentation.

Motion to accept the reports of Board of Directors, Executive Director, Program, Communications and Donor Relations, Social Enterprise and Thrift. M/S Victor Kliewer / Kelvin Drudge. Carried.

11. Financial Report and Auditor's Report: Carlee Friesen

Via the Independent Auditor's Report, Deloitte LLP reported a clean audit opinion with the qualification of completeness of donation revenue, common to non-profit organizations. Carlee Friesen, Director of Finance & Administration, noted a positive working relationship with Deloitte LLP.

Statement of Revenue & Expenditures: MCCM saw total revenue of \$9.8 million in FY2019. Thrift comprised 30% of total income. Donors showed strong support for the categories of where needed most, over \$598,000.

The flow of donations corresponds the expense we spent internationally after the disasters. 67% of the Manitoba expense occurred under International Programs. For example, MCC responded to Cyclone Idai which devastated southeast Africa during the last fiscal year. In terms of local work at MB, we see 19% of the total income was used on Manitoba Programs, 7% Justice & Peacebuilding, 4% on Disaster Relief via two warehouses, 8% on Sustainable Community Development. CDR, Administration and SE spent 6%, 6% and 2% respectively.

Statement of Revenue & Expenditures: MCCM's Total Income: \$9.9 million, Total Expenses: \$9.9 million, Operating Net Loss: (\$4,065) and we are at the Final Net Revenue: \$58,036.

Statement of Financial Position: MCCM's assets at FYE2018 totaled \$4.2 million. Liabilities totaled \$1.4 million with net assets at \$2.8 million.

The audited financial statements have been reviewed, approved, and signed by the Board of Directors.

Director of Finance & Administration Carlee Friesen thanked all the donors, volunteers. We are grateful that MCC is trusted to use 10 Million of revenue to advance our ministry of relief, development and peace in the name of Christ.

Motion to approve the audited financial statements for the fiscal year of 2018/2019 as presented. M/S Ron Dueck / Tony Schellenberg. Carried.

12. Question & Answer on Reports

A delegate inquired the current status of the Brandon Thrift store after the flood. Darryl replied that it is dry now and the store is open.

A delegate inquired the update of Human rights commission towards MCC HR. Darryl replied that with legal consolation to MCC, we took the implement of two set of code of conduct. The complaint was withdrawn.

A delegate inquired MCCM's financial status on a five years scale. Carlee replied that the revenue trend is flat in the last 5 years.

A delegate inquired MCC's response to climate change. Darryl replied climate change is considered as one of the strategic priorities for MCC in the next five years. He shared that climate strike marching is taking place on September 27th, MCC employees are encouraged and some of them are participating.

13. Appointment of Auditor: Tony Schellenberg, Board

Treasurer Tony Schellenberg noted that the Board of Directors remain pleased with the services of Deloitte LLP.

Motion to retain Deloitte LLP as auditor for MCC Manitoba for the 2019/2020 fiscal year. M/S Tony Schellenberg/ Art Harms Carried.

14. Election of Directors-at-large: Catherine Enns

Motion to appoint Janet Plenert as Director at Large on the MCCM Board. M/S Krista Neustaeter Barg / Ed Barkman Carried.

15. Keynote Address: Vurayayi Pugen, Area Director for Southern Africa, MCC Canada

Vurayayi Pugen shared his gratitude to MCC, who cares people more than anything else. He shared the gratitude from Zimbabwe to the people God sent. Through a food security and livelihood project, he reassured that MCC 's fund is going to people who needs the most, is used wisely, and is making a difference.

Through his presentation, we see pictures of the issues on food security in Zimbabwe. MCC's food aid programing, which includes conservation Agriculture, soil and water conservation, market linkages, integration of livestock and agroforestry, addressing gender inequality has been impact on people 's life, on security, on safety, on health lifestyle, on development and on peace.

He encouraged MCC staff to be pride of the work we are doing as accessibility and suitability have been always something MCC keeps in mind.

16. Closing Prayer: Catherine Enns

17. Adjournment

Motion Dan Block

Meeting minutes recorded by Ting Terrazas and approved by Catherine Enns and Darryl Loewen.

MCC Manitoba Board Actions in Fiscal Year 2019-2020

June 8, 2019

To approve the agenda.

To approve the consent agenda:

- Accept the minutes of the February 28 board meeting
- Accept the written reports of the Executive Director, Program Director, Communications and Donor Relations Director, and Director of Social Enterprise
- Accept the 2019-2020 meeting schedule

To accept Aida Vidal on the board of IJC.

To approve the audited financial statements.

To approve the net transfer of \$444,161 from internally restricted net assets, consisting of transfers to the Unrestricted Fund of \$500,000 and \$7,592 from the Legacy Fund and the Refugee Fund respectively to help with operations and cover program costs and the transfer of \$63,431 from the Unrestricted Fund to the Capital Asset Reserve Fund.

To approve the 2018-2019 audited financial statements as presented.

To approve the recommendation to the AGM delegate body to appoint Deloitte LLP as auditor for fiscal year 2020.

To approve to add Valorie Block, Director of Communication and Donor Relation, as an authorized signor on all bank accounts owned by Mennonite Central Committee Manitoba.

To adopt the Board Development Committee nominations for officers and committee members.

To adopt the Executive Committee nominations to the BDC as listed.

To nominate Janet Plenert as a director-at-large and to be recommended to attend MCC Canada AGM Delegate.

To adjourn the meeting.

October 5, 2019

To approve the agenda.

To approve the consent agenda with the noted changes, and the program polices.

