

2007 ANNUAL REPORT

Faithful Joyful Giving



ALL GOOD THINGS

Every person of faith can finish that phrase “... come from God above.” It is our starting point at the Mennonite Foundation of Canada – acknowledging the goodness of God in our lives.

Generous living springs from this point. It is a spiritual discipline that both nurtures our relationship with God and extends God’s love to our neighbours and communities.

In 2007, we saw the fruits of generosity again and again in the lives of MFC clients who came to us for loans or talked to one of our consultants or who directed their giving to one of more than 500 charities through the Foundation.

On this solid ground, we look forward to continuing our ministry of stewardship education – and continuing to make giving joyful and easy for God’s people in 2008.

Anita L. Tiessen



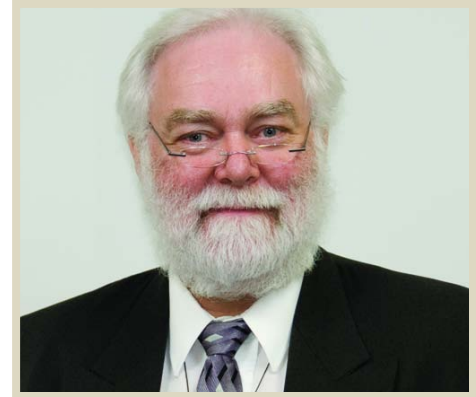
Anita Tiessen, Board Chair

A HISTORY OF PARTNERING

MFC wouldn't exist without the partnerships we have developed over the years. As with all worthwhile relationships, MFC benefits as much, or more, than we contribute.

Over the course of our 34-year history, MFC has grown to be a major Canadian public charitable foundation, recognized both for our innovative approach to donor-advised charitable funding and for our integrity and expertise. As our expertise has grown, more donors, more churches, and more charities have come to rely on MFC.

This year's financial statement again reflects new records. We are justifiably proud of these achievements. And we are grateful to all our partners who make this possible, in particular our donors. They are evidence that our message of gratitude and generosity is being heard. They understand what it means to tie faith and cheque-book together. Thank God!



Erwin Warkentin, General Manager

NEW DEVELOPMENTS IN 2007

Founded and rooted in care for each other and care for our communities and our world, MFC continues to grow and change:

New consultants are in place in British Columbia and Manitoba

- Ed Wedel, a financial planner from Edmonton, brings 12 years of experience guiding people in estate and will planning to the office in Abbotsford. He sees the work of MFC as an opportunity to blend his financial skills with his passion for helping generous people.
- Dori Zerbe Cornelsen is serving Mennonite Church Canada clients in Manitoba and Saskatchewan. Her varied experience includes working as pastor of Hope Mennonite Church and coordinating MCC Manitoba's Open Circle (one-to-one prisoner visitation) program.

This was a record year in many ways, for which we are grateful:

- for total assets under management – just under \$100 million (10.5 percent increase from 2006)
- for distributions to charity – over \$8 million (59 percent increase from 2006)
- for donations of securities processed – \$5.6 million (20 percent increase from 2006).





MCC photo by Melissa Engle

A careful review of our history, purpose, and core documents lead us to a new expression and understanding of our essence: Faithful Joyful Giving. This provides focus and clarity for our work as a whole and particularly for our ongoing communications.

**Find out more about what
MFC has to
offer you at our new
website at
mennofoundation.ca.**

The Mennonite Central Committee received a significant portion of this year's distribution to charities. Funds directed to MCC are put to use globally, seen here helping make sure these preschoolers in North Vietnam get a nutritious lunch.

PARTNERING WITH PROFESSIONALS

Henry Friesen, of Henry Friesen Chartered Accountant Inc. in Niverville, Manitoba, has connections to MFC that go back to the mid-'80s when he served as a board member as

well as a staff person. At the time, MFC was facing major challenges but Henry's optimism and "can do" attitude were pivotal in moving the Foundation forward. Henry remembers with fondness some of the

trips in those early years visiting potential clients in various provinces promoting the services of MFC. Everywhere he went, people soon realized that for Henry, generosity was a way of life and he was an enthusiastic promoter of the same.

For Henry, generosity was a way of life and he was an enthusiastic promoter of the same.



