

2020

ANNUAL REPORT

A Word from the President



Jon C. Wiebe, President & CEO

Taking Hold of Real Life

We entered the year 2020 at MB Foundation with great anticipation. We were riding a wave of tremendous asset growth, a successful Celebrate event and were looking ahead to celebrating our 30th anniversary as an organization.

As for all of us, the COVID-19 pandemic broadsided our plans and created a number of questions such as how can we respond to the needs in front of us and what is the path forward in light of the pandemic? The stock market plummeted approximately 35% and churches were scrambling to worship remotely. But God remained faithful and true!

In this annual report you will find the story of 2020 at MB Foundation. God continues to bless us and provide as he always has. We are honored to be used by him to serve our Mennonite Brethren church family during this year. It became

evident this past spring that God had richly provided “so that” we could be a blessing during this season of hardship.

“I invite you to read this report with an eye out for God’s faithfulness and provision.”

I began using the phrase “Confidence in Christ with Compassion for Others” and believe we accomplished that in 2020 which allowed us and others to “take hold of real life” as scripture instructs us in I Timothy 6:19. I invite you to read this report with an eye out for God’s faithfulness and provision.

Though the year went much differently than we anticipated, we still experienced amazing generosity, continued growth, record numbers of investors, new projects undertaken, and much much more. We are grateful. Praise be to God!

Responding to COVID-19

In response to the COVID-19 pandemic and the impact it had on churches, ministries and individuals, MB Foundation provided more than \$700,000 in grants for the benefit of the Mennonite Brethren church family. This response, in addition to our annual first fruits gift, far exceeded any other granting year for our organization.

Over \$340,000 was distributed back to borrowers in the form of a Borrower Relief Grant, equaling approximately one month’s interest, to every church, organization and home loan borrower.

In addition, the COVID-19 Church Relief Fund was established to support MB churches so they could maintain financial stability and continue to meet the needs of congregants. MB Foundation contributed \$375,000 to the Relief Fund with an additional \$151,748 coming from the generosity of the MB family. The campaign to raise funds created an avenue to link arms throughout the MB family so that those with a storehouse could assist those in need. During 2020 \$294,228 was distributed to 54 churches.

MB FOUNDATION GRANTS IN 2020

\$906,118

LARGEST AMOUNT IN A SINGLE YEAR

\$340,464

BORROWER RELIEF FUND
DISTRIBUTED TO:

47

HOME LOAN
BORROWERS

68

ORGANIZATION
BORROWERS

\$375,000

CONTRIBUTED TO
CHURCH RELIEF FUND

\$190,654

FIRST FRUITS ANNUAL GIFT
FROM MB FOUNDATION TO USMB

Celebrating Our Story

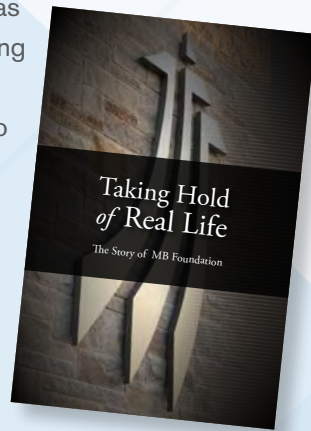
2020 marked the 30th anniversary of the incorporation of MB Foundation. As part of our celebration we wanted to tell the greater stewardship story of how God has moved through the Mennonite Brethren.

The seeds of today's MB Foundation were planted 140 years ago in 1880 when the conference asked churches to collect and bring funds together for the purpose of spreading the Gospel. This was the beginning of a conference level stewardship initiative that has grown over the years.

After many formats and names, MB Foundation was formally established in 1990 with incorporation. At that time, there were 5 staff members and \$17 million assets under management. God has continued to grow the ministry beyond what could have been imagined in 1880. Today, MB Foundation manages \$300 million in assets and has 21 staff

members. Investments from churches, organizations and individuals continue to provide capital for growing churches. The generosity of donors continues to fund ministry as the Gospel is shared.