- Accept the minutes of the June 8 board meeting with the changes:1) John Wieler was appointed to the board by Mennonite Brethren Church Manitoba; 2) Motion the first under item 6 was Murray Barkman;3) Gerald Dan Block changes into Dan Block; 4) item 7/b motion the second was Murray Barkman.

- Accept the written reports of Executive Director, Program Director, Communications and Donor Relations Director, and Director of Social Enterprise
- Approve Program Policies
- Environmental Sustainability
- Gender Equality
- Social Inclusion and Empowerment
- Signing authority re. MCCM credit union accounts
- Communities Board

To approve deficit financing of up to \$100,000 across FY2020-2021 for expenses related to centennial marketing and events and authorize line of credit cashflow financing of \$100,000.

To adjourn the meeting.

February 22, 2020

To approve the agenda.

To approve the consent agenda:

- Accept the minutes of the October 5 board meeting
- Accept Board Calendar, 2021FY
- Accept the written reports of Manitoba Leadership Team (MLT)

To hold AGM on June 25, 2020.

To accept ED report.

To accept the 2021 budget.

To accept the Memorandum RE: MCCM Migration & Resettlement Fund as presented.

To adjourn the meeting.

MCC Manitoba Organization Report, AGM 2020

“All this is from God, who reconciled us to himself through Christ and gave us the ministry of reconciliation.”
- 2 Corinthians 5:18 (MCC prayer card)

It is a most extraordinary time in the world, when pandemic prompts unprecedented caution around social contact, and oppression in our world prompts sadly precedented displacement and unrest among the vulnerable in this world who cry out for justice, for compassion, and for fellowship. So, we meet online in response to the former, with prayer for the latter, those who are made more vulnerable by the various ravages of the day. We pray that God continues to reconcile us all to himself and each other.

As an organization, MCCM entered FY2020 needing to adjust to the reality of reduced revenue in the prior year. Budgets were adjusted to be leaner, forcing difficult choices in program and administrative operations. Elimination of the Low German program interrupted relationships with groups of people in Manitoba. Even so, relationships with parts of Manitoba’s Low German community experienced new connections with MCC’s Abuse Response and Prevention program. Groups of persons affected by violence ministered to each other and to us. Leadership of Program and Finance departments was shared between MCCM and MCC Saskatchewan. These projects took advantage of retirements to pilot new leadership structure. The model was abandoned within the year in Program. However, Finance continues to be shared into FY2021, having found traction in financial management in the two provinces.

Communications and Donor Relations connected with constituents in more individualized ways, providing stories and information chosen to more precisely match the interests of MCC supporters. One of the results of this work was significant increase in gifts to MCC. So that Manitobans provided \$1.1 million dollars more for shared program than the previous year.

Once again MCCM Board of Directors provided inspired oversight to the ministries, administrative and strategic activities of MCCM. Their consistent pursuit of the best outcomes for MCC in Manitoba, and in the cohort of Canadian and international MCCs are marked by support for innovative leadership, in formation and re-formation of policy frameworks for all MCCs, in leaning into MCC’s shared identity, demonstrating the strengths of MCC Manitoba’s member church bodies.

The work of the board can be likened to a gardener, repetitive in its seasons. So, the board contributed to MCC-wide redrafting of policy on conflict of interest, civil disobedience, and IT. Occasionally, new tasks emerge, requiring special attention and new learning. The board’s voice was integral in reframing HR policy in Canadian MCCs, so that perspectives of member churches, law and mission were sustained.

Great Winter Warm Up may be remembered as the highlight of FY2020. This first – and now only – MCC-wide centennial celebration event in 2020 was conceived in Manitoba and shared across countries and continents. Mission-minded volunteers across the province made and donated a mountain of comforters, 4500+ in total. More than any other region in the world!

In all that took place in MCCM last year, thanks be to God.



Catherine Enns, Board Chair



Darryl Loewen, Executive Director

MCC Manitoba Program Report, AGM 2020

This past year MCCM program staff continued to offer stellar programming through building relationships of integrity, delivering quality workshops, responding to inquiries, connecting with constituency churches and offering hope and possibilities for health and healing. MCCM programs are rooted in service in the name of Christ, care for God's creation and every living member within it. It is with gratitude for the ongoing support of the MCCM board and constituents that I offer this report.

Abuse Response Prevention through the work of Jaymie Friesen offered 9 presentations, workshops and trainings to churches, schools and community organizations. This included the #ChurchToo conference with 100 people in attendance. An ARP website was rolled out across Canada resourced and maintained by MCCM's ARP coordinator. 12 consultations were offered to congregants/constituency seeking support and 9 consultations happened with church leaders. 3 trauma awareness and family welfare seminars were delivered in conjunction with Migration & Resettlement Program for refugee sponsorship groups. 6 Prevention of Sexual Violence workshops were facilitated for MCCM, MCC Canada staff, supervisors and boards.

Indigenous Neighbors Program lead by Kerry Saner-Harvey collaborated with 15 Indigenous led partnerships. 7 projects were assisted with MCCM grant funding and an additional 8 were supported through staff participation. Some of these relationships include Interchurch Council on Hydropower, Healing Forest Project, Share the Gifts – Honor the Treaties. Stronger relationships were developed with Elders from Swan Lake First Nations, South Indian Lake and Manigotagan. We Are All Treaty People Celebrations in Sept. saw over 200 people in attendance.