Though many years have passed, Henry's passion for generosity and commendation of services available through MFC remain strong. "When

clients come in who could benefit from the services of MFC, I facilitate the connections,” says Henry. “After all, God the Giver expects us to pass on the blessings.” And many heed his advice.

In Elmira, Ontario, lawyer Mary-Lou Fletcher credits MFC consultants with helping her clients make better, more timely decisions. “Clients who have used Mennonite Foundation have thought through issues before they arrive in my office.” This means they have to spend less time in the lawyer’s office – they don’t have to make important decisions on-the-spot or return for another visit. The three-way partnership between the clients, the lawyer, and MFC benefits everyone.

MFC relies significantly on allied professionals such as lawyers, accountants, and financial planners to provide the services our clients need and rely on. We are deeply indebted when they in turn offer their positive endorsement of the services MFC provides.



*After all, God the Giver
expects us to pass on
the blessings.*

PARTNERING WITH SCHOOLS

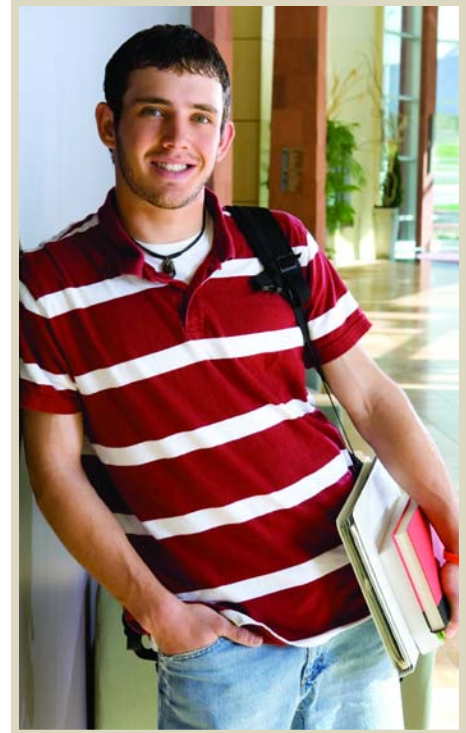
Recognizing the importance of incorporating biblical and practical teaching about money into their curriculum, several Canadian bible colleges have turned to MFC staff for help.

Edwin Friesen, a Winnipeg-based MFC consultant, has taught a number of classes at Steinbach Bible College (Manitoba) over the years addressing themes such as: giving as worship, debt – good and bad, contentment in the context of consumerism, passing on God’s generosity, and what the church is saying about money.

In a holistic, integrated Christian spirituality, stewardship . . . is absolutely essential.

These classes are important for what they do for the students, says Dr. Don Thiessen, a recently retired SBC professor. “Students need to make generosity a way of life. The teaching that MFC provides for SBC students is one way of

strengthening this concept in their lives. These discussions are also crucial for the church, which is dependent on the generosity of its people,” he said. “Without teaching on stewardship, the ministry of the church will suffer.”



Dr Sean O’Leary, a professor of worship studies and spirituality at Emmanuel Bible College, (Kitchener, Ontario) has MFC consultants teach a class each term. He describes the MFC presentation “Talking About Money: A Christian Calling?” as being a vital component of the course. “It never ceases to amaze me how little the scriptural truths are taught, yet how crucial they are to the authentic Christian life. In a holistic, integrated Christian spirituality, stewardship . . . is absolutely essential.”



Teachers at Rockway Mennonite Collegiate in Kitchener, Ontario have had MFC consultants speak to their grade 10 career studies classes on two different topics.

- The Credit Card Cautions presentation challenges common assumptions about credit card use, showing pitfalls that come with abusing credit and the ways credit can be used advantageously.
- Lifestyle Choices is a budgeting exercise that lets teams of students devise budgets, making decisions about housing, taxes, charitable giving, and other spending using Timbits as currency.



Leading and contributing to conversations around stewardship of financial resources is a key part of MFC’s mission and ministry. To have a consultant speak at your college, school, church or small group, contact the MFC office closest to you.

PARTNERING WITH CHURCHES

One of the mandates of MFC is to provide loans to churches and institutions related to the member conferences. Over the past 34 years that mandate has been accomplished in different ways with loans ranging in size from a few thousand dollars to multiple millions of dollars.

