



Faithful

Joyful

Giving



**Annual
Report**



2010

MESSAGE FROM THE

Board Chair

*Individuals
across Canada
are finding that
MFC services
help them
accomplish
their charitable-
giving goals
easily.*



The joyful, expansive generosity of people across the country continues to amaze and inspire us at Mennonite Foundation of Canada. In 2010, MFC distributed a record \$10.2 million to more than 675 charities on the recommendations of our clients. Individuals across the country are finding that MFC services help them accomplish their charitable-giving goals easily. Organizations are realizing that we have products and services that can support and enhance their work. The circle of those asking to use MFC as a vehicle for charitable giving is ever widening.

Over the course of this last year, the board of directors worked to redraft our governance model to meet the changing times. This redraft was approved by Corporations Canada.

MFC has always been governed by a board of directors drawn from representatives from our six sustaining conferences. These sustaining conferences (or denominations) will continue to provide the backbone of our governance by sending two representatives each directly to the board of directors. Additionally, we now have the latitude to include other like-minded denominations or conferences into our governance structure and to appoint individuals with particular skill sets onto the board.

Even as we explore opportunities to make our products and services available to more people, we work to continue providing our sustaining conferences with stewardship education and biblical teaching about money that their churches and individuals need. MFC distributes gifts, processes Gifts-In-Kind, manages funds, provides loans – we make these financial transactions easier for all involved.

We are honoured to be a part of God's work on earth, to play a role in facilitating the joyful generosity of God's people.

A handwritten signature in black ink, appearing to read 'Lloyd Plett'. The signature is fluid and cursive, with a large initial 'L'.

Lloyd Plett

MESSAGE FROM THE

Executive Director



“Charities see alarming trends as donors become older, fewer,” read the front page headline of the December 3, 2010, *Globe and Mail*. According to recent figures from Statistics Canada, only 23.1 per cent of Canadian taxpayers claimed a charitable donation in 2009, the lowest percentage in 30 years. That represents 5.6 million people who claimed a donation in this country in 2009, a drop of 200,000 people from the previous year. The total amount donated to charities in 2009 in this country was \$7.75 billion, which was a significant reduction from the \$8.19 billion in 2008 and \$8.65 billion in 2007.

While the national giving trend to charities is downward, MFC experienced movement in the other direction. For the sixth consecutive year, MFC distributed a record amount to charities in 2010. MFC’s distributions to charity rose five per cent over the previous year, and 14 per cent from our 2008 distributions.

At first glance we could dismiss the national downward trend in giving as a result of recent economic woes, an aging population, feeling the financial pinch, or a host of other reasons, but that would contradict the trend we see at MFC. Our constituency of supporters is affected by the same realities as the larger national population.

No matter how we interpret the numbers, one thing is clear: MFC has the privilege of working with a growing body of generous givers. Take a moment to flip through this annual report to read their stories and see the impact of joyful generosity.

A handwritten signature in black ink, appearing to read 'DP Klassen', written in a cursive style.

Darren Pries-Klassen

MFC has the privilege of working with a growing body of generous givers.



Joyful generosity

Simply hearing about generosity is not enough. We have to engage with it; live it.

In his book *Will Our Children Have Faith?*, John Westerhoff argues that for future generations of young people and adults to develop Christian faith, they will need more than Sunday school; they will need a host of opportunities to practise it.

Similarly, the mentoring and raising of a joyful giver requires more than just words. Ask people why they share generously from what God has entrusted to them and inevitably you will hear about experiences that shaped them into who they are. Simply hearing about generosity is not enough. We have to engage with it; live it.

Our theme this year is joyful generosity. In 1 Timothy 6, Paul writes to a less-experienced church leader and gives him these words of encouragement for his work with the church in Ephesus: “As for those who in the present age are rich, command them not to be haughty, or to set their hopes on the uncertainty of riches, but rather on God who richly provides us with everything for our enjoyment. They are to do good, to be rich in good works, generous, and ready to share, thus storing up for themselves the treasure of a good foundation for the future, so that they may take hold of the life that really is life.” (verses 17-19)

To really live the life that God wants for us, we need to move beyond a faith that only engages the head. We must also experience the selfless act of giving generously and express our faith through the use of our finances. When our head, heart, and wallet are aligned, we will be building the good foundation that Paul spoke of in his letter to Timothy.

It is our hope and prayer that joyful generosity grips you so that you live “the life that really is life.”

DIEMO MACHINE WORKS

Innovations in service and in giving

A commitment to quality and innovation helped Diemo Machine Works grow from simple beginnings as a farm repair business into a major employer in rural Manitoba. Now Diemo's shop floor personnel, in partnership with MFC, are innovating for the greater good through a creative way of directing corporate money to charity.