Migration & Resettlement program staff included Maysoun Darweesh and Belloty Kabamba-Braun as Associate Program Coordinators and Caitlin Thomas as program assistant. 101 refugees were resettled through the Private Sponsorship Resettlement (PSR) and 23 refugees were resettled through Blended- Visa Resettlement (BVOR). There were 5 presentations made to churches and 15 groups consulted with M & R staff around logistics of refugee sponsorships. Numerous follow-up visits were made to Constituent Sponsorship groups (CG's) and to resettled newcomers. Meetings with SAH (Sponsorship Agreement Holders) Council and IRCC (Immigration Refugees and Citizenship Canada) were ongoing to ensure MCCM compliance with government regulations. Regular connecting between M & R Manitoba staff and M & R Canada/provincial staff for mutual support and learning continued.

IVEP and SummerBridge programming was facilitated by Jennifer Saner-Harvey. IVEP has 4 participants this year. Stela from Bangladesh at Kildonan Thrift, Male from Mexico at Indigenous Family Center, Khamhom from Laos with Winkler Bible Camp and Somita from Nepal, with U-Turn in Brandon. There have been some challenges this year including an early return for Stela back to Bangladesh. Overall however, the hosting and work placements have gone well with Jenn facilitating good conversations and guiding both the IVEP's, their families and hosting organizations. Summerbridge saw four successful young people placed in four church within Winnipeg for the span of 12 weeks.

Peacebuilding and Advocacy has been facilitated by Joanna Hiebert Bergen as an aside to the work of Program Director. The Ottawa Office and Canadian Advocacy Network continue to animate A Cry for Home – focused on justice in Israel and Palestine. 7 presentations were made in various churches, 3 public events were held in collaboration with other advocacy groups, there were several meetings with the MP for Wpg Center and continued involvement with the Mennonite Church MB working group. MCCM undertook a Learning Tour to Palestine and Israel in Nov. with 10 participants. Germination Conversations – Faith Food Farming and the Land (CMU, MCCM, A Rocha and CFGB) continued to meet to put together a resource for churches/schools etc on carrying out difficult conversations, set for publication this summer.

Respectfully submitted by Joanna Hiebert Bergen, MCC Manitoba Program Director

MCC Manitoba CDR Report, AGM 2020

Submitted by Valorie Block, CDR Director

Team members: Katie Bergman, Sophia Bezopenko, Emily-Ann Doerksen, Elizabeth Kessler, Gord Letkeman, Brad Reimer, Jessica Williams, Allison Zacharias

A large part of the job that I and my colleagues are privileged to have as members of the communications and donor relations team, involves connecting you as supporters with those whose lives are being changed. Connecting with you by telling stories of impact and inviting you and many others to continue to be part of making a difference for individuals, families and entire communities in over 50 countries and right here in Manitoba. We also seek to deepen those connections by thanking you for the many ways you support the work of MCC -- through prayer, volunteering, financial donations, taking the time to learn about and understand complex situations, and advocating on behalf of those who need a voice.

We are so grateful for the support of so many 'friends of MCC' who continue to generously give financial gifts that impact the lives of our vulnerable neighbours, both locally and globally. Hundreds of volunteers share of their time and talents as well, and continue to humble us with countless hours of dedication through annual events such as Cycle Clear Lake, the MCC Golf Tournament, SpringFest (plant sale & quilt show and sale), the Brandon Relief Sale and the Christmas Craft & Bake Sale. Our Grow Hope campaign, which seeks to raise support for global food security, had another strong year by deepening understanding and connections between six devoted rural and several hundred committed urban farmers.

January 2020 launched the beginning of our Centennial year which was marked by the Great Winter Warm-Up. The event was an incredible success both in terms of numbers of comforters collected (over 9500 total and over 3100 from Manitoba!), and the scope and size of engagement that was inspired.

In addition to events in Winnipeg and at the Plum Coulee MCC warehouse, 13 other events (churches working together, thrift shops hosting, and full community events) involving well over 1000 people took place. The engagement by the Hutterite community was also significant and meaningful. Response was overwhelmingly positive as we witnessed and heard many impact stories of intergenerational participation (grandparents, parents, kids, youth, young adults), alongside longtime blanket makers and folks brand new to MCC coming together to be part of something greater than the sum of its parts.

So many highlights from this past year that moved us forward in raising funds and engaging and deepening relationships with a growing base of supporters are not able to be included here. But our gratitude extends to all those who partner with us in the work of meeting physical needs and bringing hope to the our most vulnerable neighbours near and far. The words of author and philosopher Henri Nouwen continue to ring true for MCC in its 100th year -- "we are drawn together by God, who is about to do a new thing through our collaboration." Thank you from all of us on the CDR team!

MCC Manitoba Social Enterprise Report, AGM 2020

Thrift

MCC Manitoba is grateful for the faithful work of our Thrift Shop network in Manitoba. Countless hours of donated time by our volunteers, effective managers, dedicated staff and devoted donors that enable the Thrift shops to be a critical contributor to the work of MCC.

In 2019-2020 Thrift shops in Manitoba contributed \$2.9 million towards MCC's local and global relief, development, and peace work. Shops have seen an increase in gross sales across the network. Still, they are also experiencing challenges in increased operational costs and external retail competition both locally and online through digital apps such as Varage Sale and Facebook Marketplace.

Staff transitions in 2019 included a new Thrift coordinator, Kristine Heinrichs, appointed October 2019 and Social Enterprise director, Josué Figueroa, appointed September 2019.

Thrift introduced Influencer campaigns through Social Media to generate brand awareness and engage with new customers. Influencers hosted a national contest, which ultimately provided a collection of email addresses for MCC to engage with a new customer base. Provincially, a marketing schedule was created to highlight the work of MCC locally, internationally and determine key retail campaigns to promote sales and increase customer engagement.

