

28th

Annual REPORT 2020–2021

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An Agency of the
Manitoba Government



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MINISTER'S LETTER OF TRANSMITTAL



**MINISTER
OF CENTRAL SERVICES**

Room 343
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

Her Honour the Honourable Janice C. Filmon, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

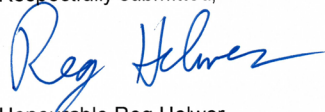
May It Please Your Honour:

It is my privilege to present the Annual Report of the Materials Distribution Agency (MDA) for the year ended March 31, 2021.

This report marks the completion of MDA's twenty-eighth year as a Special Operating Agency, providing the Province and the broader public sector with quality, cost-effective centralized mail and material management services. Having centralized distribution expertise has allowed Manitoba to be flexible and react quickly during the COVID pandemic.

I recognize the dedication hard work of the staff and management of MDA who have worked tirelessly on COVID related distribution of PPE, vaccines and test kits this past year. MDA continues to shine as an innovative Special Operating Agency of the Manitoba Government.

Respectfully submitted,



Honourable Reg Helwer
Minister of Central Services

DEPUTY MINISTER'S LETTER OF TRANSMITTAL



Deputy Minister of Central Services
Room 349, Legislative Building
Winnipeg, Manitoba, Canada R3C 0V8
T 204 945-5703 F 204 948-1227
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Honourable Reg Helwer
Minister of Central Services
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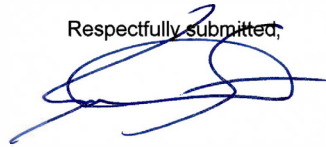
Dear Minister Helwer:

It is with pleasure that I present the Twenty-Eighth Annual Report of Materials Distribution Agency (MDA) for the year ending March 31, 2021.

The Agency continues to offer costs savings and streamline its products and services for the benefit of provincial clients. MDA reacts quickly to the needs of departments in times of crisis and builds effective partnerships that enhance government programs.

MDA provided centralized logistics to meet the challenges of the COVID pandemic. I recognize the commitment of management and staff who worked as part of a government wide team to keep Manitobans safe.

Respectfully submitted,



Scott Sinclair

CHIEF OPERATING OFFICER'S LETTER OF TRANSMITTAL

September 2, 2021

To Our Valued MDA Stakeholders:

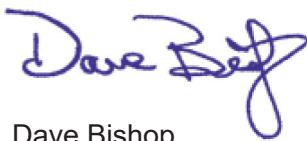
I have the honour to present the Agency's Twenty-Eighth Annual Report as a Special Operating Agency.

Looking back over the past year, it has been very busy and full of challenges. Materials Distribution Agency (MDA) provided logistical support and expertise for the COVID-19 pandemic. Working as part of a cross government provincial team, the Agency successfully distributed PPE, vaccines, vaccine supplies, test kits and other critical products throughout the province. MDA worked with all stakeholders (Federal, Provincial, Municipal, First Nations and private companies) in order to keep Manitobans safe.

This included operating up to five additional warehouses, moving to a 24 hour operation and countless hours of overtime for management and staff.

I feel very grateful and proud of the work that MDA contributed for the COVID-19 pandemic. The staff and management delivered when Manitoba needed them most. I appreciate the support and knowledge given to MDA from all provincial departments. We could not have done this without them. I want to thank all the staff at MDA for being so incredible during such an uncertain time, Finally, I would like to thank all clients for working with us and achieving great results.

Sincerely,

A handwritten signature in blue ink that reads 'Dave Bishop'. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Dave Bishop
Chief Operating Officer - MDA