Diemo, located about an hour north of Winnipeg in the Arborg area of the province's Interlake region, started operations in a 900-square-foot building in 1982. The company has grown to 90 staff and 54,000 square feet in two facilities and now provides precision machining and custom fabricating for a variety of industries.

Much of the growth can be attributed to word of mouth, built on the solid reputation of being a quality-oriented company. Diemo places a strong emphasis on innovation and has always been an early adopter of new machining, laser cutting, and metal fabrication technologies.



About four years ago, the ownership team at Diemo decided to begin budgeting charitable giving through the company. They were looking for an efficient way to schedule regular contributions. A staff member suggested MFC might be able to help them achieve their charitable goals. While the ability to channel all the company gifting through one organization and receive one charitable receipt at the end of the year

was appealing, they were looking for even more simplicity. MFC's willingness to receive automatic transfers from the company's bank account into a gifting account was the icing on the cake.

Recently, Diemo shop floor personnel initiated another innovative program known as the Unity Project. This is an effort to develop greater teamwork throughout the company and place decision-making closer to the shop floor. As part of this initiative, 18 work teams will each have a say in how corporate charitable contributions are allocated.

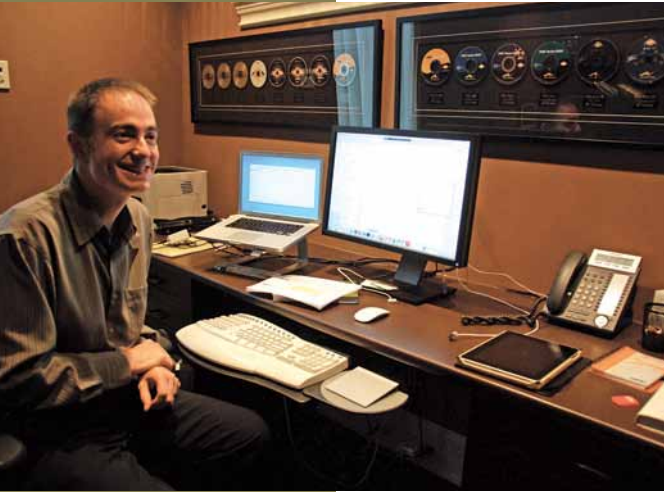
The pioneering concepts initiated by the Diemo and MFC partnership have allowed both organizations to pursue innovative approaches to serving the community and to supporting charity in Canada.



Much of Diemo's growth can be attributed to word of mouth, built on the solid reputation of being a quality-oriented company.

DALE LUTZ

Confidence in the Foundation



“Working with MFC has been an absolute dream,” says Dale Lutz of Langley, B.C., co-founder of a company making software that moves maps around. “I’ve enjoyed every interaction.”

Dale is an accountant at heart. When tax changes eliminated capital gains for In-Kind donations of stocks and mutual funds, Dale realized that for him, donating publicly traded securities was the most tax-effective way to do his charitable gifting.

He made a number of stock donations to different charities, but found it time-consuming and inefficient. “Then,” he says, “one of the places I was intending to donate to said that they had MFC handle all of their stock donations. I contacted the Foundation right away, and it was so wonderful and so easy and simple that since then I’ve used them for all my stock donations.

“I also really like working with MFC when it comes time to do disbursements. It’s like having a whole accounting department where you just phone and say, ‘Here are a couple of places where I’d like to send a donation,’ and it’s done.”

The B.C. entrepreneur also appreciates the ability to make an anonymous donation through MFC. “One of the questions the Foundation always asks is, ‘Do you want us to inform the charity who the donor is?’ so I have the ability to say yes or no to that. It’s like having your own private foundation without any of the overhead or work or red tape.

“I work with a lot of suppliers and financial people in both my professional and personal lives,” Dale explains. “I can say that the calibre and competence of the people on the other side of the phone at the Foundation is top-notch. When I have some crazy penny stock and I need to get that dealt with, I have such confidence that it will be done and done well. That’s happened over and over again for me in the last three years.”

Photo above: Dale Lutz

“The calibre and competence of the people at Mennonite Foundation of Canada is top-notch.”

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LORENZ AND VICTORIA WIEBE

Giving wisely and with purpose



“As we got into retiring and downsizing,” says Lorenz Wiebe, “we found that we had a little bit of money and we wanted to do something purposeful with it.” Lorenz and his wife, Victoria, are both retired teachers. They recently sold their farm in B.C. and moved into their daughter and son-in-law’s multi-generational home in Langley.

