



"Surely this great
nation is a wise
and discerning
people!"

- Deut. 4:6



Mennonite Church Canada Finance Report Fiscal Year Ending (FYE) 2008

*"Surely this great nation is a wise
and discerning people!"*

Introduction:

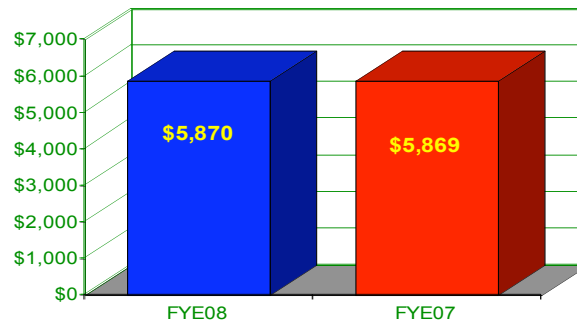
My name is Randy Wiebe, Director of Finance and Chief Financial Officer. I am pleased to report to you on the financial statements of Mennonite Church Canada for the year ended January 31, 2008.



Executive Summary

MC Canada total revenue
Finance Dept.

FYE 2008 Results (thousands \$)



*"Surely this great nation is a wise
and discerning people!"*

- MC Canada receives revenues from sales, services, fees, grants, partner subsidies, investments, bequests and most importantly from donations.
- Donations from individuals, corporations and congregations.
- These revenues are the life-line feeding the church, allowing MC Canada together with all of you to be the Church.
- On this slide we see that total revenue was as strong as last year.
- Thank you to all who help make this possible.



Audit



- Auditor: KPMG
- Clean audit

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- Complete Audited Financial Statements are included following page 64 in your report book.
- KPMG our auditing firm has stated in the Auditors' Report on page 1 of the Financial Statements, that in their opinion our financial statements present fairly the financial position of MC Canada.
- In other words, MC Canada has completed another year with a clean bill of financial health.

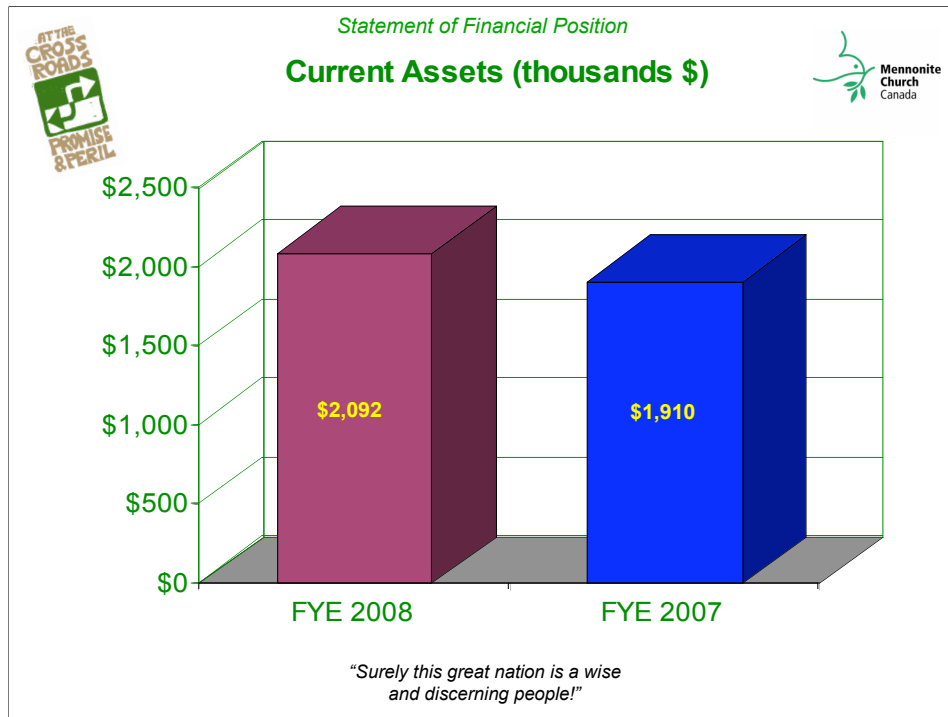


Statement of Financial Position

*"Surely this great nation is a wise
and discerning people!"*

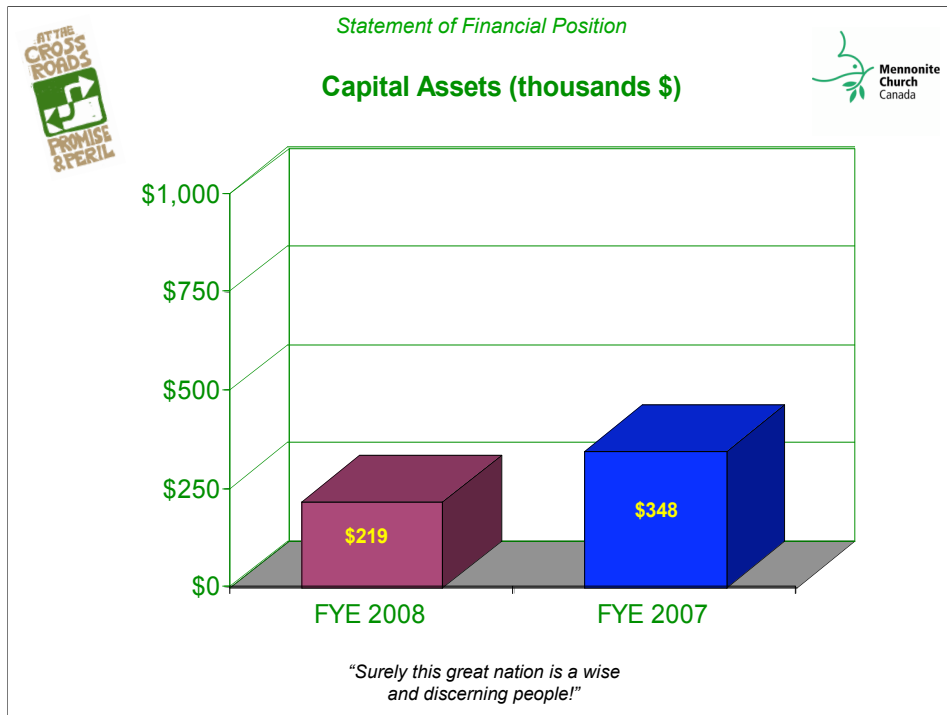
Statement of Financial Position:

- The Statement of Financial Position is found on page 2 of the Audited Financial Statements.
- Unlike in previous years, not many changes have affected the balance sheet.
- Since the property transfer to CMU and the repayment of the MPN and CMU loans, activity within this statement has been limited.



