

CANADIAN MENNONITE

Canadian Mennonite Publishing Service
490 Dutton Drive, Unit C5
Waterloo, Ontario N2L 6H7

Annual Report for the year 2007

Canadian Mennonite Publishing Service
37th Annual Meeting

Saturday, March 29, 2008, 4:00 p.m.
at Foothills Mennonite Church, Calgary, Alberta

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|---------------------------------------|---------------------------------|
| 1. Agenda for the 2008 Annual Meeting | 5. Report on Circulation |
| 2. Minutes of the 2007 Annual Meeting | 6. Report on Fundraising |
| 3. Report from the Board Chair | 7. Auditor's Report |
| 4. Report from the Editor/Publisher | 8. Audited Financial Statements |
| | 9. Board Member and Staff List |

37th Annual Meeting of CANADIAN MENNONITE PUBLISHING SERVICE

Saturday, March 29, 2007, 4:00 p.m.
at Foothills Mennonite Church, Calgary, Alberta

Agenda

1. Welcome and introductions
 - Doris Haysom, MC Alberta representative, CMPS Board
2. Opening devotional
 - Larry Cornies, CMPS Board Vice Chair
3. Highlights of minutes from 2007 Annual Meeting in Kitchener
 - Paul Krahn, CMPS Board Secretary
4. Highlights of Board actions since the last Annual Meeting
 - Bernie Wiebe, CMPS Board Chair
5. Report from the Editor/Publisher
 - Tim Miller Dyck
6. Report of proxies
 - Paul Krahn, CMPS Board Secretary
7. Items requiring action by CMPS members:
 - a) Confirmation of Board actions in 2007
 - b) Acceptance of 2007 financial statements
 - c) Appointment of auditor for 2008
 - d) Elections of CMPS board members
8. Other business and discussion
9. Adjournment

The CMPS 2007 Annual Report is available, and contains detailed board, editorial and circulation reports as well as audited financial statements for 2007.

The CMPS annual banquet follows at 6 p.m.

**Canadian Mennonite Publishing Service
Annual Meeting
Saturday, March 10, 2007, 4:00 p.m.
at First Mennonite Church, Kitchener, ON**

Present: 11 board members, four staff members, two guests

1. Welcome and introduction of CMPS Board & Staff - Larry Cornies, CMPS MCEC rep

2. Opening devotional - Bernie Wiebe, chair, CMPS Board

- Read Romans 4: 18-25

- In confusion, comes clarity; in absurdity, comes hope; in grief and death, the roots go down for deeper living.

- Abraham's faith during absurd, difficult, times functions as a model for us.

- It is difficult for us dream in these days of realism and pragmatism.

3. Highlights of 2006 Annual Meeting in Saskatoon - Paul Krahn, secretary, CMPS

- Paul briefly highlighted the minutes of the 2006 Annual meeting.

4. Highlights from Board meetings since the last Annual Meeting – Paul Krahn, secretary, CMPS

- Paul highlighted the Board Actions & Motions of 2006

5. Report from the Editor/Publisher - Tim Miller Dyck

- Tim highlighted two news events: the kidnapping of the CPTers, and the murder of five Amish school children

- these are significant events because of the way that the people victimized in these situations exemplified for us a Mennonite response in times of trials

- Our vision at CM is that the magazine helps report on the issues that shape the people of God.

- Tim explained the upcoming redesign of the magazine.

6. Report of proxies - Paul Krahn, secretary

- There were no proxies to report.

7. Items requiring action by CMPS members:

7.1 Confirmation of Board actions in 2006 – Paul Krahn

Motion: Paul moved that the Minutes and Board Action be accepted as read. m/s/c

7.2 Acceptance of 2006 financial statements – Tim Miller Dyck (for Ester Neufeldt)

- Tim reviewed the statements of the past year, pointing out a surplus of \$33 000 for the year.

- It was a good year for donations.

Motion: Larry Cornies moved the acceptance of the financial reports. m/s/c

7.3 Appointment of auditor for 2007

- Our auditors for the past years have been MDKS (McMane Dunkel, Kingston, and Strand).

Motion: Mary Lymburner moved that we continue to employ these auditors for 2007. m/s/c

7.4 Elections of CMPS board members – Bernie Thiessen

- Bernie T. presented two nominees to fill the positions vacated by Mary Lymburner & Ester Neufeldt.

Jolene Reesor-McDowell, Stouffville, ON

Tobi Thiessen, Etobicoke, ON

- Bernie Wiebe opened the floor for nominations. There were no further nominations.

Motion: That the meeting acclaim the nominees as presented. m/s/c

8. Other business and discussion

- none

9. Adjournment at 4:40 pm

Report from the CMPS Board Chair -- March 2008

A big accomplishment of 2007 was the redesigning of *Canadian Mennonite*. This happened without a lot of fanfare and has gained good acceptance. Of course, it has been a challenge to staff and has meant ongoing adaptations. Also, 2007 was our 10th anniversary, celebrating a decade of serving our partners as their publication. The partnership of 7 – 5 Area Churches, MC Canada, and CMPS – has functioned well. In 2007 we began the renewal process of our Partnership Agreement, which expires at the end of 2008.

Challenges in 2007 and ahead

1. It was a significant change to accept the retirement of Leona Dueck Penner who had served as national correspondent for a number of years. Teresa Falk, our first replacement began with a lot of promise, but soon asked to be released from her part time CM employment for another full time offer. Aaron Epp, the next choice among our applicants, was still interested and available; and that is working well.

Other personnel issues also have come up throughout the year, such as working from home, change of time commitment, arrangements to continue education.

2. Responses to some controversial reporting on the Widrick talk, the Muslim-Christian dialogue, and a column together with an editorial comment, kept the letters coming.
3. Initial responses garnered from our partners last July in Abbotsford reminded us that our Partnership Agreement, while basically amicable, has some discrepancies left to work on. While we have come out financially these past years, the future will continue to challenge us for a fair way to raise funds from all the partners.

Some of the joys in 2007

Canadian Mennonite has again been blessed in many ways:

1. Our Editor/Publisher has won very strong endorsement among CM readers and our partnership constituencies. We are deeply indebted to Tim Miller Dyck for his diligence in editing CM, and for his commitment to the whole church.
2. We have been able to update much of our equipment within our budget.
3. Our redesign went quite smoothly and seems generally appreciated.
4. Feedback from our Partners has continued to be very positive.
5. We again finished the year with a financial surplus.

Reminders to the CMPS Board

Two things: 1. We did a mutual evaluation with our Editor/Publisher after his first year with CM. Now he is in his fourth year. It is probably wise to plan another such process over this next year. Since this is my last meeting with the board, I am hoping that you as continuing members will develop a proposal.

2. From time to time, new board members have expressed some frustrations about being “in the loop,” and all of us at times wonder how to be good board members. It may be time to do some intentional board development. Tim will likely share some thoughts on this as well.

