



Financial Statements

August 31, 2009

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MANAGEMENT'S STATEMENT OF RESPONSIBILITY

To the Members of:
Mennonite Central Committee (MCC) B.C.

The accompanying financial statements of Mennonite Central Committee (MCC) B.C. were prepared by the management of the society. The statements have been prepared in conformity with Canadian generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Any departures from Canadian generally accepted accounting principles are appropriately disclosed in the notes to the financial statements.

Management has established internal control systems to ensure that the society's assets are safeguarded and that the financial information is objective and reliable. The financial statements have been audited by the independent auditing firm: Friesen Pankratz & Associates LLP, Certified General Accountants, whose report outlines the scope of their examination and their opinion on the financial statements.

The society's management has met with the auditor to satisfy itself on the adequacy of internal controls and to review the financial statements and auditor's report. The auditor has discussed with management the results of his examination and his opinions on the adequacy of internal controls and the quality of financial reporting.

The management reports its recommendations and findings to the Board of Directors for its consideration.

A handwritten signature in black ink, appearing to be "Wayne Bremner", written over a horizontal line.

Wayne Bremner
Executive Director

Abbotsford, BC
October 28, 2009



FRIESEN PANKRATZ & ASSOCIATES LLP

Certified General Accountants and Business Advisors

300, 2692 Clearbrook Road, Abbotsford, BC, V2T.2Y8 Tel:604.854.3733 Fax:604.854.6433 www.fpallp.com

AUDITORS' REPORT

To the members of
Mennonite Central Committee (MCC) B.C.

We have audited the statement of financial position of Mennonite Central Committee (MCC) B.C. as at August 31, 2009, and the statements of operations, net assets and cash flow for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with many charitable organizations, the society's derives part of its revenue from the general public in the form of donations 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 society's and we were not able to determine whether any adjustment might be necessary to contributions, excess of revenue over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the society as at August 31, 2009 and the results of operations and cash flow of the society for the year then ended, in accordance with Canadian generally accepted accounting principles.

Friesen Pankratz & Associates LLP

CERTIFIED GENERAL ACCOUNTANTS

Abbotsford, B.C.
October 28, 2009

Mennonite Central Committee (MCC) B.C.
Statement of Operations
For the year ended August 31, 2009

	MCC	ECD	2009	2008
REVENUE				
Contributions	\$ 2,402,407	\$ -	\$ 2,402,407	\$ 3,357,771
Employment Development (Page 9)	-	4,567,020	4,567,020	4,257,274
Thrift Shops (Page 7)	4,035,703	-	4,035,703	3,858,574
Relief Sales (Page 8)	784,844	-	784,844	837,467
Material Resources	606,458	-	606,458	301,000
Rent & Miscellaneous	186,238	-	186,238	187,666
Grants	179,241	-	179,241	162,272
Service Worker & IVEP	121,516	-	121,516	102,530
Guest House	11,557	-	11,557	-
	8,327,964	4,567,020	12,894,984	13,064,554
EXPENDITURES				
Remittance to MCC Canada	3,022,985	-	3,022,985	4,283,536
Material Resources:				
Warehouse Program Activity	157,158	-	157,158	172,803
Shipment of Material Aid	585,565	-	585,565	241,317
Programs:				
Aboriginal Neighbours	44,167	-	44,167	47,041
Abuse Prevention	56,440	-	56,440	44,109
Employment Development (Page 9)	-	4,126,270	4,126,270	3,890,613
Guest House	23,827	-	23,827	-
HIV/AIDS	40,914	-	40,914	74,392
New Foundations	152,229	-	152,229	84,232
Peace & Development Education	58,060	-	58,060	57,378
Program Development & Coordination	116,776	-	116,776	87,730
Refugee Assistance	118,668	-	118,668	107,897
Service Worker & IVEP	217,981	-	217,981	216,928
Volunteer Development	26,769	-	26,769	20,601
	4,621,539	4,126,270	8,747,809	9,328,577
Resource Development:				
Fundraising	169,830	-	169,830	166,796
Thrift Shops (Page 7)	2,613,377	-	2,613,377	2,374,445
Relief Sales (Page 8)	180,877	-	180,877	179,203
	2,964,084	-	2,964,084	2,720,444
General Administration:				
Finance & Administration	542,806	-	542,806	457,776
Human Resources	106,115	-	106,115	86,990
Property Administration	34,702	-	34,702	29,475
	683,623	-	683,623	574,241
TOTAL EXPENDITURES	8,269,246	4,126,270	12,395,516	12,623,262
EXCESS OF REVENUE BEFORE OTHER ITEMS	58,718	440,750	499,468	441,292
Gain from disposal of capital assets	1,563	6,000	7,563	564
EXCESS OF REVENUE	\$ 60,281	\$ 446,750	\$ 507,031	\$ 441,856