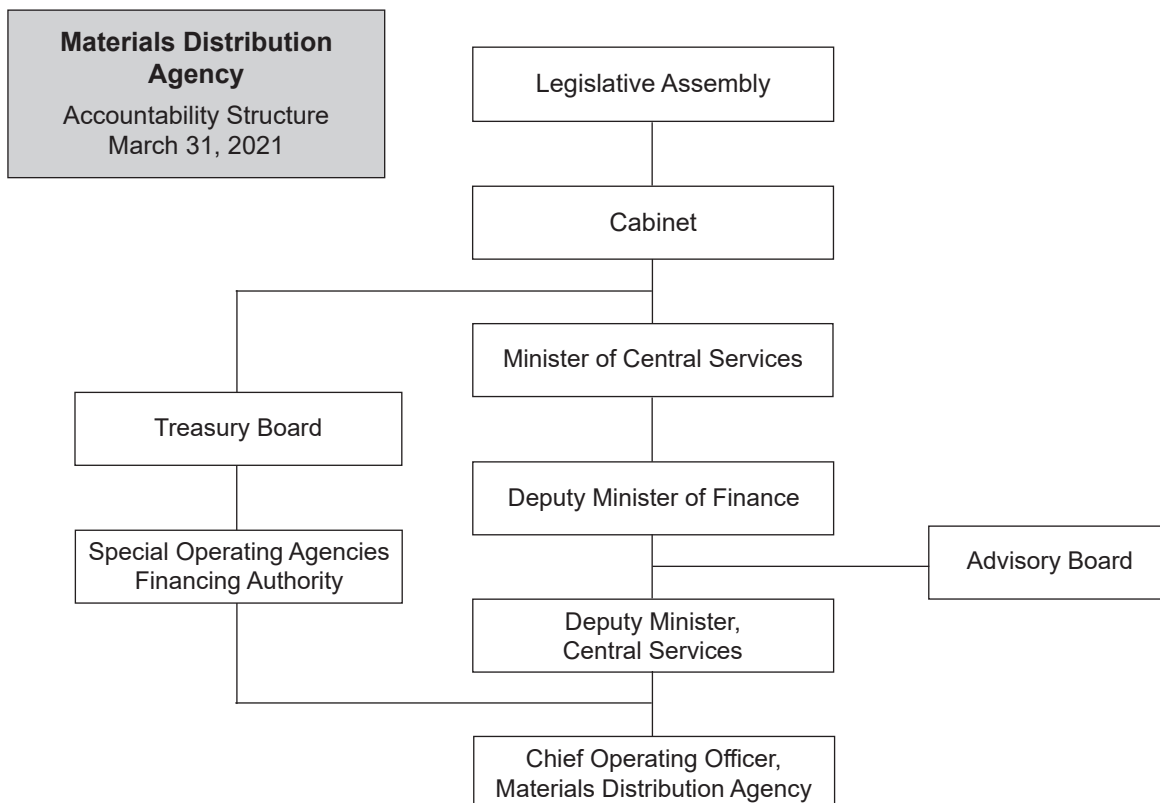
STRUCTURE FOR OPERATIONS

Accountability Structure

As a Special Operating Agency within Manitoba Finance, MDA reports directly to the Associate Deputy Minister, Central Services, and is held accountable to the Deputy Minister and Minister of Central Services for operational and financial performance.

The Agency operates outside of the Consolidated Fund under the Special Operating Agencies Financing Authority (SOAFA), which holds title to the Agency’s assets, provides financing for operations, and is responsible for its liabilities. Governance and accountability are substantiated by MDA’s compliance with its Operating Charter, Transfer Agreement, Management Agreement, applicable General Manual of Administration policies organization, and by *The Special Operating Agencies Financing Authority Act*. Financial and operational information and requirements are disseminated to and from Treasury Board through an SOA coordinator at Treasury Board Secretariat.

The Accountability Structure chart presented below outlines the current structure:



Advisory Board

The Advisory Board for the Materials Distribution Agency meets as required to review the Agency’s financial and operating reports, the draft Business Plan and any proposed changes to the Agency’s Charter. The Board’s members offer advice and direction on reporting and management issues of concern, and on short and long term strategic planning.

Members of the MDA Advisory Board, as of March 31, 2021, are listed below.

Members of the Advisory Board for Materials Distribution Agency		
<u>CHAIR</u>	Martin Montanti Assistant Deputy Minister Procurement & Supply Chain Division Central Services	
<u>MEMBERS</u>		
Client Representatives	Vacant	Vacant
Ex Officio	David Bishop Chief Operating Officer Materials Distribution Agency	
Staff Representative	Vacant	

THE PUBLIC DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Agency confirms that there were no disclosures of wrongdoing that have been made to a supervisor or designated officer during the fiscal year under review.

MDA MISSION & VISION STATEMENTS

Mission

To provide meaningful value in logistics solutions

Vision

To be a client-centric team that positively impacts on the lives of Manitobans

ORGANIZATIONAL GOALS

- Client-centric
- Service Delivery
- Employees
- Operational Excellence

ORGANIZATIONAL VALUES

The Agency supports its mission and vision statements with its operating values.

Reliability

- Continually improves all aspects of its organization
- Provides consistent services
- Establishes and follows standards
- Does not make promises it can't keep
- Meets deadlines
- Is fair
- Demonstrates integrity

Teamwork

- Communicates
- Is positive and recognizes achievements
- Views each call as an opportunity
- Values diversity of backgrounds and opinions
- Creates and supports a common direction and common goals
- Fosters a respectful workplace

Accountability

- Meets deadlines
- Provides clients with quality assured goods
- Saves government clients money
- Strives to fully understand client needs



BACKGROUND

In 1974, MDA was created to provide the government with centralized materials management for government departments, boards, commissions and agencies. It became an SOA in 1993. Postal Services was created in 1954 to provide government-wide postal services and became an SOA in 1996. The organizations amalgamated on April 1, 2005. MDA's mandate is to cost-effectively meet the mail and material distribution requirements of organizations within the broader public sector.

