

# 2018

## ANNUAL REPORT



# A Word from the President



Jon C. Wiebe  
President & CEO

As I look back on 2018, several highlights come immediately to mind:

- Development of a generosity devotional in English, Spanish and Russian;
- Tour & celebration of what God has done through the MBs and the ministry of South Mountain Community Church in Utah;
- Reaching the milestone of \$200,000,000 in assets;
- Celebrating Pastor Appreciation with 61 churches across our MB family;
- Receiving our largest gift ever from a living donor; and
- The addition of a Chief Operations Officer to our team.

These are just some of the ways God blessed the ministry of MB Foundation, and some of the ways we were blessed

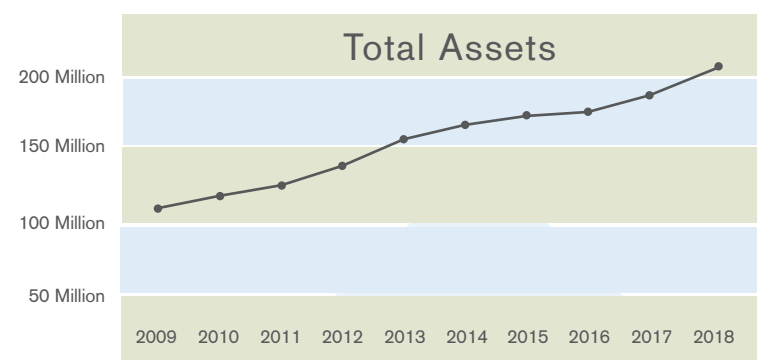
by our involvement! Any team member here would have a slightly different list of highlights.

I invite you to read this annual report for more information on the items I highlighted, and much, much more. As you process the numbers and stories in this report, I hope you see values of family, faith, and generosity. At MB Foundation, we are committed to our MB family and long to provide Biblical financial stewardship solutions that will help plant churches, grow leaders and grow disciples. These pages contain evidence of what we can do together when we share our resources.

With God's help we can all take steps forward in generosity and take hold of real life (I Timothy 6:19). Will you join us?

## \$200,000,000 in Assets

Nearly 150 years ago the Mennonite Brethren movement landed in the United States. This committed group of immigrants had a heart for sharing Jesus with the world and wanted to pool their resources to fund global missions. As early as 1880, they started a fund for this very purpose. From those early seeds of sharing and stewardship, the ministry of MB Foundation began to take root. Over the decades since, those seeds sprouted and grew and in 2018 MB Foundation reached a significant milestone, topping over \$200 million in assets.



While growth has been steady over the years, assets grew by 12% in 2018. The previous two years assets grew by less than 3% each year. There were several reasons we saw a significant bump in 2018:

- A family foundation selected MB Foundation to manage their assets. Assets will transfer to MB Foundation over several years.
- Investors from our MB family invested over \$8 million in new money in Certificates; an increase of 9.3%.
- **Donors contributed over \$25 million in real estate, commodities, stocks and other property to be managed and eventually gifted to the ministries of their choosing!**

"We celebrate a generous God during this season of growth," said Jon C. Wiebe, President & CEO. "We expected to pass this milestone one day, but God blessed us to do so in 2018. I imagine this is more than our founders thought possible. May it be a lesson to us as to how generosity can plant seeds for a future harvest."



# SMCC TOUR

We had the privilege of sponsoring a ministry tour of Salt Lake City, Utah in conjunction with the 2018 USMB National Convention. The tour provided 88 participants with a better understanding of the Mormon culture, the ministry of South Mountain Community Church (SMCC), and the work of God through the Mennonite Brethren in Utah.



## New Staff

Tracy Halydier, and his wife Dara, moved to Hillsboro, KS from Brownwood, TX in December as Tracy joined our lead team as Chief Operations Officer. Tracy comes to us with extensive experience in senior management and church administration.

## Pastor Appreciation

MB Foundation showed appreciation to MB pastors and church staff by providing Dale's Hometown Sausage. The Hillsboro, KS original cuisine was sent with cooking instructions and a blessing from Jeremiah 3:15. All told 279 pounds of sausage was provided to 61 churches feeding at least 408 people.