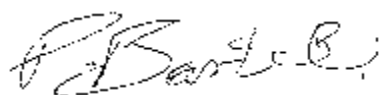
Mennonite Central Committee (MCC) B.C.
Statement of Net Assets
For the year ended August 31, 2009

	Invested in Capital Assets	Internally Restricted (Estates)	Unrestricted	2009	2008
NET ASSETS - Open	\$ 3,556,282	\$ 205,908	\$ 2,195,274	\$ 5,957,464	\$ 5,515,608
Excess of revenue	7,563	-	499,468	507,031	441,856
Contributions(Notes: 2(b) and 16)	215,780	147,473	(147,473)	215,780	-
Transfers(Note: 2(b))	-	(100,671)	100,671	-	-
Changes in Capital Assets	132,855	-	(132,855)	-	-
NET ASSETS - Close	\$ 3,912,480	\$ 252,710	\$ 2,515,085	\$ 6,680,275	\$ 5,957,464

Mennonite Central Committee (MCC) B.C.
Statement of Financial Position
For the year ended August 31, 2009

	MCC	ECD	2009	2008
ASSETS				
CURRENT ASSETS				
Cash & bank	\$ 510,468	\$ 335,109	\$ 845,577	\$ 647,601
Investments (Note: 4)	1,245,546	793,627	2,039,173	2,373,008
Contributions Receivable	72,326	590,470	662,796	529,393
Prepaid Expenses	147,882	51,286	199,168	174,264
Inventory (Note: 5)	28,211	1,354	29,565	50,423
Interfund loans	243	-	243	6,670
	2,004,676	1,771,846	3,776,522	3,781,359
CAPITAL ASSETS (Note: 6)	4,657,833	124,911	4,782,744	4,497,588
TOTAL ASSETS	\$ 6,662,509	\$ 1,896,757	\$ 8,559,266	\$ 8,278,947
LIABILITIES & NET ASSETS				
CURRENT LIABILITIES				
Notes payable (Note: 7)	\$ 40,000	\$ -	\$ 40,000	\$ 40,000
Accounts payable and accruals (Note 17)	254,443	40,477	294,920	639,373
Government remittances payable	17,072	59	17,131	10,851
Wages payable	9,780	44,404	54,184	61,231
Deferred contributions - operating (Note: 8)	59,946	62,727	122,673	347,593
Current portion of long-term debt (Note: 11)	342,944	-	342,944	71,305
Interfund loans	-	243	243	6,670
	724,185	147,910	872,095	1,177,023
LONG TERM LIABILITIES				
Deferred contributions - capital (Note: 9)	403,803	75,773	479,576	274,459
Long-term debt (Note: 11)	527,320	-	527,320	870,001
	931,123	75,773	1,006,896	1,144,460
NET ASSETS	5,007,201	1,673,074	6,680,275	5,957,464
TOTAL LIABILITIES & NET ASSETS	\$ 6,662,509	\$ 1,896,757	\$ 8,559,266	\$ 8,278,947

APPROVED ON BEHALF OF THE BOARD:



Peter Bartel



Mark Sawatzky

See accompanying Notes to Financial Statements and Auditor's Report

Mennonite Central Committee (MCC) B.C.
Statement of Cash Flow
For the year ended August 31, 2009

	MCC	ECD	2009	2008
OPERATING ACTIVITIES				
Excess of revenue from operati	\$ 58,718	\$ 440,750	\$ 499,468	\$ 441,292
Add: non-cash items affecting operations				
Amortization	207,932	97,960	305,892	331,622
Accounts receivable	12,806	(146,209)	(133,403)	(281,501)
Inventory	21,937	(1,079)	20,858	(9,724)
Prepaid Expenses	(20,414)	(4,489)	(24,903)	26,549
Accounts payable and accruals	(358,007)	13,558	(344,449)	154,532
GST payable	6,267	13	6,280	1,509
Payroll taxes payable	(1,360)	(5,686)	(7,046)	(35,926)
Deferred contributions - operating	(266,491)	41,570	(224,921)	(632,356)
Deferred contributions - capital	194,333	10,783	205,116	12,071
Interfund loans	6,427	(6,427)	-	-
	(137,852)	440,744	302,892	8,068
FINANCING ACTIVITIES				
Repayment of long-term debt	(71,042)	-	(71,042)	(66,958)
INVESTING ACTIVITIES				
Acquisitions of capital assets	(261,855)	(113,922)	(375,777)	(462,683)
Proceeds from disposal of capital assets	2,068	6,000	8,068	900
	(259,787)	(107,922)	(367,709)	(461,783)
DECREASE IN CASH OR EQUIVALENTS	(468,681)	332,822	(135,859)	(520,673)
CASH - OPEN	2,224,695	795,914	3,020,609	3,541,282
CASH - CLOSE	\$ 1,756,014	\$ 1,128,736	\$ 2,884,750	\$ 3,020,609
CASH REPRESENTED BY:				
Cash on hand and in banks	\$ 510,468	\$ 335,109	\$ 845,577	\$ 647,601
Investments	1,245,546	793,627	2,039,173	2,373,008
	\$ 1,756,014	\$ 1,128,736	\$ 2,884,750	\$ 3,020,609