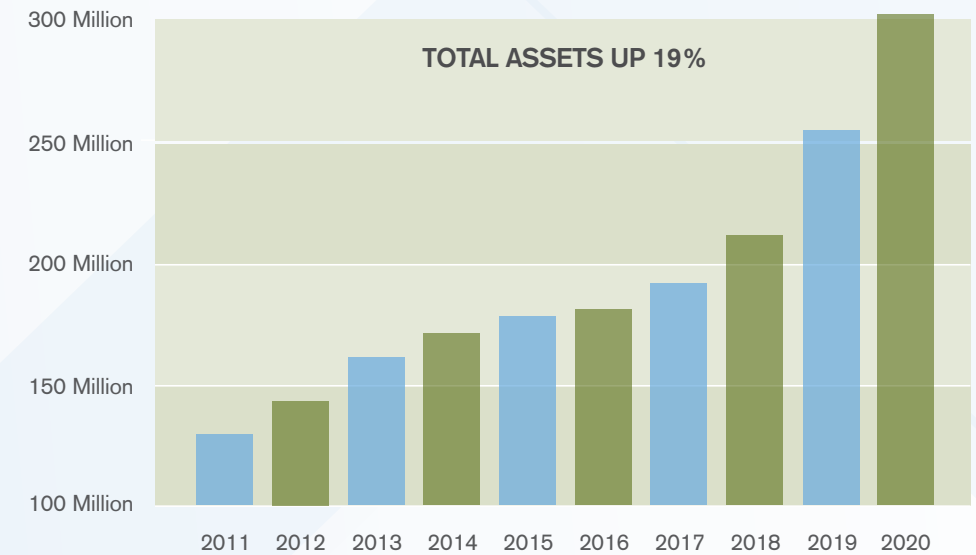
You can order your copy of *Taking Hold of Real Life* at www.mbfoundation.com/historybook and learn more about our history as well as read encouraging donor stories. We invite you to join the story!



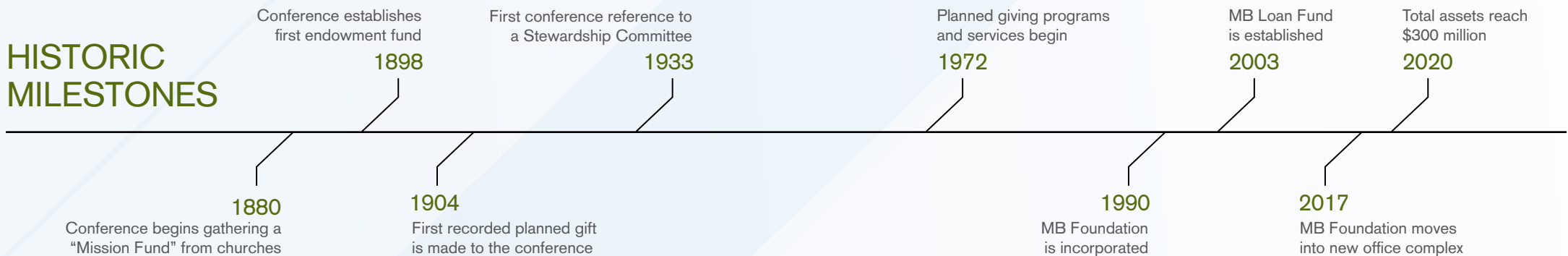
Increasing in Assets

With the extreme market volatility, widespread economic impact of the pandemic, and the inability to meet together as churches and conferences, asset growth in 2020 seemed unlikely. However, the markets rallied, investors responded and God's people were generous. We are happy to report we finished the year with assets under management of **\$300 million**, an **increase of 19%** from the previous year! This growth was attributed to three main factors:

- An increase of \$25 million in certificate investments
- Contributions of over \$20 million
- A standard endowment portfolio return of 9.2%



HISTORIC MILESTONES



Kingdom Impact In Denver



At the beginning of 2020, Lighthouse Church, an MB congregation in Denver, CO saw more and more people encounter Jesus in their new worship facility purchased and renovated the prior year. The purchase was completed with financing from MB Foundation but they needed to sell two properties to improve their financial position and reduce their debt load. The properties, obtained through a merger with Garden Park MB Church, were leased by Community Ministry, a food and clothing bank ministry and The Church Denver, a young growing nonMB church.

