



## **Canadian Mennonite Publishing Service**

490 Dutton Drive, Unit C5  
Waterloo, Ontario N2L 6H7

# **Annual Report for the year 2003**

Canadian Mennonite Publishing Service  
33rd Annual Meeting  
Saturday, February 7, 2004, 4:00 p.m.  
at Douglas Mennonite Church, Winnipeg, Manitoba

Agenda for Annual Meeting

Minutes of 2003 Annual Meeting

Report from Chair

Report from Editor/Publisher

Report on circulation

Report on fundraising

Auditor's report

Financial statements

2003 Board members

# **CANADIAN MENNONITE PUBLISHING SERVICE**

## **Annual Meeting**

Saturday, February 7, 2004, 4:00 p.m.  
at Douglas Mennonite Church, Winnipeg, Manitoba

### **Agenda**

1. Welcome and introductions  
- Henry Neufeld, chair
2. Opening devotional by Aiden Enns
3. Highlights of Minutes from 2003 Annual Meeting in Edmonton  
- Betty Dyck, secretary
4. Highlights from Board meetings  
- Henry Neufeld and Margaret Loewen Reimer
5. Report of proxies - Betty Dyck
6. Items requiring action by the Annual Meeting
  - a) Confirmation of Board actions in 2003
  - b) Action on 2003 financial statements
  - c) Appointment of auditor
  - d) Elections
7. Other business and discussion
8. Adjournment

**MENNONITE PUBLISHING SERVICE**  
**Annual Meeting**  
Saturday, February 8, 2003, 4:00 p.m.  
First Mennonite Church, Edmonton, Alberta

Present: 11 board members, 8 CMPS members, 2 staff

1. *Welcome and Devotional.* Ron Loeppky welcomed all CMPS members and annual reports were distributed. Henry Neufeld led a devotional on the Epistles (Corinthians, Galatians, John).
2. *Highlights of minutes from 2002 Annual Meeting in Markham, Ontario.* Betty Dyck reviewed the minutes. **MOTION:** Betty D/Bernie Wiebe moved acceptance of the minutes. Carried.

*Highlights from Board meetings.* Ron Loeppky and Ron Rempel highlighted reports and board meeting discussions. Ron L discussed the following: excellent CM staff, revision of bylaws, Diversity Project supplements, good working relationship with MC Canada and conferences, reader survey with the highest ratio of readers in Alberta, funding formula review, farewell to board members David Regier and Susan Wiens.

Ron R. reminded us that we will be revisiting the funding formula this year. Let's remember the history of CM and the current circulation of 17,000. Last spring there was a worthwhile staff retreat. New features are those on unsung Christian workers, young adults, and multicultural ministry.

3. Betty Dyck reported that no proxies were received.
4. *Items requiring action by the Annual Meeting.*
  - a) Confirmation of Board actions in 2002. **MOTION:** Bernie Wiebe/ Jan Wilhelm moved that board actions be accepted. Carried.
  - b) Action on 2002 financial statements. Lloyd Koch reported that donations were \$10,000 higher than last year. Two fundraising letters resulted in 160 new donors. Surplus is used to pay down the mortgage on the office. **MOTION:** Lloyd moved acceptance of the financial statements. Mary Lymburner seconded. Carried.
  - c) Bylaw amendments. The conference names were changed and Editor/Publisher replaces Editor/Manager. **MOTION:** Brice Balmer moved that Mennonite Publishing Service be changed to Canadian Mennonite Publishing Service. Morley Lymburner seconded. Carried. **MOTION:** Ron Loeppky moved that by-law changes be accepted. Carried.
  - d) Auditor. **MOTION:** Lloyd K. moved the appointment of McMane, Dunkel, Kingston and Stranz as auditors. Morley L. seconded. Carried.
  - e) Elections. Susan Wiens presented nominations: Jan Wilhelm (CMPS), Henry Neufeld (Mennonite Church B.C.), Aiden Enns and Paul Krahn (MC Canada representatives). **MOTION:** Susan W. / Brice B. moved that the Nominating Committee Report be accepted. Carried.