One of the biggest highlights in Thrift is seeing how the shops engage with their community and customers. We are focusing on providing excellent customer service, awareness of local and international MCC work and providing our communities with excellent affordable goods while avoiding second-hand products to end up in landfills. This places Thrift ahead of the competition and more closely in-line with MCC's vision of sharing God's love to all in the name of Christ.

Sam's Place

Sam's Place welcomed a new Food Services Manager in September of 2019, Joseph Stothers.

Our Youth Program provides employable skills to those facing barriers to the workforce amongst a supportive community of fellow volunteers.

In 2019, our Youth and Young Adult Program continued to grow both with new volunteers, higher quality training and engagement sessions, and more senior capacity volunteers. As a reminder, our Youth and Young Adult Program provides employable skills to those facing barriers to the workforce amongst a supportive community of fellow volunteers.

We averaged 40 unique weekly volunteers with 30 being participants of our Youth Program. 6 Program participants moved on to employment. Through the receiving of grant funding, we also promoted three program participants to paid supervisor positions between summer 2019 and spring 2020.

In February, we completely redesigned our website in house. The new website has a modern design and user interface, making the experience much more user friendly.

Sam's Place has continued to build and maintain quality relationships with our community organization partners and funders.

New events were introduced in 2019. These have helped us engage with our community of loyal customers but also has allowed our program participants to provide hands-on customer service. Sam's Place Turkey dinner, Valentine's Dinner. New catering menu introduced in the fall.

Financial Statements of

**MENNONITE CENTRAL COMMITTEE
MANITOBA INC.**

March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Mennonite Central Committee Manitoba Inc.

Qualified Opinion

We have audited the financial statements of Mennonite Central Committee Manitoba Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from contributions, fundraising events and donations of material resources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to recorded contributions, net revenue and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 qualified audit 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

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

The logo for Deloitte, featuring the word "Deloitte" in a stylized, cursive font with a small "UP" to its right.

Chartered Professional Accountants

Winnipeg, Manitoba
June 22, 2020

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MENNONITE CENTRAL COMMITTEE MANITOBA INC.**Statement of Revenue and Expenditures****Year Ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
REVENUE		
Undesignated contributions:		
General	\$ 2,104,497	\$ 1,821,558
Thrift shops	2,902,153	2,983,860
Bequests	846,966	301,842
Designated contributions (Schedule 1)	3,739,013	3,309,306
Relief sales and other events (Schedule 2)	228,425	223,950
Material resources	595,489	519,378
Grant funding	276,863	390,611
Sales and Fees for Service	253,733	293,347
Interest	22,825	27,030
Gifts-in-kind	3,995	18,069
Other	2,347	6,459
	10,976,306	9,895,410
EXPENDITURES		
Programs (Schedule 3)		
Justice & Peacebuilding	528,432	674,710
Disaster Relief	373,337	407,007
Sustainable Community Development	754,313	598,073
Program Administration	177,327	174,393
	1,833,409	1,854,183
Support Services		
Administration	572,010	556,733
Communication & donor relations	592,978	608,672
Social enterprise	224,675	193,131
Relief sales and other events (Schedule 2)	70,237	64,808
	1,459,900	1,423,344
Forwardings to MCC Canada (Schedule 4)	7,782,746	6,621,948
	11,076,055	9,899,475
NET LOSS BEFORE OTHER ITEM	(99,749)	(4,065)
OTHER ITEM		
Change in investment in Initiatives for Just Communities (Note 6)	207,391	62,101
NET REVENUE (LOSS)	\$ 107,642	\$ 58,036

MENNONITE CENTRAL COMMITTEE MANITOBA INC.

Statement of Financial Position

March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 652,118	\$ 575,565
Accounts receivable (Note 3)	211,722	41,144
Inventory	73,979	64,487
Prepaid expenses	9,207	6,659
	947,026	687,855
ABUNDANCE CANADA INVESTMENT (Note 4)	308,863	403,143
INVESTMENT IN THE JUBILEE FUND INC. (Note 5)	50,652	50,325
INVESTMENT IN IJC (Note 6)	1,114,789	907,398
INVESTMENT IN OLD GRACE HOUSING CO-OP (Note 7)	42,000	42,000
OTHER INVESTMENTS (Note 8)	408,678	459,482
CAPITAL ASSETS (Note 9)	1,617,503	1,698,272
	\$ 4,489,511	\$ 4,248,475
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 10)	\$ 73,808	\$ 87,864
Due to MCC Canada	721,105	312,421
Deferred revenue	279,405	456,452
Current portion of long term debt (Note 11)	52,000	85,601
	1,126,318	942,338
Designated contributions - capital assets	160,870	170,190
Long term debt (Note 11)	284,705	325,971
	1,571,893	1,438,499
COMMITMENTS (Note 14)		
NET ASSETS		
Unrestricted	211,863	392,363
Internally Restricted (Note 12)	471,038	393,705
Invested in Capital Assets (Note 13)	1,119,928	1,116,510
Invested in Initiatives for Just Communities	1,114,789	907,398
	2,917,618	2,809,976
	\$ 4,489,511	\$ 4,248,475

APPROVED BY THE BOARD



Board Chair

Name: Catherine Enns



Treasurer

Name: Tony Schellenberg

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Statement of Changes in Net Assets
Year Ended March 31, 2020

	2020				2019	
	Unrestricted	Internally Restricted	Invested in Capital Assets	Invested in Initiatives For Just Communities	Total	Total
Balance, beginning of year	\$ 392,363	\$ 393,705	\$ 1,116,510	\$ 907,398	\$ 2,809,976	\$ 2,751,940
Net revenue (expenditures)	(16,624)	327	(83,452)	207,391	107,642	58,036
Inter fund transfers (Note 12)	(163,876)	77,006	86,870	-	-	-
Balance, end of year	\$ 211,863	\$ 471,038	\$ 1,119,928	\$ 1,114,789	\$ 2,917,618	\$ 2,809,976