Community Ministry was able to purchase the leased space after God provided a successful fundraising campaign and financing from MB Foundation. The ministry continues to serve the needy from their established location.



The Church Denver started in 2016 and began leasing space from Lighthouse in



2019. They continued to grow and serve the community by loving God and loving others. With MB Foundation financing, the dream of owning their own property became a reality in 2020 when they purchased the former Garden Park MB Church from Lighthouse Church.

“We are so blessed to be connected to MB Foundation. Your faith in us has made dreams come true this year.”

**BARRY WHITE, PASTOR
THE CHURCH DENVER**

At the end of 2020, two ministries went from tenants to owners and a third ministry was blessed to pay down a portion of their debt. All three are reporting a greater reach and larger impact for the Kingdom of God!



Thank you! Your investment makes Kingdom building possible.

859
INVESTORS

\$99 MILLION
LOAN PORTFOLIO

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.

Willingness to Give

When provided the opportunity to give more, Deanne Alexander will take it. Not because she has so much, but because of her willingness to give from what she has.

Deanne, an elementary teacher for 36 years, finds joy in using her spiritual gift of serving others. She volunteers through her local church but also serves the needs in Mexico and Zambia, providing for financial and physical necessities. Deanne has experienced firsthand how serving and giving makes a difference.

As Deanne looks ahead to what retirement might look like financially, she wants to be able to continue giving. "I've always been a first fruits giver," said Deanne. "I know others are depending on my support. I want to be faithful." Her personal financial advisor suggested

setting up a Donor Advised Fund with MB Foundation. It allows Deanne to continue her giving pattern while providing an immediate tax benefit. A Donor Advised Fund fits with her desire to give and allows her flexibility to be more generous.

"...no matter what life brings, keep giving, God will be faithful and He will provide."

"When I am content with what I have and give to the Lord, I believe he provides and makes it possible for us to be even more generous," said Deanne. "I appreciate that MB Foundation has the same philosophy."

Deanne encourages others to give and serve. "Start small, be consistent and keep increasing. Our heart and attitude should be no matter what life brings, keep giving, God will be faithful and He will provide."

Giving Assets

MB Foundation facilitates gifts on behalf of individuals for the benefit of ministries and charities. The following assets were gifted in 2020:

\$9,732,335 CASH

INCLUDES GIFTS FROM 287 DONORS

\$7,957,000 REAL ESTATE

RECORD NUMBER (11) OF REAL ESTATE GIFTS

\$2,023,306 COMMODITIES

INCLUDES GRAINS, CITRUS, CATTLE, NUTS, MINERAL RIGHTS

\$2,345,820 STOCKS

INCLUDES 29,299 SHARES FROM 48 DIFFERENT SECURITIES

"We continue to see when people are generous it invigorates them and the causes they love. We call this taking hold of real life, from I Timothy 6:19."