AGENCY PRODUCTS

MDA bulk purchases a variety of commonly used supplies and distributes these goods in smaller units as needed by its clients. These distinct product lines are listed below:

Commodities	Line Items
Stationery and Office Supplies	1,687
Janitorial Supplies	766
Medical Supplies	2,205
Home Care Equipment	277
Office Furnishings and Furniture	6
Publications	17
Total Line Items	4,958
PPE Supplies	1,145
Total Line Items	6,103

AGENCY SERVICES

MDA provides the following lines of business and related key services:

Mail Processing

MDA processes different types of mail for clients. Mail staff:

- Weigh and ascertain postage of standard and oversized mail through high speed mail machines
- Forward letter mail that exceeds the maximum dimensions or weight through one of two computerized shipping systems
- Process high volume mail through permit mail using pre-printed indicia on envelopes
- Coordinate prepaid mailings through use of numerically controlled Canada Post envelopes

The current cost to clients consists of actual postage and a separate processing fee which varies depending on type (i.e. metered or permit mail). Vendor rate increases will not automatically increase the Agency's processing fee. MDA has other products, such as variable rate services, including Business Reply Mail, Returned Mail and Short Paid Mail where the rate does not remain constant.

Mail Finishing

MDA provides clients with various types of mail finishing services, such as:

- Envelope addressing
- Folding of printed material
- Envelope insertion
- Manual collating of items into kits or envelopes

Current prices vary, both with type of activity (i.e. folding) and volume. MDA may offer high volume clients lower rates, but eligibility for this pricing is dependent on the quality of the clients' printed materials.

Inter-departmental Mail (IDM)

Clients purchase Prepaid Labels in four denominations (Letter, Oversize Letter, Small Packet and Parcel).

Label fees are based upon the size of the item being mailed or the service provided. MDA IDM also offers Signature Service which provides clients with mail delivery confirmation.

Contract Administration

MDA offers broader public sector clients with access to volume-based contracted courier and parcel rates.

Digital Printing

MDA's Variable Data Printing Service provides clients with "just in time" printing of electronic documents on high speed digital black and white printers that can be immediately transferred to the Finishing, Processing and IDM lines of business. Pricing is on a per impression basis.

Home Care Equipment Rental

MDA provides a comprehensive rental, repair and service program. The Agency receives, repairs and disinfects any damaged or non-functioning component before returning it to the active equipment rental pool. MDA carries out periodic safety checks on equipment in the field to ensure items remain in good working condition. MDA also electronically tracks equipment usage for the Employee and Income Assistance Branch (EIA) program.

Warehouse and Distribution Services

MDA provides distribution services to other agencies and departments. This includes picking, packing and transportation for provincial, national and international distribution. These services are offered at very competitive rates and continue to show favourable growth for the Agency. Key distribution services include:

Janitorial and Stationery products

- Wide range of janitorial and stationery items (currently 1,709 products)
- 301 products are environmentally friendly (increasing annually)
- Toner recycling program (discontinued in November 2020)
- Pricing is the same throughout the province and is competitive with private companies (three independent audits were conducted and support claims that MDA is more cost-effective than buying directly from retailers)

Medical Supplies

- Medical supplies for rural home care - Regional Health Authority, Health, Seniors and Active Living
- Nutritional supplements and child care items - Employee & Income Assistance, Families
- Lab & X-ray facilities - Diagnostic Services of Manitoba (DSM), Health, Seniors and Active Living
- Health booklets/pamphlets - Health, Seniors and Active Living

Manitoba Learning Resource Centre (MLRC)

- MLRC is an SOA that distributes textbooks and other school-related items
- Work is year-round with a heavy order period between June and October

Storage

- Secure storage facilities are provided for government clients
- Rates are well below private industry

Office Relocation/Moving and Disposal Services

- Significant cost savings and consistent positive client feedback
- Furnishings that offices/workplaces no longer need are recycled to other offices or through recycling companies

