



Canadian Conference of Mennonite Brethren Churches Report on 2021 Proposed Budget and 2022 Pro Forma Budget

2021 Proposed Budget

The 2021 draft budget was approved by the Executive Board in January 2021 for ratification at the 2021 National Assembly (AGM).

Funding (Revenue)

Church Contributions: The major source of funding for CCMBC is church support through one-stream funding from the provincial conferences. It is meant to support all national commitments (e.g., MB Seminary, ICOMB, NFLT, etc.). The 2021 one-stream funding budget is \$935,700 (\$1,172,000 – 2020).

Grants and Donations: A large portion of donations has historically been related to church planting. Due to changes in church planting philosophy, support of church planting is expected to move to provincial conferences in 2021 so donations received in this area are not being budgeted in CCMBC. There is still a \$200,000 transitional placeholder, which is fully offset as an expense in “Mission”.

Donations received with designation for other MB ministries are not budgeted but are recorded as Flowthrough donations both in revenue and expenses.

Due to the uncertainty of the duration of the Canada Emergency Wage Subsidy and the uncertainty of CCMBC’s qualification, government assistance has not been budgeted for 2021.

Other Revenue: The greatest part of Other Revenue includes sales for Kindred Productions (KP), MB Herald (MBH), and the Centre for M.B. Studies (CMBS). The \$50,000 increase in 2021 over 2020 reflects the anticipation of additional resources being made available through KP.

\$64,500 revenue for Pastors Credentialing and Orientation (PCO) and the EQUIP Study Conference (EQUIP) is included in the 2021 budget and is fully offset within Spiritual Health & Theology expenses. With COVID uncertainties, the amount associated with these events could change, however, these are expected to be self-funding events so there should be no impact on net income. The 2020 budget included PCO and Gathering, both of which were not run due to COVID.

Cost of Ministry (Expenses)

Governance consists of the Executive Board, National Ministry Team, National Director, and Centre for MB Studies and includes expenses such as board travel, legal and insurance fees, and non-compensation related staffing costs. The 2021 budget is \$79,500 (\$162,570 – 2020) which is in line with 2020 actuals. The main contributors to the reduction are travel costs and Gathering (AGM) costs.

Spiritual Health & Theology consists of the National Faith and Life Team (NFLT) and the NFLT Director and include expenses such as board travel, PCO, EQUIP, publishing, and non-compensation related staffing costs. The budget of \$96,900 (\$85,800 – 2020) includes a \$61,000 reduction in travel expenses but includes \$52,500 (\$0 – 2020) for EQUIP, which is generally run bi-annually.

Leadership Development consists of support of \$40,000 for ETEQ and \$155,000 for MB Seminary. The MB Seminary portion includes \$15,000 that represents 8 months (June to December) of a \$25,000 annual commitment for a MB GTE track at CMU in Manitoba. 2020 also included the Leadership Training Matching Grant (LTMG) program, which has been paused until funding has been regenerated.

Mission includes any support given to ICOMB, Multiply, and MB church plants. The 2021 budget includes \$40,000 for ICOMB. It also includes \$232,500 for MB church planting. \$200,000 of this budgeted expense will only be used as designated donations are received. The balance is budgeted to fulfill earlier commitments.

Communications includes the MB Herald Digest, Kindred Production, and general communication pieces such as the website. The \$21,000 reduction in the 2021 budget represents the decrease in MB Herald costs. These costs were anticipated, but not incurred for 2020.

Administration/Compensation includes all staffing costs, general administration fees, and accounting fees. The reduction in the budget to \$530,200 (\$590,030 – 2020) is primarily due to the reduction of staff.

2022 Pro Forma Budget

The starting point for the 2022 Pro Forma Budget is the 2021 Proposed Budget. It should be noted that the pro forma budget reflects the funding needs to carry out the work of the national conference and is contingent on the acceptance of the CUSP. Should the NMT determine that the proposed one-stream funding level cannot be met, adjustments will be made to the budget during 2021.

Only significant changes from the 2021 budget are highlighted below.

Funding (Revenue)

Church Contributions: Church support through one-stream funding from the provincial conferences has been increased from \$935,700 in the 2021 budget back to the 2020 budget amount of \$1,172,000 in the 2022 Pro forma.

Cost of Ministry (Expenses)

Leadership Development: The increase from \$155,000 to \$175,000 represents an increase in the subsidy for MB Seminary from \$140,000 to \$150,000 along with the Manitoba GTE commitment of \$25,000 (\$15,000 in 2021).

Operationalizing the CUSP is contingent on acceptance of the CUSP at the AGM. The anticipated \$140,000 expenses are itemized in the Budget Breakdown and are described further in the CUSP related documents prepared for the National Assembly.

Contingency/Deficit Reduction: The increased budget of \$108,500 (\$34,600 – 2021) is intended for the rebuilding of a financially stable CCMBC. It reflects a move in the direction of eliminating the deficit in unrestricted net assets and rebuilding contingency and operational reserves.

Respectfully submitted by
Bertha Dyck, CFO