JON C. WIEBE, PRESIDENT & CEO



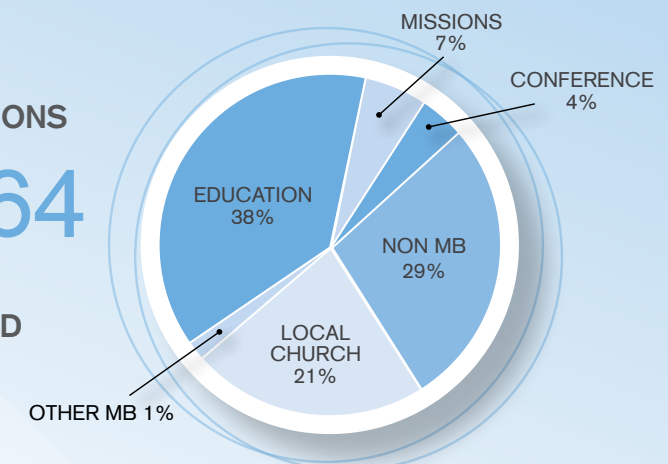
PHOTO CREDIT: DEANNE ALEXANDER

CHARITABLE DISTRIBUTIONS

\$8,894,764

CHARITIES BENEFITED

456



Resourcing Churches

Financial Health

Solutions for Pastors & Churches

Financial Health is a program, launched by MB Foundation in partnership with the National Association of Evangelicals (NAE), to help Mennonite Brethren pastors and churches in building Biblical financial awareness and strong stewardship habits.

Up to \$100,000 is available in grants for eligible pastors participating in the program. Grants will be applied to personal retirement accounts or to an upcoming sabbatical.

Coursework is available to assist pastors in personal finance.

“The personal finance training sessions were great,” said Pastor Joel Kersey of Reedley MB Church, Reedley, CA. “There were several good takeaways for my wife and I.”

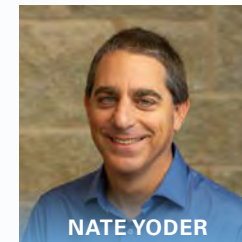
In addition, resources are also available to assist church leadership with the financial health of their congregation.

Pastor Chad Stoner of Stony Brook Church in Omaha, NE said, “The resource helped our leadership team focus on what is relevant for our church family as we encourage generosity.”

Learn more and get started at www.mbfoundation.com/financialhealth.

Growing with Vision

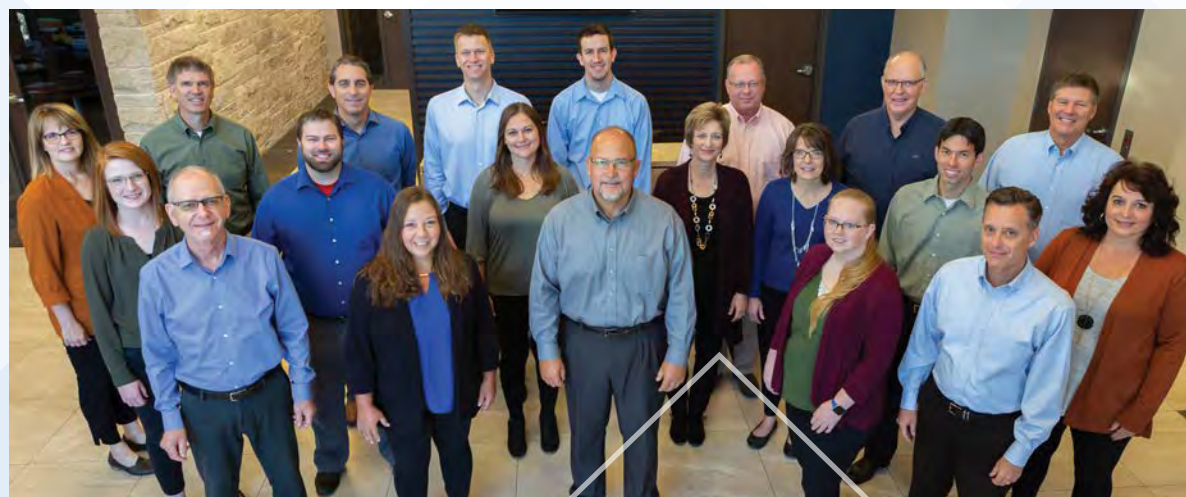
Our continued growth combined with our commitment to expand services led to a staff increase in 2020. Nate Yoder joined our team as Chief Development Officer and Marlin Hiett joined as Church Relations Director. Both positions are based in our Fresno, CA office. Three additional positions were also added to our Hillsboro office. To read more about the staffing increase visit www.mbfoundation.com/2020staffincrease.