Provincial Vaccine Program

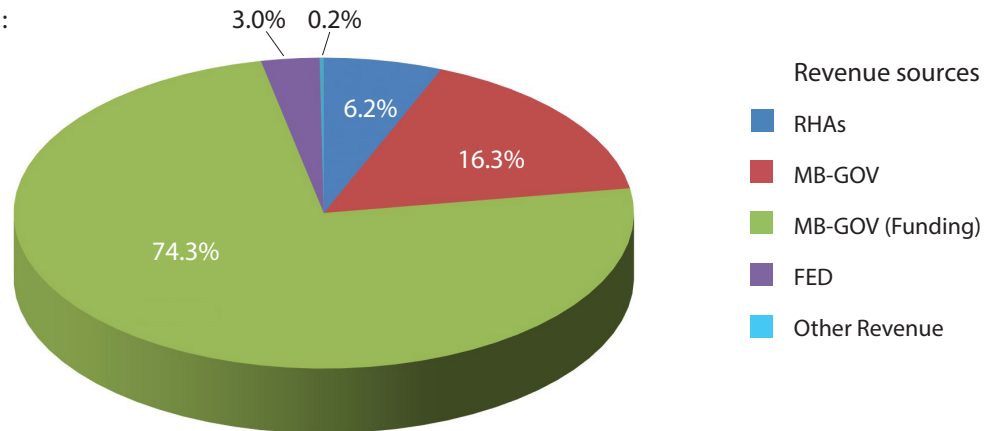
- Distribution of vaccines throughout the province on behalf of Manitoba Health, Seniors and Active Living. These vaccines must be maintained between two and eight degrees Celsius at all times until consumed by the end user.
- MDA is the first provincial entity to achieve GMP certification through Health Canada
- Increased risk management control for products within this program

Special projects

- Timely and cost-effective management of projects that are short in nature (3 – 12 months)
- Example: Pandemic warehousing and distribution for the Office of Disaster Management
- Example: Provincial Low Cost Bike Helmet Program

MARKET SEGMENT INFORMATION

Total Revenue 2020/21:
\$132,986



WAREHOUSE PRODUCTS – DISTRIBUTION INFORMATION

Number of orders	2020/21	2019/20	2018/19	2017/18	2016/17
Warehouse orders	49,600	46,000	45,800	45,200	57,000
Equipment orders	21,646	21,240	19,985	22,504	20,497
Mail Finishing jobs	5,613	3,905	3,316	3,761	3,920
Vaccine orders	7,944	7,083	7,249	7,380	8,780
Federal Mail processed (pieces)	0.98 million	1.16 million	1.30 million	1.40 million	1.40 million
Inter-Departmental Mail (pieces)	152,800	207,400	241,250	192,500	239,300
Payroll Advice Letters	89,612	84,500	92,000	105,800	121,200
Moves	113	788	672	776	753

Distribution of Products	2020-21	2019/20	2018/19	2017/18
Winnipeg	58%	55%	54%	55%
Rural	42%	45%	46%	44%

Delivery of Winnipeg Orders	2020/21	2019/20	2018/19	2017/18	2016/17
Regular (2 days)	96%	97%	96%	95%	94.3%
Same day	3%	2%	2%	2%	2%
Pickup	2%	1%	2%	3%	3.7%

2019/20 PROJECTS AND ACTIVITY STATUS HIGHLIGHTS

1. Human Resources Overview

MDA has identified several internal areas that need to be improved through management recommendations, government initiatives and employee suggestions. This section will comprise MDA's strategic human resource plan, tracking mechanisms and reporting.

Safety Management Program

MDA management, the Safety Facilitator and the Safety Committee will develop an internal Safety Management Program to ensure all potential accidents are investigated and improvements implemented.

Strategy results:

- The Safety Facilitator conducted a safety audit at MDA in the second quarter. Results were communicated to the Agency.
- MDA passed the safety audit and has made corrections resulting from the audit.
- MDA's Safety Committee has developed safety topics with training aids to be discussed in each monthly area meeting.

Communication Improvements

Communication remains a concern for the Agency. All meetings followed COVID-19 protocols with social distancing or were conducted via "MS Teams".

1. Hold a minimum of 10 meetings for each MDA area in the 2020/21 fiscal year, with minutes distributed to managers and the COO.

Strategy results:

Business Area	Standard	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Customer Serv. & Equipment	10/yr	3	3	3	3	12
Contracts & Purchasing	10/yr	3	3	2	3	11
Warehouse – Distribution	10/yr	3	3	2	2	10
Warehouse – Mail Services	10/yr	3	2	2	2	9
Finance & IT	10/yr	3	2	2	2	9

2. Conduct an employee survey in the first quarter, with a management review and implementation of recommendations in the remainder of the fiscal year.

Strategy results:

- Employee survey deferred until fiscal year 2021/22 due to COVID-19.