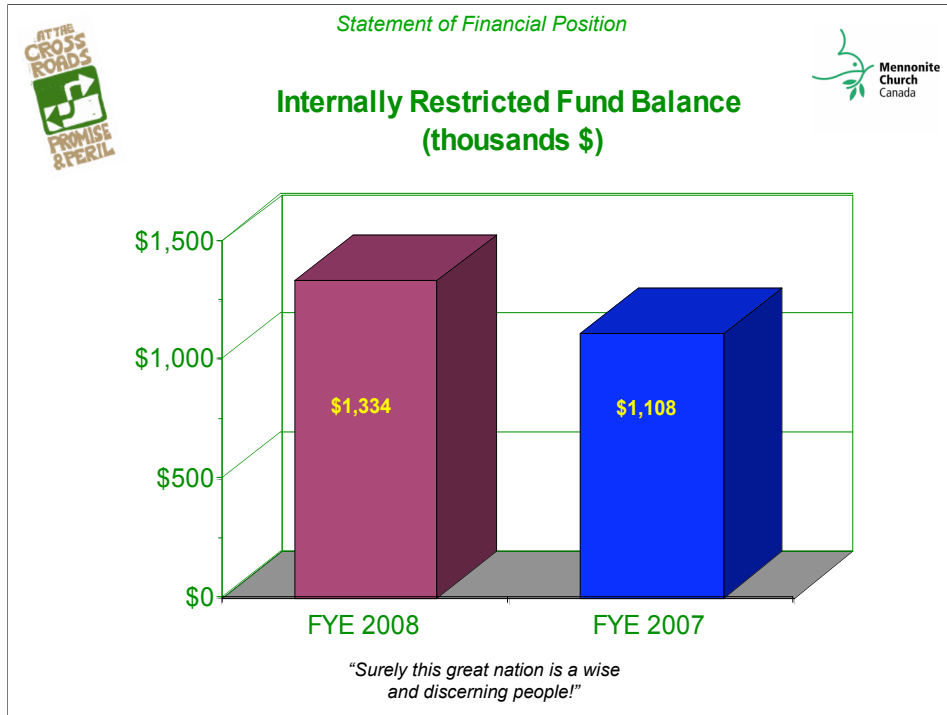
Current assets:

- Our cash position is continuing to strengthen due to several good financial years.
- You can see that the total current assets have increased by \$182,000 and on the flip side not shown on this slide, current liabilities have decreased.
- This will also be apparent when discussing our current ratio.



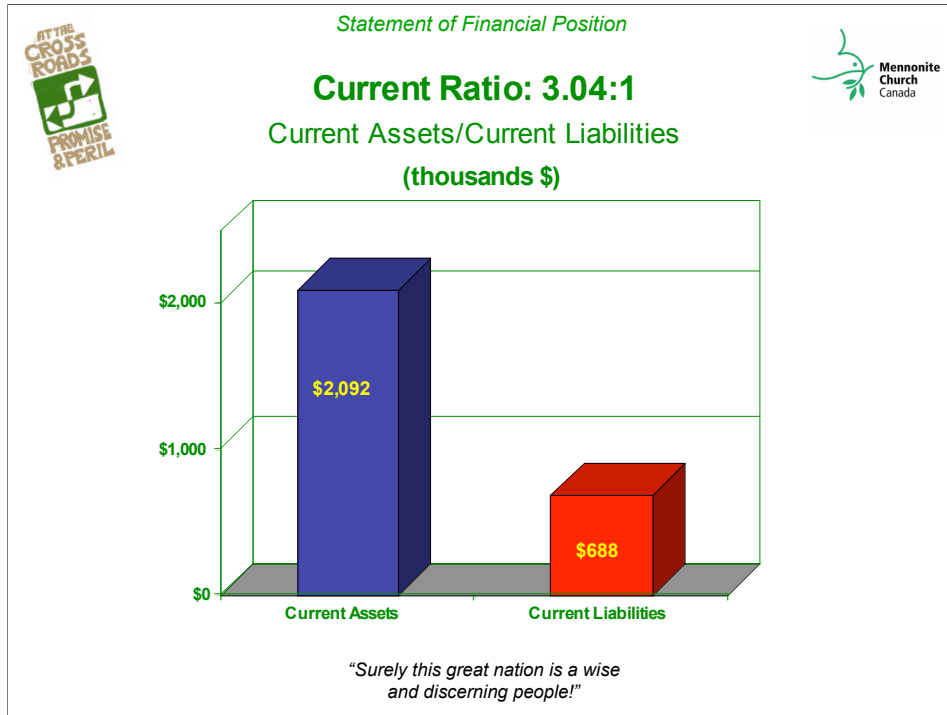
Capital Assets:

- Activity within this statement was generated by the sale of a Native Ministry property in Selkirk, Manitoba.
- This sale resulted in proceeds of over \$100,000 to be used for future Native Ministry program.
- This sale also resulted in a reduction of \$75,000 of our capital assets.
- With the amortization of capital assets, we see a total reduction of \$129,000 in Capital Assets and on the flip side, a reduction of \$82,000 in the Invested in Capital Assets fund balance.



Internally Restricted Fund Balance:

- The General Fund's Internally Restricted Fund balance is \$1,334,000, up by \$226,000.
- The positive year-end allowed us to continue replenishing our reserves held in the General Fund's Internally Restricted Fund.
- Although much of these Internally Restricted Fund balances are council specific and not designated for general use, the Financial Planning and Audit Committee (FPAC) has determined that 25% or three months worth of MC Canada operations are the prudent amount of funds that need to be reached.
- This would amount to approximately \$1,500,000 in the General Fund's *Internally Restricted General Fund*.
- Currently we are only approximately 1/3 there.



Current Ratio:

- As I mentioned earlier, with the increase in our cash position and a slight decrease in Accounts Payables, our current ratio has continued to improve.
- This ratio has increased from 2.73 : 1 in FYE 07 to 3.04 : 1.
- This ratio is calculated by dividing current assets like cash and accounts receivables by current liabilities like Accounts payable.
- MC Canada financial policies require that a current ratio of 2:1 or higher should be maintained.
- We are in a good position.

Current liabilities are \$688,007 ; 2007 - \$701,112. ; 2006 - \$1,216,780. ; 2005 - \$ 1,077,161.

Current assets are \$2,092,470 ; 2007 - \$1,910,489. ; 2006 - \$2,150,981. ; 2005 - \$2,053,351.

Current Ratio as at Jan 31/08 is **3.04 : 1.00**
 Current Ratio as at Jan 31/07 was **2.73 : 1.00**
 Current Ratio as at Jan 31/06 was **1.77 : 1.00**

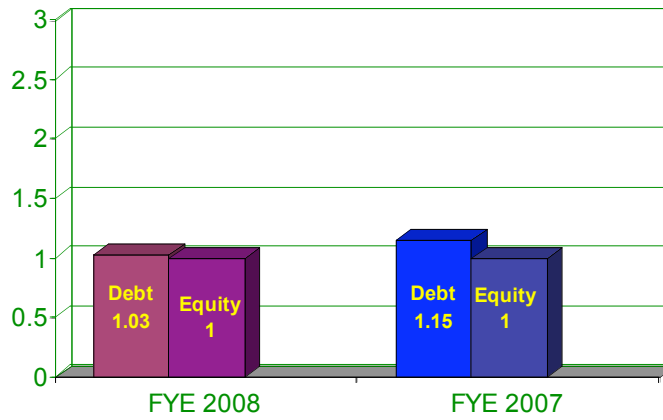
Current Ratio as at Jan 31/05 was **1.91 : 1.00**



Statement of Financial Position



Debt/Equity Ratio



"Surely this great nation is a wise and discerning people!"

Debt/Equity Ratio:

- Our debt/equity ratio has also continued to improve to 1.03 : 1 compared to 1.15 : 1 a year ago.



Statement of Operations

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Statement of Operations:

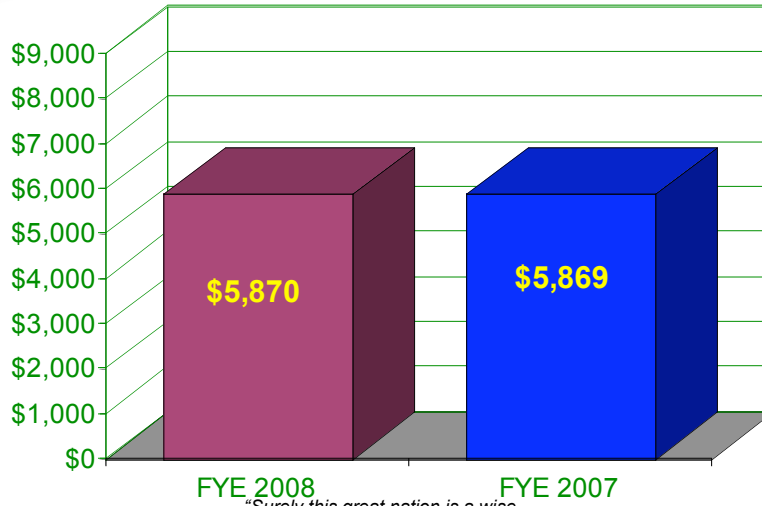
- The Statement of Operations is found on page 3 of the Audited Financial Statements.
- This statement is now solidified without any further major shifts taking place in FYE 08.
- The current format gives a clear picture of the three areas of MC Canada ministry.