Submitted by Betty Dyck, Secretary

## **Report from the Chair**

The ministry of the Canadian Mennonite Publishing Services in 2003 was a time of challenge, change and opportunity. The challenges include the varied response of an increasingly diverse Mennonite Church Canada constituency, a response that varies from strong affirmation to seething condemnation. The major change was the departure last summer of our longtime Publisher/Editor, Ron Rempel. Ron served the constituency faithfully and well, and his contribution was acknowledged at the MC Canada assembly in St. Catharines, as well as at a farewell "roast" in October. We are grateful to Ron for maintaining high standards of leadership in facilitating communication between and beyond congregations. We wish Ron well in his new position with the Mennonite Publishing Network. The opportunities we face include providing continuity for Canadian Mennonite so that communication with CM households and beyond continues, so that God's kingdom continues to grow. We are grateful to Margaret Loewen Reimer for taking on the Publisher/Editor position on an interim basis. Margaret, the office staff and regional correspondents deserve our thanks for continuing to produce an excellent issue every two weeks.

### **Name change**

We are now the Canadian Mennonite Publishing Service (CMPS), a change made in accordance with the decision at last year's annual meeting. Our previous name (Mennonite Publishing Service) was being confused with the U.S.-based Mennonite Publishing House.

### **Conference relationships**

Canadian Mennonite is a joint venture of CMPS, Mennonite Church Canada, and the area conferences. In April the CMPS executive met with the MC Canada General Board. We are pleased to have renewed our partnership agreement with Mennonite Church Canada. This continues the work of Canadian Mennonite as the primary communications tool of Mennonite Church Canada. The funding formula calls for Canadian Mennonite to raise 40 percent of the budget (through advertisements and donations); MC Canada pays 50 percent of the balance and the provincial conferences the other 50 percent.

The relationship with area conferences is under some pressure. British Columbia has never agreed to the funding formula, but that has not deterred B.C. from criticism of the magazine. The MC British Columbia office forwards funds to Canadian Mennonite as they are received from congregations.

In summer we were advised that MC Manitoba was reducing its support by 50 percent. Discussions with MC Manitoba continue and we thank the Manitoba CMPS Board members (Ron Loeppky, Bernie Wiebe, Paul Krahn, Aiden Enns) for their work on this matter. As a result of the Manitoba Board's decision, we sent a special fundraising appeal letter to Manitoba subscribers. The response was strong, both financially and in terms of support for CM as an important communication vehicle. We are hopeful that funding levels will be maintained.

## **Search Committee**

With Ron Rempel's departure in summer 2003, the CMPS executive appointed a Search Committee to seek a replacement. Search Committee members are Lloyd Koch, Ron Loepky, Mary Lymburner and Henry Neufeld. When it became apparent that a suitable candidate would not be found following our initial advertising, Margaret Loewen Reimer agreed to serve as Publisher/Editor on an interim basis. We appreciate Margaret assuming this responsibility which provides CM with the needed expertise and continuity. The committee has been in contact with numerous potential candidates and has interviewed several candidates. More interviews are planned. We are seeking a person with theological training and/or pastoral experience, journalism training or experience, and familiarity with Mennonite Church Canada. Suggestions to the Search Committee are welcome.

## **Board changes**

With this meeting we say farewell and thank you to Board members Ron Loepky and Betty Dyck. Ron has been a long-term member and has served with commitment as vice-chair and chair of CMPS. Betty has been our secretary and did an exemplary job in coordinating Ron Rempel's farewell event in October. Thanks to both of you, and your continued support of CM will be appreciated.

## **Conclusion**

We extend deepest thanks to the CM staff, board, and conference partners for their hard work and support for this ministry. Most important, we thank readers for their encouragement, criticism and comments. The work of maintaining a periodical which promotes covenantal relationships within and beyond the church continues to be an important missional opportunity.

Henry Neufeld, chair

## **Report from the Editor/Publisher**

### **Transitions**

This past year saw major leadership changes at *Canadian Mennonite*. After serving as Editor/Manager since 1979, Ron Rempel ended his tenure with the magazine on July 31. I agreed to move from Managing Editor to become Interim Editor/Publisher as the search began for new leadership. (I had decided not to apply for the position.) Betti Erb came on board on September 1 as Associate Editor for this transitional year. It's been a busy time for me — I continued to oversee production of the magazine while taking on management and personnel responsibilities.

Fortunately, *Canadian Mennonite* has congenial, competent staff. Administrative assistant Natasha Krahn's understanding of procedures and finances has been especially helpful in keeping the operation running smoothly. The Search Committee has been active in seeking and interviewing applicants, with a view to putting new staff into place by summertime.

