



Canadian Mennonite Publishing Service

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

Annual Report for the year 2004

Canadian Mennonite Publishing Service
34th Annual Meeting
Saturday, February 5, 2005, 4:00 p.m.
at First United Mennonite Church, Vancouver, B.C.

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|---------------------------------------|---------------------------------|
| 1. Agenda for the 2005 Annual Meeting | 5. Report on Circulation |
| 2. Minutes of the 2004 Annual Meeting | 6. Report on Fundraising |
| 3. Report from the Chair | 7. Auditors' Report |
| 4. Report from the Editor/Publisher | 8. Audited Financial Statements |
| | 9. Board Member and Staff List |

CANADIAN MENNONITE PUBLISHING SERVICE

Annual Meeting

Saturday, February 5, 2005, 4:00 p.m.
at First United Mennonite Church, Vancouver, B.C.

Agenda

1. Welcome and introductions
- Henry Neufeld, chair
2. Opening devotional by Bernie Wiebe
3. Highlights of Minutes from 2004 Annual Meeting in Winnipeg
- Jan Wilhelm, secretary
4. Highlights from Board meetings
- Henry Neufeld
5. Report of proxies - Jan Wilhelm
6. Items requiring action by the Annual Meeting
 - a) Confirmation of Board actions in 2004
 - b) Action on 2004 financial statements
 - c) Appointment of auditor
 - d) Elections
7. Other business and discussion
8. Adjournment

CANADIAN MENNONITE PUBLISHING SERVICE
Annual Meeting

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

Present: 11 board members, 1 staff, 2 CMPS members

MINUTES

1. Welcome. Henry Neufeld welcomed all Canadian Mennonite Publishing Service members. Annual reports were made available.
2. Opening Devotional. Aiden Enns read from Mark 2:13-17. He related three stories that shared the centre and periphery of some of his journeys. He challenged us to be aware of our privileged positions of power in the centre and that our position (centre or periphery) will determine how we read the Bible or *Canadian Mennonite*.
3. Highlights of Minutes from 2003 Annual Meeting in Edmonton.
MOTION: Betty Dyck moved the minutes be accepted. Bernie Thiessen seconded. Carried.
4. Highlights from Board meetings and reports (see Annual Report booklet). Margaret Loewen Reimer, Acting Editor/Publisher, commented on this transition year. She commended the staff. Fundraising letters to all subscribers in Manitoba and B.C. contributed to an all-time high in donations. Letters to the editor continue to be lively and contentious (especially on the topic of homosexuality). CM did well in its budget this year.
Henry reviewed the last year: the name change is still in process, the Search Committee is seeking a new Editor/Publisher, a Partnership Agreement had been finalized with MC Canada, the board has decided to purchase Directors and Officers Insurance, there are ongoing concerns over some conference relationships. Henry thanked Margaret and her staff for the high quality magazine. He acknowledged Lloyd Koch (treasurer), Ron Loepky (past chair), and Betty Dyck (secretary) who are leaving the board and thanked them for their contributions.
5. Report of proxies. Betty Dyck reported that no proxies were received.

6. Items requiring action by the Annual Meeting-
 - a) Confirmation of Board Actions in 2003. **MOTION: Lloyd moved approval of actions. Bernie Wiebe seconded. Carried.**
 - b) Action on 2003 financial statements. See Annual Report. **MOTION: Lloyd moved acceptance of the financial statements. Mary Lymburner seconded. Carried.**
 - c) Appointment of auditor. **MOTION: Lloyd moved the appointment of McMane, Dunkel, Kingston and Stranz as auditors. Mary Lymburner seconded. Carried.**
 - d) Elections. Bernie Thiessen presented the Nominating Committee report. The committee consisted of Mary Lymburner, Bernie Thiessen, Aiden Enns. CMPS representatives: Mary Lymburner has accepted a second term, Ester Neufeldt has agreed to a first term (2004-2007) as treasurer. One Area Conference rep and one MC Canada rep are still needed. **MOTION: Lloyd moved the nominations be closed. Bernie Wiebe seconded. Carried.**
7. There was no other business or discussion.

Adjourned at 4:50 p.m.

Submitted by Betty Dyck

Report from the Chair 2004

The ministry of the Canadian Mennonite Publishing Services in 2004 continues to be a time of challenge and change. The challenges include the strains on the partnership agreement between CMPS, MC Canada and the area conferences and the financial implications of this arrangement. The major change was the arrival of Timothy Dyck as the new Editor/Publisher of *Canadian Mennonite*. We are pleased that Tim has accepted this call. We are grateful to Margaret Loewen Reimer's work in taking editorial responsibility for CM on several occasions during her more than 30 years in communications with Canadian Mennonites. Margaret and the office staff and regional correspondents deserve our thanks and appreciation for continuing to produce an excellent issue every two weeks. With both Ron Rempel and Margaret Loewen Reimer leaving CM, we have an opportunity for change and challenge.

New Editor/Publisher

Margaret Loewen Reimer was appointed Interim Editor/Publisher for a one-year period. A search committee was appointed to seek a new Editor/Publisher. Search Committee members were Lloyd Koch (replaced by Betty Dyck), Ron Loepky, Mary Lymburner, Margaret Loewen Reimer and Henry Neufeld.