At the end of 2007 there were 75 active loans with a total value approaching \$30 million dollars. These loans support everything from renovations to additions to construction of new buildings. They are one way that MFC partners with our constituent churches and institutions to help them fulfill their mandates. The borrowing institution benefits from competitive loan rates and generous loan terms.

MFC also manages several funds that have been established by conferences or individuals to assist conference specific churches in their building projects. When a church applies for a loan, MFC evaluates the loan application and provides relevant details to the loan fund partner. Rarely do the size and criteria of these special funds provide for the full financial needs of the borrowing congregation. The partner decides on its contribution and MFC commits the remainder. The combined loan amount is all managed by MFC. The borrowing church benefits from a simplified borrowing and repayment process as well as any financial assistance that is built into the partner loan funds. The loan fund partners benefit from MFC managing the loan on their behalf while accomplishing the goals of their loan funds.



PARTNERING WITH CHARITIES

“Our charity barely raises enough money to cover annual operations. How can we possibly think about doing any planned giving?” Many charities find themselves in this position, but MFC makes cost-effective planned gifts a reality for many organizations.

A planned gift is, quite simply, any gift that requires planning. This may involve tax consideration, the way a gift is made such as a gift-in-kind, bequest planning, or a host of other options.

As a donor-advised foundation, MFC is committed to facilitating gifts for the well-being of other charities. For example:

- An MFC consultant will meet with a charity's Board of Directors to explain planned giving options and how it could benefit the charity.
- MFC will help design wording for a charity's

website and promotional material explaining planned giving options and how these gifts can help the charity.

- MFC contact information can be used in promotional pieces and MFC consultants will work with a charity's donors as they consider options to benefit the charity.
- MFC will look after charitable receipts for planned gift donations and the administration of planned gifts allowing the charity to focus on its mission.
- The charity receives the cash benefit from a planned gift without all the work.

Planned giving has tremendous potential for all charitable organizations. Contact your nearest MFC office to hear more about planned giving options for your charity and how you can begin to nurture these kinds of gifts.

MEMBERS AND BOARD OF DIRECTORS

CONFERENCE REPRESENTATIVES

Chortitzer Mennonite

Conference:

Johan (Jack) Friesen
Leonard Hiebert

Evangelical Mennonite

Conference:

Reinnie Brandt
Burt Loewen
Lloyd Plett
Gordon Reimer

Evangelical Mennonite

Mission Conference:

Henry Derksen
Ray Fehr

Evangelical Missionary Church of Canada:

Randy Steinwand
Ron Warder

Mennonite Church

Canada:

Rudy Friesen
Nick Heide
Tony Huynh
Clayton Loewen
Karen Martens Zimmerly
Anita Tiessen

Mennonite Church Eastern

Canada:

Dave Bechtel
Karen Martin Schiedel
Bernie Poetker
Richard Steinmann

Northwest Mennonite

Conference:

Stan Burkholder

BOARD OF DIRECTORS

Anita Tiessen (*chair*)
Ron Warder (*vice chair*)
Clayton Loewen (*treasurer*)
Richard Steinmann (*secretary*)
Dave Bechtel
Reinnie Brandt
Stan Burkholder
Henry Derksen
Rudy Friesen
Leonard Hiebert
Burt Loewen
Lloyd Plett