3. Hold two meetings with all staff in fiscal year 2020/21 to update staff on business initiatives, new policies, MDA's financial situation and answer questions.

Strategy results:

- The COO conducted a meeting with small groups of socially distanced staff at the Employee Appreciation awards in June.
- In lieu of meetings, a centralized message board was set up in each area of MDA for essential communication throughout the year.

Staff Newsletter

A quarterly newsletter will continue to be developed and distributed to all MDA staff.

Strategy results:

- Newsletters were distributed each quarter. Staff feedback was very positive.

Wellness Plan

To be an employer of choice, MDA must reflect the population it serves and provide a positive workplace environment. With an aging employee base, the Agency is experiencing higher absenteeism, increased health concerns and a need to accommodate staff while remaining attractive to potential employees. MDA has developed a plan for improvements to staff health. MDA's Wellness Committee and management have identified the following plans:

- Organize employee tournaments in ping pong and cribbage
- Hold Wellness fair
- Arrange for two healthy lunches and four healthy snack days
- Track staff that use alternative travel methods to/from work and participate in the government's Commuter Challenge

Strategy results:

- All wellness activities were postponed due to COVID-19.

2. New and Growth Business Initiatives Overview

MDA's traditional clients continue to shop at alternate suppliers. MDA must implement more frequent communications to focus on the benefits, and dispel negative impressions associated with price, product availability and reliable delivery. This will include a combined strategic approach to market a full-service Agency featuring a wide range of products, not just stationery and janitorial supplies.

MDA is shifting towards being more sales focused in a traditionally finance-driven Agency. This shift will require dedication, persistence, and increased marketing-related activities to raise the level of exposure to new and existing clients. This section will comprise MDA's strategic marketing and sales initiatives, tracking mechanisms and quarterly reporting requirements.

Mail Services

The MDA Mail area offers a variety of services such as printing, addressing, folding, inserting, mail processing and IDM delivery. The Marketing & Communications Group (MCG) and MDA management will implement a communication strategy to increase client contact for this business line. Departments will experience significant cost savings by utilizing MDA for ID mail and mail processing.

Strategy results:

- MCG will enhance client contact by arranging meetings with MDA's top 10 clients in each mail business area.
 - Completed
- Three new large clients were on boarded in 2020/21.

Email Encryption

MDA has partnered with Business Transformation and Technology (BTT) and now provides mass mailing email encryption technology for electronic distribution of mail. This would be for departments with stored databases of client emails. Instead of sending physical copies, encrypted emails would be sent. With the major increases from Canada Post over the last year, this will save departments money.

Strategy results:

- Program launched in April 2019. Uptake is very minimal due to clients requiring emails for all contacts.
- One large mail out for the Department of Finance occurred in 2020/21.
- Uptake amongst departments continues to be very low.

Department of Families

MDA entered into a partnership with Families for medical supplies/equipment and nutritional supplements for the Employee Income Assistance Branch, Child Special Services and Community Living Disability Services programs. The Agency will track volumes throughout 2021/22 to verify the effectiveness of this initiative.

Strategy results:

- Sales are as follows:

Time Period	Sales 2020/21 (\$)	Sales 2019/20 (\$)	Difference (\$)	Increase/Decrease
Totals	5,043,300	4,900,000	143,300	Increase

Manitoba Health

MDA has a strong partnership with Manitoba Health through the Provincial Vaccine Program. The Agency is being asked to look at the potential of providing distribution of products for the Provincial Sexually Transmitted Infection Program.

Strategy results:

- This project was put on hold due to COVID-19.
- MDA will continue to work with MB Health to transition the program once Health is ready.

Federal Government

MDA has taken on new business with the Federal Government for distribution of medical supplies to northern communities. The Agency has absorbed this business into its regular operations without any additional resources. Negotiations are underway to discuss supplying two northern hospitals with medical supplies. It is unclear when this new business will begin. One or two additional warehouse staff will be required for this increase in business when it occurs. Once the northern hospital business is closer to starting, MDA will review operations and determine if additional staff is required.

Strategy results:

- This is an ongoing process and MDA continues to work closely with the federal government to expand this business line.

Shared Health Services - Winnipeg Home Care Supplies

MDA is working with Shared Health Services (SHS) to provide home care supplies within Winnipeg. The Agency currently distributes most rural home care supplies. These two programs should be merged once again to increase efficiencies and reduce costs. MDA is confident that it could do this business for less money and at a higher service level. The Winnipeg home care program is around \$6 million in revenue.

Strategy results:

- This program was put on hold due to COVID-19 and will be revisited in 2021/22 if the pandemic allows.

