

Financial Statements of

MENNONITE CHURCH CANADA

Year ended January 31, 2006

MENNONITE CHURCH CANADA

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Year ended January 31, 2006

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AUDITORS' REPORT

To the Members of Mennonite Church Canada

We have audited the statement of financial position of Mennonite Church Canada as at January 31, 2006 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at January 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedules A through F is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Signed "**KPMG LLP**"

Chartered Accountants

Winnipeg, Canada

March 24, 2006

MENNONITE CHURCH CANADA

Statement of Financial Position

January 31, 2006, with comparative figures for 2005

	2006		2005	
	General Fund	Capital Fund	Total	Total
Assets				
Current assets:				
Cash	\$ 1,520,290	\$ —	\$ 1,520,290	\$ 1,323,405
Accounts receivable (note 3)	476,709	—	476,709	567,582
Current portion of loans receivable	153,982	—	153,982	162,364
	2,150,981	—	2,150,981	2,053,351
Loans receivable from related parties (note 4)	1,287,950	—	1,287,950	1,439,178
Inter-fund balance receivable (payable)	(57,636)	57,636	—	—
Investments (note 5)	1,196,774	—	1,196,774	1,185,174
Capital assets (note 6)	—	1,058,095	1,058,095	1,170,605
	\$ 4,578,069	\$ 1,115,731	\$ 5,693,800	\$ 5,848,308

Liabilities, Deferred Contributions and Fund Balances

Current liabilities:				
Accounts payable and accrued liabilities	\$ 936,241	\$ —	\$ 936,241	\$ 864,396
Demand notes payable (note 7)	1,343,772	—	1,343,772	1,568,277
	2,280,013	—	2,280,013	2,432,673
Deferred contributions (note 8)	1,002,069	617,871	1,619,940	1,736,096
Other loans payable	35,569	—	35,569	38,145
Fund balances:				
Invested in capital assets	—	368,601	368,601	372,836
Externally restricted (note 9)	268,992	—	268,992	265,655
Internally restricted (note 10)	991,426	129,259	1,120,685	1,002,903
	1,260,418	497,860	1,758,278	1,641,394
Contingent liabilities (note 11)				
Subsequent event (note 14)				
	\$ 4,578,069	\$ 1,115,731	\$ 5,693,800	\$ 5,848,308

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

MENNONITE CHURCH CANADA

Statement of Operations

Year ended January 31, 2006, with comparative figures for 2005

	General Fund	Capital Fund	2006 Total	2005 Total
Revenues for MC Canada programs:				
Donations and bequests	\$ 3,863,244	\$ —	\$ 3,863,244	\$ 3,806,233
Grants	6,650	—	6,650	4,047
Interest	172,425	1,467	173,892	133,060
Sales, services and fees	363,144	—	363,144	411,247
Subsidies and other revenue for terminated programs	—	—	—	34,555
Grants from partner agencies	457,607	—	457,607	474,830
Amortization of deferred contributions (note 8)	87,706	101,646	189,352	134,610
	4,950,776	103,113	5,053,889	4,998,582
Revenues for partner programs:				
Donations and bequests	300,256	—	300,256	257,094
Sales, services and fees	51,740	—	51,740	—
Grants from partner agencies	10,000	—	10,000	12,820
Amortization of deferred contributions (note 8)	162,711	—	162,711	155,337
	524,707	—	524,707	425,251
Revenue for related organizations:				
Donation and bequests	374,748	—	374,748	526,377
Total revenues	5,850,231	103,113	5,953,344	5,950,210
Expenses for MC Canada programs:				
Christian Witness Council (schedule A)	2,402,067	—	2,402,067	2,447,692
Christian Formation Council (schedule B)	635,105	—	635,105	647,475
Support Services Council (schedule C)	847,384	—	847,384	854,792
General Board (schedule D)	847,088	—	847,088	839,081
	4,731,644	—	4,731,644	4,789,040
Expenses for Partner Programs (schedule E)	514,385	—	514,385	425,252
Contributions to related organization (schedule F)	374,748	—	374,748	526,377
Amortization of capital assets	—	171,184	171,184	170,704
Total expenses and contributions	5,620,777	171,184	5,791,961	5,911,373
Excess (deficiency) of revenues over expenses before the undernoted	229,454	(68,071)	161,383	38,837
Bi-national asset distribution adjustment (note 12)	(17,835)	—	(17,835)	6,370
Contributions to Mennonite Church Manitoba for Native Ministries	(30,000)	—	(30,000)	—
Loss on disposal of capital assets	—	—	—	(3,296)
Excess (deficiency) of revenues over expenses	\$ 181,619	\$ (68,071)	\$ 113,548	\$ 41,911

See accompanying notes to financial statements.