The committee contacted numerous potential candidates, and following interviews and reference checks invited Timothy Dyck to become Editor/Publisher of CM. Officially Tim began his work at CM on August 1, 2004. Prior to that Tim was able to attend the Mennonite Church Canada assembly in July in Winkler. This was an opportunity to introduce Tim to the delegates and to meet many from the constituency. Tim also led a seminar "Meet the Editor of *Canadian Mennonite*." With a journalism background and recent studies at AMBS, we are pleased with the energy and vision Tim brings to CM. Tim has spent time in BC and Manitoba making connections with congregations, institutions and church leaders. One of Tim's initiatives is the formation of a "*Canadian Mennonite* Editorial Advisory Committee."

We also acknowledge Margaret Loewen Reimer's over 30 years of faithful and dedicated writing, editing and publishing in the Canadian Mennonite constituency. Margaret left CM at the end of January 2005; we thank her for her years of service and wish her well in her future. A farewell event for Margaret was held in November.

Conference Relationships

Canadian Mennonite is a joint venture of CMPS, Mennonite Church Canada, and the area conferences (except BC). CM continues as the primary communications tool of Mennonite Church Canada. The funding formula calls for Canadian Mennonite to raise 40% (through advertisements and donations): MC Canada pays 50% of the balance and the provincial conferences the other 50%.

The relationship with provincial conferences varies with our strongest support in Ontario. BC has never agreed to the publishing partnership. The MCBC office forwards funds to CM as they are received from congregations.

In 2003 MC Manitoba executive announced that their support to CM would be cut by 50%. Increased provincial donations resulted in MC Manitoba meeting its obligations to CM in 2003. We appreciate the support of the Manitoba readers but are concerned that MC Manitoba continues to cut its funding for CM.

MC Manitoba called for a review of the CM funding formula reflecting their concern that provinces were not adequately represented in earlier discussions. The result of this was a meeting of “CMPS partners” described below.

CMPS Partnership Meeting

On July 6, 2004 a meeting of CMPS partners was held in Morden, Manitoba on the eve of the MC Canada Assembly. The meeting included representatives from each area conference, MC Canada, and CMPS. Dean Peachey was the facilitator. Tim Dyck, Margaret Loewen Reimer, Aiden Enns, Bernie Wiebe, and Henry Neufeld represented CMPS. The meeting dealt with the CM’s role as a national paper and the funding formula differences. It was decided that a new partnership agreement was needed and that each area conference appoint a representative to form a “working group” to create a new partnership. Bernie Wiebe from CMPS is coordinating this venture. Area conferences and MC Canada have appointed their representatives and we look forward to the creative results from their efforts.

We are not the only group struggling with the future of a church periodical. The Canadian Christian Reformed church (CRC) recently did a major review of their publication, *The Banner*, recommending an every home plan paid for by the denomination. *The Banner* should be “visionary an unifying... the centerpiece of denominational reflection and conversation, a town square as it were... to call its

members and congregations together... a place to discuss all the diverse sectors of the CRC....”

Board Actions

Included in Executive and Board actions in 2004:

- The appointment of Tim Dyck as Editor/Publisher of *Canadian Mennonite* effective August 1, 2004.
- Obtained insurance for Directors and Officers of CMPS.
- Approved the establishment of an Editorial Advisory Committee.
- Approved a plan to have Margaret Loewen Reimer update *One Quilt, Many Pieces*;
Funding for this will come largely from grants from Mennonite Foundation Canada and from Mennonite Savings and Credit Union.
- Continued discussions regarding the finances and the funding formula specifically as it relates to Manitoba and BC.
- Appointed Bernie Wiebe as CMPS representative to the partnership group.

Conclusion

Canadian Mennonite is the primary vehicle for communication in the MC Canada family of churches. A relatively small number are able to attend the annual assemblies, but CM has the capacity to reach all MC Canada homes and to do so every two weeks.

We thank CM staff, writers, Board, executive, and conference partners, for their continued support of this ministry, which reaches the majority of our Mennonite church Canada homes. Most importantly we thank readers and financial supporters for their gifts, critique, letters and comments. The promotion of covenantal relationships between and within Canadian Mennonite community continues to be an important ministry.

Henry Neufeld
CMPS Chair

Report from the Editor/Publisher 2004

In August 2004, I started as Editor and Publisher of *Canadian Mennonite*. The last six months have been a time of intense learning and listening, while continuing to supervise the creation of a high-quality magazine for the church every two weeks.

During this time, I have been coming to understand the many editorial and operational details of the magazine and the organization that produces it. I have also been traveling regularly to meet with constituency on a “Listening Tour” to hear how *Canadian Mennonite* can best fulfill its mission statement¹ and how it can best serve and build up the church given the church’s current challenges and needs. In the second-half of 2004, I spent 27 days on the road in four trips visiting Mennonites in B.C., Alberta, Manitoba and Ontario. I will be in Saskatchewan in February, 2005 as well as making more trips to Ontario locations.

I am excited by how God uses *Canadian Mennonite* to touch the lives of readers. It is a unique ministry in the Canadian church, able to be a witness and a call to greater faithfulness twice a month in the lives of more than 30,000 of those that attend Mennonite Church Canada churches. Our budget is comparable to that of a single mid-to-large congregation, yet our ministry (though in a very different way) touches a far greater number of people.