MENNONITE CENTRAL COMMITTEE MANITOBA INC.**Statement of Cash Flows**

Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Net (loss) revenue	\$ 107,642	\$ 58,036
Items not affecting cash:		
Loss on disposal of capital assets	3,222	471
Amortization of capital assets	89,550	96,642
Amortization of designated contributions	(9,320)	(9,320)
Change in investment in Initiatives for Just Communities	(207,391)	(62,101)
	<u>(16,297)</u>	83,728
Net change in non-cash operating working capital items:		
Accounts receivable	(170,578)	53,462
Inventory	(9,492)	9,029
Prepaid expenses	(2,548)	3,747
Accounts payable and accrued liabilities	(14,056)	(4,531)
Due to MCC Canada	408,684	29,992
Deferred revenue	(177,047)	133,440
	<u>18,666</u>	308,867
FINANCING ACTIVITIES		
Designated contributions received - captial assets	-	15,000
Repayment of long term debt	(74,867)	(64,660)
	<u>(74,867)</u>	(49,660)
INVESTING ACTIVITIES		
Purchase of capital assets	(12,003)	(33,210)
Redemption (purchase) of Guaranteed Income Certificates (net)	50,804	(4,318)
Increase in The Jubilee Fund Inc.	(327)	(325)
Decrease (increase) in Abundance Canada investment	94,280	(6,364)
	<u>132,754</u>	(44,217)
NET INCREASE IN CASH POSITION	76,553	214,990
CASH, BEGINNING OF YEAR	575,565	360,575
CASH, END OF YEAR	\$ 652,118	\$ 575,565

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

1. PURPOSE OF THE ORGANIZATION

The purpose of the Mennonite Central Committee Manitoba Inc. (the "Organization" or "MCCM") is:

- a) to function as a charitable organization in the relief of human suffering; in aiding, rehabilitating and re-establishing Mennonite and other refugees and immigrants; in supporting, conducting, maintaining and administering relief and kindred charitable projects; to help fulfill the mission of the church, "In the Name of Christ, the Prince of Peace";
- b) to co-ordinate the relief, peace and service efforts of the province's Mennonites;
- c) to act as a united voice of the Manitoba Mennonite membership in matters of provincial concern such as peace witness, alternative service government contact, immigration, and such other matters as may be assigned to it by the member conferences, churches or organizations; and
- d) to give leadership in exploring and initiating new areas of service.

The Organization recognizes Mennonite Central Committee Canada ("MCC Canada") and Mennonite Central Committee United States ("MCC US") as the international relief agencies for Mennonites and Brethren in Christ in Canada and the United States. Revenues for the shared international programs are distributed according to the Covenant between MCC Canada and MCC US. Where deemed advisable, the Organization will co-operate with other provincial institutions, relief, peace and service agencies, conferences and churches.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

a) *Fund Accounting*

The Organization accounts for its operation using the following funds:

- Unrestricted – accounts for unrestricted assets and liabilities that are used to support ongoing operations and to aid in ongoing projects approved by the Board of Directors and management.
- Internally Restricted – accounts for funds that have been set aside by the Board of Directors for future designated purposes.
- Invested in Capital Assets – accounts for assets, liabilities, revenues and expenditures related to capital assets.
- Invested in Initiatives for Just Communities – accounts for the Organization's net investment in Initiatives for Just Communities (Note 6).

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions which includes undesignated donations, designated donations, grants, events, bequests and gifts in kind.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenditure is recognized. Contributions restricted for the purchases of capital assets are deferred and amortized into revenue at the same rate as the corresponding capital asset.

Revenue relating to sales and fees for service is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded using the declining balance method at the following rates:

Buildings	5%
Furniture	10%
Equipment	20%
Vehicles	30%

Amortization on computer equipment is recorded on a straight-line basis over four years.

d) Gifts-in-kind

Supplies for material resource kits are purchased and donated during the year. The contributions and corresponding forwarding expenses are recorded at their fair market value when the packed goods are shipped from the Organization.

Donations in kind are valued at their fair market value at the time the donations are received.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Investment in IJC

In 2012, the Organization transferred certain assets to Initiatives for Just Communities (“IJC”), a registered charity whose directors are appointed subject to the approval of the directors of the Organization. Accordingly, IJC is considered a controlled entity for financial reporting purposes and is accounted for by the Organization on an equity basis. In addition to the carrying value of the transferred assets, the Organization’s investment in IJC includes the carrying value of land and buildings at 39136 Ridgewood Road in the RM of Ste. Anne, Manitoba that has been provided to IJC for their operational use and beneficial interest at a nominal annual lease amount. The lease is set to expire on March 31, 2021.

f) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

g) Income Tax

The Organization was established as a not-for-profit organization and is registered as a charity for purposes of the Income Tax Act (Canada), and as such is not subject to income tax on its net revenue.

h) Use of Estimates

The preparation of 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 reported period. Actual results could differ from management’s best estimates. These financial statements include significant estimates relating to the estimated useful life of capital assets.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

3. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Due from MCC Canada	\$ 14,466	\$ 11,806
GST receivable	6,034	6,094
Trade receivables, other	191,492	23,244
	<u>\$ 211,992</u>	<u>\$ 41,144</u>

4. ABUNDANCE CANADA INVESTMENT

The investment in Abundance Canada, formerly known as the Mennonite Foundation, represents funds that have been invested in a pooled investment account with Abundance Canada. These funds bear interest at 1.32% and may be withdrawn from Abundance Canada upon three month's written notice by the Organization.