MENNONITE CHURCH CANADA

Statement of Changes in Fund Balances

Year ended January 31, 2006, with comparative figures for 2005

	Invested in capital assets	Externally restricted	Internally restricted	Unrestricted	2006 Total	2005 Total
General Fund:						
Balance, beginning of year	\$ —	\$ 265,655	\$ 900,112	\$ —	\$ 1,165,767	\$ 989,012
Excess (deficiency) of revenues over expenses	—	—	(47,835)	229,454	181,619	112,430
Transfer to Capital Fund (note 10)	—	—	—	(95,305)	(95,305)	(40,634)
Transfer from Capital Fund (note 10)	—	—	5,000	—	5,000	101,598
Transfer from internally restricted funds (note 10)	—	—	(154,747)	154,747	—	—
Transfer to internally restricted funds (note 10)	—	—	288,896	(288,896)	—	—
Endowment contributions	—	3,337	—	—	3,337	3,361
Balance, end of year	\$ —	\$ 268,992	\$ 991,426	\$ —	\$ 1,260,418	\$ 1,165,767
Capital Fund:						
Balance, beginning of year	\$ 372,836	\$ —	\$ 102,791	\$ —	\$ 475,627	\$ 607,110
Excess (deficiency) of revenues over expenses	(69,538)	—	1,467	—	(68,071)	(70,519)
	303,298	—	104,258	—	407,556	536,591
Transfer to General Fund (note 10)	—	—	(5,000)	—	(5,000)	(101,598)
Transfer from General Fund (note 10)	65,303	—	30,001	—	95,304	40,634
Balance, end of year	\$ 368,601	\$ —	\$ 129,259	\$ —	\$ 497,860	\$ 475,627

See accompanying notes to financial statements.

MENNONITE CHURCH CANADA

Statement of Cash Flows

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 113,548	\$ 41,911
Items not involving cash:		
Amortization of capital assets	171,184	170,704
Amortization of deferred contributions	(352,063)	(289,947)
Loss on disposal of capital assets	—	3,296
Change in non-cash operating working capital:		
Accounts receivable	90,873	(167,574)
Accounts payable and accrued liabilities	71,846	154,642
Increase in deferred contributions relating to:		
General Fund	235,905	233,856
Capital Fund	—	36,500
	331,293	183,388
Financing:		
Endowment contributions received	3,337	3,361
Decrease in annuities payable	(549)	—
Principal repayment of demand notes payable	(224,505)	(450,905)
Decrease in other loans	(2,027)	(425)
	(223,744)	(447,969)
Investments:		
Repayment of loan receivable from related party	159,610	385,114
Additions to capital assets	(58,674)	(85,627)
Increase in investments	(11,600)	(39,435)
	89,336	260,052
Increase (decrease) in cash	196,885	(4,529)
Cash, beginning of year	1,323,405	1,327,934
Cash, end of year	\$ 1,520,290	\$ 1,323,405

See accompanying notes to financial statements.

MENNONITE CHURCH CANADA

Notes to Financial Statements

Year ended January 31, 2006

1. General:

Mennonite Church Canada (MC Canada) is a Canada-wide Christian denomination within the Anabaptist-Mennonite tradition. Its mission includes the promotion of biblical faithfulness in worship, evangelism, service, peacemaking and stewardship of God's creation.

MC Canada is a body of Mennonite congregations which works in partnership with provincial/regional conferences in the mission and ministry of the church of Jesus Christ. It provides, facilitates and coordinates national and other programs that support the ministry of its congregations and partner area conferences. MC Canada works closely with other national Mennonite conferences, particularly Mennonite Church USA, cooperates with various inter-Mennonite and other Christian agencies, and represents national and international programs and concerns to its constituency.

MC Canada is a corporation without share capital incorporated under the laws of Canada and is registered with Canada Revenue Agency as a charitable organization with registration number 10696-7086-RR0001.