MFC MANAGEMENT AND CONSULTANTS



Erwin Warkentin
General Manager



Rick Braun-Janzen
Assistant Manager



Darren Pries-Klassen
Ontario & East



Mike Strathdee
Ontario & East



Sherri Grosz
Ontario & East



Edwin Friesen
*Manitoba &
Saskatchewan*



Dori Zerbe Cornelsen
*Manitoba &
Saskatchewan*



Gary Sawatzky
Alberta



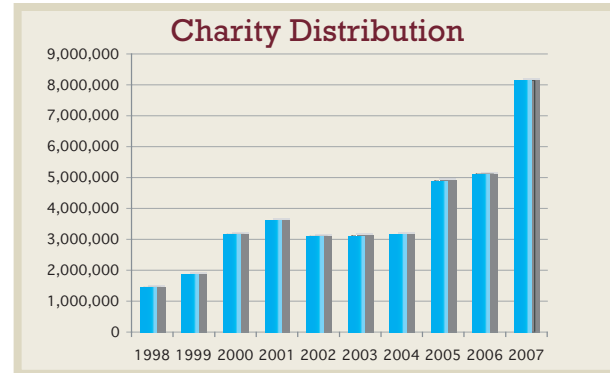
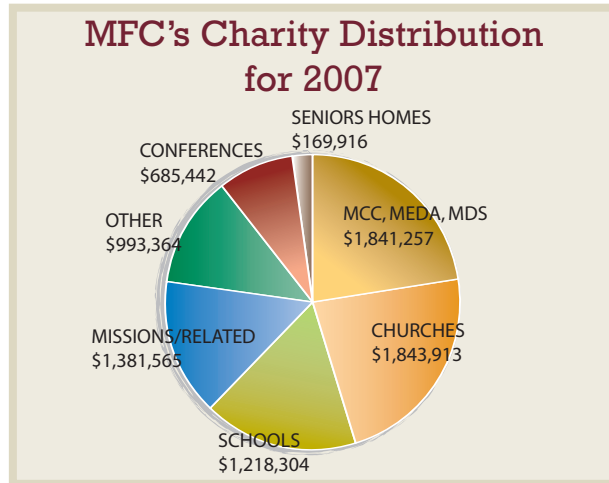
Ed Wedel
British Columbia

PARTNERING IN GIVING

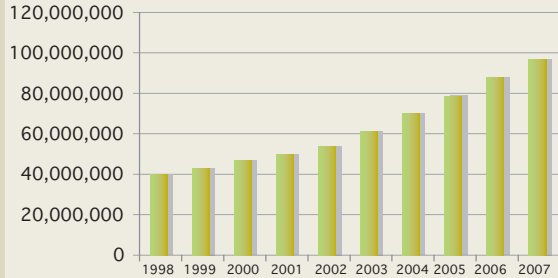
With assets under management hovering near \$100 million, MFC was able to make it easy for its clients give to the charities they support. A record \$8.1 million was distributed to churches, conferences, related

organizations, and other charities at the advice of our donors. This is a 59 percent increase over last year's record \$5.1 million.

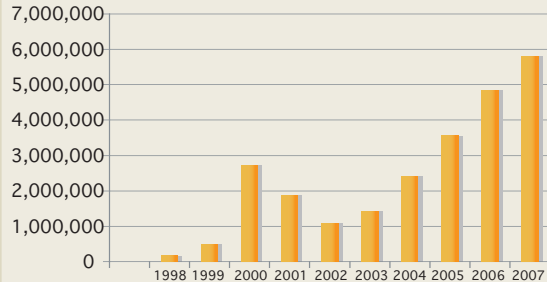
These gifts are made possible in a variety of ways – as earnings from endowments and managed funds, bequests, donations of securities, and direct gifts. It is gratifying for MFC to be able to help our clients achieve their giving goals faithfully and joyfully.



Assets Managed



Securities Donated



FOUNDATION FINANCIALS AS AT DECEMBER 31, 2007

BALANCE SHEET

Assets

Investments	96,260,202
Investment income receivable	628,653
Capital assets	49,624
Other assets	40,375
Total	96,978,854

Liabilities

Accounts payable	114,271
Earnings payable	992,627

Capital held for investment

Managed funds	53,464,197
Endowment funds	24,143,621
Non-endowed gifted funds	15,773,000
Invested in capital assets	49,624
Internally restricted funds	2,441,514

Total **96,978,854**

STATEMENT OF OPERATING ACTIVITIES

Investment income	4,593,891
Less earnings capitalized	(908,865)
Other income	222,809
Total income	3,907,835

Earnings paid on funds	(2,455,100)
Operating expenses	(1,387,399)
Operating surplus for the year	65,336

Distributions to charity in 2007 **8,133,761**

Detailed audited financial statements are available upon request.

WHY MFC?

- Trust built on 34 years of experience
- Donor-advised
- Based on socially responsible investment practises
- Dedicated to biblical principles of stewardship
- Knowledgeable consultants make giving easy
- Reinvestment in your community through loans to churches and charities
- Almost \$100 million in funds currently under management
- Over \$8 million disbursed to charities in 2007
- Endorsed by six church conferences and more than 470 churches
- Helps you connect your faith and finances.



Head Office:
12-1325 Markham Road
Winnipeg, Manitoba R3T 4J6
1-800-772-3257
www.mennofoundation.ca

**Sign up for MFC's
e-newsletter at
mennofoundation.ca**