Statement of Operations



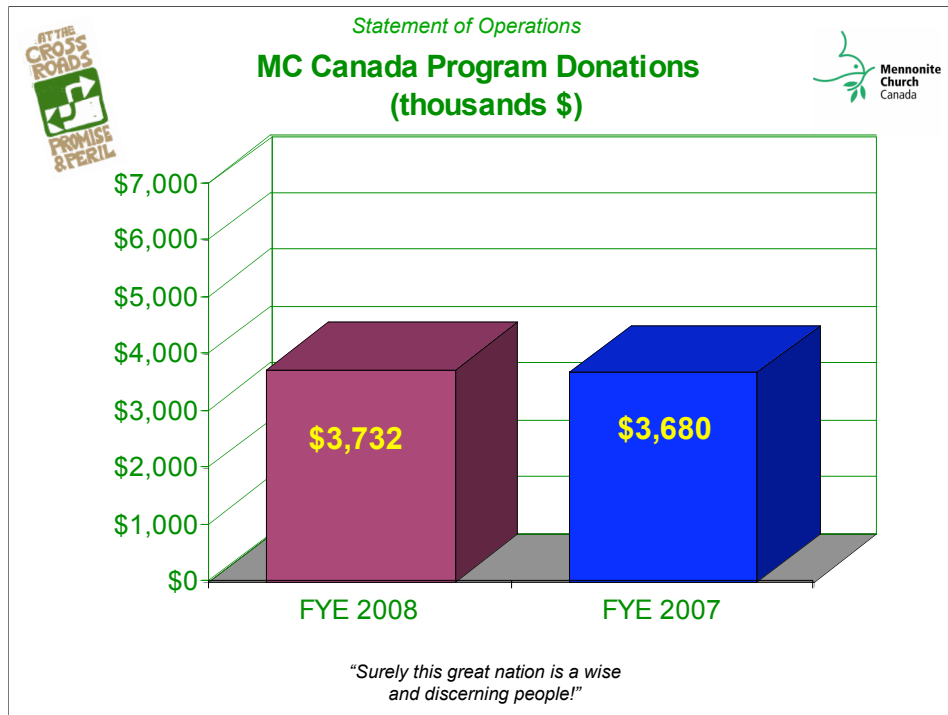
Total Revenue (thousands \$)



"Surely this great nation is a wise and discerning people!"

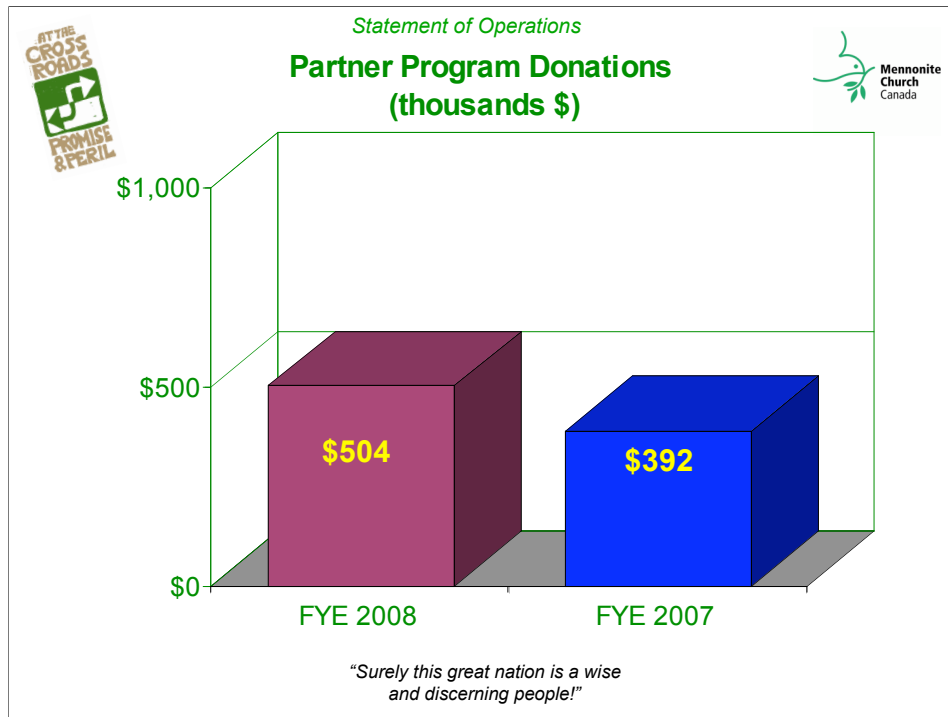
Total Revenues:

- As mentioned in the opening comments, total Revenues were \$5,870,000, which is \$1,528 more than the previous year.



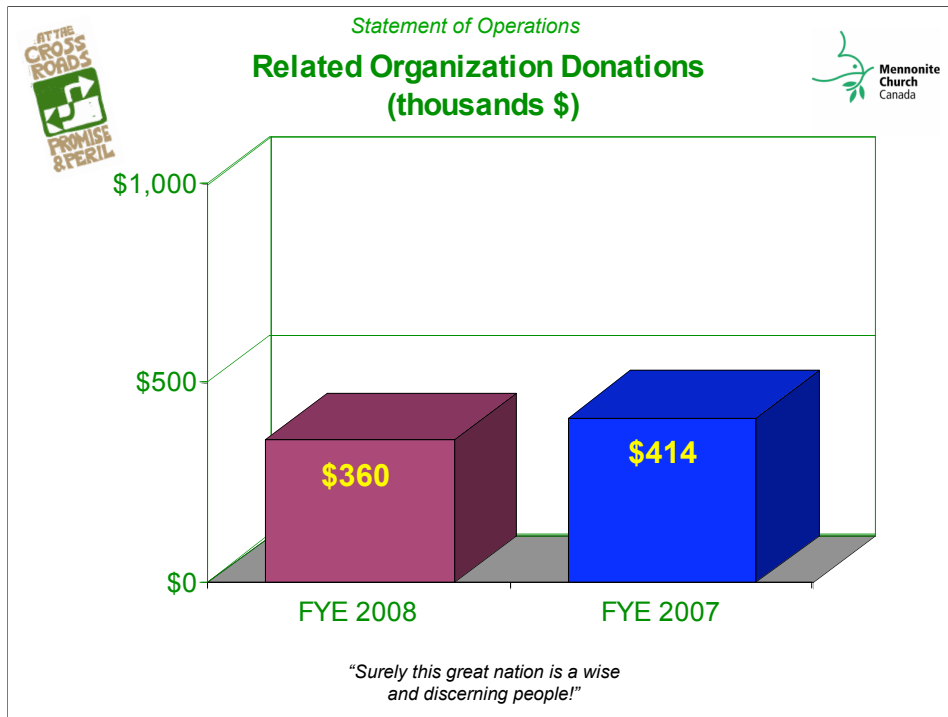
Donation Revenue:

- Donation revenue for MC Canada core programs increased from \$3,680,000 in 2007 to \$3,732,000 in 2008.
- This is exciting news, bringing new life into the Church, allowing MC Canada not only to cover inflationary increases, but helping to create new and exciting ministry.
- Let me encourage you to make this not only a one year anomaly, but lets make this a trend.



