

*Financial Statements of*

**MENNONITE CENTRAL COMMITTEE  
MANITOBA INC.**

*March 31, 2021*

## 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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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 CPA, featuring the word "Deloitte" in a stylized, handwritten-style font, followed by "CPA" in a smaller, simpler font.

Chartered Professional Accountants

June 15, 2021  
Winnipeg, Manitoba

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**MENNONITE CENTRAL COMMITTEE MANITOBA INC.****Statement of Revenue and Expenditures****Year Ended March 31, 2021**

	<u>2021</u>	<u>2020</u>
REVENUE		
Undesignated contributions:		
General	\$ 2,332,637	\$ 2,104,497
Thrift shops	1,821,209	2,902,153
Bequests	789,536	846,966
Designated contributions (Schedule 1)	4,654,363	3,739,013
Relief sales and other events (Schedule 2)	3,900	228,425
Material resources	229,831	595,489
Grant funding	692,736	276,863
Sales and Fees for Service	110,676	253,733
Interest	17,988	22,825
Gifts-in-kind	15,188	3,995
Canadian Emergency Wage Subsidy	384,728	-
Other	32,439	2,347
	<b>11,085,231</b>	<b>10,976,306</b>
EXPENDITURES		
Programs (Schedule 3)		
Justice & Peacebuilding	639,063	743,293
Disaster Relief	300,234	373,337
Sustainable Community Development	126,773	539,452
Program Administration	149,505	177,327
	<b>1,215,575</b>	<b>1,833,409</b>
Support Services		
Administration	533,612	572,010
Communication & donor relations	581,384	592,978
Social enterprise	207,882	224,675
Relief sales and other events (Schedule 2)	2,884	70,237
	<b>1,325,762</b>	<b>1,459,900</b>
Forwardings to MCC Canada (Schedule 4)	8,215,169	7,782,746
	<b>10,756,506</b>	<b>11,076,055</b>
NET REVENUE (LOSS) BEFORE OTHER ITEM	<b>328,725</b>	<b>(99,749)</b>
OTHER ITEM		
Change in investment in Initiatives for Just Communities (Note 6)	192,780	207,391
NET REVENUE	<b>\$ 521,505</b>	<b>\$ 107,642</b>

# MENNONITE CENTRAL COMMITTEE MANITOBA INC.

## Statement of Financial Position

March 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,144,064	\$ 652,118
Accounts receivable (Note 3)	130,710	211,722
Inventory	73,585	73,979
Prepaid expenses	6,775	9,207
	<b>1,355,134</b>	<b>947,026</b>
ABUNDANCE CANADA INVESTMENT (Note 4)	312,721	308,863
INVESTMENT IN THE JUBILEE FUND INC. (Note 5)	50,982	50,652
INVESTMENT IN IJC (Note 6)	1,307,569	1,114,789
INVESTMENT IN OLD GRACE HOUSING CO-OP (Note 7)	42,000	42,000
OTHER INVESTMENTS (Note 8)	417,207	408,678
CAPITAL ASSETS (Note 9)	1,538,797	1,617,503
	<b>\$ 5,024,410</b>	<b>\$ 4,489,511</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 78,892	\$ 73,808
Due to MCC Canada	746,203	721,105
Deferred revenue	308,976	279,405
Current portion of long term debt (Note 11)	17,063	52,000
	<b>1,151,134</b>	<b>1,126,318</b>
Designated contributions - capital assets	151,550	160,870
Long term debt (Note 11)	282,603	284,705
	<b>1,585,287</b>	<b>1,571,893</b>
COMMITMENTS (Note 14)		
<b>NET ASSETS</b>		
Unrestricted	491,064	211,863
Internally Restricted (Note 12)	552,909	471,038
Invested in Capital Assets (Note 13)	1,087,581	1,119,928
Invested in Initiatives for Just Communities	1,307,569	1,114,789
	<b>3,439,123</b>	<b>2,917,618</b>
	<b>\$ 5,024,410</b>	<b>\$ 4,489,511</b>