For most Mennonites in Mennonite Church Canada churches, attending their local congregation and receiving *Canadian Mennonite* are the only two ways that the formal church structure can connect with them week after week. This makes *Canadian Mennonite* a highly strategic ministry. It is a major avenue for service and witness directly into the homes and lives of most of the Canadian church. It allows the knowledge, spiritual insight, teaching and wisdom of our entire larger body to be shared among everyone instead than keeping these gifts limited to a particular place or congregation.

¹ “Canadian Mennonite is a bi-weekly Mennonite/Anabaptist magazine which seeks to promote covenantal relationships within the Mennonite Church Canada constituency (guided by Hebrews 10:23-25, below). With a print circulation of 16,500 (and a readership of twice that), it provides channels for sharing accurate and fair information, faith profiles, inspirational and educational materials, news and analysis of issues facing the church.”

“Let us hold fast to the confession of our hope without wavering, for he who has promised is faithful. And let us consider how to provoke one another to love and good deeds, not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the Day approaching” (Hebrews 10:23-25).

Our reach also makes us strategically important to all the area churches and to other Mennonite organizations eager to communicate with their constituency. *Canadian Mennonite* is a very effective way for them to do this.

Our mission statement verse, Hebrews 10:23-25, calls on us to, “provoke one another to love and good deeds, not neglecting to meet together, as is the habit of some, but encouraging one another, and all the more as you see the Day approaching.” May *Canadian Mennonite* be ever more effective in carrying out this mandate in the coming years.

Constituency Feedback

Through reader contact by e-mail, letter, telephone, travel and comment cards distributed in all fundraising letters, I hear regular feedback on *Canadian Mennonite*.

By a large margin, the most consistent item of feedback I have heard in conversations and talks about *Canadian Mennonite* is a desire for more articles that provide spiritual reflection and practical advice for Christian living. There is a strong desire for material that connects with ordinary Mennonites in daily life.

Also commonly mentioned has been a desire to see more youth-oriented and youth-written articles; more popular culture coverage; more local church coverage; fewer mentions of homosexuality; more color; more photos; fewer articles that appear to address only those of Swiss or Russian Mennonite heritage; and faster postal delivery of issues.

We get negative feedback regarding disagreements readers have with views of letter writers, columnists, staff or the positions of various Mennonite organizations as presented in articles; on too-technical or too abstract theological language in Faith and Life articles; poor quality of photos; not enough coverage of particular regions of the country; and slow or non-delivery of issues.

Lengthy delivery times are a particular frustration for readers west of Manitoba and makes it more difficult for *Canadian Mennonite* to deliver news and event information when such a long lead-time is required before issues reach readers' homes.

Many *Canadian Mennonite* readers are passionate about the magazine and care for it deeply. Here are representative sample of comments received on comment cards sent out with fundraising letters:

- “Thanks for an excellent, thought-provoking paper!” (Saskatchewan)
- “We like the paper and the content. May God bless you in your work.” (Manitoba)
- “Your interesting and thought-provoking articles are appreciated. It’s important to [keep] the Mennonite churches more united.” (Alberta)
- “Thank you for a wonderful job. I appreciate the Canadian Mennonite.” (Ontario)
- “[The] paper is very good. We enjoy reading what’s happening in the churches and what Witness workers are doing. Always like Melissa Miller’s column. Nice if the Faith and Life columns are easy to understand. The Theology of Romans was a little difficult. Words like ‘soteriology’ aren’t very helpful reading. Keep up the good work. Good editorials.” (Saskatchewan)
- “Today is Jan. 14 and I am still waiting for my Dec. 20 issue to arrive. I know I can go online and read it (and I often do), but I do think Canada Post could do a better job. That’s my only but on-going complaint. As for content, I enjoy the personal interest stories most but I’m sure I read 95-99% of each issue. I wish more churches would send in their Transitions announcements. As a Prairie transplant, I check them carefully each issue. Keep up the good work.” (British Columbia)
- “We are pleased to read about many signs of ‘New Life’ in our Mennonite congregations. God’s blessings to you as you seek to report exactly that—but we also need to realize our down sides. Thank you for your work. May God continue to bless the work and others through it is our prayer.” (Saskatchewan)
- “It always takes too long till the next issue arrives. Thank you for the content.” (Manitoba)

Editorial Content

Canadian Mennonite exists to provide editorial content of value to the church. In 2004, we produced 24 issues containing 912 pages in total, with each issue sent to around 16,500 subscription addresses.

Our issues contained a large variety of material relating to how Canadian Mennonites and Mennonite organizations seek to be faithful followers of Christ in the world. Areas of ongoing coverage were profiles of individuals and their faith stories, theological articles focused on particular topics, columns, letters, local church features, and news and features on the activities of church-related organizations.

We published articles on a regular basis on the work of the five area churches, Mennonite Church Canada Witness workers, Mennonite Central

Committee projects and Mennonite schools and camps news. We had ongoing reporting on sessions and other meetings of the area churches and of Mennonite Church Canada, particularly the national church assembly in Winkler, Manitoba in July 2004. The work of these organizations is strongly supported by our constituency and there is a high degree of interest in their work.

We also carried news from churches outside Canada. A special focus was the persecution of the Vietnamese Mennonite church; we also published significant stories on the Ethiopian, Columbian and Mennonite Church USA churches. One example was the series of articles we published by Janet Plenert, Mennonite Church Canada Witness staff worker, and her daughter, Gabrielle, on their experiences living and working in Colombia. These were a moving testimony on how we here in Canada can learn from the Colombian Mennonite church.