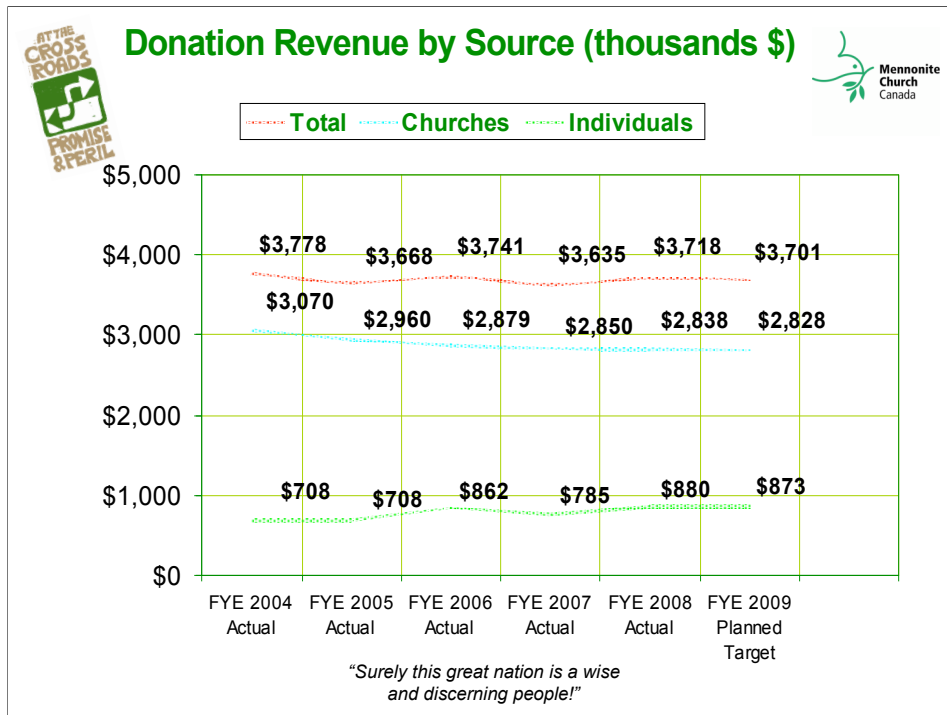
Donation Revenue:

- Donation revenue for MC Canada partner programs were significantly higher in 2008 compared to 2007.
- This area has grown considerably over the past few years and has allowed MC Canada to partner in Ministry that we would otherwise not be able to facilitate.



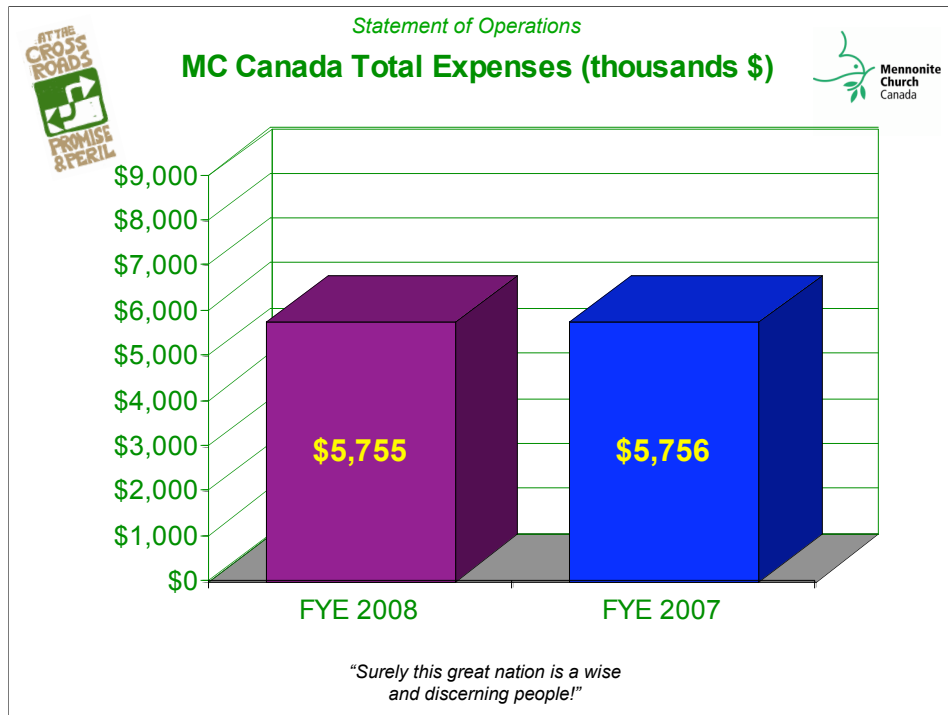
Donation Revenue:

- And donation revenue for MC Canada related organizations decreased from \$414,000 in 2007 to 360,000 in 2008.



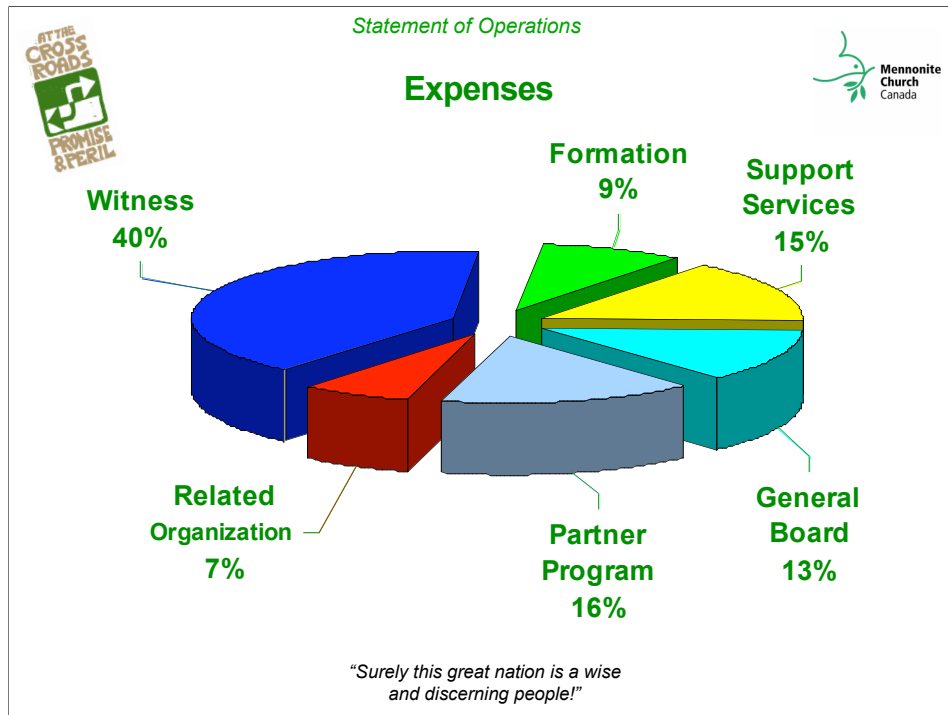
Donation Revenue by Source:

- Donation revenue by source is an interesting picture; showing fluctuations in each of the years presented.
- If we look at this chart in further detail, we can conclude that Congregational giving towards core MC Canada Budget is continuing to decrease.
- Individual and Corporate giving is the one that fluctuates the most, but has a general tendency to increase.