3. Internal Project Initiatives Overview

MDA management and staff identify key areas that need improvement, updating or removal each year. MDA reacts quickly to issues brought forth by staff, clients, vendors and management. These projects could be small (updating an existing SOP) or large (feasibility study of all mail satellite offices).

MDA has identified several important internal improvements that need to be completed in 2018/19. There may be additional projects throughout the year based on operational requirements and client needs.

MDA Website

Over the past five years, MDA has created a website to market its products and services. The COO has tasked MCG with providing basic requirements to BTT and scheduling initial meetings. BTT will assume overall maintenance of the site and create an easy to search and interactive website that can be updated with new products in real time. This will allow clients to utilize the website, instead of relying on printed catalogues and monthly flyers to update outdated information and products. MDA could reduce the amount of catalogues printed each year, save money and become more environmentally friendly. The Manager of Finance and IT will assume the long term lead of this project.

Strategy results:

- The Finance and IT manager met and discussed options for MDA's website with a representative from Business Transformation and Technology (BTT). The manager will submit a report on recommendations.
- It was decided that the return on investment was not realized and only minor enhancements are completed on the website.

Operational Excellence (Op-Ex)

The Agency has a commitment to improve all areas of operations. Op-Ex is a Six Sigma based continuous improvement program that drives all staff to make improvements to operations in order to increase value for client programs. The first group through this program was the Medical Equipment area. Training began in October 2019 and finished April 2020. MDA will track improvements and report on the savings.

Strategy results:

- The MDA COO and Client Services Manager completed Yellow Belt certification in March 2021.
- All Op-Ex projects had to be put on hold due to COVID-19.

Warehouse Automation

MDA completed investigation into automated technologies to meet the every changing distribution and client demands. The Agency submitted this project to the Provincial Idea Fund. MDA has determined that the ROI for automation is feasible. The development of a negotiable RFP has commenced. Implementation of this project will begin in early fiscal 2021. This will meet demands of service expectation and bring increased value for MDA's clients.

Strategy results:

- The project is on hold due to COVID-19. It will be revisited in 2021/22.
- Lean initiatives are occurring throughout MDA to improve efficiencies.

Key Performance Indicators (KPI's)

The COO has tasked each manager to review/develop KPI's for their areas to confirm overall productivity and service levels are being achieved.

Strategy results:

- Each area has developed a minimum of two KPI's by the end of 2020/21.
- KPI's will be derived from the Operational Excellence objectives and data.

Orientation Checklist

MDA has a comprehensive orientation checklist for new staff. This checklist needs to be customized for each area to ensure proper training is taking place. This will include agency operational and safety items as well as departmental information.

Strategy results:

- The Agency has implemented an on boarding strategy. Each area has customized the orientation checklist for the unique requirements of their areas.

Information Technology Projects

MDA relies heavily on its Great Plains system for ensuring clients' needs are met. There are many small projects which occur throughout each year. These projects improve the information we can supply to clients and increase internal staff efficiencies. There are three projects identified for analysis and upgrades in the 2020/21 fiscal year:

- Conversion of Y2K Warehouse Application to .NET Technology
 - Review and conversion of Y2K to a more robust and dynamic .NET platform to accommodate continuing business requirement
- Transportation Moving Request Billing Application
 - Development and implementation of moving billing process to eliminate manual/double encoding and better report generation
- MDA "Ship To" Client Database Archiving Application
 - Development and implementation of a database tool to remove and archive inactive and old years client records for a faster production database performance

Strategy results:

- All projects have been completed.

4. Sustainable Development & Green Initiatives Overview

MDA supports government procurement initiatives by offering sustainable products and services to its clients. The Agency considers sustainably responsible purchasing an important component of the Manitoba government's *Sustainable Development Act*.

The *MDA Sustainability Action Plan* promotes sustainability through these four components:

- Awareness
- Pollution Prevention
- Resource Conservation
- Social Responsibility

MDA carries 253 sustainable stationery and janitorial products including ECOLOGO, Forest Stewardship Council (FSC) and Sustainable Forest Initiative (SFI) third-party certified items.

The Agency provides recycling and disposal services on behalf of the Province ensuring items are redistributed, recycled or disposed of in the proper manner. MDA:

- recycles household batteries through the Call2Recycle Battery program. Since 2015/16, MDA staff have sent 31 boxes or 602 pounds of batteries for recycling.
- acts as a conduit for the government cell phone recycling program. Since 2016, over 1460 pounds of cell phones came through interdepartmental mail on their way to Bell MTS.
- recycles mattresses through Mother Earth Recycling (MER). MER is a Winnipeg-based Aboriginal Social Enterprise, a not-for-profit facility providing jobs for people with barriers to employment. MDA recycled 205 mattresses in 2020/21 and since 2018, 783 mattresses.