Closing Summary

My time on the CMPS Board has come to an end. I have appreciated my 9 years of being on the Board and enjoyed seeing the partnership dynamics grow. It has also been a pleasure and privilege to work with CM staff, with the CMPS Board, with the CMPS Executive, with our partners, and with readers of *Canadian Mennonite*.

I wish the CMPS much courage, commitment, and joy as you continue to guide the significant ministry of *Canadian Mennonite*.

Bernie Wiebe, outgoing CMPS chair, March 2008

CMPS Executive & Board Actions & Motions 2007

From March 8 Executive meeting at First Mennonite Church, Kitchener-Waterloo, ON

9. Magazine redesign

MOTION: Paul Krahn moved that Tim and Tim R Dyck move ahead with the magazine redesign and Consider increasing the use of colour as soon as they feel it is ready. m/s/c

10. Conrad Grebel University College proposal on Frank H. Epp Fund

MOTION - Brice moved that CMPS allow Conrad Grebel University College full ownership of the Frank H. Epp Endowment Fund to help establish a "Centre for the Study of Religion and Peace," with the request that Frank H. Epp's legacy and name continue to be an integral part of this new venture.
m/s/c

Discussion:

- We applaud Grebel for taking up the cause, but regret the loss of the Frank Epp endowment.

MOTION - That the CMPS Board chair write a letter to Conrad Grebel University College handing over ownership and raising its concerns about:

- maintaining Frank Epp's legacy and name
- involving schools in the West as well (CMU & Menno Simons)
- maintaining his legacy as a journalist

m/s/c

13. Financial reports

13.2 Surplus allocation notes

13.2.1 CM Current Financial Position

ACTION: That the CMPS Executive study the question of how to manage the cash in the General fund, and plan how much to allocate to the Stabilization Fund and to other projects that benefit the larger church body. m/s/c

13.2.2 Report on Prof. Development Fund needs

ACTION: For 2007, CMPS deposit \$10 000 into the Professional Development fund. m/s/c

13.2.3 Report on future Capital fund needs

ACTION: For 2007, CMPS deposit \$5000 into the Capital fund. m/s/c

13.2.5 General Investment Policy Guidelines

- **ACTION:** That the CMPS maintain the policy that transfers interest from reserve funds into General revenue. m/s/c

13.2.6 Investment in an ethical mutual fund

- **ACTION:** The CMPS Executive will study the question of this type of investment, and return to the Board with direction for using "non-cash investment instruments". m/s/c

14. Fundraising

ACTION: The Executive recommends that CM use an insert to do an all-reader campaign early in the year, and then send out a letter to donors later in the year. The Executive will discuss whether one or two letters to donors will be sent throughout the rest of the year.

15.2 Expenses

ACTION: The CMPS Board adopts the 2007 Proposed Budget as adjusted. m/s/c

16. Privacy policy

ACTION: The Board directs Tim to study the issue and propose a direction for next year's Board meetings.

17. Fraud and Risk Assessment report

ACTION: Tim and the treasurer will work together on this report.

18. Ways we can help address climate change

ACTION: That the CM office and staff do an eco-audit and publish their journey.

19. Nominating committee report – Bernie Thiessen

ACTION: That the CMPS send Ester flowers, in condolence for her family's loss.

21. Dates and Location for 2008 Annual Meeting

ACTION: The date is set for March 13 (Executive), 14, & 15, 2008, in Calgary, Alberta.

23. Other items

23.1 Thinking ahead on the Partnership Agreement

ACTION: That the CMPS Executive revisit the agreement and propose a new agreement by the end of 2007.

From Annual Meeting, March 10, 2007, 4 pm, First Mennonite Church, Waterloo, ON

7. Items requiring action by CMPS members:

7.1 Confirmation of Board actions in 2006 – Paul Krahn

Motion: Paul moved that the Minutes and Board Action be accepted as read. m/s/c

7.2 Acceptance of 2006 financial statements – Tim Miller Dyck (for Ester Neufeldt)

- Tim reviewed the statements of the past year, pointing out a surplus of \$33 000 for the year.
- It was a good year for donations.

Motion: Larry Cornies moved the acceptance of the financial reports. m/s/c

From Executive Board Meeting on Friday, June 15, 2007, 7 pm. in Danforth Mennonite Church, Toronto, ON

5.2.3 – Difficult editorial cases

- The Executive commends Tim for his disburdening of this weighty issues, and encourages him to see the wide and active responses as a healthy & positive sign of the real and perceived influence of CM in the community.

5.2 Editorial issues

5.2.4 Awards

- CM has won a number of awards in 2006, from Canadian Church Press
- Congratulations!

5.3.1 Whether to print gay/lesbian parent support group ad

- * STATEMENT: The Executive is open to informative advertising, not polemics, or statements of theology, from interest groups.

5.5 Publishing Partner relations

- SUGGESTION: That this link redirect to a statement that explains the partnership relationship, and then opens up the CM website.

5.6 Circulation report

- * SUGGESTION: to add an “up” or “down” number for total subscriptions on the Circulation Report.

5.7 Staffing and hiring update

5.7.1 National Correspondent

- How do we help this person maintain independence from MCCan & CMU?
- * SUGGESTION: That Tim explore these issues with the successful candidate; the Executive also suggests an end of August start date.

5.8 Fraud and risk assessment report action items

ACTIONS: John Goossen suggested, and the Executive approved of, the following:

- 1 - Store usernames and passwords in a list kept securely, such as a safety deposit box.

- 2 - Periodically (quarterly) review bank reconciliations, in addition to Lisa, to detect gaps between our accounting system reports, and what is in the bank.
- 3 - Lock up the corporate seal.
- 4 - Change the door security code, since one former employee knows it.
- 5- Ensure remote computer access user IDs and passwords are different for each person with remote access.
- 6 - For backup, use a rotation of four drives, rather than our current two, for greater safety when an original file is corrupted, and the error is not detected quickly.

5.11 Travel opportunities

- MDS has invited Tim to travel with one of their staff to visit a damage site in North America, and meet with some of their volunteers.
- There will be a trip sponsored by the Jordan Tourism Board, for church publication editors.
- although it is a junket, there are no editorial constraints placed on participants
- there will be time to meet with MCC reps and local church organizations
- the only cost is to get to and from JFK in New York
- the timing is not great – March 2008 – but it does work for Tim.

ACTION: The Executive approves that Ross or Tim take up these opportunities.

5.12 External representation and travel

- Tim continues to be active in visiting churches and attend conferences and leadership assemblies.
- The Executive commends him for this work.

6. Finances

6.3 Upcoming fund-raising plans

- We are about \$8000 dollars behind
- Options:
 - Do an additional mailing quite soon, only to previous donors that did not respond to the insert campaign (expense of roughly \$1500)
 - risk donor-fatigue or irritation
- We could take the hit, since we have a built-in surplus (20 000) in the budget.