5. INVESTMENT IN THE JUBILEE FUND INC.

The Jubilee Fund Inc., governed by a Winnipeg-based coalition of faith organizations, is an independent not-for-profit organization and is registered as a charitable organization under the Income Tax Act (Canada). The purpose of The Jubilee Fund Inc. is to provide flexible financing in the form of loan guarantees for commercial, social and housing projects that contribute to community development.

6. INVESTMENT IN INITIATIVES FOR JUST COMMUNITIES ("IJC")

A summary of IJC's financial position and results for its fiscal year ended March 31, 2020 is as follows:

	<u>2020</u>	<u>2019</u>
Financial Position		
Total assets	\$ 1,754,905	\$ 1,632,703
Total liabilities	(640,116)	(725,305)
Net assets	<u>\$ 1,114,789</u>	<u>\$ 907,398</u>
Results of operations		
Total revenue	\$ 4,713,945	\$ 3,949,454
Total operating expenditures	(4,475,555)	(3,850,112)
Capital fund - net expense	(30,999)	(37,241)
Excess revenue	207,391	62,101
Investment, beginning of year	907,398	845,297
Investment, end of year	<u>\$ 1,114,789</u>	<u>\$ 907,398</u>

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

7. INVESTMENT IN OLD GRACE HOUSING CO-OP

The Organization has provided \$84,000 to reserve adequate, safe, affordable housing in a local housing cooperative for three newcomer households. To assist with funding this housing reserve, the Organization received a grant of \$42,000 from The Winnipeg Foundation. The Organization is able to terminate the housing agreement and sell its shares in the Co-op on May 12, 2022, 5 years after the date the agreement was signed, at which time the \$84,000 will be refunded. However if this were to occur, The Winnipeg Foundation has the right to request that the \$42,000 grant be returned or redirected and therefore the investment in Old Grace Housing Co-op has been recorded net of the grant received related to this investment.

8. OTHER INVESTMENTS

Other investments represents amounts invested in guaranteed investment certificates ("GIC"). The respective values, maturity dates, and interest rates for these investments are as follows:

	<u>2020</u>	<u>2019</u>
36 month GIC matured February 17, 2020	\$ -	\$ 156,682
36 month GIC maturing February 17, 2021 earning interest at a rate of 2.65%	100,000	100,000
36 month GIC maturing February 17, 2021 earning interest at a rate of 2.45%	100,000	100,000
36 month GIC maturing February 17, 2022 earning interest at a rate of 3.00%	105,678	102,800
36 month GIC maturing February 17, 2022 earning interest at a rate of 3.00%	103,000	-
	\$ 408,678	\$ 459,482

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

9. CAPITAL ASSETS

	2020			2019
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
134 Plaza Drive				
Land	212,965	\$ -	\$ 212,965	\$ 212,965
Buildings	1,222,854	727,507	495,347	521,417
Furniture	59,559	42,960	16,599	18,443
Equipment	50,872	46,459	4,413	4,331
Computers	48,649	37,277	11,372	15,070
	1,594,899	854,203	740,696	772,226
159 Henderson Highway				
Land	65,000	-	65,000	65,000
Buildings	1,102,948	333,673	769,275	809,763
Furniture	29,909	16,474	13,435	14,927
Equipment	35,849	24,453	11,396	14,356
Computers	34,484	26,274	8,210	9,664
	1,268,190	400,874	867,316	913,710
Other				
Buildings	12,045	5,044	7,001	7,370
Furniture	-	-	-	395
Equipment	6,078	3,588	2,490	3,112
Computers	-	-	-	1,459
	18,123	8,632	9,491	12,336
	\$ 2,881,212	\$ 1,263,709	\$ 1,617,503	\$ 1,698,272

Included in building and equipment cost expenses on Schedule 5 is amortization of capital assets of totaling \$89,550 (2019 - \$96,642).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade payables	\$ 3,407	\$ 9,112
Accrued liabilities	68,785	77,350
Government remittances payable	1,016	1,402
	\$ 73,208	\$ 87,864

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

11. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
Abundance Canada mortgage, interest at 4.10% per annum, repayable in monthly blended payments of \$2,545, renewable July 2022, secured by the building at 134 Plaza Dr.	\$ 314,369	\$ 342,766
Crosstown Civic Credit Union promissory note, due on demand, variable interest at prime plus 0.5% per annum, repayable in monthly blended payments of \$4,050, maturing August 2020, secured by the building at 159 Henderson Highway.	<u>22,336</u>	<u>68,806</u>
	<u>336,705</u>	<u>411,572</u>
Less: Current portion	<u>(52,000)</u>	<u>(85,601)</u>
	<u>\$ 284,705</u>	<u>\$ 325,971</u>

The amount due to Crosstown Civic Credit Union is due on demand and accordingly the full amount has been classified as current. Assuming debts will be renewed at similar terms and rates, the estimated principal repayments over the next five years are as follows:

2021	\$ 52,000
2022	30,904
2023	32,195
2024	33,540
2025	34,391

12. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are comprised of the following:

	<u>2020</u>	<u>2019</u>
Legacy Fund	\$ 98,432	\$ 98,432
Refugee Fund	32,471	32,471
The Jubilee Fund Inc.	50,652	50,325
Old Grace Housing Co-op	42,000	42,000
Capital Asset Reserve Fund	<u>247,483</u>	<u>170,477</u>
	<u>\$ 471,038</u>	<u>\$ 393,705</u>