Canadian Mennonite is known for its strong Arts and Culture reporting, especially its books coverage: two issues in 2004 had a special focus on books and book reviews made regular appearances throughout the year.

Each issue also included a calendar of local (mostly church-related) events of interest to Mennonites and announcements of transitions (baptisms, marriages, births and deaths) from churches across the country. Calendar and Transition announcements are published free of charge to those sending them.

The “From our Leaders” (written by leaders from each area church and Mennonite Church Canada) and Melissa Miller’s “Family Ties” column continued throughout the year, while Tim Wiebe’s “Pilgrim Pieces” column ended a four year run.

Major feature articles in our Faith and Life section addressed topics such as:

- prayer and prayer resources
- communion
- young people and faith
- aging and retirement
- theological teaching on life after death, Lent, church music, Advent and the book of Romans
- mental health
- church unity
- work and Sabbath rest
- the Biblical use of money
- lessons from the life of Menno Simons

- “Enough for all,” sharing of Tom Yoder Neufeld’s Winkler Assembly sermons
- law and policing in a Mennonite context

Significant issues in the Letters section (not in any ranked order) included:

- church unity
- J. Nelson Kraybill’s article “Four Spiritual Truths of God’s salvation” (published in our Jan. 26, 2004 issue)
- Miriam Toews’ novel *A Complicated Kindness*
- homosexuality
- marriage
- policing
- “The Passion of the Christ” movie
- pacifism and the military, particularly regarding Iraq
- Mennonite Central Committee

A few quotes:

- “This was God’s idea; there was a need in our community and God was asking me to get it going.”—Joy Neufeld on the new supper program at Grace Mennonite Church in Steinbach, MB.
- “He was also impressed by members’ dedication to ‘living their lives according to how they thought Jesus said we should live, which can be hard to do in Montreal...”—Ross Brownlee’s baptism story, Mennonite Fellowship of Montreal.
- “However, I now see things through new eyes. My faith and reliance on God has increased through my soul-stretching experiences.”—Jeff Metcalfe, Drayton, ON, part of the faith stories of four Canadian teenagers from Winnipeg, Vancouver and Drayton exploring church ministry.
- “If you ever need help, go to my saviour / whether it’s questions, concerns or maybe a test paper”—rap music created by two B.C. Mennonite teenagers as a way to express their faith.

Editorial Content: New Initiatives

A major new initiative relating to Editorial Content is the formation of an Editorial Advisory Group for *Canadian Mennonite*. A proposal describing this group, its mandate, scope and operation was approved by the *Canadian Mennonite* Executive Board in November 2004. I am gathering names for it as I travel to each region of the country. This effort has been slower to get going than I had initially thought but will come together in 2005.

In addition, staff writers and I have also started some new initiatives based on ongoing feedback from Listening Tour travels and readers.

- We have started a yearly Editorial Calendar (published online) that will allow for longer-range planning on editorial topics, as well as a place for deliberation on what is important for the church to be hearing and discussing. Some of our material will always be driven by current events or by church happenings we won't know about in advance but I would like to have more of our material (especially Faith and Life features) planned through a collaborative process with *Canadian Mennonite* stakeholders.
- A regular prayer column was added as a resource for church and personal worship. There has been a steady series of requests from readers for more faith-building stories and this is one response to these requests. We want to provide some incentive to keep *Canadian Mennonite* around as a resource after the news value of its content has subsided.
- There have been a focus on youth and young adult voices in *Canadian Mennonite*—we have been working on seeking out younger voices and having them tell their stories in their own voices. This has been happening. However, it is not always apparent when a writer is a younger person because we do not usually publish a photo of the writer or state their age. We need a way to show that all parts of the church— younger and older—are represented in *Canadian Mennonite*.

Editorial Content: Web Site Improvements

We moved to a new web service provider in mid-September 2004 to save money and to gain access to more sophisticated web hosting features. As before, our web site is at www.canadianmennonite.org. It contains a subset (about three-quarters) of the material in each print edition as well as an online archive of previously published issues.

Web publishing provides an opportunity for greater transparency in our operations and provides more opportunities for self-service by our staff and constituency when searching for information we publish or on our organization. It also helps in partially addressing the slow delivery times of our print edition we have in western Canada.

The Web site is fairly well used. Here are usage statistics for the last three months of 2004 (statistics collection was one benefit of moving to a new service provider):

Month	Number of Pages Viewed	Number of Visits
October 2004	17,326	5,406
November 2004	13,055	4,512
December 2004	15,030	6,040
Average	15,137	5,319

Assuming readers visit the site once per issue, this data suggests that about 10% of readers view online content for each issue. Lunch hours (in the various Canada time zones) are our busiest times so people are probably reading from workplace computers.

We are the paper of record for the five area churches and for the national church, as well as for a number of Mennonite schools and organizations. In early 2005, we added a search feature to the site that allows for full-text searching of every word posted back to mid-2001. This turns the web site into a powerful research tool for readers seeking information on the activities of their churches or on other church news.

In addition, new sections added to the web site were the complete 2004 print edition index, a page on how to submit articles to *Canadian Mennonite* to encourage more readers to consider submitting stories and the editorial calendar.