SUGGESTIONS:

- 1 – A limited mailing to the 250 who did not donate in the insert campaign.
- 2 – A 10 year anniversary campaign in Fall to all donors.

8. Thinking ahead on the Partnership Covenant

SUGGESTIONS:

- 1 – That there be a meeting of partners at the Canadian conference in BC.
- 2 - John will send out an email notice (follow up to Bernie's) to the partners that Tim, John, and Henry will be open to meetings (individual or otherwise) during conference time.

9. Privacy Policy (see "Policy on the use of CM Circulation List" & CM Privacy Policy – DRAFT)

ACTION: In general the Executive approves of the direction of the draft and asks Tim to access legal advice and redraft the policy for the October Executive meetings.

- MC Canada has sent us their Privacy Policy (7 pages of "legaleze" plus their own agreement).
 - The document is intended to indemnify them against legal action.
 - As one of their partners, we are asked to sign it, to affirm that our privacy practices

comply with theirs.

ACTIONS:

- 1 – That, in general, CM wishes to cooperate with MC Can on privacy issues.
- 2 – That CM will ask MC Can for clarification as to what information we hold, about which They might have privacy concerns.
- 3 – Pending the answer to the above question, CMPS will sign the MC Can document.

10. Frank H. Epp fund response letter

- Bernie sent a letter to Conrad Grebel expressing CMPS's desires re this fund.
- Henry Paetkau responded in a letter outlining a four point proposal:
 - 1 – That CGUC assume full responsibility for the fund
 - 2 – That the revenue be applied to projects, activities & events consistent with the founding objectives.
 - 3 – That the CGUC initiate fundraising efforts
 - 4 – That the endowment remains with the Mennonite Foundation of Canada

ACTION: The CMPS Exec. approves of CGUC's taking over of the Frank H. Epp Endowment fund.

11. Investment Policy discussion (see CMPS Cash & Investment Assets Report)

MOTIONS:

- 1 – That the initial investment in the Ethical Balanced Fund of \$10 000 be put into the 30-day term deposit.
- 2 – That the balance (\$6178.42) be reinvested in a Meritas Fund, to be chosen in consultation with Tim Miller Dyck and John Goossen.
- 3 – The Stabilization Fund currently stored in the Optimum Savings account (\$33 753) be transferred into the same 30-day term deposit.

m/s/c

12. Reserves Policy discussion (Stabilization fund)

MOTIONS:

- 1 – That the goal for the balance of the Stabilization Fund be 25% of the annual budgeted expenses.
- 2 – That \$100,000 be moved from the 30-day term deposit (in the General Fund) to the Stabilization Fund.

m/s/c

13. Photo contest and funding

ACTION: The Executive approves of this project.

14. Preparing for the 10th Anniversary as CM in September

SUGGESTION: That Tim to work at some celebratory activities for the Canadian Conference in BC and into the Fall launch of the redesign.

15. Other

SUGGESTION: That all the documents be circulated to the Board. They may read them if they wish.

From Executive Board Meeting, Friday, October 19, 2007 at Canadian Centre for Disability Studies - 56 The Promenade Winnipeg, Man.

6. Editor/publisher's report

The board affirmed the notion of having correspondents dig deeply into selected issues through special reports; they benefit both the periodical and the writers.

9. Renewal of partnership agreement

Consensus: that Joanna Reesor-McDowell, Joe Neufeld, John Goossen and Larry Cornies (chair) form a committee for the purposes of drafting a new partnership agreement with the publishing partners. E-mail addresses for Joanna and Joe are jrm@parkviewhome.ca and jandjneufeld@sasktel.net, respectively. Signing of the new agreement could be scheduled for either the March leadership assembly in Winnipeg or the summer conference sessions, also in Winnipeg. Larry will check with Joanna and Joe regarding their willingness to serve on the committee. A new draft should be available before the end of the year, to be forwarded to area churches for their annual meetings early in 2008.

18. Board vacancy

The board would ask that, upon her resignation from the board due to a pending move to Qatar, Brenda approach MC Alberta to nominate a replacement. Such a replacement candidate would be then be named, by a vote of the Canadian Mennonite executive committee, as the new MC Alberta representative to the board until the end of 2008 annual meeting. Consensus.

19. Facilities and equipment

The board authorizes Tim to move ahead with the purchase of new computer hardware for Ross, as well as new InDesign software for himself, Ross and Tim R. Dyck. Funds for this purpose were approved at the 2007 annual meeting. Consensus.

23. Privacy policy

Tim took the last draft of our privacy policy to lawyer Russ Snyder-Penner, who had some significant advice for us. Tim will seek further advice from Russ on the length of time information should be retained. We will bring this policy back to the full board for its approval in March. Tim will continue to move toward tightening controls on information within the office. Consensus.

Report from the Editor/Publisher for 2007

Introduction

I want to share how Jesus' words came to me from two unexpected sources last year through *Canadian Mennonite*. Our July 30 issue contained the powerfully moving article by Johanu Botha in our "Young Prophets" series. In that article, Johanu shared with us how his younger brother came to him to tell him how much Jesus loved him in a time when he was discouraged. "The fundamental three principles that Jesus taught—love, faith and hope—are not things found only through age or experience. Many times it is the youngest of us who teach us the value of those three things," he wrote. (Johanu is a high school student at Mennonite Collegiate Institute in Gretna.)

In that same issue, we together listened to the testimony of Ryan Grills, an inmate at Headingly Correctional Centre near Winnipeg. He wrote to tell us how he was seeking to be a follower of Christ behind bars. This story came to us through Ryan's pen pal, a Mennonite at Douglas Mennonite Church in Winnipeg. "There's one other guy here who wants to be a Christian. We do Bible studies every morning, just the two of us. Sometimes he wants to sleep in instead, but I say I'll dump a bucket of water on his head if he doesn't get up. We laugh. We do our Bible studies right out on a table on the open range where everyone else can see us. I don't care what everyone thinks, I'm not ashamed to be a Christian."

It was a gift to the church that we could be inspired in our own faith by reading about the faith stories of Johanu and Ryan and many others. We are surrounded by a culture and a media in this country that constantly tell us how important it is to get more and to look out for ourselves first. It is so important that we have a way to tell one another counter-cultural stories about Jesus and how Jesus calls us to live.

Canadian Mennonite, with its Every Home Subscription Plan approach, is the only ministry able to do this across the country and to over 15,000 Mennonite homes, 24 times a year. In conversations through the year, I regularly hear how *Canadian Mennonite* connects with our lives as Mennonite Christians. For example, a pastor at an Ontario congregation spoke to me to pass on his thanks after our feature on domestic violence last year (written in part by Lethbridge Mennonite Church pastor Ruth Preston Schilk in our April 2 issue). He told me how important he felt this issue was. He also told me how useful it had been—because the magazine had raised the issue with church attendees, he was able to then follow up with preaching on the topic, using the articles as a jumping-off point. It was an example of a cross-country collaborative ministry.