“We wanted to find a way to do something with our money now and not wait until after we pass

away,” continues Lorenz. “We also wanted to do it in a way that would be beneficial to us from a tax perspective.” Their son-in-law, Dale Lutz, suggested they talk with Arnie Friesen, an MFC Stewardship Consultant.

First the Wiebes updated their wills. Then working with Arnie, they put together a plan to donate a sum of money to their favourite educational institute every year for 12 years. This gives the couple maximum tax benefits from their donations, while providing the college with a regular flow of income for years to come. And Lorenz and Vicky have the satisfaction of seeing their donations at work.

“I grew up with nothing,” Vicky remembers. “To me, everything I have is a bonus and I’m thankful. The purpose is to use the gifts we’ve been given and to do that wisely. MFC helps us do that.” Lorenz agrees: “I would rather trust someone who comes from the same sense of values and background as I do. We feel that our money is in good hands and we don’t have to worry about it.”

“We wanted to find a way to do something with our money now and not wait until after we pass away.”

—Lorenz Wiebe

Photo above: Lorenz and Victoria Wiebe

www.mennofoundation.ca



Charitable distributions

The generosity of MFC donors continued to grow in 2010. More than 675 different registered charities across Canada received almost \$10.2 million in gifts through MFC. The joy in giving is multiplied by the joy in receiving as the work of the church at home and overseas continues. Here are a few highlights from charities receiving gifts this past year.

A school garden: Growing ideas and leaders in El Salvador started as a class project and bloomed into a school-wide club funded by Mennonite Central Committee's Global Family Fund established at MFC.



Students from Conrad Grebel University College in Waterloo, Ont., welcome the new school year with enthusiasm. MFC donors contributed to scholarships and bursaries to help make their education an affordable reality.





La Crete Christian Fellowship Church youth enjoy a trip down the Peace River. This vibrant and growing northern Alberta church is part of the Evangelical Mennonite Conference.



Mennonite Economic Development Associates Pathways and Pursestrings Project in Pakistan enabled Bilquees, pictured here with her children, to become a village milk collection agent and work together with other village women to establish an agricultural co-operative.



In 2010, Evangelical Missionary Church of Canada Relief and Development Homes for Haiti Project built four homes in Haiti. The next desperately needed homes are to be built in spring 2011.

S U P P O R T I N G A P L A C E O F R E F U G E

Camp Squeah

Organizations across Canada are discovering the advantages of using MFC products and services to support their work here at home and around the world.

Camp Squeah in Hope, B.C., established a connection with MFC about 12 years ago. The camp, set in the magnificent Fraser Valley, was founded in 1961 as a ministry of Mennonite Church British Columbia. It serves as a place of refuge in a beautiful natural setting. It offers children's summer camps and retreats, and functions as an outdoor educational facility.

Some years ago, camp Executive Director Rob Tiessen explored the possibility of setting up an endowment fund with MFC to support the long-term vision for the camp. "Of all the money donated in a given year, 10 per cent is set aside in this endowment," says Rob. "Already, the interest off the endowment comes back to feed the fund. We can't imagine what that fund will be able to do 20 or 30 years from now."

Additionally, people within their constituency set up funds at MFC that provide annual donations for campers who otherwise would not be able to attend the camp. And when it came time to build two new lodges to accommodate adults and seniors more comfortably, the camp was able to draw on their funds to cover costs during the fundraising process.



"That worked extremely well for us," reports Rob. "We have a level of trust built up that allows us to suggest the Foundation to people who are thinking of being creative in planning their estates or who want to give for long-term sustainability."

Camp Squeah offers children's summer camps and retreats, and functions as an outdoor educational facility.

Recommending the Foundation



Clayton Loewen, lawyer

I have situations where people have been referred to me by the Foundation after they've had a chance to meet with a consultant, and they come in with good knowledge about what they want in their wills.

When people have more complicated gifting plans, I definitely see where MFC can assist them. For me to do all the crafting of the words is going to be expensive. It's easier if they use MFC for their gifts and do some of that more complicated work with the Foundation people. It's at no cost to them, as opposed to having me draft it.



Laura Loewen, pastor

I'm a pastor at Eben-Ezer Mennonite Church in Abbotsford, B.C., with a focus on ministry with seniors.

This year we are talking about stewardship at our church. This is one way MFC plays a role in our congregation. [The Foundation's Stewardship Consultants] come in, and can be very direct and comfortable in talking about stewardship and generosity. There is no baggage attached to their message. To me, that's a wonderful benefit. It's so important for the church and for us as individuals to be part of the work of God's kingdom here at home and around the world through our giving.