In early 2005, we also added the ability to donate money to *Canadian Mennonite* online from our web site through a registration with CanadaHelps.org. It remains to be seen if this feature will generate additional donations. The organization charges a 3% fee on donations for processing online donations but the revenue is 97% more than we would receive if the feature prompts someone to donate who otherwise would not. The electronic link makes it very fast and easy to donate without having to find a cheque or a stamp.

Our site design currently has some flaws, including a design that prevents book-marking stories for reference or e-mailing of links for particular articles to friends. We hope to do more in the future to use the web site to measure the relative reader interest in different types of topics and stories and use that feedback for future editorial planning. We would also like to investigate

other forms of online communication including sending stories or issue announcements by e-mail and forms of electronic advertising.

Web publishing is increasingly common for all media organizations and is a part of our effort to serve all our readers well and to stay connected with upcoming generations of Mennonites.

Staffing Changes

Staff transitions have required significant attention and energy from the board and from me in 2004.

After I started as *Canadian Mennonite's* new Editor and Publisher in August 2004, Margaret Loewen Reimer, who had been filling that position on an interim basis for the previous year, once again became *Canadian Mennonite's* Managing Editor. She remained in that post for a further six months (through Feb. 1, 2005) to provide transition time for the organization. Thanks to her for that period of extra help and for her 31 years of service to *Canadian Mennonite* and *Mennonite Reporter!* A farewell dinner and program were held for her in November 2004.

I hired a new Managing Editor, Ross Muir, to fill Margaret Loewen Reimer's position. He started in mid-January 2005.

We are also hiring a new Art Director in February 2005, so during the first seven months of my time at *Canadian Mennonite*, 2.5 out of the 4.1 FTE spaces in the head office will have changed. There is sadness at departures but the new arrivals also bring fresh ideas and perspectives to the magazine, along with the need to climb a steep learning curve to regain lost institutional knowledge.

Financial Results

In 2004, *Canadian Mennonite* experienced drops in income that led to a smallest surplus in operating finances in recent years. When mortgage payments were considered, we just were around the break-even mark. The full financial details are presented in our audited financial statements.

For 2004, total operational revenue was \$543,713 and operational expenses were \$526,729. After making building loan and mortgage repayments of \$26,081, we ended the year with a cash position down \$3,970 (operational expenses included \$11,239 of amortization which was not something that we

paid out of our bank account in 2004). After internal transfers (which were already cut in half due to tight finances) of \$7,936 to pay for future capital equipment purchases and future professional development leave, we ended the year having to draw on reserves. *Canadian Mennonite* has had small surpluses for a number of years and so has resources to cover the shortfall but this is, in the words of our auditor, a “wake up call” regarding our income and expenses plan.

The shortfall is due to a drop in revenue in 2004; expenses were both lower than budgeted and lower than actual expenses in 2003. *Canadian Mennonite's* spending has actually been almost unchanged (a variance of less than 1.5%) since 2001.

The drop in income in 2004 resulted from two main sources: a decline in advertising revenue of about \$6,500 over 2003 and a drop of about \$12,300 in revenue from Mennonite Church Manitoba, our third-largest area church contributor (after Mennonite Church Canada and Mennonite Church Eastern Canada).

The funding plan (re)approved in 2000 by all area churches except Mennonite Church B.C. and put in place in 2001 is as follows: Area churches and Mennonite Church Canada purchase subscriptions for any person attending a conference church that wishes to receive the magazine and pay 60% of the cost of those subscriptions. *Canadian Mennonite* pays the remaining 40% of the cost. The national church pays for half of the 60% and area churches pay for the other half of the 60% in proportional share based on membership size. This has been called the 50/50 Every Home plan.

In 2003, Mennonite Church Manitoba decided that it would be able to only pass on 50% of the amount *Canadian Mennonite* bills the church to cover Manitoba subscriptions. However, the Manitoba church was, in the end, able to pay 100% of the 2003 invoices. In 2004, the church again committed to 50% funding in its budget but also decided it would send a portion of above-budget funds (if available) to *Canadian Mennonite* to help make up the shortfall. In 2004, Mennonite Church Manitoba was able to pay 75% of its 2004 invoices with 50% paid throughout the year and an additional 25% paid in early 2005. For our 2005 fiscal year, Mennonite Church Manitoba is budgeting 50% funding with any extra funds uncertain.

We continue to be grateful for the support from the Manitoba church and from Manitoba Mennonites, financial and otherwise. During times of financial uncertainty, decisions on how resources are allocated are very difficult and Mennonite Church Manitoba has many worthy programs competing for funds!

As has been the practice almost since the founding of *Canadian Mennonite*, Mennonite Church British Columbia does not pay subscription costs on behalf of its members but passes this decision onto individual churches. About one-half of B.C. church homes get *Canadian Mennonite*, a subscription rate that roughly half again of what is typical in other parts of Canada. However, out of the churches that receive *Canadian Mennonite* in B.C. through the submission of church lists (and any church is welcome to do this, whether they pay or not), almost three-fourths do pay the full remaining costs of their subscription, indicating that most of those that receive it like it well enough to keep paying for it year after year.

Mennonite Church Alberta, Mennonite Church Saskatchewan, Mennonite Church Eastern Canada and Mennonite Church Canada continued in the funding arrangement as agreed to in 2001.