NATE YODER



MARLIN HIETT



BOARD OF DIRECTORS

Randy Hamm, Chairman
Mike Bernardoni, Vice Chairman
Gaven Banik, Secretary
Mike Wall, Assistant Secretary
Aaron Erickson
Brent Goertzen
Eyasu Lemma
Ken Neufeld
Dan Ray
Lynn Schneider
Tharen Spahr
Greg Quiring – Special Consultant



STAFF

Jon C. Wiebe, President & CEO
Tracy Halydier, Chief Operations Officer
Nate Yoder, Chief Development Officer
Bruce Jost, Vice President
Joel D. Soo Hoo, Vice President & Treasurer
Samantha Cunningham, Senior Accountant
Pam Franz, IT, Database & Compliance Coordinator
Brenda Hamm, Marketing Associate
Marlin Hiett, Church Relations Director
Roman Hofer, Account Administrator

Jeff Jorgenson, Director of Financial Services
Bruce Porter, Planned Giving Advisor
Sherry Rempel, Administrative Assistant
Krista Richert, Administrative Assistant
Garvie Schmidt, Planned Giving Advisor
Andy Shewey, Planned Giving Advisor
Clay Shewey, Loan Associate
Heather Silhan, Client Account Administrator
Shawna Vogt, Account Administrator
Alex Wiens, Special Assistant to COO

Our Services

CHAMPIONING STEWARDSHIP

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

FUND MANAGEMENT

Managing over \$300 million in total assets. As a fiduciary of these assets we are committed to stewarding funds with excellence.

PLANNED GIVING SERVICES

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

INVESTMENT CERTIFICATES

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

LOAN PROGRAM

Financing for ministries and pastors for property purchases, building projects and capital improvements.

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	2020	2019
Cash and cash equivalents	\$1,796,347	\$1,446,410
Interest receivable	416,198	389,750
Prepaid expenses and other	770,421	364,946
Investments	188,265,875	161,818,058
Loans receivable, net	96,361,655	82,039,932
Real Estate investments	10,312,736	3,548,190
Property and equipment, net	2,086,411	2,139,399
Total Assets	\$300,009,643	\$251,746,685
LIABILITIES		
Earnings, notes and accounts payable	\$567,239	\$440,149
Certificates payable	87,577,797	74,866,610
Deferred gifts - liability	23,209,885	21,975,988
Amounts managed for others	56,472,462	43,526,366
Total Liabilities	\$167,827,383	\$140,809,113
NET ASSETS		
Without Donor Restrictions	91,367,588	72,486,277
With Donor Restrictions		
Restricted by purpose or time	13,542,061	11,445,637
Restricted by perpetuity	27,272,611	27,005,658
Total Net Assets	\$132,182,260	\$110,937,572
Total Liabilities and Net Assets	\$300,009,643	\$251,746,685

STATEMENT OF ACTIVITY JANUARY 1 - DECEMBER 31

REVENUES & RECEIPTS	2020	2019
Investment income	\$6,535,383	\$6,543,684
Contributions	20,753,192	19,537,578
Change in value of deferred gifts	890,209	1,525,650
Other	1,370,387	1,239,927
Unrealized/realized gain (loss) on investments/assets	5,951,131	9,732,048
Total Revenues & Receipts	\$35,500,302	\$38,578,887
EXPENSES		
Program	12,868,661	8,663,864
Management/general	1,386,953	1,465,554
Total Expenses	\$14,255,614	\$10,129,418
CHANGE IN NET ASSETS	21,244,688	28,449,469
NET ASSETS AT BEGINNING OF YEAR	110,937,572	82,488,103
NET ASSETS AT END OF YEAR	\$132,182,260	\$110,937,572

*Audited financial statements available upon request.





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www.mbfoundation.com

“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(NLT)