### **Circulation and fundraising**

Last April, Mennonite Church Canada renewed its commitment to the partnership with *Canadian Mennonite*. The General Board passed a motion stating that MC Canada "affirms the cost-sharing plan that has been in place with its partners in the *Canadian Mennonite*." Under the plan, subscription costs are divided equally between MC Canada and each area conference. The motion also encouraged the area conferences to continue in the partnership, with a plan to review it again before the end of 2006.

Mennonite Church Alberta, Saskatchewan and Eastern Canada committed themselves to continuing their part of the funding arrangement. British Columbia indicated that it will continue its current practice of forwarding whatever congregations contribute to subscription costs. In 2003, this meant that B.C. paid just over half (55%) of what the funding formula called for. The Board of MC Manitoba decided last spring to cut its payment by 50 percent for the second half of the year, and to continue paying 50 percent in future years. Delegates at an October meeting strongly pressed their leaders to reconsider that decision, and to consult with the other funding partners before making long-term plans. The result was that Manitoba paid its full share in 2003 but is proposing to cut its contributions to the formula by 50 percent in future.

To help counterbalance the strains on the funding formula, we sent fundraising letters to every subscriber in B.C. and Manitoba in fall, along with our usual fall letter to past donors in other provinces. The response was heartening, with about \$4,000 in donations from B.C. and \$16,128 from Manitoba. Total donations for 2003 reached a record high of \$85,000. Many were accompanied by notes of encouragement and good will. Thanks to all our loyal supporters.

Circulation dropped by about 280 subscriptions this past year, primarily from deaths and pruning of church lists. We saw the same drop last year. Overall,

however, the subscriber list is remaining fairly stable since the “sorting out” period of 1998-99 when lists were being finalized.

### **Editorial issues**

Major features this year included coverage of the St. Catharines Assembly (August 4 issue) and Mennonite World Conference Assembly 14 in Zimbabwe (September 8, with lots of colour photos). The October 6 issue celebrated 50 years of Canadian Mennonite publishing, with a focus on the first *Canadian Mennonite* and its founding editor, Frank Epp. A new venture was the focus on “Our multi-cultural church” in two supplements (June 16 and November 17). These supplements were compiled with the help of Samson Lo, Multi-cultural Ministry director for Mennonite Church Canada, and were funded by a grant from Mennonite Foundation of Canada. Our Faith and Life pages focused on a variety of topics, from worship and prayer to resolving conflict, parenting and conscientious objection. We also had our usual Spring and Fall listings of new books and resources, and Focus on...advertising sections on a variety of topics.

Although we continue to publish most letters to the editor (as long as they are do not libel people or attack others' faith), we held back a number of letters on homosexuality. Some of them repeated arguments that have already been stated many times, while others were simply denunciations of others' views. Knowing how inflammatory this topic has been among readers, we felt justified in not printing every letter. Two columnists, Melissa Miller (Family Ties) and Tim Wiebe (Pilgrim Pieces) continued this year, and the December 1 issue saw the debut of Emke Retro, a revival of Ivan Emke's best columns.

### **Operations and finances**

Despite uncertainty with area conference commitments to the funding formula, and a \$15,000 cut from Mennonite Church Canada, our financial year ended satisfactorily. We are especially pleased with the tremendous support shown by donors. The financial highlights are summarized in the auditor's report.

Struggles with the postal system are a continuing reality. With my first issue as Editor/Publisher (August 4), Canada Post notified us that the issue could not be mailed unless we paid an extra \$16,000 for inserting the MCC “annual report.” (Annual reports must go first class.) A day and a half of phone calls with postal officials in Hamilton, Toronto and Ottawa did not convince them that this was simply a routine MCC information piece to churches which we have inserted for years, but it did result in changing the classification of the insert to Ad Mail, with an extra cost of \$8,000. We are grateful to MCC for covering the extra cost. The next issue, August 25, was also delayed, probably because of the power blackout in Ontario. (It is amazing how many people call us when they don't get their *Canadian Mennonite* on time!) A recent issue was again delayed over a glitch in address labels. It seems that an outdated list was printed, resulting in extra mailing costs and a host of frustrated customers. The length of time it takes for the magazine to reach homes also continues to be a frustration. We are grateful that we continue to benefit from the federal Postal Assistance Program.

In keeping with Canada's new legislation on privacy, *Canadian Mennonite* is reviewing its own practices and preparing a document to show that we are in compliance with the new legislation. We are using legal resources offered by MC Canada for this. We are also investigating the addition of Directors and Officers Insurance to our coverage.