We will continue to work closely with all our funding partners on how to proceed, even while *Canadian Mennonite* works to ensure its operations are in the black. As a non-profit organization, we operate on a break-even basis, charging as little as we can for subscriptions in order to make them as widely available as possible at the least possible cost.

A *Canadian Mennonite* Partnership Group (chaired by Bernie Wiebe of the Canadian Mennonite Publishing Service board) was established in late 2004. This group has representation from each funding partner and provides a place for developing a new working agreement between the churches on funding, ownership issues and process for *Canadian Mennonite* agreement revisions.

Fundraising

In terms of *Canadian Mennonite's* own fundraising, a spring 2004 fundraising letter was sent to every reader requesting donations (as is the usual practice every second year). A fall 2004 letter was sent just to past donors. A third fundraising letter was also sent in the fall to all B.C. readers (all those that were not already receiving the donor-only letter).

Donations of \$65,227 were received in 2004, almost at budget. Donations continue to make a significant positive difference to our finances. Thank you so much to those of you who are able to financially support our ministry!

Circulation

Circulation dropped very slightly (by about 200 subscriptions, about 1%) over 2004. We saw a slightly larger drop in 2003.

Out of those that call to cancel subscriptions, the most common reason is death (about half of calls) and the second most common reason is not having the physical ability or time to read it. The third most common reason is disagreement with material published in the magazine.

Thanks

I extend my thanks to *Canadian Mennonite's* staff and correspondents for their continuing good work, and to the *Canadian Mennonite* Publishing Service board for its commitment, guidance and support. Thank you to the churches for your support of this work and to the many individuals who pray for us, offer guidance, write for us and contribute in other ways.

May God use *Canadian Mennonite* for the building up of the church!

Timothy Dyck
Editor/Publisher
February 2005

**CANADIAN MENNONITE
Circulation Report
February 7, 2005**

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals
Individual	Individual	55	41	20	101	100	6	0	76	7	406
	Gift	10	8	7	12	18	1	1	13	9	79
Group Plans	Small Groups	2	148	12	5	0	0	0	1	2	170
Every Home Plans	MC – BC	1065	6	2	2	2	1	0	7	4	1089
	MC – AB	12	810	6	13	7	1	0	6	9	864
	MC – SK	21	44	1833	36	16	4	0	25	10	1989
	MC- MB	30	33	13	4561	35	4	2	31	23	4732
	Menn Church of Eastern Canada	19	12	4	28	6412	67	2	66	27	6637
	Bulk (churches)	91	26	25	84	55	0	0	0	0	281
	Complimentary	1	0	2	5	5	2	0	2	3	20
	Bulk (schools, etc.)	31	0	15	115	35	0	0	0	0	196
	Exchange	1	0	1	11	7	1	0	10	5	36
Totals		1338	1128	1940	4973	6692	87	5	237	99	16499

**CANADIAN MENNONITE
SUMMARY OF 2004 FUNDRAISING FOR INDIVIDUAL DONORS**

Number of donors in donation ranges										
Province	\$1-49	\$50-99	\$100-199	\$200-999	\$1000+	Total \$	Total number of donors	% of total circ.	% of total donations	# donated twice
British Columbia	18	25	13	4	0	\$5,175	60	8.1	8.4	7
Alberta	15	37	21	2	0	\$3,338	75	6.8	5.4	6
Saskatchewan	36	56	26	5	0	\$7,415	123	11.8	12.1	17
Manitoba	92	117	46	14	0	\$16,685	269	30.1	27.2	36
Ontario	161	197	85	20	0	\$28,037	463	40.6	45.7	62
Eastern Provs.	5	7	0	0	0	\$471	12	0.6	0.8	1
US	0	0	0	0	0	\$0	0	1.4	0.0	0
Overseas	0	0	0	1	0	\$200	1	0.6	0.3	0
TOTALS	327	439	191	46	0	\$61,321	1,003	100	100	129

MENNONITE PUBLISHING SERVICE, INC.

**Financial Statements
December 31, 2004**

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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, 2004 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, 2004 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 22, 2005

MENNONITE PUBLISHING SERVICE, INC.

Statement of Revenue and Expenses and Changes in Fund Balances
Year Ended December 31, 2004

	<u>General Fund</u>			<u>Stabilization Fund</u>		<u>Professional Development Fund</u>		<u>Capital Fund</u>		<u>Total</u>	
	<u>Budget</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenue											
Conference subscriptions	\$ 332,000	\$ 309,090	\$ 316,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,090	\$ 316,599
Individual subscriptions	20,000	21,229	21,550	-	-	-	-	-	-	21,229	21,550
Advertising and supplements	155,000	139,916	146,358	-	-	-	-	-	-	139,916	146,358
Donations	67,000	65,227	85,914	-	-	-	-	-	-	65,227	85,914
Interest and exchange	1,850	1,873	1,759	-	-	-	-	-	-	1,873	1,759
Other	8,000	6,378	7,416	-	-	-	-	-	-	6,378	7,416
	583,850	543,713	579,596	-	-	-	-	-	-	543,713	579,596
Expenses (Page 6)	<u>544,100</u>	<u>526,729</u>	<u>528,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,729</u>	<u>528,951</u>
Surplus for the year	39,750	16,984	50,645	-	-	-	-	-	-	16,984	50,645
Fund balances, beginning of year	<u>247,366</u>	<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>
	<u>287,116</u>	<u>264,350</u>	<u>265,482</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>375,080</u>	<u>358,096</u>
Transfer to Professional Development Fund	(9,500)	(4,750)	(10,000)	-	-	4,750	10,000	-	-	-	-
Transfer to Capital Fund	(8,000)	(3,186)	(8,116)	-	-	-	-	3,186	8,116	-	-
	(17,500)	(7,936)	(18,116)	-	-	4,750	10,000	3,186	8,116	-	-
Fund balances, end of year	<u>\$ 269,616</u>	<u>\$ 256,414</u>	<u>\$ 247,366</u>	<u>\$ 42,445</u>	<u>\$ 42,445</u>	<u>\$ 46,774</u>	<u>\$ 42,024</u>	<u>\$ 29,447</u>	<u>\$ 26,261</u>	<u>\$ 375,080</u>	<u>\$ 358,096</u>