We are celebrating ten years since the magazine was first launched in September 1997, and as part of that, launched a new design for the magazine in September 2007. The new design included a switch to a full-colour format and numerous smaller changes to make the publication more reader friendly and inviting.

The CMPS board also lead the process of developing a successor to the Publishing Partner Covenant, which ends at the end of 2009. The second covenant is now being considered by the six other publishing partners.

Financially, we ended the year with a small surplus, slightly larger than budgeted. Income was below budget due to a drop in advertising and donation revenue over last year but expenses were below budget by a greater amount. Our audited financial statements are included further on in our annual report.

Editorial Content

We published 1,308 articles over 24 issues last year, a drop of 83 articles from 2006 (we published 8 few pages overall and the new design has slightly more white space than the former design). We continue to be the Mennonite magazine in North America that publishes more issues and more pages per issue than any other.

Unfortunately, in 2007, other Mennonite publications continued to reduce their page counts: *MB Herald* (also on an every home subscription plan) moved from issues every three weeks to monthly publication in 2007, a frequency drop of 30 percent (the reasons why were to have extra time to focus on features and to have more time to design each issue, not primarily financial, according to *MB Herald* editor Laura Kalmar when I asked her about it). In the U.S., a major postal rate increase for religious magazines caused the closure of one Mennonite publication (*OurFaith Digest*) and a reduction in pages by *Mennonite Weekly Review*.

With our church's German-language magazine *Der Bote* now closed, *Canadian Mennonite* becomes an even more precious resource for the building up and strengthening of the church.

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 delegate sessions and other meetings of the area and national churches.

Editorial Emphases in 2007

I hope you also saw the 2007 features on recovering the Anabaptist vision, young adults in the church, high-church worship practices emerging in some of our churches, our Mennonite farmers, churches without paid pastors, food, globalization, and a focus on female spirituality (among others).

Last year, we also launched with Canadian Women in Mission a new regular feature to ensure the spiritual stories of Canadian Mennonite women would not be lost after *Timbrel* refocused on American authors.

Subjects of Current Interest

- Two issue features devoted to an ongoing series on globalization (with a particular focus on food)
- Domestic violence, especially towards women
- A multi-page feature on stories of forgiveness from east Africa
- A multi-page feature on the church in Colombia
- The state of Mennonite farming and rural communities; following up on the “Making Peace with the Land” conference

The Life of the Church

- The global Mennonite church: World Fellowship Sunday (through the experiences of the Colombian Mennonite Church) and World Communion Sunday
- Leadership formation in young adults
- A pair of features on seniors and young adults in the church, and a second feature on spirituality in later years
- An examination of high church worship influencing Mennonite churches
- Easter (Christ as victor) and Pentecost (the Holy Spirit in the church then and now)
- Two historically oriented features: Recovering the Anabaptist vision and 500 years of Anabaptism in Switzerland
- A feature on women’s and feminine spirituality
- Finances as a witness (in three parts: investing, giving and daily spending)
- Children in worship
- Coverage of the six delegate sessions, including the Abbotsford national church adult assembly and biannual youth assembly
- Visiting as ministry
- Bible 101
- Pastoral sabbaticals
- Peace Sunday reflections
- Profiles of four churches without paid pastors
- Mennonite/Catholic inter-church relations
- Christmas

News Coverage

- The Muslim/Mennonite dialog conference organized by Conrad Grebel College and MCC Ontario
- The MC B.C. church covenant development process, singing, and subsequent departure of two churches
- The bus crash involving the Bluffton baseball team
- Explore youth leadership development program profiles and news coverage on their loss of funding

New Items

- A six-part series of profiles of personal acts of generosity
- “Stories of Faith in Life,” a bimonthly column of Mennonite storytelling by Jack Dueck
- “Women walking together in faith,” a bimonthly feature focusing on women telling their stories of faith (in partnership with Canadian Women in Mission but run by us). I approached CWIM with this idea to ensure the spiritual stories of Canadian Mennonite women would not be lost after *Timbrel* decided to focus only on American authors.
- A section focusing on children’s books and resources

Almost every subject I had planned for 2007 at the start of the year has now been addressed.

There was no change to the column line-up in 2007. Continuing on in their columns, Phil Wagler wrote “Outside the Box,” Aiden Enns and Will Braun wrote “New Order Voice,” Melissa Miller wrote “Family Ties,” Mennonite foundation staff people wrote “God, Money and me” and leaders from Mennonite Church Canada and each area church wrote “From our Leaders.”

“Young Prophets” also continued, highlighting the writing of a particular young adult every alternating issue. We’ve also had an increase in the articles featuring the life of young Mennonites at our church schools, due largely to the rise in good articles submitted from CMU. John Longhurst (either himself or the a group of students he has recruited as student writers) really picked up the pace last year!

In 2007, we succeeding in developing and publishing special features highlighting the work of four of the five area churches: MCEC, MC Saskatchewan, MC Alberta, and MC B.C. We did not unfortunately get this done with MC Manitoba.

Canadian Mennonite is known for its strong Arts and Culture reporting, especially its books coverage: as in the past, two issues in 2007 had a special focus on books. In all, we published 155 book reviews or mini-reviews, 28 movie/video reviews and nine music reviews in 2006. We substantially increased movie reviews this year, with double the number of movie reviews compared to 2006.

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

Awards

I’m pleased to report that the magazine received six awards for our editorial work in 2007.

1. Canadian Church Press’s First place: “Media Review.” This was for a set of reviews written by Barb Draper, Leona Dueck Penner, Karin Fehderau, Jennifer Konkle, D. S. Martin, Craig Neufeld, Laurie Oswald Robinson, Dave Rogalsky, Tim Shenk, Vic Thiessen, Piet Visser and Abe Warkentin. The judge wrote: “Strong interesting writing throughout, great

selection of books, art, movies, excellent connection on every story to your Mennonite audience. You received top marks because, instead of giving us general content reviews, you told us why Mennonites should care... The best writing never forgets who it is writing to.”

2. Canadian Church Press’s First place: “Magazine Front Cover: 1-3 colours” for “Disciplining the church”: artist Don Schwartzenruber; designer Tim R. Dyck. “Good use of colour, art is challenging and emotional and well-executed. Type is good—good size and well-set. Excellent overall,” the judge said.
3. Canadian Church Press’s Second place: Theological Reflection for Ross W. Muir’s “Recovering Silence” article. The judge wrote, “A compelling and informative case for silence in modern worship well supported both by biblical and traditional references and by contemporary suggestions.”
4. Canadian Church Press’s Second place: “Feature Layout and Design of an Edition—Magazine” for our entire Nov. 27, 2006 issue (this was the one with the Christmas cover painting we commissioned): designers Tim R. Dyck and Ross W. Muir. The judge, a designer of *Maclean’s* magazine, wrote: “Well-designed. An excellent, top notch publication. You should be proud of this.”
5. Canadian Church Press’s Third place: “Colour photo—Magazine” for the cover photo of the combine fundraiser in Winkler. The judge wrote, “Great angle... The simplicity does a good job of conveying the grandeur of the harvest on the Prairies.”
6. Word Guild Canadian Christian Writing awards: The article “Mennonites groups oppose land speculator” by Ross W. Muir and Tim Miller Dyck received an Award of Merit in the “Article—News” category.