APPROVED BY THE BOARD

  
\_\_\_\_\_  
Board Chair

  
\_\_\_\_\_  
Treasurer

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

	2021				2020	
	Unrestricted	Internally Restricted	Invested in Capital Assets	Invested in Initiatives For Just Communities	Total	Total
Balance, beginning of year	\$ 211,863	\$ 471,038	\$ 1,119,928	\$ 1,114,789	<b>\$ 2,917,618</b>	\$ 2,809,976
Net revenue (expenditures)	397,781	330	(69,386)	192,780	<b>521,505</b>	107,642
Inter fund transfers (Note 12)	(118,580)	81,541	37,039	-	-	-
Balance, end of year	\$ 491,064	\$ 552,909	\$ 1,087,581	\$ 1,307,569	<b>\$ 3,439,123</b>	\$ 2,917,618

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

Year Ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>OPERATING ACTIVITIES</b>		
Net revenue	\$ 521,505	\$ 107,642
Items not affecting cash:		
(Gain) loss on disposal of capital assets	(2,875)	3,222
Amortization of capital assets	81,581	89,550
Amortization of designated contributions	(9,320)	(9,320)
Change in investment in Initiatives for Just Communities	(192,780)	(207,391)
	<u>398,111</u>	<u>(16,297)</u>
Net change in non-cash operating working capital items:		
Accounts receivable	81,012	(170,578)
Inventory	394	(9,492)
Prepaid expenses	2,432	(2,548)
Accounts payable and accrued liabilities	5,084	(14,056)
Due to MCC Canada	25,098	408,684
Deferred revenue	29,571	(177,047)
	<u>541,702</u>	<u>18,666</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(37,039)	(74,867)
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(12,003)
(Purchase) redemption of Guaranteed Income Certificates (net)	(8,529)	50,804
Increase in The Jubilee Fund Inc.	(330)	(327)
(Increase) decrease in Abundance Canada investment	(3,858)	94,280
	<u>(12,717)</u>	<u>132,754</u>
<b>NET INCREASE IN CASH POSITION</b>	<b>491,946</b>	<b>76,553</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>652,118</b>	<b>575,565</b>
<b>CASH, END OF YEAR</b>	<b>\$ 1,144,064</b>	<b>\$ 652,118</b>



**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**1. PURPOSE OF THE ORGANIZATION**

Mennonite Central Committee (“MCC”), a worldwide ministry of Anabaptist churches, shares God’s love and compassion for all in the name Christ by responding to basic human needs and working for peace and justice. Mennonite Central Committee Manitoba Inc. (“MCCM”) engages in a number of programs which are consistent with MCC’s ministry.

**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).

*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.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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, 2025.

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.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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.

**3. ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Due from MCC Canada	\$ 41,324	\$ 14,466
GST receivable	3,056	6,034
Trade receivables, other	86,330	191,222
	<u>\$ 130,710</u>	<u>\$ 211,722</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 the prime rate less 1.00% and may be withdrawn from Abundance Canada upon three month's written notice by the Organization. The average interest rate earned on this investment during the year was 1.00%.

**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.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**6. INVESTMENT IN INITIATIVES FOR JUST COMMUNITIES (“IJC”)**

A summary of IJC’s financial position and results for its fiscal year ended March 31, 2021 is as follows:

	<u>2021</u>	<u>2020</u>
Financial Position		
Total assets	\$ 2,192,681	\$ 1,754,905
Total liabilities	(885,112)	(640,116)
<b>Net assets</b>	<b>\$ 1,307,569</b>	<b>\$ 1,114,789</b>
Results of operations		
Total revenue	\$ 5,617,647	\$ 4,713,945
Total operating expenditures	(5,395,230)	(4,475,555)
Capital fund - net expense	(29,637)	(30,999)
Excess revenue	192,780	207,391
Investment, beginning of year	1,114,789	907,398
<b>Investment, end of year</b>	<b>\$ 1,307,569</b>	<b>\$ 1,114,789</b>

**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.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**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>2021</u>	<u>2020</u>
36 month GIC matured February 17, 2021	\$ -	\$ 100,000
36 month GIC matured February 17, 2021	-	100,000
18 month GIC maturing August 18, 2021 earning interest at a rate of 2.45%	<b>102,463</b>	-
36 month GIC maturing February 17, 2022 earning interest at a rate of 3.00%	<b>106,098</b>	105,678
48 month GIC maturing February 17, 2022 earning interest at a rate of 2.80%	<b>108,646</b>	103,000
24 month GIC maturing February 17, 2023 earning interest at a rate of 1.40%	<b>100,000</b>	-
	<b>\$ 417,207</b>	<b>\$ 408,678</b>