Gary Janzen, executive pastor

At Mennonite Church British Columbia, we lean on MFC as our stewardship resource. When someone asks for a seminar on stewardship, I contact our local representative with the Foundation and he makes the link with the congregation. We recognize it as a ministry that we offer.

The will seminars have been very well received. People in the churches have come to expect that MFC is a resource they can use for preparing their wills. They appreciate that they can name the Foundation as the charity through which they channel their bequests. It simplifies things and makes it user-friendly.

"When people have more complicated gifting plans, I definitely see where MFC can assist them."

—Clayton Loewen

S U S T A I N I N G C O N F E R E N C E S A N D

Board of Directors



For the sixth consecutive year, MFC distributed a record amount to charities in 2010.

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Executive of the Board of Directors

Lloyd Plett (chair)
Karin Krahn (vice chair)
Clayton Loewen (treasurer)
Randy Steinwand (secretary)

MFC-Appointed Director

Reinnie Brandt

Chortitzer Mennonite Conference

Cornie Martens
Ron Neufeld

Evangelical Mennonite Conference

Burt Loewen
Lloyd Plett
Dan Reimer

Evangelical Mennonite Mission Conference

Ron Derksen
Ray Fehr

Evangelical Missionary Church of Canada

Bruce Karcher (deceased, November 2010)
Randy Steinwand

Mennonite Church Canada

Karin Krahn
Clayton Loewen

Mennonite Church Eastern Canada

Alan Armstrong
Abe Fehr

Northwest Mennonite Conference

Stan Burkholder
Len Hartzler

From left to right above: Lloyd Plett, Clayton Loewen, Karin Krahn, and Randy Steinwand

NEW STEWARDSHIP CONSULTANT AND

Staff



Standing from left to right:

Rick Braun-Janzen, Director of Finance
Donald Brooker, Ontario and East (Niagara office)
Sherri Grosz, Ontario and East (Kitchener office)
Mike Strathdee, Ontario and East (Kitchener office)
Arnie Friesen, British Columbia
Gary Sawatzky, Alberta
Dori Zerbe Cornelsen, Manitoba and Saskatchewan

Seated:

Kevin Davidson, Alberta
Darren Pries-Klassen, Executive Director
Harold Penner, Manitoba and Saskatchewan

New stewardship consultant in Ontario

Donald Brooker joined the MFC staff in May 2010 as the stewardship consultant in the St. Catharines, Ont., office. His combined skills and experience in Canadian charities, business, and missions are strong assets for MFC.

During his years in ministry, Donald has seen a great need for the work of Mennonite Foundation of Canada. "I love that MFC's approach to generosity has kingdom principles and benefits. MFC is teaching people how to be generous while providing the tools that make giving simple. What I like best about MFC is that I will have the opportunity to help people reach their goals and achieve great things for God's kingdom."



Donald Brooker

"I love that MFC's approach to generosity has kingdom principles and benefits."