Letters to the Editor

We published 116 letters in 2007, five more than in 2006. Almost all those I receive are published, so this section does not reflect editorial priorities established for other parts of the magazine. Here’s what people wanted to talk about, ranked by frequency:

- #1: Native concerns, especially about Sakioeta’ Widrick and the article we published on a talk he gave at Nairn Mennonite Church, and letters responding to those letters (10 letters)
- #2: Climate change and environmental concerns (9 letters)
- #3: Church and state (9 letters)
- #4: Same sex marriage (7 letters)
- #5: Biblical interpretation / Aiden Enns / Phil Wagler / Tim Miller Dyck (5 letters each)

As in past years, I published virtually all letters sent in for publication.

International Coverage

We become a global church by connecting the work of God here with the God's work around the world. The magazine continues to devote significant space to this topic. I regularly get comments from readers of how much they like to read about what is going on elsewhere in the world.

Overall, we had 1,021 articles about Canadian events (75 percent), 141 on/from the United States (10 percent), and 208 articles about other countries (15 percent), for a total of 1,370 articles (some articles refer to more than one country). Our foreign coverage is naturally aligned with countries where Mennonites live or work. In particular, we continue to give high profile to MC Canada Witness workers and to reports by readers who visit Witness projects or go on MC Canada Learning Tours.

Here are details of how the coverage was divided up. (The five Canadian area churches are represented in similar proportion to their membership sizes.)

<i>Region</i>	<i>Region Counts in 2007</i>	<i>Region Counts in 2006</i>
Ontario	349	301
Manitoba	273	236
United States	141	162
British Columbia	129	110
Canada	107	144
Saskatchewan	87	90
Alberta	71	83
Colombia	18	9
Israel/Palestine	13	14
China	8	2
Botswana	7	3
Burkina Faso	7	6
Kenya	7	8
Mexico	7	3
Italy	6	0
Uganda	6	5
DR Congo	5	11
Thailand	5	7
Ukraine	5	5
Vietnam	5	8
Iraq	4	9
Lebanon	3	12
Quebec	3	6
South Korea	3	10
Sudan	2	2
Indonesia	1	7

(None)	0	27
(Other)	98	84
Total	1,370	1,364

Article Sources

Here are the sources from which we drew to create the magazine last year. The editorial goal is to prioritize staff assignments, then submissions from churches and letters, then releases and reprints as we have room.

- 26 percent of our articles were directly written by staff
- 16 percent were paid works written by constituency members
- 31 percent were selected from the releases we receive
- 16 percent were unpaid submissions
- 9 percent were letters
- 2 percent were reprinted from other publications or sources

<i>Article Sources</i>	<i>Article Counts in 2007</i>	<i>Article Counts in 2006 (revised)</i>
News releases	406	466
Written by staff	340	369
Submitted by individuals or churches (non-letters)	207	240
Paid articles	207	176
Letters to the Editor	116	111
Reprints from other publications	32	29
Total	1,308	1,391

Out of the releases we do use, MCC and MC Canada are our top two sources of articles.

<i>Release Source</i>	<i>Article Counts in 2007</i>	<i>Article Counts in 2006</i>
MCC International	75	102
MC Canada	63	79
Canadian Mennonite University	47	35
Associated Mennonite Biblical Seminary	24	20
Ecumenical News brief (World Council of Churches)	20	13
Mennonite World Conference	16	34
Conrad Grebel University College	12	12
Mennonite Disaster Service	11	11
Mennonite Publishing Network	9	10
Goshen College	7	14

(Other)	122	136
Total	406	466

Editorial Plans for 2008

So far this year, we have published features:

- investigating where and how Mennonite organizations raise funds
- on the emerging trend towards transitional/interim pastors
- sports and the church
- the idea of discipleship in the church, as seen in Paul's writings and understood in a Mennonite context
- the story of a walking pilgrimage and examination of pilgrimages in our day
- Easter

We also launched a new ecological series on "Living within Limits" by Paul Fieguth, a Mennonite engineering professor

Upcoming features (some are definite; some are ideas):

- Mennonites and video games
- An examination of the new responsibility to protect doctrine from four different Mennonite perspectives: what kind of pacifism do we want?
- A graphic novelette telling the story of Peter and Jesus through two superhero characters
- How we connect our faith with our health and our body image
- Being spiritual but not religious
- Fair trade
- Evangelism
- Dealing with significant life transitions
- Divorce
- Mexican Mennonites in Canada

A new design

We launched a new design in September 2007 to mark the start of our tenth anniversary year. The single most significant design change was the move to full colour on every page, but we also redesigned the layout and fonts, developed a new logo and reorganized the structure of the magazine.

The organization of articles was strongly influenced by the idea of missional church: Three of our main sections reflect the idea the need to align our activities with what God is already doing ("God at work in us," "God at work in the world," and "God at work in the church").

The design brings many reader-friendly design changes, adds much more colour and just freshens up our look. The move to full colour did raise our printing costs by about four

percent but the colour really makes the photographs more legible and powerful and makes the magazine more inviting overall.

Reader feedback has been positive overall, with specific complaints about difficulty reading reverse type (white on a coloured background) and reading black text on a non-white background.

We continued to stay on the lower grade paper we had previously been using (a newsprint stock) after an extensive staff and board discussion about paper costs, quality and what message a glossy stock would send in a church tradition rooted in frugality. Changing to the type of paper used by *The Mennonite* or *MB Herald* would also raise our printing costs substantially (by 30 to 50 percent).

I continue to investigate what is competitive in the printing and paper markets as printing and staffing our only two variable costs of significance. In particular, I would love to find a paper with some post-consumer (recycled) paper content that is at all affordable and can be purchased in quantity (both are difficulties).

Tenth Anniversary activities

The redesign is the most significant tenth anniversary activity, but we have also carried out or are planning five additional activities to celebrate ten years.

1. Served anniversary cake during a lunch to all the MC Canada assembly delegates at the July Abbotsford assembly
2. Created and distributed a tenth anniversary commemorative bookmark to donors in the fall 2007 donor mailing
3. Developed and launched a photo contest on the themes “Caring for God’s creation” or “Young adults in our churches.”
4. Developing related worship materials (in progress)
5. Asking the original *Canadian Mennonite* steering group to reflect on and evaluate the outcome of their labours ten years later (in progress)

Staffing updates

- National Correspondent Leona Dueck Penner resigned as of April 30, 2007.
- National Correspondent Teresa Falk was hired as of Aug. 1, 2007 and resigned as of Nov. 14, 2007. She left to take a full-time journalism position with another publication.
- National Correspondent Aaron Epp was hired as of Nov. 13, 2007.