MENNONITE PUBLISHING SERVICE, INC.

Statement of Financial Position
December 31, 2004

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
ASSETS										
Current Assets										
Bank	\$ 60,848	\$ 84,223	\$ 5,787	\$ 5,753	\$ 42,465	\$ 32,235	\$ 27,412	\$ 18,271	\$ 136,512	\$ 140,482
Short-term investments (Note 3)	50,000	50,000	36,849	36,824	-	-	-	-	86,849	86,824
Accounts receivable	22,418	32,911	-	-	-	-	-	-	22,418	32,911
Prepaid expenses	2,033	986	-	-	-	-	-	-	2,033	986
	<u>135,299</u>	<u>168,120</u>	<u>42,636</u>	<u>42,577</u>	<u>42,465</u>	<u>32,235</u>	<u>27,412</u>	<u>18,271</u>	<u>247,812</u>	<u>261,203</u>
Capital Assets (Note 4)	<u>171,345</u>	<u>181,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,345</u>	<u>181,769</u>
	<u>\$ 306,644</u>	<u>\$ 349,889</u>	<u>\$ 42,636</u>	<u>\$ 42,577</u>	<u>\$ 42,465</u>	<u>\$ 32,235</u>	<u>\$ 27,412</u>	<u>\$ 18,271</u>	<u>\$ 419,157</u>	<u>\$ 442,972</u>
LIABILITIES										
Current Liabilities										
Accounts payable	\$ 6,836	\$ 21,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,836	\$ 21,018
Deferred revenue	9,081	9,617	-	-	-	-	-	-	9,081	9,617
Interfund payables (receivables)	6,153	17,647	191	132	(4,309)	(9,789)	(2,035)	(7,990)	-	-
Current portion of long-term debt	17,419	26,081	-	-	-	-	-	-	17,419	26,081
	<u>39,489</u>	<u>74,363</u>	<u>191</u>	<u>132</u>	<u>(4,309)</u>	<u>(9,789)</u>	<u>(2,035)</u>	<u>(7,990)</u>	<u>33,336</u>	<u>56,716</u>
Long Term Debt (Note 5)	<u>10,741</u>	<u>28,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,741</u>	<u>28,160</u>
FUND BALANCES	<u>256,414</u>	<u>247,366</u>	<u>42,445</u>	<u>42,445</u>	<u>46,774</u>	<u>42,024</u>	<u>29,447</u>	<u>26,261</u>	<u>375,080</u>	<u>358,096</u>
	<u>\$ 306,644</u>	<u>\$ 349,889</u>	<u>\$ 42,636</u>	<u>\$ 42,577</u>	<u>\$ 42,465</u>	<u>\$ 32,235</u>	<u>\$ 27,412</u>	<u>\$ 18,271</u>	<u>\$ 419,157</u>	<u>\$ 442,972</u>
Fund balance comprised of:										
Invested in capital assets	\$ 143,185	\$ 127,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,185	\$ 127,528
Internally restricted	-	-	42,445	42,445	46,774	42,024	29,447	26,261	118,666	110,730
Unrestricted	<u>113,229</u>	<u>119,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,229</u>	<u>119,838</u>
	<u>\$ 256,414</u>	<u>\$ 247,366</u>	<u>\$ 42,445</u>	<u>\$ 42,445</u>	<u>\$ 46,774</u>	<u>\$ 42,024</u>	<u>\$ 29,447</u>	<u>\$ 26,261</u>	<u>\$ 375,080</u>	<u>\$ 358,096</u>

MENNONITE PUBLISHING SERVICE, INC.

Notes to the Financial Statements December 31, 2004

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 Inc.'s 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, 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>2004</u>	<u>2003</u>
<u>General Fund</u>		
MSCU term deposit, 1.45% (2003 - 1.45%), due February 2005 (2003 - February 2004)	\$ 25,000	\$ 25,000
MSCU term deposit, 1.25% (2003 - 1.45%), due January 2005 (2003- January 2004)	<u>25,000</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,000</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 1.40% (2003 - 1.45%), due March 2005 (2003 - March 2004)	25,000	25,000
Ethical Funds Inc., Ethical Balanced Fund (market value \$13,075)	<u>11,849</u>	<u>11,824</u>
	<u>36,849</u>	<u>36,824</u>
	<u>\$ 86,849</u>	<u>\$ 86,824</u>

MENNONITE PUBLISHING SERVICE, INC.