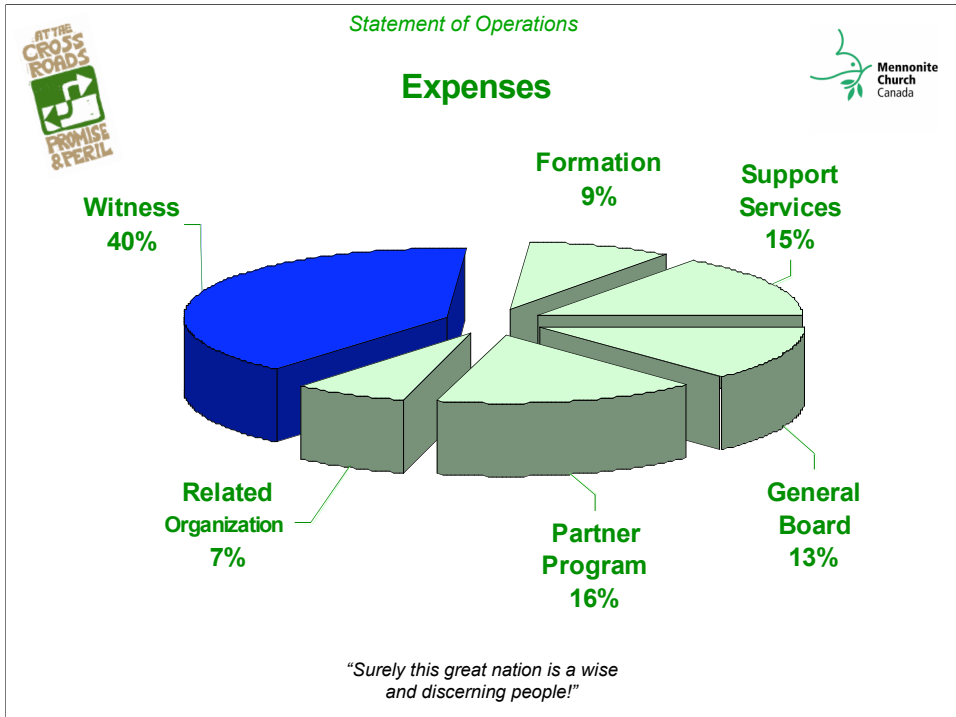


MC Canada Total Expenses:

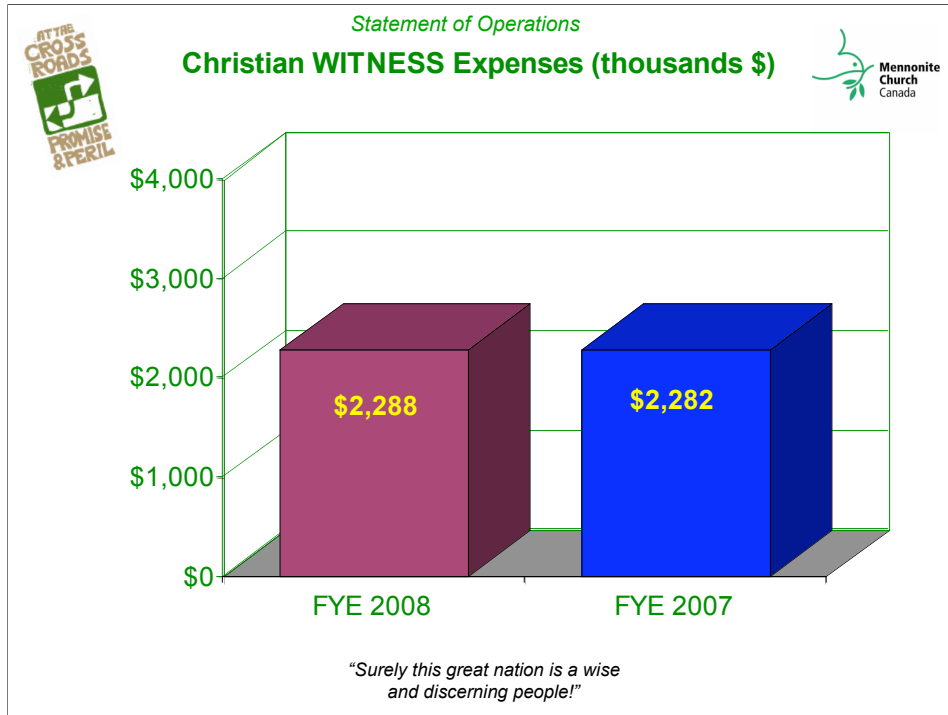
-In terms of expenditures, MC Canada's total expenditures were \$5,755,000 in '08 compared to \$5,756,000 in '07. Remember this includes all funds expended by MC Canada including partner programs and funds designated for related organizations.



- We will now turn more specifically to funds spent on MC Canada programs, Partner Programs and Related Organizations
- MC Canada's expenditures are administered by different councils
- Contributions to the Canadian Mennonite are included in Support Services expenses.
- Grants to CMU and Mennonite World Conference are included in the General Board expense lines.

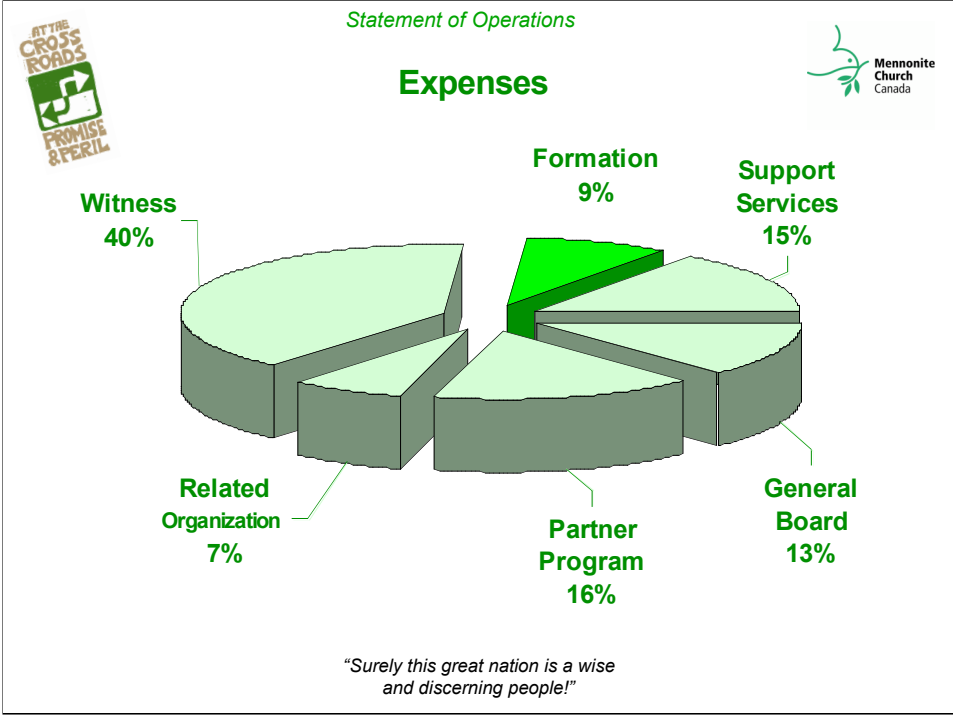


Christian Witness Council:

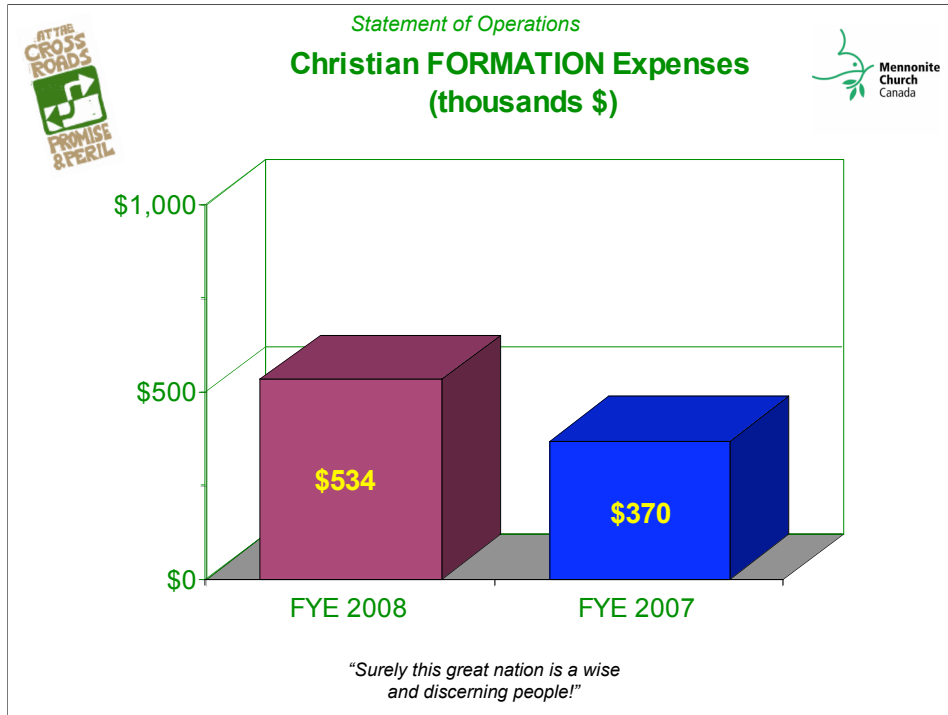


Christian Witness Council:

- A slight increase in expenses were realized due to increased expenditure in Executive Office and Congregational Partnerships.

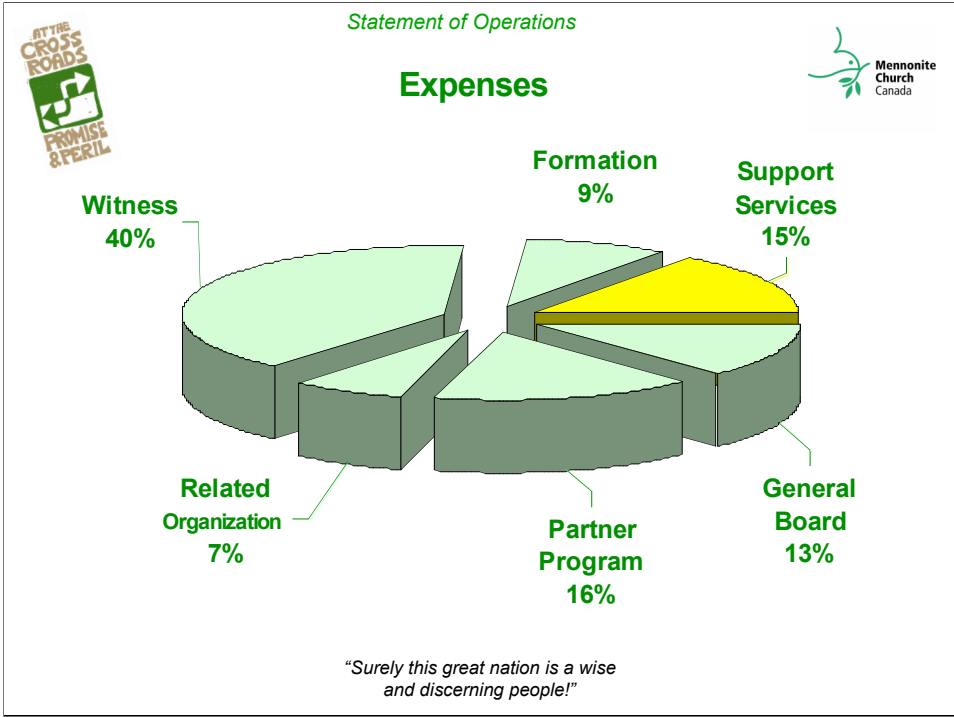


Christian Formation Council:

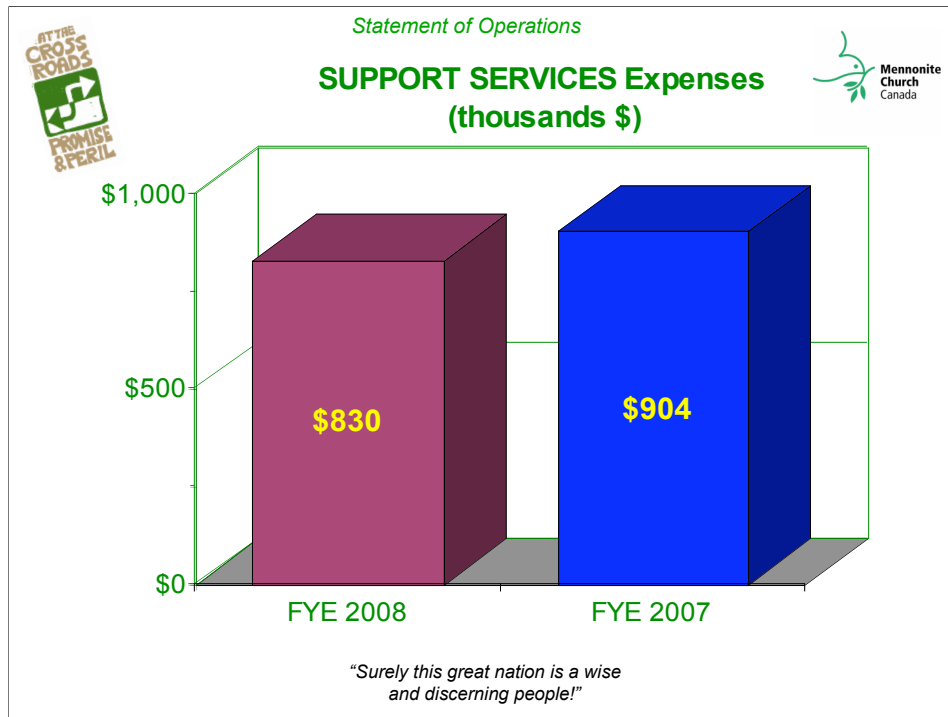


Christian Formation Council:

- The significant variance within the formation council is due to the Youth Assembly held last year in Abbotsford.
- Youth Assemblies are planned for every second year.

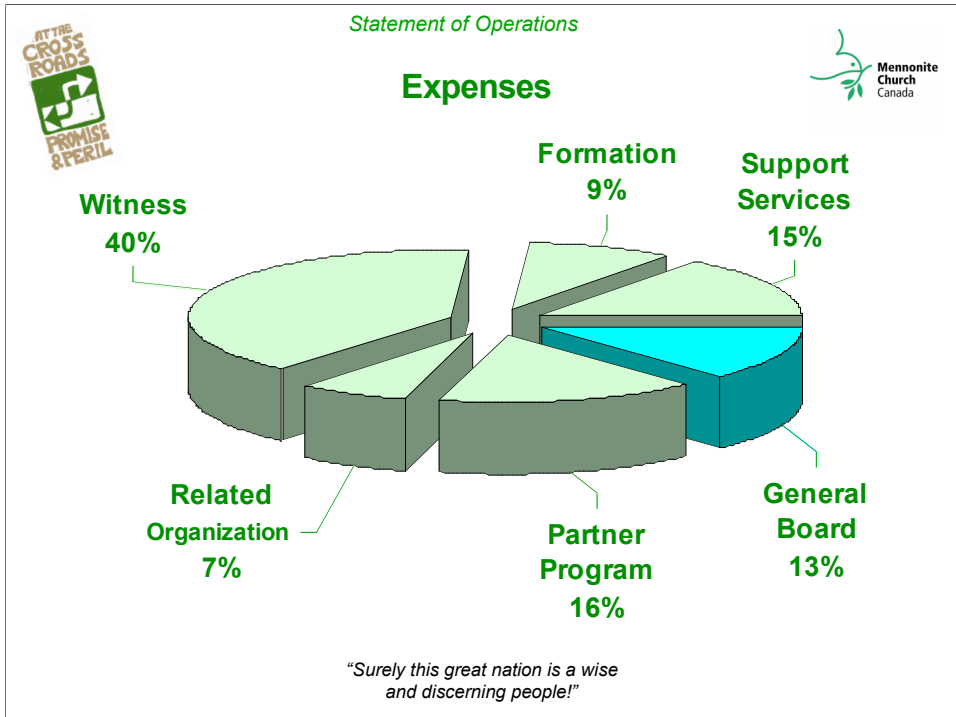


Support Services Council:

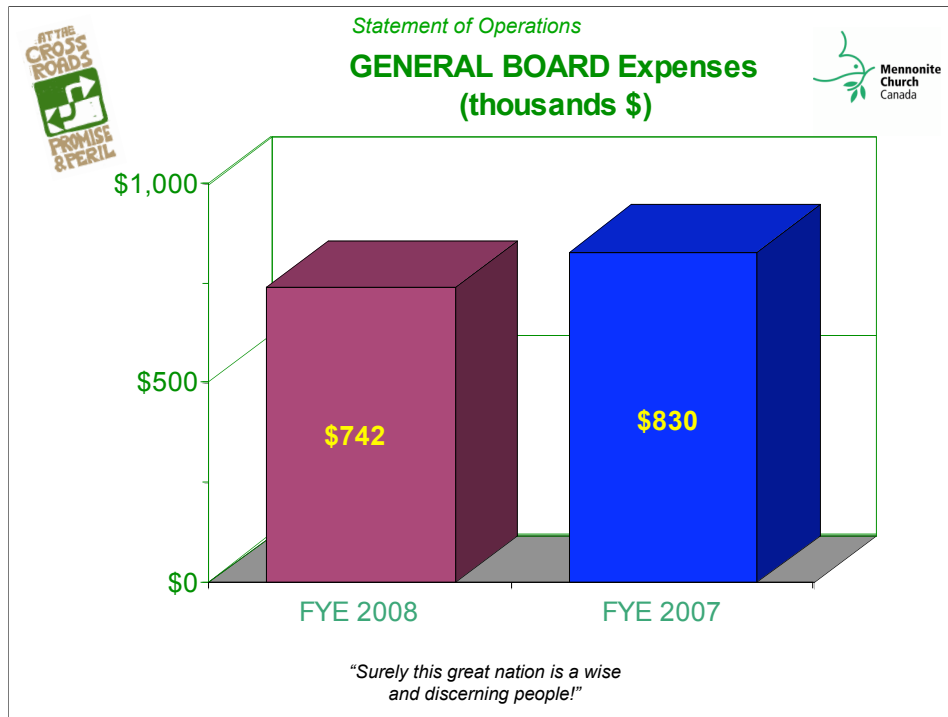


Support Services Council:

- The decrease in Support Services is mainly due to a decrease in the administration line.
- A variety of expense lines were lower than last year, including Planned Major Maintenance.
- Resource Development was also lower than last year due to the vacancy of a ¼ time position.

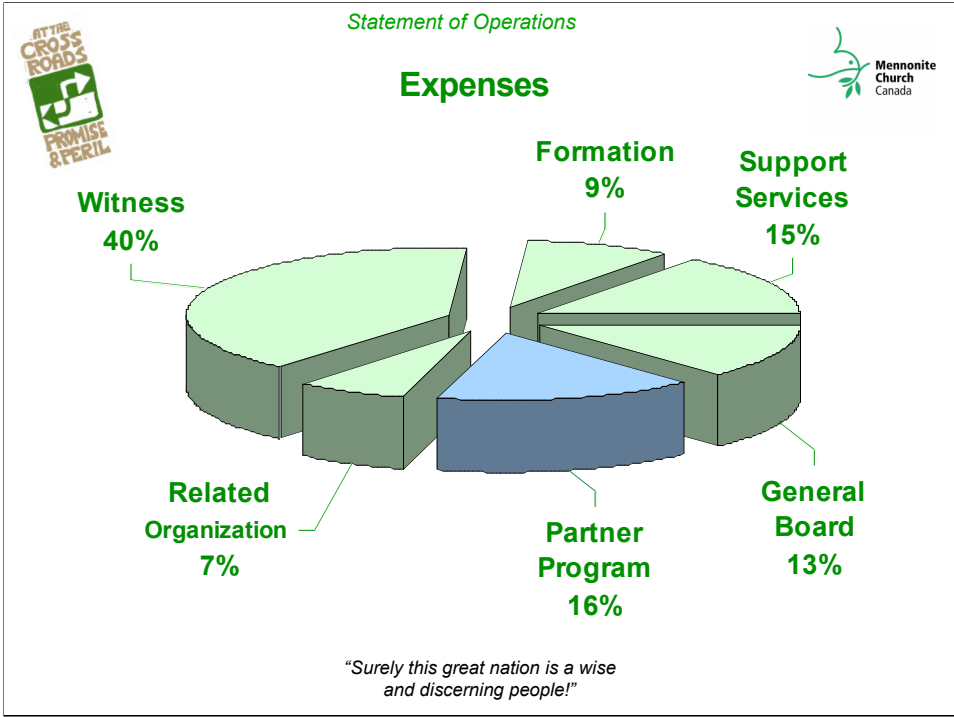


General Board:

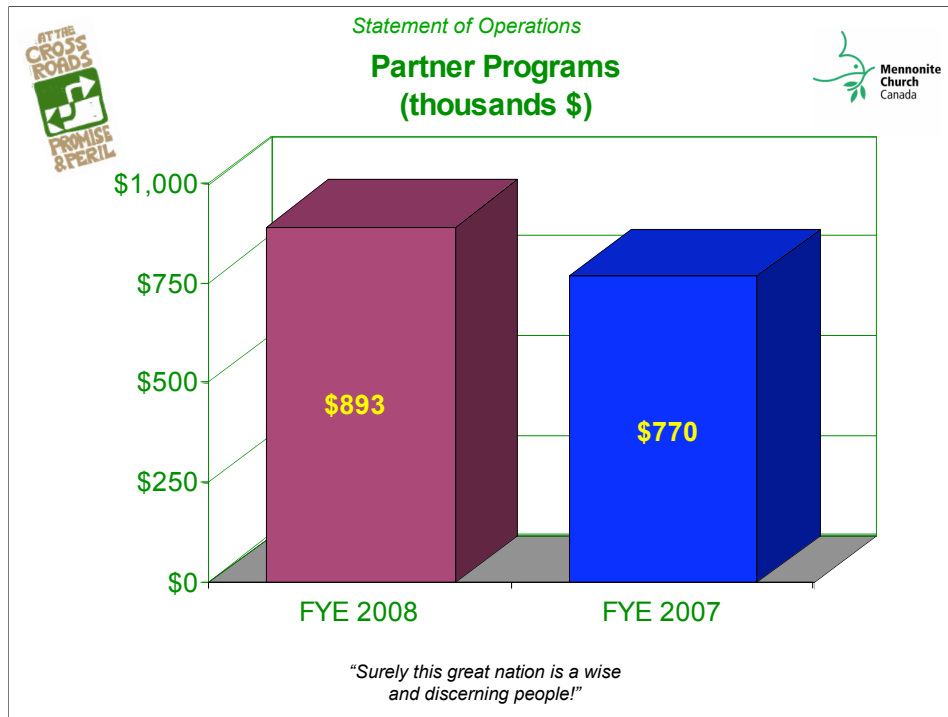


General Board:

- Recorded a significant decrease due to decreased expenditures in the Administration and Finance line.
- In the beginning of FYE 07 MC Canada was still paying for the previous General Secretary's sabbatical plus contract payments were made to the previous interim Chief Financial Officer resulting in a decrease in the administration line.
- Due to the repayment of the MPN and CMU loans, the Finance expense line was also decreased.
- When comparing income to expenses you will see that both interest income and interest expenses have been reduced.