- Art Director Tim. R. Dyck went from 50 percent time to 15 percent time as of December 1, 2007.
- In a related change, Editorial Assistant Barb Draper went from 40 percent time to 50 percent time as of November 1, 2007.

Art Director Tim R. Dyck has purchased a storefront business in Durham, Ontario selling art supplies and doing framing. As he is staffing the store himself, he is unable to work half time any longer and negotiated a reduction in his hours to 15 percent time on a trial basis. The needed work is currently being done by Managing Editor Ross Muir, Editorial Assistant Barb Draper and an outside web design company.

Administrative Assistant Lisa Jacky is working from home for a year from May 2007 to May 2008 as an alternate maternity leave arrangement.

Advertising Representative is working more out-of-the-office than before as she is taking a Master of Library and Information Science at the University of Western Ontario.

Financial Results

We finished the year with an operating surplus of \$24,593, slightly higher than budgeted.

On the income side, subscription and interest revenue were up compared to budget, but advertising was about \$16,000 below budget and donations were about \$8,000 below budget.

Expenses were lower than budgeted in most spending areas, with the biggest savings coming from lowered salary costs for the National Correspondent position.

The board decided during the year to use accumulated surpluses over the past years to restore *Canadian Mennonite's* reserve fund to three months of operating expenses.

Fundraising

In terms of *Canadian Mennonite's* own fundraising, we sent out a spring letter to all readers as a magazine insert, a targeted summer direct mail campaign to previous Spring donors that did not give in response to the insert, and a fall letter to previous donors.

Individual donations were down compared to past years due to fewer donations than has been typical and the presence last year of a one-time \$10,000 donation. We have continued to receive significant Publishing Partner and local church donations. Please see the fund-raising report for more details.

Donations continue to make a significant difference to our ability to carry out our work and keep church subscription prices so low. Thank you so much to those of you who are able to financially support our ministry!

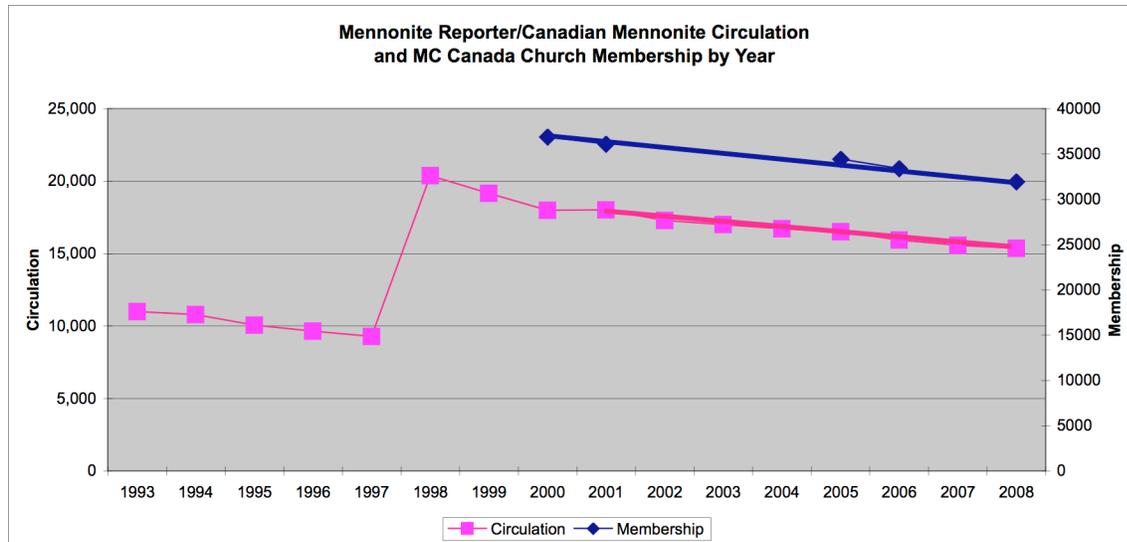
Circulation

Each issue was sent to a 2007 average of around 15,500 subscription addresses worldwide, about 300 less than in 2006 (which is about a two percent drop). Overall, circulation continues to trend slowly downward (please see chart, below).

Here are the cancellation reasons we recorded. Note that new subscriptions and cancelled subscribers re-subscribing offset much of these numbers.

<i>Cancellation Reason</i>	<i>Number of Subscribers in 2007</i>	<i>Number of Subscribers in 2006 (revised)</i>
Church cancellation (no longer attending the church)	202	112
Church cancellation (no reason given)	175	385
Subscription expired with no response to renewal letters	112	14
Deceased	83	81
Returned by Canada Post as undeliverable	80	28
Subscriber cancellation (no reason given)	63	79
Not able to read easily (due to health)	41	25
Receiving two copies	40	21
Does not want to read magazine	37	90
Other	26	52
Can read relative's/friend's copy	23	4
No time to read magazine	20	11
Moving out of the country	11	7
No longer attending the church	3	3
Objects to/disagrees with contents	2	1
Wants to save us money	2	2
Not renewed	1	8
(Unknown)	0	2
Total	921	925

Every two years, MC Canada releases an updated membership directory. The latest figures, released in January 2008, show a similar trend to our own subscription figures.



Circulation Initiatives

- Individual contacts with new churches and churches not receiving Canadian Mennonite
- A subscription drive in B.C. through promotion in News n' Notes; churches can sign up anyone for a free one year subscription paid for by Canadian Mennonite
- Negotiations to keep as many subscribers as possible at churches that leave MC Canada or the denomination entirely (all subscribers at two departing B.C. churches, Greendale and Olivet, are each getting free subscription offers paid for by MC B.C.)
- Discussions in progress with our four post-secondary schools to provide free subscriptions to incoming students affiliated with our denomination.

Future Ideas

- Send a poster to all churches advertising the magazine to try to find those attending but not receiving yet.
- Send sample issues to churches that have capacity to have more subscribers. We can compare membership with circulation lists to determine which churches there are.

Infrastructure

We upgraded two computers in 2007 (for the Managing Editor and Editor/Publisher) and repurposed the Editor/Publisher laptop for the Advertising Representative's use.

We upgraded our design software to Adobe InDesign CS3 to take advantage of the more efficient layout techniques it provides.

Online Services

Our website traffic continues to grow year-over-year—total visits were up five percent in 2007 over 2006.

Our electronic delivery service continues also to grow, but is still very small in absolute terms. We have 180 subscribers getting delivery of issues as attachments (versus 64 a year ago) and 68 subscribers getting the notification e-mail with a link to the complete issue (versus 41 a year ago).

Thanks

I extend my thanks to *Canadian Mennonite's* staff and correspondents for their continuing good work, and to our 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!