**Notes to the Financial Statements
December 31, 2004**

4. Capital Assets

	2004		2003	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 25,295	\$ 18,914	\$ 6,381	\$ 9,127
Computer software	3,179	2,931	248	768
Office equipment	9,525	8,985	540	1,027
Building	166,771	21,125	145,646	152,317
Land	18,530	-	18,530	18,530
	<u>\$ 223,300</u>	<u>\$ 51,955</u>	<u>\$ 171,345</u>	<u>\$ 181,769</u>

5. Long-Term Debt

	2004	2003
Loans payable, non-interest bearing, unsecured, with various due dates between December 2005 and December 2006	\$ 21,000	\$ 41,000
Mortgage payable, Mennonite Foundation of Canada, 4.3% (2003 - 5.0%), repayable in blended monthly installments of \$45, secured by the land and building, renewed annually on November 1st, due November 2006	<u>7,160</u>	<u>13,241</u>
	28,160	54,241
Less current portion	<u>17,419</u>	<u>26,081</u>
	<u>\$ 10,741</u>	<u>\$ 28,160</u>

It is the organization's intention to repay the loan in blended monthly installments of \$550, even though only \$45 is required. The current portion and principle repayments due in each of the next two years are calculated using the \$550 installment amount.

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

2005	\$ 17,419
2006	<u>10,737</u>
	<u>\$ 28,156</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, 2004

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Salaries	\$ 155,000	\$ 156,965	\$ 155,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,965	\$ 155,232
Benefits	27,000	21,627	23,424	-	-	-	-	-	-	21,627	23,424
Provincial editors	53,000	55,307	53,365	-	-	-	-	-	-	55,307	53,365
Advertising representative	18,800	15,464	15,779	-	-	-	-	-	-	15,464	15,779
Professional fees	7,000	6,578	6,391	-	-	-	-	-	-	6,578	6,391
Printing and production	133,000	123,800	132,913	-	-	-	-	-	-	123,800	132,913
Postage	65,000	72,538	63,799	-	-	-	-	-	-	72,538	63,799
News Service	6,600	9,186	6,758	-	-	-	-	-	-	9,186	6,758
Staff	6,500	6,661	6,401	-	-	-	-	-	-	6,661	6,401
Promotion	600	574	586	-	-	-	-	-	-	574	586
Telephone	5,500	5,515	5,388	-	-	-	-	-	-	5,515	5,388
Office	5,800	3,580	4,299	-	-	-	-	-	-	3,580	4,299
Facility costs	16,000	11,135	15,127	-	-	-	-	-	-	11,135	15,127
Equipment maintenance	3,300	4,107	2,929	-	-	-	-	-	-	4,107	2,929
Board	8,500	8,767	12,169	-	-	-	-	-	-	8,767	12,169
Amortization	14,500	11,239	14,571	-	-	-	-	-	-	11,239	14,571
Fundraising	13,000	13,426	3,158	-	-	-	-	-	-	13,426	3,158
Bad debts	-	-	25	-	-	-	-	-	-	-	25
Special projects	5,000	260	6,637	-	-	-	-	-	-	260	6,637
	<u>\$ 544,100</u>	<u>\$ 526,729</u>	<u>\$ 528,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,729</u>	<u>\$ 528,951</u>

**Canadian Mennonite Publishing Service
2004 Board Members**

	Representing
British Columbia	
John W. Goosen, Delta	Mennonite Church Canada
* Henry Neufeld (chair), Ladner	Mennonite Church B.C.
Alberta	
Brenda Tiessen-Wiens, Calgary	Mennonite Church Alberta
* Jan Wilhelm (secretary), Edmonton	CMPS
Saskatchewan	
Bernie Thiessen, Rosthern	Mennonite Church Saskatchewan
Manitoba	
Aiden Enns, Winnipeg	Mennonite Church Canada
* Paul Krahn, Altona	Mennonite Church Canada
* Bernie Wiebe (vice-chair), Winnipeg	Mennonite Church Manitoba
Ontario	
Brice Balmer, Kitchener	Mennonite Church Canada
Larry Cornies, London	Mennonite Church Eastern Canada
* Ester Neufeldt (treasurer), Kitchener	CMPS
Mary Lymburner, Stouffville	CMPS
* Executive Committee members	

**Canadian Mennonite
2004 Staff**

	Starting Year / FTE
Head office: Waterloo, Ont.	
Barbara Burkholder, Advertising Rep	2002 / 0.4
Barb Draper, Editorial Assistant	2001 / 0.4
Timothy Dyck, Editor/Publisher	2004 / 1.0
Natasha Krahn, Administrative Assistant	2002 / 0.8
Margaret Loewen Reimer, Managing Editor	1973 / 1.0
Tammy Sawatzky, Art Director	2003 / 0.5
Branch office: Winnipeg, Man.	
Leona Dueck Penner, National Correspondent	2002 / 0.4
Regional Correspondents:	
B.C.: Angelika Dawson, Abbotsford	1995 / 0.2
Alberta: Donita Wiebe-Neufeld, Edmonton	2000 / 0.2
Saskatchewan: Karin Fehderau, Saskatoon	2000 / 0.2
Manitoba: Evelyn Rempel Petkau, Carman	1997 / 0.2
Eastern Canada: Maurice Martin, New Hamburg	2001 / 0.2