2. Significant accounting policies:

(a) Fund accounting:

Assets, liabilities, revenues and expenses related to MC Canada's capital assets, capital campaigns, and internally restricted funds for future asset purchases are recorded in the Capital Fund. All other assets, liabilities, revenues and expenses are reported in the General Fund.

(b) Revenue recognition:

MC Canada follows the deferral method of accounting for contributions, which include donations and government grants.

Externally restricted contributions, other than endowment contributions, are deferred and recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

MC Canada has established an internal policy to generally recognize revenue on externally restricted bequests at the lesser of the related expense incurred during the year and 10 percent of the particular deferred balance.

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

2. Significant accounting policies (continued):

Unrestricted contributions are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recorded as a direct increase to the externally restricted fund balance of the General Fund.

Sales, services and fees are recognized as revenue when earned.

Investment income on unrestricted assets is recognized as revenue when earned. Investment income earned on deferred contributions is recognized as revenue in the same period as the related expenses of the deferred contribution are recognized.

Investment income earned on bequest funds and on the Church Building Fund are recognized directly into revenue of the General Fund.

Government grants relating to program delivery and administration are recognized as revenue of the General Fund in the year in which they apply.

(c) Capital assets:

Purchased capital assets are recorded in the Capital Fund at cost. Contributed capital assets are recorded in the Capital Fund at fair value at the date of contribution. Amortization is provided on a straight-line basis over the asset's estimated useful life, which for buildings and improvements is 20 years and for vehicles, equipment and furnishings is 5 years. Amortization expense is reported in the Capital Fund.

(d) Investments:

Investments are recorded at cost. If there is an impairment in value that is other than temporary, the investment is written down to market value.

(e) Employee future benefits:

MC Canada has a defined contribution plan providing pension and post-employment benefits for its salaried employees. The cost of the defined contribution plan is recognized based on contributions required to be made during each period.

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

2. Significant accounting policies (continued):

(f) Foreign currency:

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income.

(g) Interest rate risk:

Interest rate risk is the risk of volatility in MC Canada's earnings arising from changes in short-term interest rates. Such risk exists in relation to MC Canada's loans receivable, operating line of credit and demand notes payable.

(h) Use of estimates:

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

3. Accounts receivable:

	2006	2005
Donations receivable	\$ 235,261	\$ 274,516
Receivable from related party, Canadian Mennonite University (CMU)	—	14,650
Other	241,448	278,416
	<u>\$ 476,709</u>	<u>\$ 567,582</u>

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

4. Loans receivable from related parties:

	2006	2005
Canadian Mennonite University, 50% of all donations received by CMU, designated for repayment of the renovation loan, are to be applied to this loan	\$ 460,265	\$ 488,858
Mennonite Publishing Network, monthly payments of \$14,767 including principal and interest at prime are receivable until June 2012, unsecured	981,667	1,112,684
	1,441,932	1,601,542
Current portion	153,982	162,364
	\$ 1,287,950	\$ 1,439,178

Minimum principal payments are approximately as follows:

2007	\$ 153,982
2008	162,264
2009	170,990
2010	180,187
2011	189,877
2012 and thereafter	584,632
	\$ 1,441,932

The loan receivable from CMU bears interest at prime and is secured by land and buildings at 500 Shaftesbury Boulevard.

During the year, interest in the amount of \$68,319 (2005 - \$71,260) was received from these loans receivable.

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

5. Investments:

	2006	2005
Mennonite Foundation of Canada:		
Annuities	\$ 25,698	\$ 26,247
Church Building Fund Trust	442,191	442,191
Endowments and other	563,369	549,347
Canada Life Insurance Company	157,431	167,389
Crosstown Credit Union surplus shares	8,085	—
	<u>\$ 1,196,774</u>	<u>\$ 1,185,174</u>

The market value approximates the carrying value of these investments.

6. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 131,178	\$ —	\$ 131,178	\$ 131,178
Buildings:				
Educational	3,333,192	2,732,918	600,274	678,749
Witness field properties	90,767	71,166	19,601	23,519
Heritage Centre	683,377	604,966	78,411	85,171
Conference administration	787,191	646,160	141,031	180,390
	<u>4,894,527</u>	<u>4,055,210</u>	<u>839,317</u>	<u>967,829</u>
Vehicles, equipment and furnishings	454,185	366,585	87,600	71,598
	<u>\$ 5,479,890</u>	<u>\$ 4,421,795</u>	<u>\$ 1,058,095</u>	<u>\$ 1,170,605</u>

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

7. Demand notes payable:

	2006	2005
Demand promissory note, Crosstown Credit Union, payable \$15,050 monthly including principal and interest, at the prime lending rate, due June 2012, secured by MC Canada's land and buildings at 600 Shaftesbury Boulevard	\$ 968,162	\$ 1,102,878
Demand promissory note, Crosstown Credit Union, payable \$13,650 monthly including principal and interest at the prime lending rate, secured by land and buildings at 600 Shaftesbury Boulevard, by assignment of fire insurance, and by a commitment from CMU to provide repayment of the loan receivable as outlined in note 4	375,610	465,399
	<u>\$ 1,343,772</u>	<u>\$ 1,568,277</u>

Although the promissory notes are payable on demand, the anticipated principal payments are as follows:

2007	\$ 280,539
2008	295,626
2009	220,099
2010	155,564
2011	163,930
Thereafter	228,014
	<u>\$ 1,343,772</u>

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

8. Deferred contributions:

(a) General Fund:

Deferred contributions reported in the General Fund relate to externally restricted operating contributions which have not yet been disbursed for their intended purpose. Investment earnings relating to these amounts, are included as deferred contributions. Changes in the deferred contributions balance reported in the General Fund are as follows:

	2006	Investment income	Received and not disbursed	Recognized as revenue	2005
Witness Council:					
Witness Bequest Fund	\$ 232,161	\$ —	\$ 39,055	\$ (21,456)	\$ 214,562
Native ministries:					
Emergency Support Fund	6,880	102	—	—	6,778
Jeremiah's Dream	4,172	62	—	—	4,110
Language training	5,019	80	—	(750)	5,689
Native education	8,229	121	—	—	8,108
Youth and children's programs	3,152	47	—	—	3,105
Ukraine ministries:					
Zap Program	1,795	150	—	(16,700)	18,345
Zap Capital	1,259	19	—	—	1,240
Kherson Programs	3,148	49	3,099	(3,496)	3,496
Christian Peacemaker Teams	62,910	1,056	61,854	(78,869)	78,869
North American Vietnamese Mennonite Fellowship	39,946	554	27,623	(22,691)	34,460
Colombia Leadership Development (10 year)	36,000	581	—	(6,581)	42,000
Partner Projects	18,281	—	17,281	(22,326)	23,326
Church Building Fund	442,191	—	—	—	442,191
	865,143	2,821	148,912	(172,869)	886,279
Formation Council:					
Formation Bequest Fund	4,708	—	—	(523)	5,231
Translation	11,399	161	1,435	(503)	10,306
Cross cultural leadership training	—	41	—	(5,477)	5,436
Opening Doors	—	25	—	(3,371)	3,346
Company of 1000	31,051	520	30,531	(38,825)	38,825
Pastoral Counseling Fund	5,794	100	—	(2,000)	7,694
Education agency	16,009	237	—	—	15,772
MHC/MWC Project	—	—	—	(1,140)	1,140
Young adult resources	747	13	—	(211)	945
Anabaptist display	12,564	202	—	(2,210)	14,572
Gallery donations	50,853	552	50,301	(23,288)	23,288
Russian Mennonite research	3,801	56	—	—	3,745
	136,926	1,907	82,267	(77,548)	130,300
	\$ 1,002,069	\$ 4,728	\$ 231,179	\$ (250,417)	\$ 1,016,579

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

8. Deferred contributions (continued):

(b) Capital Fund:

Changes in the deferred contributions balance reported in the Capital Fund are as follows:

	2006	2005
Beginning balance	\$ 719,517	\$ 784,227
Less amount recognized as revenue in the year	101,646	(101,210)
Add amount received related to future periods and not yet disbursed	—	36,500
Ending balance	\$ 617,871	\$ 719,517

9. External restrictions on General Fund balances:

External restrictions on General Fund balances are as follows:

	2006	2005
General Board Endowments:		
Conference administration building	\$ 100,000	\$ 100,000
MC Canada general endowment	8,445	8,445
	108,445	108,445
Witness Council Endowments:		
Native Ministries:		
Education endowment	16,753	16,753
General	2,000	2,000
Summer service	1,945	1,945
	20,698	20,698
Formation Council Endowment:		
Company of 1000	114,737	111,400
History archives endowment	25,112	25,112
	139,849	136,512
	\$ 268,992	\$ 265,655