Tim Miller Dyck
Editor and Publisher
March 2008

CANADIAN MENNONITE
Circulation Report March 3, 2008

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals	Previous Report Totals	Change Since 10/09/2007
Individual	Individual	51	48	21	85	91	5	0	59	8	368	380	-12
	Gift	8	7	7	15	16	1	1	9	8	72	71	1
Group Plans	Small Groups	0	47	0	5	0	0	0	0	1	53	53	0
Every Home Plans	MC – BC	968	9	2	1	1	2	0	5	2	990	1019	-29
	MC – AB	8	733	7	4	11	0	1	5	3	772	769	3
	MC – SK	16	38	1654	32	13	4	0	14	9	1780	1814	-34
	MC- MB	21	32	3	4204	28	4	2	16	16	4326	4423	-97
	Mennonite Church of Eastern Canada	26	10	1	26	6223	82	2	52	27	6449	6492	-43
	Other	5	19	24	9	5	3	0	1	1	67	48	19
	Bulk (churches)	53	24	0	73	70	0	0	0	0	220	223	-3
	Complimentary	2	1	1	7	6	1	0	4	3	25	24	1
	Bulk (schools, etc.)	31	0	15	115	30	0	0	0	0	191	189	2
	Exchange	1	0	2	10	7	1	0	10	5	36	38	-2
Totals		1190	968	1737	4586	6501	103	6	175	83	15349	15602	-253

CANADIAN MENNONITE REPORT ON FUNDRAISING 2007

Individual and Corporate Donations

	<u>Operating Costs</u>	<u>Endowment Fund</u>	<u>Other</u>	<u>Total</u>	<u># Donations</u>
Pre-2007 donations receipted in 2007	\$ 100.00	\$ -	\$ -	\$ 100.00	1
2006 Fall All-Donors (received in 2007)	\$ 3,729.48	\$ -	\$ -	\$ 3,729.48	47
2006 Fall All-Readers (received in 2007)	\$ 1,371.00	\$ -	\$ -	\$ 1,371.00	24
2007 Annual Banquet (Kitchener)	\$ 1,100.00	\$ -	\$ -	\$ 1,100.00	25
2007 Spring All-Readers	\$ 38,608.81	\$ -	\$ -	\$ 38,608.81	547
2007 Summer Selected Donors	\$ 5,685.00	\$ -	\$ -	\$ 5,685.00	55
2007 Fall All-Donors	\$ 22,865.00	\$ 675.00	\$ -	\$ 23,540.00	334
Subtotal	\$ 73,459.29	\$ 675.00	\$ -	\$ 74,134.29	1,033
Less transfer to Endowment Fund				\$ (675.00)	
Less donations booked in previous years				\$ (100.00)	
Adjust to audit (should be zero)	\$ -	\$ -	\$ 285.56	\$ 285.56	
Total	\$ 73,459.29	\$ 675.00	\$ 285.56	\$ 73,644.85	1,033

Publishing Partner and Church Donations

	<u>Operating Costs</u>	<u>Endowment Fund</u>	<u>Other</u>	<u>Total</u>	<u># Donations</u>
2007 Publishing Partners and Churches	\$ 29,845.18	\$ -	\$ -	\$ 29,845.18	11
Adjust to audit (should be zero)	\$ -	\$ -	\$ 0.02	\$ 0.02	
Total	\$ 29,845.18	\$ -	\$ 0.02	\$ 29,845.20	11

GRAND TOTAL (AS PER AUDIT)		\$	103,490.05	1,044
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CANADIAN MENNONITE PUBLISHING SERVICE

**Financial Statements
December 31, 2007**

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Auditors' Report

To: The Members of the Board of Directors of
Canadian Mennonite Publishing Service:

We have audited the statement of financial position of Canadian Mennonite Publishing Service as at December 31, 2007 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, 2007 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.

M. M. Deibel Kingston & Stranz, LLP

Licensed Public Accountants

Waterloo, Ontario
February 29, 2008

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Revenue and Expenses and Changes in Fund Balances
Year Ended December 31, 2007

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue											
Every Home Plan	\$ 279,476	\$ 281,093	\$ 273,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281,093	\$ 273,864
Individual & group subscriptions	18,100	20,257	18,135	-	-	-	-	-	-	20,257	18,135
Advertising and supplements	146,165	129,676	143,299	-	-	-	-	-	-	129,676	143,299
Grants	96,000	96,342	94,896	-	-	-	-	-	-	96,342	94,896
Donations - Individual	84,765	73,645	93,188	-	-	-	-	-	-	73,645	93,188
Donations - Publishing Partners	26,850	29,845	24,080	-	-	-	-	-	-	29,845	24,080
Interest and exchange	5,260	3,656	2,813	3,622	750	2,873	905	669	300	10,820	4,768
Gain on short-term investments	-	-	-	749	3,890	-	-	-	-	749	3,890
Other	3,679	1,119	9,388	-	-	-	-	-	-	1,119	9,388
	660,295	635,633	659,663	4,371	4,640	2,873	905	669	300	643,546	665,508
Expenses (Page 6)	639,131	618,953	626,359	-	-	-	-	-	-	618,953	626,359
Surplus for the year	21,164	16,680	33,304	4,371	4,640	2,873	905	669	300	24,593	39,149
Fund balances, beginning of year	331,467	331,467	309,208	49,335	42,445	66,774	56,774	14,447	14,447	462,023	422,874
	352,631	348,147	342,512	53,706	47,085	69,647	57,679	15,116	14,747	486,616	462,023
Transfer to Professional Development Fund	(10,000)	(7,125)	(9,095)	-	-	7,125	9,095	-	-	-	-
Transfer to Stabilization Fund	-	(106,077)	(2,250)	106,077	2,250	-	-	-	-	-	-
Transfer from Capital Fund	(5,000)	(4,330)	300	-	-	-	-	4,330	(300)	-	-
	(15,000)	(117,532)	(11,045)	106,077	2,250	7,125	9,095	4,330	(300)	-	-
Fund balances, end of year	\$ 337,631	\$ 230,615	\$ 331,467	\$ 159,783	\$ 49,335	\$ 76,772	\$ 66,774	\$ 19,446	\$ 14,447	\$ 486,616	\$ 462,023

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Financial Position
December 31, 2007