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

**9. CAPITAL ASSETS**

	<b>2021</b>			<b>2020</b>
	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
<b>134 Plaza Drive</b>				
Land	\$ 212,965	\$ -	\$ 212,965	\$ 212,965
Buildings	1,222,854	752,275	470,579	495,347
Furniture	59,559	44,620	14,939	16,599
Equipment	49,337	45,949	3,388	4,413
Computers	48,649	41,168	7,481	11,372
	<b>1,593,364</b>	<b>884,012</b>	<b>709,352</b>	<b>740,696</b>
<b>159 Henderson Highway</b>				
Land	65,000	-	65,000	65,000
Buildings	1,102,948	372,137	730,811	769,275
Furniture	29,909	17,818	12,091	13,435
Equipment	37,384	28,196	9,188	11,396
Computers	32,293	28,581	3,712	8,210
	<b>1,267,534</b>	<b>446,732</b>	<b>820,802</b>	<b>867,316</b>
<b>Other</b>				
Buildings	12,045	5,394	6,651	7,001
Equipment	6,078	4,086	1,992	2,490
	<b>18,123</b>	<b>9,480</b>	<b>8,643</b>	<b>9,491</b>
	<b>\$ 2,879,021</b>	<b>\$ 1,340,224</b>	<b>\$ 1,538,797</b>	<b>\$ 1,617,503</b>

Included in building and equipment cost expenses on Schedule 5 is amortization of capital assets of totaling \$81,581 (2020 - \$89,550).

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2021</b>	<b>2020</b>
Trade payables	\$ 5,499	\$ 3,407
Accrued liabilities	72,818	69,385
Government remittances payable	575	1,016
	<b>\$ 78,892</b>	<b>\$ 73,808</b>

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**11. LONG TERM DEBT**

	<u>2021</u>	<u>2020</u>
Abundance Canada mortgage, interest at 4.10% per annum, repayable in monthly blended payments of \$2,419, renewable July 2022, secured by the building at 134 Plaza Dr.	\$ 299,666	\$ 314,369
Crosstown Civic Credit Union promissory note	-	22,336
	<b>299,666</b>	<b>336,705</b>
Less: Current portion	<b>(17,063)</b>	<b>(52,000)</b>
	<b>\$ 282,603</b>	<b>\$ 284,705</b>

The Abundance Canada mortgage is renegotiated every five years. Assuming that it will be renewed at similar terms and rates, the estimated principal repayments over the next five years are as follows:

2022	\$ 17,063
2023	17,775
2024	18,518
2025	19,292
2026	20,098

**12. INTERNALLY RESTRICTED NET ASSETS**

Internally restricted net assets are comprised of the following:

	<u>2021</u>	<u>2020</u>
Legacy Fund	\$ 98,432	\$ 98,432
Refugee Fund	32,471	32,471
The Jubilee Fund Inc.	50,982	50,652
Old Grace Housing Co-op	42,000	42,000
Capital Asset Reserve Fund	329,024	247,483
	<b>\$ 552,909</b>	<b>\$ 471,038</b>

During the year, the Board approved the transfer for \$81,541 from the Unrestricted Fund to the Capital Asset Reserve Fund. In addition, the Unrestricted Fund also transferred \$37,039 to the Invested in Capital Assets Fund.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**13. NET ASSETS INVESTED IN CAPITAL ASSETS**

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

	<u>2021</u>	<u>2020</u>
Capital assets	\$ 1,538,797	\$ 1,617,503
Amounts financed by:		
Long term debt	(299,666)	(336,705)
Designated contributions - capital assets	(151,550)	(160,870)
	<u>\$ 1,087,581</u>	<u>\$ 1,119,928</u>

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

	<u>2021</u>	<u>2020</u>
Amortization of capital assets	\$ (81,581)	\$ (89,550)
Amortization of designated contributions	9,320	9,320
Principal repayments of long term debt	37,039	74,867
Purchase of capital assets	-	12,003
Gain (loss) on disposed assets	2,875	(3,222)
	<u>\$ (32,347)</u>	<u>\$ 3,418</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, 2021, MCCC has a maximum estimated contingent liability of \$3,638,083 relating to resettlement sponsorship commitments for 364 individuals.



**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Notes to the Financial Statements**  
**March 31, 2021**

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**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, 2020 the value of The Jubilee Fund Inc.'s Loan Loss Reserve Fund was \$201,239 (2019 – \$191,847).