During the year, the Board approved the net transfer of \$77,006 to internally restricted net assets, consisting of transfers from the Unrestricted Fund to the Capital Asset Reserve Fund of \$89,587 less transfers from the Capital Asset Reserve Fund to the Invested in Capital Assets Fund of \$12,581. In addition, the Unrestricted Fund also transferred \$74,289 to the Invested in Capital Assets Fund.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

13. NET ASSETS INVESTED IN CAPITAL ASSETS

a) *Invested in capital assets is calculated as follows:*

	<u>2020</u>	<u>2019</u>
Capital assets	\$ 1,617,503	\$ 1,698,272
Amounts financed by:		
Long term debt	(336,705)	(411,572)
Designated contributions - capital assets	(160,870)	(170,190)
	<u>\$ 1,119,928</u>	<u>\$ 1,116,510</u>

b) *Changes in net assets invested in capital assets is calculated as follows:*

	<u>2020</u>	<u>2019</u>
Amortization of capital assets	\$ (89,550)	\$ (96,642)
Amortization of designated contributions	9,320	9,320
Principal repayments of long term debt	74,867	64,660
Purchase of capital assets	12,003	33,210
Designated contributions received - capital assets	-	(15,000)
Net book value of disposed assets	(3,222)	(471)
	<u>\$ 3,418</u>	<u>\$ (4,923)</u>

14. COMMITMENTS

MCC Canada (MCCC) has signed a national Private Sponsorship of Refugees (PSR) Agreement with Immigration Refugee and Citizenship Canada (IRCC) committing to provide financial, human resource and moral support to a certain number of refugees sponsored under the PSR program. MCCC's responsibilities under this agreement have been assigned to the various Canadian MCCs.

MCC Manitoba has partnered with various church and community groups to assist with the sponsorship and resettlement of certain refugee families in Manitoba. These groups have committed to providing the required funding to sponsor and support these refugee families for the required period of time. However, should any of these groups default on their financial obligations MCCC would be responsible for providing the funding shortfall. As at March 31, 2020, MCCC has a maximum estimated contingent liability of \$2,253,025 relating to resettlement sponsorship commitments for 220 individuals.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Notes to the Financial Statements
March 31, 2020

15. FINANCIAL RISKS

a) Interest rate risk

Interest rate risk is the risk to the Organization's earnings that arises from fluctuations in interest rates and the degree of volatility of those rates. Long-term debt bears interest at floating rates and rates reset regularly, and therefore these debts are subject to interest rate risk due to changes in the prime rate. The Organization does not use derivative financial instruments to reduce its exposure to variable interest rate risk.

b) Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is exposed to credit risk relating to its accounts receivables and its funds invested in both the Abundance Canada and The Jubilee Fund Inc.

Investments in The Jubilee Fund Inc. are not protected under the Manitoba Securities Act. The Investments Certificates are handled by the Assiniboine Credit Union as agents on behalf of The Jubilee Fund Inc. Since the investments are not a product of the Credit Union, they are not insured by the Credit Union Deposit Guarantee Corporation or by any other source. However, The Jubilee Fund Inc. maintains a loan loss reserve fund which can be utilized in the event of a loan default. As at December 31, 2019 the value of The Jubilee Fund Inc.'s Loan Loss Reserve Fund was \$191,847 (2018 – \$184,639).

16. DEVELOPING EVENTS

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including MCCM's. This outbreak could impact the contributions received by MCCM. It is not possible for the Organization to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Organization's business.

MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Designated Contributions
Year Ended March 31, 2020

	2020	2019
DESIGNATED CONTRIBUTIONS		
International programming	\$ 1,146,759	\$ 946,246
Canadian Foodgrains Bank	1,640,142	1,909,076
Manitoba provincial programming	344,205	221,483
MCC Centennial	316,318	-
Disaster response & constituency initiated projects	198,600	189,906
Learning Tours	92,989	42,595
	\$ 3,739,013	\$ 3,309,306

Schedule of Relief Sales and Other Events
Revenue and Expenditures
Year Ended March 31, 2020

	Revenue	Expenditures	Net Revenue 2020	Net Revenue 2019
Brandon relief sale	\$ 97,934	\$ 30,670	\$ 67,264	\$ 66,956
Cycle Clear Lake	44,359	2,872	41,487	43,328
Golf tournament	55,655	24,823	30,832	34,024
SpringFest	28,573	4,516	24,057	15,368
Other local events	1,904	7,356	(5,452)	(534)
	\$ 228,425	\$ 70,237	\$ 158,188	\$ 159,142

Of the net revenue received from relief sales and other events, \$108,752 was forwarded to MCC Canada during the 2020 fiscal year (2019 - \$110,284). The remainder of the net revenue was used to help fund MCCM programs in Manitoba.