Thanks to staff and regional correspondents for their continuing good work, and to the CMPS board for its dedication and support.

Margaret Loewen Reimer  
Interim Editor/Publisher



**CANADIAN MENNONITE**  
**Circulation Report**  
**January 26, 2004**

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals
<b>Individual</b>	Individual	49	44	24	101	99	7	1	72	13	410
	Gift	10	8	5	14	19	1	1	13	10	81
<b>Group Plans</b>	Small Groups	1	180	14	5	0	0	0	1	3	204
<b>Every Home Plans</b>	MC – BC	1089	6	3	4	4	0	0	6	7	1119
	MC – AB	11	806	5	14	10	0	0	6	6	858
	MC – SK	222	43	1857	33	19	5	0	21	12	2012
	MC- MB	32	31	11	4609	36	7	2	33	20	4781
	Menn Church of Eastern Canada	15	12	2	20	6452	57	2	71	30	6661
	Bulk (churches)	93	38	25	92	55	0	0	0	0	303
	Complimentary	2	0	3	5	10	2	0	7	2	31
	Bulk (schools, etc.)	31	0	15	115	45	0	0	0	0	206
	Exchange	3	1	2	14	8	1	0	14	7	50
<b>Totals</b>		1358	1169	1966	5026	6757	80	6	244	110	16716

**CANADIAN MENNONITE  
SUMMARY OF 2003 FUNDRAISING**

Province	Number of donors in donation ranges					Total \$	Total number of donors	% of total circ.	% of total donations	# donated twice
	\$1-49	\$50-99	\$100-199	\$200-999	\$1000+					
British Columbia	30	42	20	6	0	\$7,018	98	8.1	8.5	16
Alberta	15	38	22	9	1	\$8,273	85	7.0	10.0	16
Saskatchewan	37	48	33	3	0	\$7,742	121	11.8	9.4	26
Manitoba	149	193	54	16	1	\$24,074	411	30.1	29.1	53
Ontario	225	223	98	18	1	\$33,211	565	40.4	40.2	119
Eastern Provs.	3	6	3	0	0	\$730	12	0.5	0.9	4
US	2	0	0	0	0	\$1,100	5	1.5	1.3	0
Overseas	0	0	4	1	1	\$450	6	0.7	0.5	2
<b>TOTALS</b>	<b>461</b>	<b>550</b>	<b>234</b>	<b>53</b>	<b>4</b>	<b>\$82,598</b>	<b>1,303</b>	<b>100</b>	<b>100</b>	<b>236</b>

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MENNONITE PUBLISHING SERVICE, INC.

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**Financial Statements  
December 31, 2003**

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**Auditors' Report**

To: The Members of the Board of Directors of  
Mennonite Publishing Service, Inc.:

We have audited the statement of financial position of Mennonite Publishing Service, Inc. as at December 31, 2003 and the statement of revenue and expenses and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the organization derives revenue from the general public in the form of contributions which are not susceptible to complete audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts recorded in the records of the organization.

In our opinion, except for the effect of adjustments, if any, had contributions been susceptible to complete audit verification referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*McMane Dunkel Kingston Stranz, LLP*

Chartered Accountants

Waterloo, Ontario  
January 29, 2004

MENNONITE PUBLISHING SERVICE, INC.

Statement of Statement of Revenue and Expenses and Changes in Fund Balances  
Year Ended December 31, 2003

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Forecast	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<b>Revenue</b>											
Conference subscriptions	\$ 320,000	\$ 316,599	\$ 311,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,599	\$ 311,244
Individual subscriptions	25,000	21,550	26,630	-	-	-	-	-	-	21,550	26,630
Advertising and supplements	165,000	146,358	162,961	-	-	-	-	-	-	146,358	162,961
Donations	60,000	85,914	59,768	-	-	-	-	-	-	85,914	59,768
Interest and exchange	3,000	1,759	2,688	-	-	-	-	-	-	1,759	2,688
Other	7,000	7,416	10,056	-	-	-	-	-	-	7,416	10,056
	580,000	579,596	573,347	-	-	-	-	-	-	579,596	573,347
<b>Expenses (Page 6)</b>	560,300	528,951	523,757	-	-	-	-	-	-	528,951	523,757
<b>Surplus for the year</b>	19,700	50,645	49,590	-	-	-	-	-	-	50,645	49,590
<b>Fund balances, beginning of year</b>	214,837	214,837	176,527	42,445	42,445	32,024	22,524	18,145	16,365	307,451	257,861
	234,537	265,482	226,117	42,445	42,445	32,024	22,524	18,145	16,365	358,096	307,451
Transfer to Professional Development Fund	-	(10,000)	(9,500)	-	-	10,000	9,500	-	-	-	-
Transfer to Capital Fund	-	(8,116)	(1,780)	-	-	-	-	8,116	1,780	-	-
	-	(18,116)	(11,280)	-	-	10,000	9,500	8,116	1,780	-	-
<b>Fund balances, end of year</b>	\$ 234,537	\$ 247,366	\$ 214,837	\$ 42,445	\$ 42,445	\$ 42,024	\$ 32,024	\$ 26,261	\$ 18,145	\$ 358,096	\$ 307,451