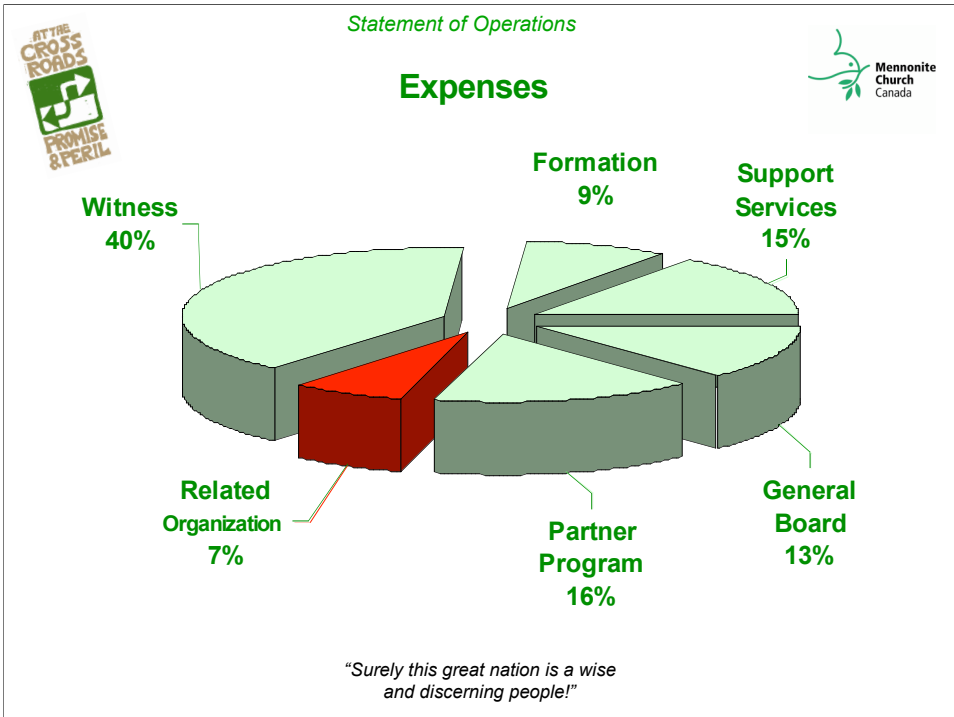


Partner Programs:

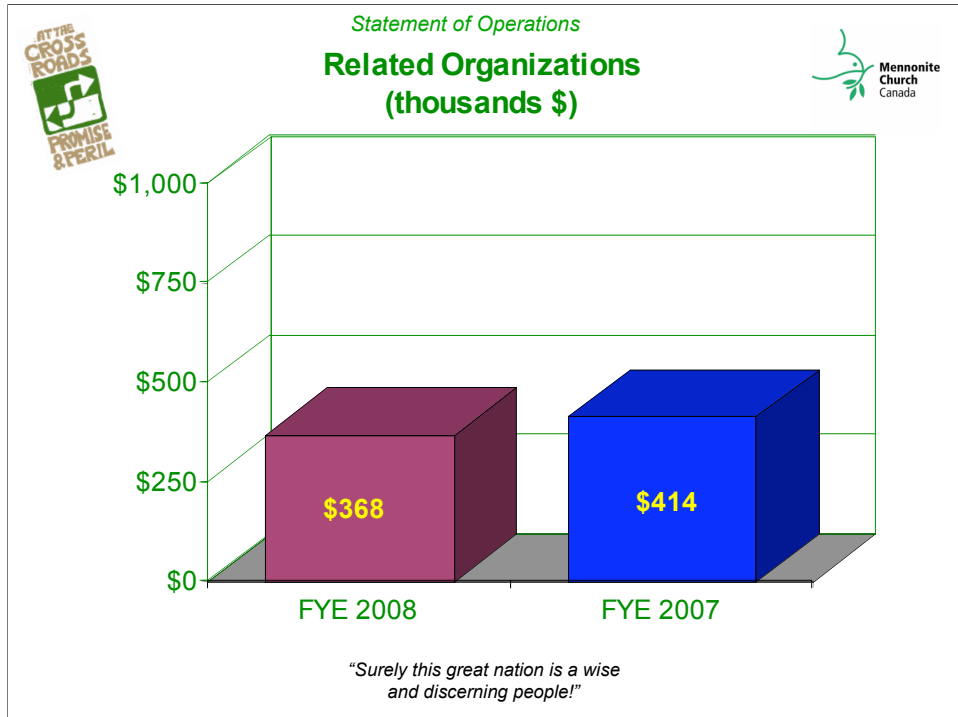


Partner Programs:

- As noted earlier, partner programs are a significant highlight in the Statement of Operations.
- Although we couldn't facilitate all of these programs without the work that is being done by MC Canada's core programs, this is an area that is continuing to grow rapidly.
- Projects within Partner Programs are generally administered by the Witness or Formation Council, depending on the affinity they have with each council.

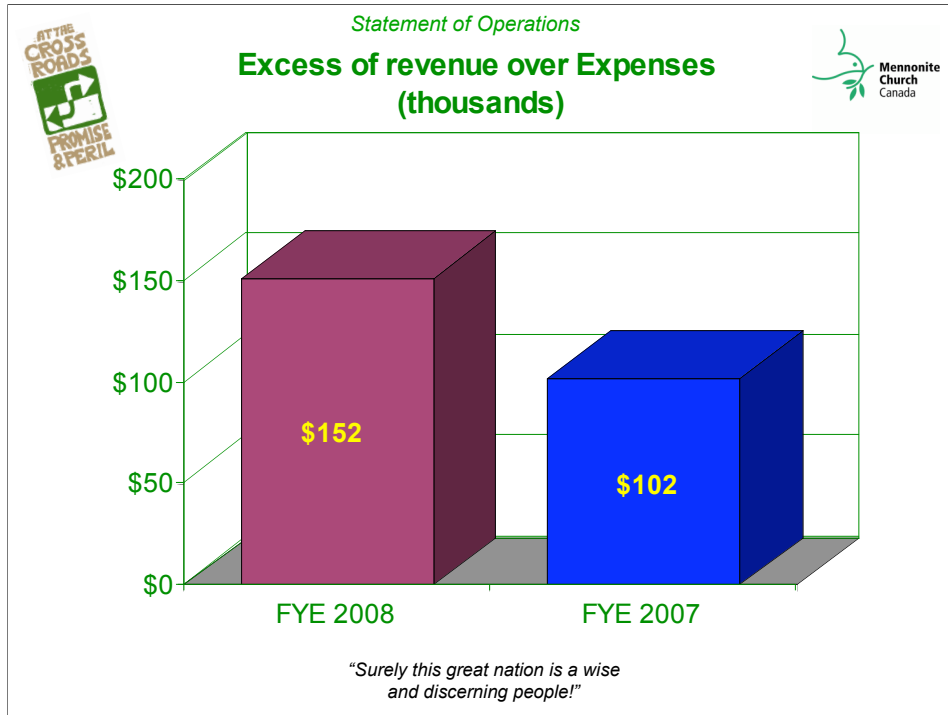


Related Organization:



Related Organization:

- We continue to support and partner with related charitable organizations through direct contributions facilitating our ministry.



- At the bottom of our Statement of Operations we find excess of revenue over expenses totaling \$152,000 compared to \$102,000 last year.
- This money is continuing to replenish our reserves held in the Internally Restricted Fund accounts.



Closing Comments



- Optimistic
- Planning for the future

*"Surely this great nation is a wise
and discerning people!"*

-This financial report is encouraging.

-We will continue to plan for the future adapting Program to the resources available.

-Thank you to the congregations and individuals that have helped make possible our collective ministry during this past year.



Thank you.



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We now are prepared to entertain your questions.



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