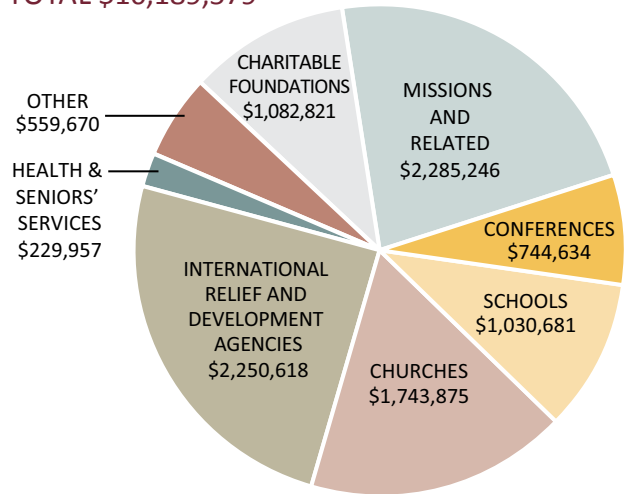
—Donald Brooker

2010 Financials

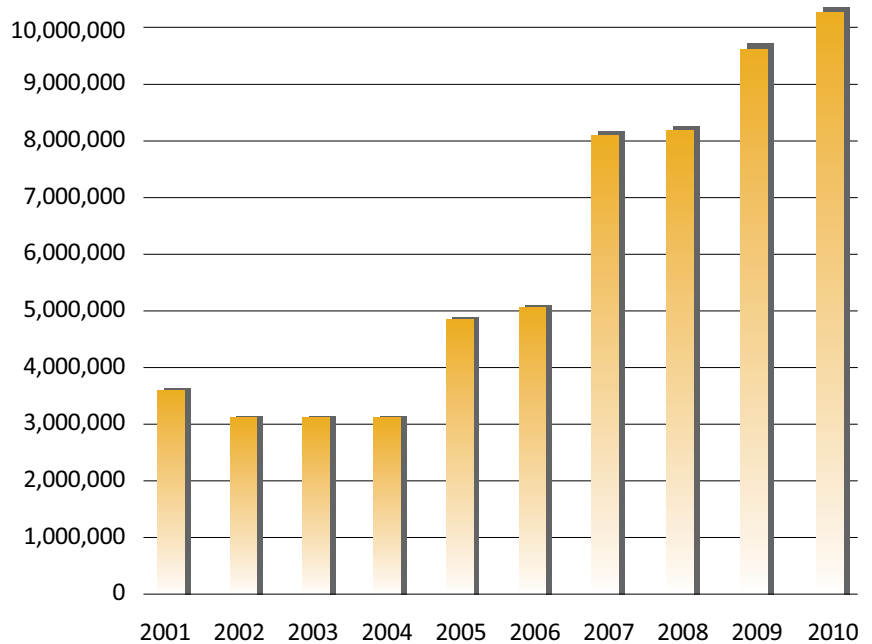
Giving generously stems from a faithful heart. This year we were honoured once again to be the channel through which so many people all across Canada gave to the causes close to their hearts.

MFC'S CHARITY DISTRIBUTION FOR 2010

TOTAL \$10,189,579



CHARITY DISTRIBUTION



Foundation Financials

as of December 31, 2010

BALANCE SHEET

Assets

Investments	131,749,785
Investment income receivable	830,174
Capital assets	358,886
Other assets	71,515
Total	133,010,360

Liabilities

Accounts payable	123,244
Earnings payable	1,503,680

Capital held for investment

Managed funds	69,023,279
Endowment funds	28,455,072
Non-endowed gifted funds	27,709,210
Invested in capital assets	358,886
Internally restricted funds	5,836,989

Total **133,010,360**

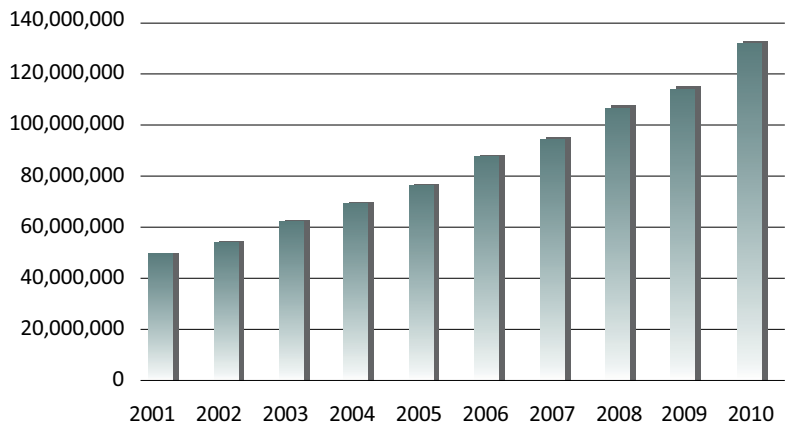
STATEMENT OF OPERATIONS

Investment income	8,872,868
Other income	189,264
Total income	9,062,132

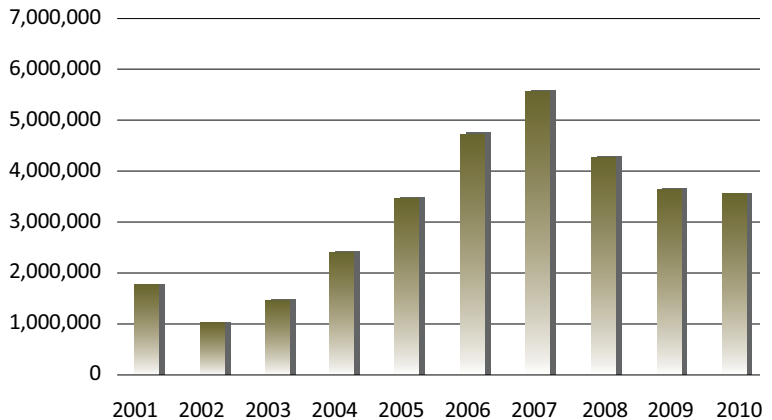
Earnings paid on funds	(5,330,661)
Operating expenses	(2,007,449)
Operating surplus for the year	1,724,022*

Distributions to charity in 2010 **10,189,579**

ASSETS MANAGED



SECURITIES DONATED



**(unrealized gains in bond portfolio 1,470,777; operating surplus 253,245). Detailed audited financial statements are available upon request.*



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