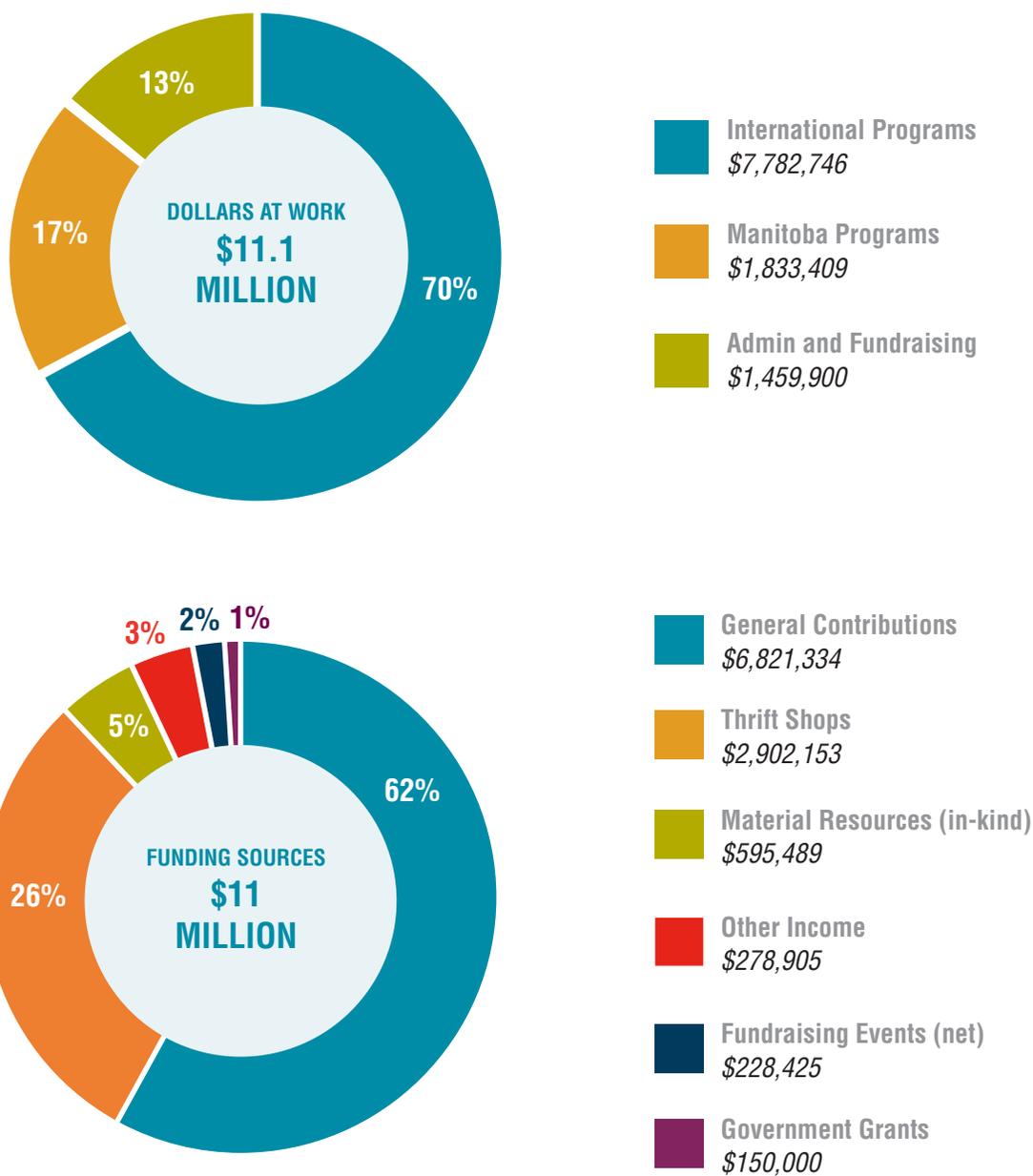
MENNONITE CENTRAL COMMITTEE MANITOBA INC.
Schedule of Program Expenditures
Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
MANITOBA PROGRAMS		
Abuse response and prevention	\$ 65,342	\$ 61,384
Learning Tours	102,822	42,595
Indigenous Neighbours	67,579	97,615
International Volunteers' Exchange Program	108,907	118,135
Material resources	373,337	407,007
MCC Low German Mennonite services	45,001	79,467
Migration and resettlement	391,629	280,595
Peace	8,003	61,138
Program administration	177,327	174,393
Sam's Place	323,462	361,854
OTHER ORGANIZATIONAL SUPPORT		
Initiatives for Just Communities	170,000	170,000
	\$ 1,833,409	\$ 1,854,183

Financial Report

We are so grateful for our community of donors and supporters that with each gift, action and relationship help advance our ministry of relief, development and peace in the name of Christ. For 100 years, MCC has relied on faithful and compassionate people to help meet the needs of vulnerable communities worldwide. Today, that reality is no different. Thank you for being part of an incredible legacy.

Carlee Friesen
 Director of Finance Manitoba & Saskatchewan



*Finances reflect fiscal year April 1, 2019 to March 31, 2020

Director-at-Large Nomination

Under MCC Manitoba by-laws, up to four directors-at-large may be elected to the board at the Annual General Meeting. Their two-year terms start on October 1. They may serve for three successive terms. There is one director-at-large vacancy to be filled at this AGM.

The nominee from the MCC Manitoba Board Development Committee is listed below:

Carla Kehler first heard of MCC from friends who carefully researched many faith-based organizations - and then chose to serve with MCC. She has been interested in MCC ever since. Carla grew up on a farm in northern Minnesota. She met her husband Al Kehler while working in Nairobi, Kenya. After they were married, she studied nursing at the Grace Hospital in Winnipeg. In 1998, the Kehlers went to North Korea with their three young daughters where Al worked with World Food Program (WFP). They lived and worked for 14 years in North Korea, Ethiopia, Uganda, and Rome. During these years, Carla led English conversation groups and taught English to children.

The Kehler family returned home to Winnipeg in 2012 to start a retirement phase. Carla volunteers with newcomers to Canada, teaching English in church and community organizations. She enjoys learning to garden and exploring new walking paths in Winnipeg. She looks forward to serving and learning as she joins the MCCM board.

Tony Schellenberg reelected to be chair of Finance Committee, Board Treasurer and a member of Executive Committee.

Note: Additional nominations may be submitted, with nominee permission, to the MCC Manitoba Chairperson prior to the June 25 meeting. Please contact Catherine Enns at catenns@shaw.ca