MENNONITE PUBLISHING SERVICE, INC.

Statement of Financial Position  
December 31, 2003

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<b>ASSETS</b>										
<b>Current Assets</b>										
Bank	\$ 84,223	\$ 52,914	\$ 5,753	\$ 15,891	\$ 32,235	\$ 22,674	\$ 18,271	\$ 16,486	\$ 140,482	\$ 107,965
Short-term investments (Note 3)	50,000	50,086	36,824	36,740	-	-	-	-	86,824	86,826
Accounts receivable	32,911	11,339	-	-	-	-	-	-	32,911	11,339
Prepaid expenses	986	1,083	-	-	-	-	-	-	986	1,083
	168,120	115,422	42,577	52,631	32,235	22,674	18,271	16,486	261,203	207,213
<b>Capital Assets (Note 4)</b>	181,769	195,455	-	-	-	-	-	-	181,769	195,455
	<u>\$ 349,889</u>	<u>\$ 310,877</u>	<u>\$ 42,577</u>	<u>\$ 52,631</u>	<u>\$ 32,235</u>	<u>\$ 22,674</u>	<u>\$ 18,271</u>	<u>\$ 16,486</u>	<u>\$ 442,972</u>	<u>\$ 402,668</u>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Accounts payable	\$ 21,018	\$ 12,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,018	\$ 12,711
Deferred revenue	9,617	12,959	-	-	-	-	-	-	9,617	12,959
Interfund payables (receivables)	17,647	823	132	10,186	(9,789)	(9,350)	(7,990)	(1,659)	-	-
Current portion of long-term debt	26,081	15,332	-	-	-	-	-	-	26,081	15,332
	74,363	41,825	132	10,186	(9,789)	(9,350)	(7,990)	(1,659)	56,716	41,002
<b>LONG-TERM DEBT (Note 5)</b>	28,160	54,215	-	-	-	-	-	-	28,160	54,215
<b>FUND BALANCES</b>	247,366	214,837	42,445	42,445	42,024	32,024	26,261	18,145	358,096	307,451
	<u>\$ 349,889</u>	<u>\$ 310,877</u>	<u>\$ 42,577</u>	<u>\$ 52,631</u>	<u>\$ 32,235</u>	<u>\$ 22,674</u>	<u>\$ 18,271</u>	<u>\$ 16,486</u>	<u>\$ 442,972</u>	<u>\$ 402,668</u>
<b>Fund balance comprised of:</b>										
Invested in capital assets	\$ 127,528	\$ 125,908	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,528	\$ 125,908
Internally restricted	-	-	42,445	42,445	42,024	32,024	26,261	18,145	110,730	92,614
Unrestricted	119,838	88,929	-	-	-	-	-	-	119,838	88,929
	<u>\$ 247,366</u>	<u>\$ 214,837</u>	<u>\$ 42,445</u>	<u>\$ 42,445</u>	<u>\$ 42,024</u>	<u>\$ 32,024</u>	<u>\$ 26,261</u>	<u>\$ 18,145</u>	<u>\$ 358,096</u>	<u>\$ 307,451</u>

**MENNONITE PUBLISHING SERVICE, INC.**

**Notes to the Financial Statements  
December 31, 2003**

**1. Purpose of the Organization**

Mennonite Publishing Service, Inc. is incorporated under the laws of Canada as a non-profit organization and is a registered charity under the Income Tax Act. It publishes the bi-weekly periodical "Canadian Mennonite" for the Mennonite community in Canada.