## LEADGEN Awards Granted

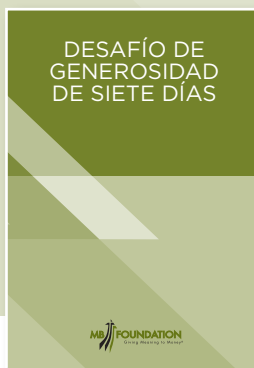
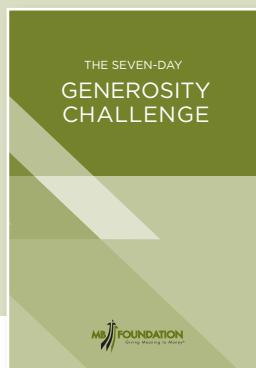
In 2018, we granted awards to 15 individuals for a total of \$25,600. Your participation in our ministry has allowed us to provide scholarships for these future leaders. On behalf of tomorrow's leaders, thank you!

## Firstfruits Gift \$186,369

Annual gift from MB Foundation to USMB.

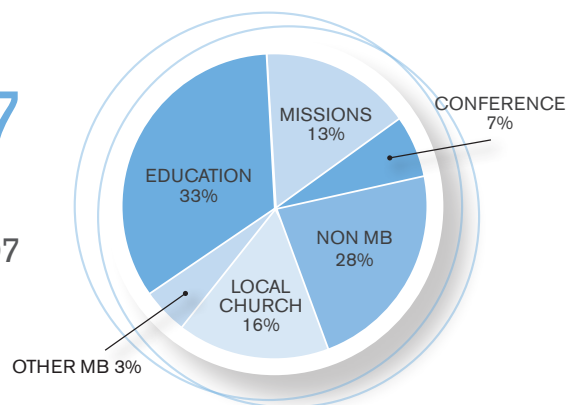
# THE SEVEN-DAY GENEROSITY CHALLENGE

In 2018 the Seven-Day Generosity Challenge was released to inspire generosity among the MB family and beyond. The Generosity Challenge comes with a suggested sermon outline, seven days of devotionals, and a follow-up discussion guide for small groups or Sunday schools. All resources were produced in English, Spanish and Russian. The Russian version is being used by 65 training locations in 14 countries of Eurasia!



## \$4,766,207

In 2018, donors made distributions of \$4,766,207 through MB Foundation to 336 charities.



CHARITABLE DISTRIBUTIONS

## DONOR STORY

*"We're called to be good stewards of what has been entrusted to our care, whether that's a little, or a lot."*

– Randy Steinert

On December 21, 2017, Randy and Max Steinert formally decided to place the Steinert Family Foundation (SFF) under MB Foundation's management. SFF is a private foundation created by Randy and Max's parents, Marvin and Nadene Steinert. What led the Steinerts to this enormous decision includes not only a long history with MB Foundation, but also a strong belief in the importance of ministry and a dedication to the Mennonite Brethren family.

For Randy, the Foundation's commitment to Mennonite Brethren churches and

its dedication to stewardship education was impressive. "People need to know how to give and how to give effectively and how to manage their finances and how to pass that on to the next generation. I think MB Foundation has developed a system for the Mennonite Brethren community that promotes good stewardship."

MB Foundation's various giving vehicles "have been just a real blessing to us as a family because we are able to give and yet not pay so many taxes on the assets that have appreciated," Randy said.

## Complex Gifts Made Easy



It was our privilege in 2018 to assist a couple with the largest single gift from a living donor in the history of MB Foundation! This couple has reached a point in their life where they are downsizing and working their way out of real estate property management.

They wanted to liquidate a 28 unit apartment complex and a 22 unit complex valued at \$4,595,000. MB Foundation presented a plan for liquidation that would allow them to discontinue the responsibilities of property management, establish an income for life, and provide for charity at their death. MB Foundation facilitated the gift, managed the property, negotiated the sale, and processed the complete transaction. Now we manage the investments and provide an income stream to the couple. Someday, we will facilitate the distribution to charity, according to their instructions. A complex gift was made easy. A true win-win for the couple and the ministries they love.



# LOAN PROGRAM



## Neighborhood Church - Visalia, CA

Neighborhood Church is located in Visalia, CA started in 1948 and has grown to see an average attendance of 1,600 on a Sunday morning. Neighborhood partnered with MB Foundation to expand their church campus to better accommodate their growth. The expansion project resulted in additional space for ministry and offices, additional parking, shade structures and renovations to their current space. Included in the expansion is 10,000 square feet of kids ministry space to better accommodate the 800 kids they host on Sunday morning. The grand opening was held on September 23, 2018.

LARGEST LOAN PORTFOLIO IN OUR HISTORY:

# \$90 MILLION

## Certificate Program

**754 INVESTORS** contributed to the MB community by offering capital for our Loan Program. In return they received a rate of return and peace of mind that they were contributing to a greater cause by helping us make loans to growing churches.