**16. COVID-19**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that these developments will have on the financial results of the Organization in future periods.

**17. COMPARATIVE FIGURES**

Certain prior year figures have been reclassified to conform to the current year's presentation.

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Schedule of Designated Contributions**  
Year Ended March 31, 2021

	2021	2020
DESIGNATED CONTRIBUTIONS		
International programming	\$ 1,239,588	\$ 1,146,759
Canadian Foodgrains Bank	2,407,468	1,640,142
Manitoba provincial programming	110,984	344,205
MCC Centennial	820,072	316,318
Disaster response & constituency initiated projects	76,251	198,600
Learning Tours	-	92,989
	<b>\$ 4,654,363</b>	<b>\$ 3,739,013</b>

**Schedule of Relief Sales and Other Events**  
**Revenue and Expenditures**  
Year Ended March 31, 2021

	Revenue	Expenditures	Net Revenue 2021	Net Revenue 2020
Brandon relief sale	\$ 900	\$ 818	\$ 82	\$ 67,264
Cycle Clear Lake	-	-	-	41,487
Golf tournament	3,000	-	3,000	30,832
SpringFest	-	-	-	24,057
Other local events	-	2,066	(2,066)	(5,452)
	<b>\$ 3,900</b>	<b>\$ 2,884</b>	<b>\$ 1,016</b>	<b>\$ 158,188</b>

Of the net revenue received from relief sales and other events, \$nil was forwarded to MCC Canada during the 2021 fiscal year (2020 - \$108,752). 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, 2021**

	<u>2021</u>	<u>2020</u>
<b>MANITOBA PROGRAMS</b>		
Abuse Response and Prevention	<b>\$ 54,691</b>	\$ 65,342
Learning Tours	-	102,822
Indigenous Neighbours	<b>86,116</b>	67,579
International Volunteers' Exchange Program	<b>27,598</b>	108,907
Material resources	<b>300,234</b>	373,337
MCC Low German Mennonite Services	-	45,001
Migration and Resettlement	<b>126,773</b>	391,629
Peace	<b>13,703</b>	8,003
Program administration	<b>149,505</b>	177,327
Sam's Place	<b>286,955</b>	323,461
<b>OTHER ORGANIZATIONAL SUPPORT</b>		
Initiatives for Just Communities	<b>170,000</b>	170,000
	<b>\$ 1,215,575</b>	<b>\$ 1,833,408</b>

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Schedule of Forwardings to MCC Canada**  
**Year Ended March 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>DESIGNATED</b>		
Forwardings for special projects:		
Canadian Foodgrains Bank	\$ 2,407,895	\$ 1,640,142
Canadian projects	140	-
Food	127,330	122,229
HIV/AIDS	900	900
International - General	636,686	522,621
Material resources, donations in kind	229,831	595,443
MCC Centennial	671,901	399,095
Serving and Learning Together	8,185	18,150
Forwardings for specific locations:		
Africa	84,719	163,540
Asia	23,426	29,595
Europe & Middle East	161,454	112,146
Latin America	274,694	377,144
Relief Sales and Other Events (Schedule 2)	-	108,752
Manitoba Council for International Cooperation - Grants		
Laos	130,000	130,000
Guatemala	-	20,000
Haiti	18,489	-
	<b>4,775,650</b>	<b>4,239,757</b>
<b>UNDESIGNATED</b>	<b>3,439,519</b>	<b>3,542,989</b>
	<b>\$ 8,215,169</b>	<b>\$ 7,782,746</b>

**MENNONITE CENTRAL COMMITTEE MANITOBA INC.**  
**Schedule of Expenses by Function**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
Staff support		
Salaries	\$ 1,347,800	\$ 1,451,043
Benefits	284,279	272,081
Building costs	298,839	322,193
Communications	86,816	81,352
Contributions to other organizations	186,098	162,234
Equipment costs	61,720	66,510
Gifts-in-kind	15,188	4,136
Goods for resale	24,551	101,415
Insurance	25,927	52,511
Learning Tours	-	102,822
Material resource purchases	21,248	28,710
Meetings & hospitality	6,059	34,916
Other	30,441	40,334
Professional fees	120,265	135,623
Refugee support	8,500	238,530
Supplies and subscriptions	13,053	63,092
Travel	10,553	135,807
Forwardings to MCC Canada	8,215,169	7,782,746
	<b>\$ 10,756,506</b>	<b>\$ 11,076,055</b>