In July 1997, the organization adopted revised by-laws which expand the definition of membership to include not only individuals who contribute the minimum membership fee, but also conferences (referred to as the "partner conferences") that purchase subscriptions for their members. The revised by-laws further provide for representation of these conferences on the Mennonite Publishing Service Board and at the Mennonite Publishing Service annual meeting.

**2. Significant Accounting Policies**

Fund Accounting

Mennonite Publishing Service, Inc. follows the restricted fund method of accounting for fund contributions.

The General Fund accounts for the organization's publishing and administrative activities.

The Stabilization Fund is to protect the organization from operating fluctuations that may occur from time to time. The goal, initially, was to accumulate, from surpluses, an amount between 12.5% and 25% of budgeted expenses in the fund for this purpose. As a result of the building purchase, the board reduced the amount required to be kept in the fund to a minimum of 8% of budgeted expenses and the excess in the fund of \$38,275 was used for a down payment on the building. Revenue earned by the assets of this fund are to be credited to the General Fund.

The Professional Development Fund was established to provide a fixed amount out of the annual expenditure budget for the salaries of the individuals replacing a staff member on professional development leave. Revenue earned by the assets of this fund are to be credited to the General Fund.

The Capital Fund was established to fund future equipment purchases. An amount equal to amortization is to be transferred each year from the General Fund to the Capital Fund and purchasing of capital assets are made from the fund. Revenue earned by the assets of this fund are to be credited to the General Fund.

Revenue Recognition

Revenue is recognized in the General Fund in the year it is received or receivable.

Revenue earned on the assets of the Stabilization, Professional Development and Capital Funds is recognized as revenue of the General Fund when it is earned. Other investment income is recognized as revenue of the General Fund when earned.

Short-Term Investments

Short-term investments are recorded at the lower of cost and market value, unless the organization has reason to believe a decline in market value is only temporary. Market value is determined by prices quoted on the relevant stock exchanges.

Capital Assets

Capital assets are carried at cost. Amortization on computer hardware is calculated on the straight-line basis over five years. Amortization on furniture and equipment and computer software is calculated on the straight-line basis over three years. Amortization on building is calculated on the straight-line basis over twenty five years.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial Instruments

The Organization's financial instruments consist of cash, term deposits, accounts receivable, accounts payable and accrued liabilities, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks.

**3. Short-Term Investments**

	<u>2003</u>	<u>2002</u>
<u>General Fund</u>		
MSCU term deposit, 1.45% (2002 - 1.75%), due February 2004 (2002 - February 2003)	\$ 25,000	\$ 25,086
MSCU term deposit, 1.45% (2002 - 1.75%), due January 2004 (2002 - February 2003)	<u>25,000</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,086</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 1.45% (2002 - 1.75%), due March 2004 (2002 - March 2003)	25,000	25,000
Ethical Funds Inc., Ethical Balanced Fund (market value \$11,432)	<u>11,824</u>	<u>11,740</u>
	<u>36,824</u>	<u>36,740</u>
	<u>\$ 86,824</u>	<u>\$ 86,826</u>

MENNONITE PUBLISHING SERVICE, INC.

Notes to the Financial Statements  
December 31, 2003

4. Capital Assets

	2003		2002	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 24,480	\$ 15,353	\$ 9,127	\$ 13,158
Computer software	3,179	2,411	768	1,707
Office equipment	9,525	8,498	1,027	3,072
Building	166,771	14,454	152,317	158,988
Land	18,530	-	18,530	18,530
	<u>\$ 222,485</u>	<u>\$ 40,716</u>	<u>\$ 181,769</u>	<u>\$ 195,455</u>

5. Long-Term Debt

	2003	2002
Loans payable, non-interest bearing, unsecured, with various due dates between December 2004 and December 2006	\$ 41,000	\$ 51,000
Mortgage payable, Mennonite Foundation of Canada, 5.00%, repayable in blended monthly installments of \$83, secured by the land and building, renewed annually on November 1st, due November 2026	<u>13,241</u>	<u>18,547</u>
	54,241	69,547
Less current portion	<u>26,081</u>	<u>15,332</u>
	<u>\$ 28,160</u>	<u>\$ 54,215</u>

It is the organization's intention to repay the loan in blended monthly installments of \$550, even though only \$83 is required. The current portion and principle repayments due in each of the next three years are calculated using the \$550 installment amount.