The purchase of MBLF's securities is subject to risks, which are described in our Offering Circular. This is not an offer to sell you our securities and we are not soliciting you to buy our securities. We will offer and sell our securities only in states where authorized. The offering is made solely by the Offering Circular. Not FDIC or SIPC Insured. Not a Bank Deposit. No U.S. Conference Guarantee.



# Our Services

## PLANNED GIVING SERVICES

Helping you achieve charitable giving goals that benefit you and the ministries you love.

## FUND MANAGEMENT

Managing over \$200 million in total assets. As a fiduciary of these assets we are committed to stewarding funds with excellence.

## CHAMPIONING STEWARDSHIP

Encouraging individuals and churches toward a God-honoring use of their resources.

"Tell them to use their money to do good. They should be rich in good works...always being ready to share with others whatever God has given them... so that they may take hold of real life." 1 Timothy 6:18-19

## INVESTMENT CERTIFICATES

Investing with purpose to earn a rate of return AND provide resources for growing churches.

## LOAN PROGRAM

Financing property purchases, building projects and capital improvements for ministries. We also offer home loans to pastors.

**MISSION** To encourage and assist individuals, congregations, and ministries in the Mennonite Brethren community with Biblical financial stewardship solutions.



# Financial Overview

## STATEMENT OF FINANCIAL POSITION DECEMBER 31

ASSETS	2018	2017
Cash and cash equivalents	\$1,676,269	\$1,248,119
Interest receivable	277,957	264,217
Prepaid expenses and other	583,528	393,984
Investments	105,086,359	100,084,956
Loans receivable, net	87,179,641	73,399,471
Real Estate investments	8,073,244	5,038,280
Property and equipment, net	2,148,436	2,207,488
<b>Total Assets</b>	<b>\$205,025,434</b>	<b>\$182,636,515</b>

LIABILITIES	2018	2017
Earnings, notes and accounts payable	\$65,187	\$96,051
Certificates payable	64,684,400	63,590,416
Deferred gifts - liability	20,946,104	16,518,446
Amounts managed for others	36,841,640	38,300,292
<b>Total Liabilities</b>	<b>\$122,537,331</b>	<b>\$118,505,205</b>

NET ASSETS	2018	2017
Without Donor Restrictions	50,254,487	31,040,733
With Donor Restrictions		
Restricted by purpose or time	7,106,243	9,576,363
Restricted by perpetuity	25,127,373	23,514,214
<b>Total Net Assets</b>	<b>\$82,488,103</b>	<b>\$64,131,310</b>
<b>Total Liabilities and Net Assets</b>	<b>\$205,025,434</b>	<b>\$182,636,515</b>

## STATEMENT OF ACTIVITY JANUARY 1 - DECEMBER 31

REVENUES & RECEIPTS	2018	2017
Investment income	\$5,368,050	\$4,955,267
Contributions	25,168,415	5,473,808
Change in value of deferred gifts	(1,290,991)	171,631
Other	908,958	723,216
Unrealized/realized gain(loss) on investments/assets	(3,269,731)	3,787,692

<b>Total Revenues &amp; Receipts</b>	<b>\$26,884,701</b>	<b>\$15,111,614</b>
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EXPENSES	2018	2017
Program	7,305,840	7,969,803
Management/general	1,222,068	1,312,197

<b>Total Expenses</b>	<b>\$8,527,908</b>	<b>\$9,282,000</b>
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<b>CHANGE IN NET ASSETS</b>	<b>18,356,793</b>	<b>5,829,614</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>64,131,310</b>	<b>58,204,052</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$82,488,103</b>	<b>\$64,033,666</b>

\*Audited financial statements available upon request.





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## STAFF

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Jon C. Wiebe, President & CEO

Tracy Halydier, Chief Operations Officer

Bruce Jost, Vice President

Joel D. Soo Hoo, Vice President and Treasurer

Danielle Bartel, Executive Administrative Assistant

Holli Carter, Administrative Assistant

Samantha Cunningham, Staff Accountant

Dennis R. Fast, Church Relations Director

Pam Franz, Database & Compliance Administrator

Roman Hofer, Account Administrator

Jeff Jorgenson, Director of Financial Services

Bruce Porter, Planned Giving Advisor

Krista Richert, Administrative Assistant

Garvie Schmidt, Planned Giving Advisor

Andy Shewey, Planned Giving Advisor

Shawna Vogt, Account Administrator

## BOARD OF DIRECTORS

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Randy Hamm, Vice Chairman

Gaven Banik, Secretary

Mike Bernardoni, Assistant Secretary

Aaron Erickson

Brent Goertzen

Eyasu Lemma

Ken Neufeld

Lynn Schneider

Tharen Spahr

Mike Wall

Greg Quiring, Special Consultant