Mennonite Central Committee (MCC) B.C.
Schedule of Thrift Shops
For the year ended August 31, 2009

	2009	2008
REVENUE		
Abby East Store	\$ 508,195	\$ 445,760
Chilliwack	271,663	199,153
Clearbrook Furniture Store	761,416	742,261
Clearbrook Clothing	970,583	951,409
Kelowna	258,344	235,737
Mission	362,144	374,803
Surrey	356,795	365,655
Vancouver	517,046	512,547
Yarrow	28,699	30,354
Other sales and donations	818	895
	4,035,703	3,858,574
EXPENDITURES		
Advertising	18,219	11,356
Amortization	146,590	157,670
Insurance	28,874	26,536
Interest on long-term debt	54,519	58,603
Office expenses	26,218	22,118
Products for resale	45,028	50,667
Property tax	111,719	126,288
Rent	339,711	334,741
Repair and building costs	224,437	171,683
Store operating expenses	201,347	206,604
Travel and delivery	63,476	88,479
Wages and benefits	1,353,239	1,119,700
	2,613,377	2,374,445
EXCESS OF REVENUES	\$ 1,422,326	\$ 1,484,129

Mennonite Central Committee (MCC) B.C.
Schedule of Relief Sales
(Fraser Valley, Black Creek & Prince George)
For the year ended August 31, 2009

	2009	2008
REVENUE		
Relief sale proceeds & donations	\$ 784,844	\$ 837,467
	784,844	837,467
EXPENDITURES		
Advertising and promotions	23,739	25,305
Amortization	1,736	1,736
Banquets	17,734	17,721
Food and supplies	48,370	49,037
Insurance	2,200	2,200
Office expenses	11,182	9,018
Facilities and equipment	41,263	35,203
Setup and maintenance	7,023	9,683
Travel and meetings	2,476	2,014
Wages and benefits	25,154	27,286
	180,877	179,203
EXCESS OF REVENUES	\$ 603,967	\$ 658,264

Mennonite Central Committee (MCC) B.C.
Schedule of Employment and Community Development
For the year ended August 31, 2009

	2009	2008
REVENUE		
General (Note: 15)	\$ 176,774	\$ 208,116
Above The Underground	76,497	70,064
Bridging the Gap	238,953	369,052
Compass	481,707	376,752
Ecoworks	1,088,779	935,738
Employment Centre	131,334	139,529
Employment Essentials	1,155,591	1,051,335
Future Foundations	62,742	59,450
Home Ownership Readiness	-	23,507
ImmPower	59,227	58,936
Kaleidoscope	699,309	599,803
Youth Keep Working	396,107	364,992
	4,567,020	4,257,274
EXPENDITURES		
General (Note: 15)	102,828	117,690
Above The Underground	83,247	78,159
Bridging the Gap	248,088	338,921
Compass	451,461	375,461
Ecoworks	840,482	780,710
Employment Centre	111,928	109,608
Employment Essentials	1,109,080	1,021,696
Future Foundations	62,742	59,450
Home Ownership Readiness	-	16,193
ImmPower	41,437	49,568
Kaleidoscope	681,846	579,114
Youth Keep Working	393,131	364,043
	4,126,270	3,890,613
TOTAL EXPENDITURES	4,126,270	3,890,613
EXCESS OF OPERATING EXPENDITURES	440,750	366,661
Gain (loss) on disposal of assets	6,000	4,580
EXCESS OF REVENUE (EXPENDITURES)	\$ 446,750	\$ 371,241

Mennonite Central Committee (MCC) B.C.

Notes to Financial Statements

For the year ended August 31, 2009

1. PURPOSE OF THE ORGANIZATION

Mennonite Central Committee, started in 1920 in response to hunger in Ukraine, is the co-operative relief, service and development agency of the Mennonite and Brethren in Christ Churches in North America.