Principle repayments due in each of the next three years are as follows:

2004	\$ 26,081
2005	17,389
2006	<u>10,771</u>
	<u>\$ 54,241</u>

6. Statement of Cash Flow

A statement of cash flow has not been presented as the required cash flow information is readily apparent from the other financial statements.



MENNONITE PUBLISHING SERVICE, INC.

Schedule of Expenses  
Year ended December 31, 2003

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Forecast	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Salaries	\$ 159,500	\$ 155,232	\$ 152,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,232	\$ 152,896
Benefits	27,000	23,424	21,077	-	-	-	-	-	-	23,424	21,077
Provincial editors	56,800	53,365	40,581	-	-	-	-	-	-	53,365	40,581
Advertising representative	19,000	15,779	18,401	-	-	-	-	-	-	15,779	18,401
Professional fees	10,000	6,391	10,101	-	-	-	-	-	-	6,391	10,101
Printing and production	133,000	132,913	131,056	-	-	-	-	-	-	132,913	131,056
Postage	65,500	63,799	59,050	-	-	-	-	-	-	63,799	59,050
News Service	10,000	6,758	7,011	-	-	-	-	-	-	6,758	7,011
Staff	14,000	6,401	9,451	-	-	-	-	-	-	6,401	9,451
Promotion	500	586	2,536	-	-	-	-	-	-	586	2,536
Telephone	6,500	5,388	5,120	-	-	-	-	-	-	5,388	5,120
Office	7,000	4,299	5,848	-	-	-	-	-	-	4,299	5,848
Facility costs	13,000	15,127	14,003	-	-	-	-	-	-	15,127	14,003
Equipment maintenance	3,000	1,288	3,398	-	-	-	-	-	-	1,288	3,398
Board	8,500	12,169	8,138	-	-	-	-	-	-	12,169	8,138
Amortization	15,500	14,571	15,274	-	-	-	-	-	-	14,571	15,274
Fundraising	5,000	3,158	13,500	-	-	-	-	-	-	3,158	13,500
Bad debts	-	25	128	-	-	-	-	-	-	25	128
Special projects	5,000	6,637	4,875	-	-	-	-	-	-	6,637	4,875
Insurance	1,500	1,641	1,313	-	-	-	-	-	-	1,641	1,313
	<u>\$ 560,300</u>	<u>\$ 528,951</u>	<u>\$ 523,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 528,951</u>	<u>\$ 523,757</u>

## Canadian Mennonite Publishing Service 2003 Board members

### Representing

#### British Columbia

\* Henry Neufeld (chair), Ladner Mennonite Church B.C.

#### Alberta

\* Jan Wilhelm, Edmonton CMPS  
Brenda Tiessen-Wiens, Calgary Mennonite Church Alberta

#### Saskatchewan

Bernie Thiessen, Rosthern Mennonite Church Saskatchewan

#### Manitoba

\* Ron Loeppky (vice-chair), Winnipeg Mennonite Church Canada  
Bernie Wiebe, Winnipeg Mennonite Church Manitoba  
Aiden Enns, Winnipeg Mennonite Church Canada  
Paul Krahn, Altona Mennonite Church Canada

#### Ontario

\* Lloyd Koch (treasurer), Pembroke Mennonite Church Eastern Canada  
\* Betty Dyck (secretary), Elmira CMPS  
Mary Lymburner, Stouffville CMPS  
Brice Balmer, Kitchener Mennonite Church Canada

\* Executive Committee members

### Canadian Mennonite staff

(Starting date)

#### Head office: Waterloo, Ont.

Margaret Loewen Reimer, Editor/Publisher	(1973) full time
(Ron Rempel, Editor/Publisher until July 31)	
Betti Erb, Associate editor	(Sept. 1, 2003) full time
Barb Draper, editorial assistant	(2001) 2 days/wk
Natasha Krahn, administrative assistant	(2002) full time
Tammy Sawatzky, art director	(Apr. 1, 2003) half time
Barbara Burkholder, advertising rep	(2002) 2 days/week
Leona Dueck Penner, national correspondent (Winnipeg, Man.)	(2002) 2 days/week

#### Regional correspondents: (1 day/week)

B.C.: Angelika Dawson, Abbotsford	(1995)
Alberta: Donita Wiebe-Neufeld, Edmonton	(2000)
Saskatchewan: Karin Fehderau, Saskatoon	(2000)
Manitoba: Evelyn Rempel Petkau, Carman	(1997)
Eastern Canada: Maurice Martin, New Hamburg	(2001)

January 2004