MDA Sustainability Initiatives

- **Batteries:** collecting used batteries for Call-2-Recycle program
- **Calendars and Catalogues:** printing with Forest Stewardship Council (FSC) paper
- **Cardboard:** dedicating bins for recycling and reusing for packaging
- **Cell Phones:** partnering with Bell MTS to recycle small electronics
- **Electronics:** sending items to depots
- **External Communications:** informing clients through *MDA Connected*
- **Green Choice Products:** providing environmentally-friendly product choices
- **Interdepartmental Mail:** reusing delivery bags and paper envelopes
- **Internal Communications:** informing staff about sustainability through *MDA Bitz*
- **Invoice Attachment in Great Plains:** reducing printing and storage in MDA Finance
- **Mattresses:** recycling through Mother Earth Recycling
- **Medical Equipment:** reusing medical equipment in a safe and cost-efficient manner
- **Metal Scrap:** collecting metal scrap for pickup and remuneration
- **Minimum Orders:** consolidating orders reduces deliveries, fuel and emissions
- **Office Supplies:** repurposing, re-distributing, recycling or disposing of supplies
- **Plastic Bags:** reusing and recycling plastic shopping bags
- **Recycling Centres:** providing mixed recycling centres for internal reuse program and collection
- **Storage and Shipping:** reusing wood pallets and cardboard for storage and shipping
- **Surplus Furniture:** offering gently pre-owned office furniture
- **Toner Cartridges:** returning used toners to suppliers, when required
- **Work Boots:** collecting gently-used work boots for Winnipeg Harvest