- MCC seeks to demonstrate God's love through committed women and men who work "In the name of Christ" among people suffering from poverty, conflict, oppression and natural disaster.
- MCC serves as a channel for interchange between churches and community groups where we work around the world, and the North American churches who send us, so that all may grow and be transformed.
- MCC strives for peace, justice and dignity of all people by sharing our experiences, resources and faith in Jesus Christ.

The Mennonite Central Committee British Columbia was established as a not-for-profit society in 1968. It is registered as a charity for purposes of the Income Tax Act (Canada), and as such is not subject to income tax on its excess of revenues over expenditures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Method

The society uses the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period when the related expenses are incurred. Contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Estate Donations

The society's policy, which coincides with MCC Canada policy, is to recognize estate donations as revenue in the year of receipt as restricted net assets. These funds are transferred to unrestricted net assets over five years. If an estate donation is specifically designated toward an MCC International project, the amounts are transferred to unrestricted net assets and forwarded to MCC Canada in the year of receipt.

(c) Amortization

Capital assets are recorded at cost, or, in the case of donated assets, at their fair market value at the time of contribution, and are being amortized on the straight-line basis at the following rates:

Buildings	40 years
Furniture and fixtures	10 years
Equipment	5 years
Motor vehicles	3 years
Computer hardware	3 years
Computer software	2 years

Leasehold improvements are being amortized on the straight-line basis over their estimated useful life. Vancouver Thrift Shop building leaseholds are being amortized over the life of the underlying land lease.

Mennonite Central Committee (MCC) B.C.
Notes to Financial Statements
For the year ended August 31, 2009

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Donations and gifts in kind

Donations of materials and services are recognized in the accounts of the society at estimated fair market value when the materials and services are used in the normal course of the society's operations and would otherwise have been acquired for distribution in accordance with the society's purpose and objectives. The total donations in kind recorded during the year was \$120,936 (2008 - \$135,858).

(e) Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(f) Foreign Currency

Foreign-currency-denominated monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign-currency-denominated non-monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect on the transaction date. Revenue and expense items are translated at the exchange rate in effect at the time of the transaction. Amortization and property write-downs are translated at the same exchange rate as the assets to which they relate. Foreign exchange gains or losses are included in the determination of net earnings for the year.

(g) Use of estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. FINANCIAL INSTRUMENTS

Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to or from another party.

Fair Value

The carrying amount of cash, investments, contributions loans and proceeds receivable, and notes payable, and accounts payable approximates their fair value because of the short-term nature of these items. The carrying amount of long term debt approximates fair market value because the interest rates and terms are not significantly different from those presently available to the society.

Credit Risk

The Society's financial assets that are exposed to credit risk are cash, investments, contributions loans and proceeds receivable. Credit risk associated with cash and investments is minimized substantially by ensuring these assets are invested in accounts at a Schedule I bank with investment grade ratings. Credit risk associated with contributions loans and proceeds receivable is minimized by restricting the granting of credit and by application of internal collection policies and procedures.

Mennonite Central Committee (MCC) B.C.
Notes to Financial Statements
For the year ended August 31, 2009

FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk

The Society is not exposed to foreign exchange risk because it has no significant financial assets nor liabilities denominated in foreign currencies.

Interest Rate Risk

The Society is not exposed to interest rate risk on long-term debt because these financial instruments are subject to fixed rates of interest.

4. INVESTMENTS

Investments are grouped by financial institution. The maturity dates commence November 2009 and the investments bear interest at rates ranging from 1% to 3%.

	2009	2008
Canadian Conference of MB Churches	\$ 404,605	\$ 391,714
Envision Financial	1,194,482	1,554,805
Mennonite Foundation of Canada	440,086	426,489
	\$ 2,039,173	\$ 2,373,008

5. INVENTORY

Inventory is recorded at the lower of cost and net market value. Items donated for Material Resource shipments overseas are recorded at standard cost stipulated by MCC Binational (MCC Akron) when shipped.

Mennonite Central Committee (MCC) B.C.
Notes to Financial Statements
For the year ended August 31, 2009

6. CAPITAL ASSETS

	Original Cost	Accumulated Amortization	Net 2009	Net 2008
Buildings	\$ 3,658,528	(1,079,593)	\$ 2,578,935	\$ 2,469,209
Buildings under capital lease	598,430	(405,818)	192,612	216,126
Computer hardware	357,966	(322,896)	35,070	33,884
Computer software	90,520	(70,584)	19,936	15,803
Equipment	296,592	(239,885)	56,707	61,268
Furniture and fixtures	162,585	(130,883)	31,702	30,018
Leasehold improvements	248,300	(222,920)	25,380	34,284
Motor vehicles	402,569	(314,035)	88,534	101,390
	5,815,490	2,786,614	3,028,876	2,961,982
Land	1,753,868	-	1,753,868	1,535,606
	\$ 7,569,358	\$(2,786,614)	\$ 4,782,744	\$ 4,497,588

7. NOTES PAYABLE

Private loan payable, without interest, callable on 60 days notice.