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

10. Internally restricted fund balances:

(a) General Fund:

	2006	2005
Witness Council:		
Witness start-up	\$ 32,660	\$ 36,146
Witness future projects	10,075	—
Missional resources	9,368	11,215
Mission seminar	11,688	6,553
International Ministries	81,328	7,340
Native Ministries	65,671	94,258
Christian Peacemaker Teams	10,323	—
Christian Service Units	46,918	46,225
Witness medical	6,598	6,500
Witness grant	—	36,000
	274,629	244,237
Formation Council:		
Der Bote	105,842	140,316
Youth Assembly	23,326	29,433
Youth Ministry Council Reserve	2,006	—
Gallery	49,944	32,662
Archives	6,680	5,000
	187,798	207,411
Support Services Council:		
Major Repair Reserve	15,053	7,000
General Board:		
General bequests received to be used for program expenditures over a 10 year period	57,509	63,899
General	294,655	184,285
New Projects	157,726	191,269
Mennonite World Conference	4,056	2,011
	513,946	441,464
	\$ 991,426	\$ 900,112

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

10. Internally restricted fund balances (continued):

These internally restricted amounts are not available for any other purpose without the approval of the respective Council or General Board.

During the year, the General Board authorized the following transfers:

- (i) \$154,747 from the General Fund's internally restricted funds to the General Fund's unrestricted funds to cover program expenses for the year.
- (ii) \$288,896 to the General Fund's internally restricted funds from the General Fund's unrestricted funds to cover future program expenses.
- (iii) \$5,000 to the General Fund's internally restricted funds from the Capital Fund's internally restricted funds to cover future Witness Council program expenses.
- (iv) \$95,304 to the Capital Fund's internally restricted funds from the General Fund's unrestricted funds to cover future capital acquisitions.

(b) Capital Fund:

	2006	2005
Witness capital	\$ —	\$ 5,000
General capital	129,259	97,791
	<u>\$ 129,259</u>	<u>\$ 102,791</u>

These internally restricted amounts are not available for any other purpose without the approval of the General Board.

11. Contingent liabilities:

- (a) MC Canada has signed a guarantee for US\$79,606 of the total outstanding international loans of US\$211,614 which have been granted to international churches and agencies through Church Extension Services. Mennonite Mission Network has guaranteed the remaining US\$132,008.

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

11. Contingent liabilities (continued):

- (b) MC Canada has signed a guarantee for a loan granted to the Canadian Mennonite University for construction of a student residence building on MC Canada property. The security for this guarantee is limited to the property at 600 Shaftesbury Blvd. The maximum amount of the loan is \$3,620,000 of which \$3,478,362 was outstanding on January 31, 2006.

12. Bi-national net asset distribution:

As part of the dissolution of the General Conference Mennonite Church and the Mennonite Church as of January 31, 2002, assets and liabilities of these entities were distributed to their successor organizations, MC Canada and Mennonite Church USA. During the year, an adjustment was made of \$17,835 relating to distributions previously received.

13. Related party transactions:

- (a) The Canadian Mennonite Bible College (CMBC), which was owned and operated by MC Canada, entered into a formal arrangement in prior years with two other Mennonite Colleges to form the Canadian Mennonite University (CMU). CMU was formed in order to increase the effectiveness, both in serving the Mennonite constituency and in witnessing to the larger society, by providing university level training consistent with a Christian perspective rooted in the Anabaptist-Mennonite tradition. CMU was incorporated in 1998 as a corporation without share capital by *The Mennonite College Federation and Consequential Amendments Act* of Manitoba. The members of the corporation are CMBC, Concord College and Menno Simons College.

Mennonite Properties Inc. (MPI), which is owned equally by MC Canada and the Mennonite Brethren Church of Manitoba, purchased land and buildings at 500 Shaftesbury Boulevard to be utilized solely for the operations of CMU. Although the legal title is with MPI, the beneficial ownership of 500 Shaftesbury rests with CMU. All decisions of MPI must be approved by a majority of the Board members from each of MPI's owners. MPI's owners have advanced funds to MPI towards this purchase and the required renovations, along with the required renovations at 600 Shaftesbury, the present site of the CMBC properties (note 4).

Use of the facilities at 600 Shaftesbury is provided to CMU by MC Canada on a rent free basis. CMU is responsible for all utility costs and maintenance of these buildings.