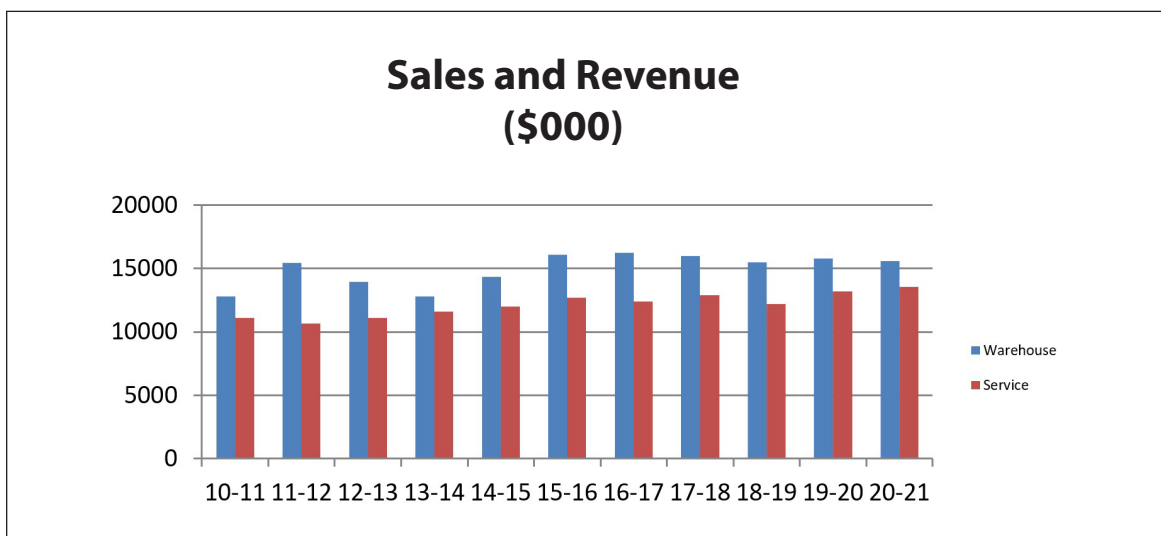
FINANCIAL OVERVIEW

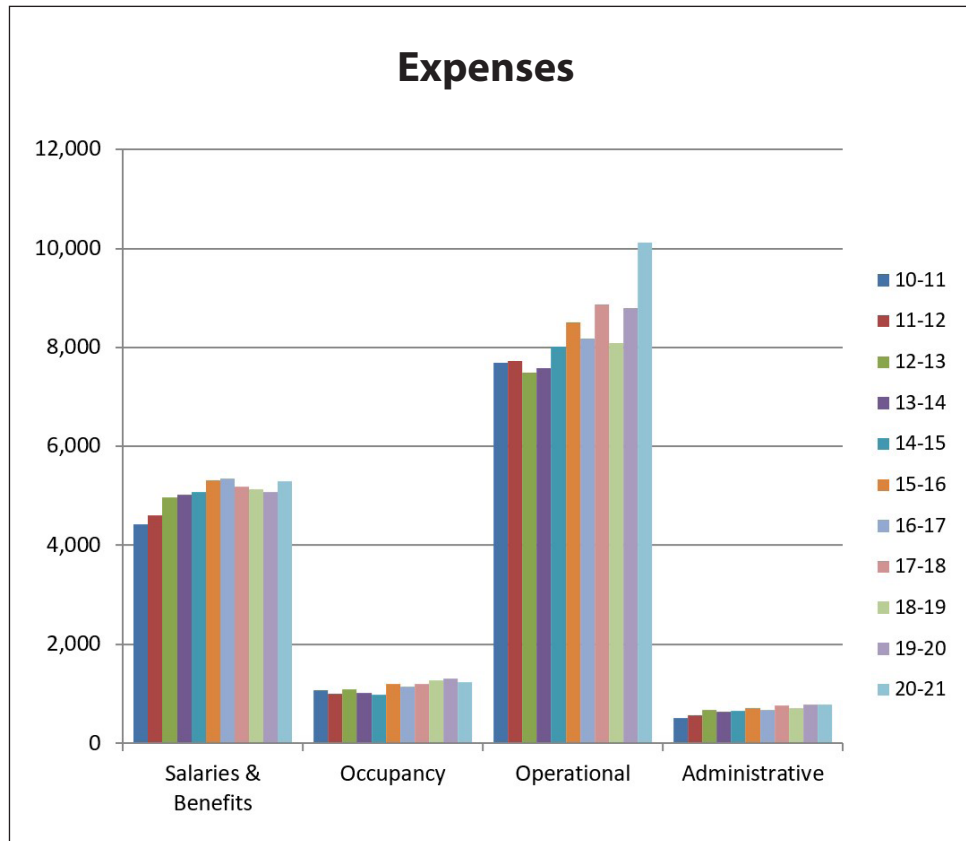
Review of Operations

MDA is working with clients to increase efficiencies, which will bring financial value to the provincial government distribution commodities. As needs change, clients look to MDA to assume warehousing and distribution at lower costs.

MDA reported a net income of \$103,319 compared to a projected income of \$134 for the year ended March 31, 2021. The increase is due to the government transfer of pandemic inventories at the end of the year recognized as revenue.

	2020-21 Actual	2020-21 Budget	Actual vs. Budget	2019-20 Actual	Actual vs. Actual
Warehouse Sales	15,585	16,250	(665)	15,812	(227)
Service Revenue	13,562	13,320	242	13,186	376
Pandemic Grants	103,839		103,839		103,839
Total Revenue	132,986	29,570	103,416	28,998	103,988
Salaries & Benefits	5,299	5,643	(344)	5,071	228
Cost of Sales	12,229	12,613	(384)	12,211	18
Occupancy Costs	1,228	1,349	(121)	1,317	(89)
Operational Costs	10,125	9,071	1,054	8,794	1,331
Administrative Cost	786	760	26	774	12
Total Expenses	29,667	29,436	231	28,167	1,500
Net Income/(loss)	103,319	134	103,185	831	102,488





Financial Position

The Agency did not use its working capital payable line of credit at any time during this fiscal year. Remaining cash generated by operations was used to purchase capital and inventory.

Ratio Analysis

Ratio	2021	2020	2019	2018	2017
Return on Total Revenue*	9.5%	2.8%	1.6%	1.3%	.94%
Days Sales in Receivables	35.2	37.3	34.3	27.17	31.6
Inventory Turnover	7.7 times	8.5 times	8.05 times	7.8 times	7.92 times

*before revenue share (no longer applicable)

MDA Performance Measures

* Internal Turnaround Times:	2021	2020	2019	2018	2017
<i>(In number of days)</i>					
Health Orders – Urban	1	1	1	1	1
Health Orders – Rural	1	1	1	1	1
Other Goods – Urban	1.5	1.5	1.5	1.5	1.5
Other Goods – Rural	1.5	1.5	1.5	1.5	1.5
MB Learning Resource	1.5	1.5	1.5	1.5	1
No. Sales Invoices	69,080	59,000	58,300	60,800	64,500
No. Inventory Items	6,103	4,695	3,816	4,738	4,725

* MDA internal processing time: Example – An order received at 11:00 am is processed, picked/packed and ready for shipment by 11:00 am the next day. The delivery time will be based upon the destination of the order and the courier schedule.





APPENDIX A – INDEPENDENT AUDITOR’S REPORT

MATERIALS DISTRIBUTION AGENCY
Financial Statements
For the year ended March 31, 2020