8. DEFERRED CONTRIBUTIONS - OPERATING

Deferred contributions represent unspent resources externally restricted for operating funding received in the current period that is related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2009	2008
Opening balance	\$ 347,593	\$ 979,949
Less amount recognized as revenue in the year	(285,145)	(708,887)
Add amount received related to next year	60,225	76,531
Closing balance	\$ 122,673	\$ 347,593

Mennonite Central Committee (MCC) B.C.

Notes to Financial Statements

For the year ended August 31, 2009

9. DEFERRED CONTRIBUTIONS - CAPITAL

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions for the purchase of capital assets. The changes in the deferred contributions balance for the period are as follows:

	2009	2008
Opening balance	\$ 274,459	\$ 262,388
Less amount recognized as revenue in the year	(64,816)	(67,449)
Add contributed assets	204,220	-
Add amount received related to asset purchases	65,713	79,520
Closing balance	\$ 479,576	\$ 274,459

10. LEASE OBLIGATIONS

The society has entered into various leases for premises, equipment and automobiles. Under the terms of the leases the minimum annual lease payments required are as follows:

2010	\$ 435,993
2011	\$ 283,526
2012	\$ 166,209
2013	\$ 100,076
2014	\$ 105,962

11. LOANS PAYABLE

	2009	2008
Mortgage payable to Mennonite Foundation of Canada due March 2010, secured by real property; repayable in equal monthly installments of \$5,408, including interest at 5.7%	\$ 315,727	\$ 361,425
Mortgage payable to Mennonite Foundation of Canada due July 2011, secured by real property; repayable in equal monthly installments of \$5,056, including interest at 6¼%	554,537	579,881
	870,264	941,306
Less: principal due within one year	(342,944)	(71,305)
	\$ 527,320	\$ 870,001

Under the present terms and conditions of the loans payable, the minimum annual principal payments that will be required to retire the debt will be as follows:

2010	\$ 342,944
2011	\$ 527,320

Mennonite Central Committee (MCC) B.C.

Notes to Financial Statements

For the year ended August 31, 2009

12. INCOME TAXES

The society is registered as a charity under the Society Act of British Columbia. The society is also registered with Canada Revenue Agency as a charitable organization and, as such, is not subject to income taxes.

13. DONATIONS

In common with many charitable organizations, the society's derives part of its income from the general public in the form of donations, which are not susceptible to complete audit verification. Accordingly, verification of revenue from this source was limited to accounting for the amounts recorded in the records.

14. CONTRIBUTIONS AND REMITTANCES TO MCC CANADA

Included in the remittances to MCC Canada is an amount of \$3,668 which was forwarded to Mennonite Foundation Canada to be added to the MCC Global Compassion Fund, as designated by a bequest.

15. EMPLOYMENT AND COMMUNITY DEVELOPMENT GENERAL EXPENSES

General expenses include administration, amortization, program development, special projects and constituency education. Included in the general expenses are off-setting cost recovery amounts generated by charging other ECD projects with the standard costs of administration staff time, space costs, and the use of ECD owned vehicles and equipment. The total amount of these recoveries for the current fiscal year is \$455,322 (2008 - \$452,579).

16. CONTRIBUTION OF CAPITAL ASSETS

During the year the society received a contribution of a house and land located in the Abbotsford area. The society estimates the useful life of the house to be 40 years. This non-monetary contribution has been recognized at the fair market value at the time of the contribution. The home is available for short term rental, at a nominal cost, to visiting workers, guests, missionaries and ministers.

17. CONTINGENT LIABILITY

The society is contingently liable to the Township of Langley for letters of credit totaling \$184,022 expiring January 1, 2010.

Mennonite Central Committee (MCC) B.C. has agreed to cover a proportional share of 2009 operating shortfalls of MCC Canada based on the operating reserves of each provincial association. The amount of the liability to MCC Canada will be contingent upon the results of operations of MCC Canada and each provincial association as published in their 2009 annual audit financial statements. At the time of publishing these financial statements the amount can not be reasonably estimated.

Mennonite Central Committee (MCC) B.C.
Notes to Financial Statements
For the year ended August 31, 2009

18. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to current presentation.