MENNONITE CHURCH CANADA

Notes to Financial Statements (continued)

Year ended January 31, 2006

13. Related party transactions (continued):

(b) Mennonite Publishing Network:

Mennonite Publishing Network (MPN) is an organization incorporated in the state of Pennsylvania as a not-for-profit corporation. Its purpose is to serve the publishing ministry needs of MC Canada and Mennonite Church USA. MC Canada is able to appoint 3 of a maximum of 8 members on MPN's board of directors.

MC Canada has provided certain financing (note 4) to assist MPN with its major financial and business restructuring. This restructuring was required to reduce MPN's financial obligations and provide for the long-term viability of its operations.

- (c) MC Canada sponsors a defined contribution pension plan for its employees and its member churches and related organizations. The plan is registered under the *Pension Benefits Act* of Manitoba, registration number 0228650. The pension plan is administered by Group Retirement Services (GRS). During fiscal year 2006, MC Canada was paid \$50,293 by GRS for services provided in relation to administering the plan. MC Canada made employer contributions to the plan in the amount of \$113,234 (2005 - \$114,185).

14. Subsequent event:

On March 4, 2006, the General Board approved the transfer of the ownership of the property at 600 Shaftesbury Boulevard to CMU for cash consideration of \$1. Finalization of the terms and conditions of the transfer are in process.

15. Fair value of financial assets and liabilities:

The fair values of accounts receivable, loans receivable, investments, accounts payable and accrued liabilities, and demand notes payable approximate their carrying value due to their relative short term to maturity.

16. Comparative figures:

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

MENNONITE CHURCH CANADA

Expenses for Christian Witness Council Program

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Executive office	\$ 135,871	\$ 158,028
Congregational partnerships	133,637	129,192
National ministries administration	39,855	39,912
Multi-cultural ministry	38,128	33,711
Native ministries	103,804	91,882
International ministries	1,950,772	1,934,620
Terminated programs	—	46,211
Other	—	14,136
	\$ 2,402,067	\$ 2,447,692

MENNONITE CHURCH CANADA

Expenses for Christian Formation Council Program

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Executive office	\$ 98,055	\$ 115,578
Der Bote	145,744	144,199
Resource Centre	62,496	55,355
Mennonite Heritage Centre archives	107,520	120,687
Mennonite Heritage Centre gallery	62,116	64,390
Ministerial and congregational leadership	78,798	79,776
Youth ministry	30,261	19,508
Education and nurture ministries	46,664	42,655
Other	3,451	5,327
	<u>\$ 635,105</u>	<u>\$ 647,475</u>

MENNONITE CHURCH CANADA

Expenses for Support Services Council Program

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Administration	\$ 328,612	\$ 402,905
Annual assembly	84,738	63,971
Communications	145,307	123,931
Development	112,412	90,704
Canadian Mennonite	176,315	173,281
	\$ 847,384	\$ 854,792

MENNONITE CHURCH CANADA

Expenses for General Board

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Administration	\$ 211,725	\$ 188,865
Finance	259,778	264,285
Foreign exchange loss	7,013	2,046
Mennonite World Conference grants	38,000	40,000
Canadian Mennonite University grants	330,572	343,885
	<hr/>	<hr/>
	\$ 847,088	\$ 839,081

MENNONITE CHURCH CANADA

Expenses for Partner Programs

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Partner Projects/New Initiatives	\$ 96,194	\$ 83,173
International Worker Special Projects	2,390	1,000
Italy Partnership	43,261	26,755
Riverton Partnership	38,263	34,753
Philippine Partnership	7,056	—
Christian Peacemaker Teams	252,515	188,468
North American Vietnamese Mennonite Fellowship	22,691	25,445
Company of 1000	52,015	65,658
	<u>\$ 514,385</u>	<u>\$ 425,252</u>

MENNONITE CHURCH CANADA

Contributions to Related Organizations

Year ended January 31, 2006, with comparative figures for 2005

	2006	2005
Canadian Mennonite University	\$ 17,254	\$ 106,610
Mennonite Church USA	56,635	135,903
Mennonite Mission Network	61,282	103,440
Associated Mennonite Bible Seminary	84,860	94,001
Mennonite Publishing Network	36,247	52,133
Meseretes Kristos College	50,970	—
Eastern Mennonite Missions	67,500	34,290
	\$ 374,748	\$ 526,377