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
ASSETS										
Current Assets										
Bank	\$ 83,563	\$ 137,859	\$ 6,934	\$ 31,434	\$ 86	\$ 48,413	\$ 21,707	\$ 16,038	\$ 112,290	\$ 233,744
Short-term investments (Note 3)	-	50,000	147,963	16,023	77,951	-	-	-	225,914	66,023
Accounts receivable	28,446	24,301	236	-	1,608	-	-	-	30,290	24,301
Prepaid expenses	2,007	2,537	-	-	-	-	-	-	2,007	2,537
	<u>114,016</u>	<u>214,697</u>	<u>155,133</u>	<u>47,457</u>	<u>79,645</u>	<u>48,413</u>	<u>21,707</u>	<u>16,038</u>	<u>370,501</u>	<u>326,605</u>
Capital Assets (Note 4)	<u>152,530</u>	<u>161,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,530</u>	<u>161,296</u>
	\$ 266,546	\$ 375,993	\$ 155,133	\$ 47,457	\$ 79,645	\$ 48,413	\$ 21,707	\$ 16,038	\$ 523,031	\$ 487,901
LIABILITIES										
Current Liabilities										
Accounts payable	\$ 16,395	\$ 8,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,395	\$ 8,230
Deferred revenue	20,020	17,648	-	-	-	-	-	-	20,020	17,648
Interfund payables (receivables)	(484)	18,648	(4,650)	(1,878)	2,873	(18,361)	2,261	1,591	-	-
	<u>35,931</u>	<u>44,526</u>	<u>(4,650)</u>	<u>(1,878)</u>	<u>2,873</u>	<u>(18,361)</u>	<u>2,261</u>	<u>1,591</u>	<u>36,415</u>	<u>25,878</u>
FUND BALANCES	<u>230,615</u>	<u>331,467</u>	<u>159,783</u>	<u>49,335</u>	<u>76,772</u>	<u>66,774</u>	<u>19,446</u>	<u>14,447</u>	<u>486,616</u>	<u>462,023</u>
	\$ 266,546	\$ 375,993	\$ 155,133	\$ 47,457	\$ 79,645	\$ 48,413	\$ 21,707	\$ 16,038	\$ 523,031	\$ 487,901
Fund balance comprised of:										
Invested in capital assets	\$ 152,530	\$ 161,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,530	\$ 161,296
Internally restricted	-	-	159,783	49,335	76,772	66,774	19,446	14,447	256,001	130,556
Unrestricted	78,085	170,171	-	-	-	-	-	-	78,085	170,171
	<u>\$ 230,615</u>	<u>\$ 331,467</u>	<u>\$ 159,783</u>	<u>\$ 49,335</u>	<u>\$ 76,772</u>	<u>\$ 66,774</u>	<u>\$ 19,446</u>	<u>\$ 14,447</u>	<u>\$ 486,616</u>	<u>\$ 462,023</u>

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2007

1. Purpose of the Organization

Canadian Mennonite Publishing Service 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 church bodies (referred to as the "publishing partners") that purchase subscriptions for their members. The revised by-laws further provide for representation of these church bodies on the Canadian Mennonite Publishing Service Board and at the Canadian Mennonite Publishing Service's annual meeting.

2. Significant Accounting Policies
Fund Accounting.

Canadian Mennonite Publishing Service 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. During 2007, the board increased the goal for the amount to be kept in the fund to 25% of budgeted expenses and approved a transfer of \$109,699 from the general fund to achieve the desired level of funding. Revenue earned by the assets of this fund are to be transferred 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 transferred to the General Fund.

The Capital Fund was established to fund future equipment purchases. Revenue earned by the assets of this fund are to be transferred 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, except the unrealized gains and losses on short-term investments as described below. Other investment income is recognized as revenue of the General Fund when earned.

Grant Revenue

The grant revenue is received under the Publications Assistance Program of the Department of Canadian Heritage. The program works in partnership with Canada Post Corporation to offset mailing costs of Canadian content magazines and non-daily newspapers mailed within Canada. The grants are applied directly to Canada Post Corporation invoices for qualifying mailings.

Short-Term Investments

Short-term investments are classified as available-for-sale because the Organization does not intend to trade the investments for short term profit making and has not elected to classify the investments as held-for-trading. Unrealized holding gains and losses related to these short-term investments are included in revenue of the fund in which the related assets are held and not available for transfer to the General fund until they are realized. The short-term investments are recorded at their estimated fair value determined by prices quoted on the relevant stock exchanges.

Capital Assets

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

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2007

3. Short-Term Investments

	<u>2007</u>	<u>2006</u>
<u>General Fund</u>		
MSCU term deposit, 3.70%, due February 2007	\$ -	\$ 50,000
<u>Stabilization Fund</u>		
MSCU term deposit, 4.50%, due March 2008	147,963	-
Ethical Funds Inc., Ethical Balanced Fund At market value (cost - \$12,133)	-	16,023
	<u>147,963</u>	<u>16,023</u>
<u>Professional Development Fund</u>		
MSCU term deposit, 4.4%, due July 2008	77,951	-
	<u>77,951</u>	<u>-</u>
	<u>\$ 225,914</u>	<u>\$ 66,023</u>

4. Capital Assets

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 13,186	\$ 7,783	\$ 5,403	\$ 5,541
Computer software	9,236	6,847	2,389	4,060
Office equipment	10,610	10,035	575	861
Building	166,771	41,138	125,633	132,304
Land	18,530	-	18,530	18,530
	<u>\$ 218,333</u>	<u>\$ 65,803</u>	<u>\$ 152,530</u>	<u>\$ 161,296</u>

5. Endowment Funds

Contributions made for endowment purposes are forwarded to the Mennonite Foundation of Canada ("Foundation") which acts as trustee on behalf of the Organization for these funds. Under the terms of an agreement dated January 21, 1991, all donations to the Endowment Fund belong to the Foundation. Only interest earned is forwarded to the Charity for use in the operations of the periodical. The balance on deposit in the fund at December 31, 2007 was \$12,306 (2006- \$11,952) and interest earned during the year amounted to \$461 (2006 - \$715).

6. Financial Instruments

The Organization's financial instruments, consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, they approximate their fair value due to the short-term nature of their maturities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks.

7. 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.

CANADIAN MENNONITE PUBLISHING SERVICE

Schedule of Expenses
Year Ended December 31, 2007

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Postage	\$ 174,886	\$ 170,017	\$ 175,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,017	\$ 175,048
Head office - salaries	164,797	163,693	156,700	-	-	-	-	-	-	163,693	156,700
Printing and production	106,552	103,101	105,440	-	-	-	-	-	-	103,101	105,440
Regional correspondents	66,114	61,608	67,872	-	-	-	-	-	-	61,608	67,872
Head office - benefits	23,518	23,675	24,639	-	-	-	-	-	-	23,675	24,639
Advertising representative	17,093	15,374	18,024	-	-	-	-	-	-	15,374	18,024
Amortization	14,816	13,557	14,816	-	-	-	-	-	-	13,557	14,816
News service	10,550	11,709	9,518	-	-	-	-	-	-	11,709	9,518
Facility costs	9,153	9,231	8,940	-	-	-	-	-	-	9,231	8,940
Professional fees	6,600	6,630	8,090	-	-	-	-	-	-	6,630	8,090
Staff	7,500	5,894	7,764	-	-	-	-	-	-	5,894	7,764
Board	11,000	11,804	7,507	-	-	-	-	-	-	11,804	7,507
Fundraising	6,915	6,220	6,839	-	-	-	-	-	-	6,220	6,839
Office	10,087	7,944	6,760	-	-	-	-	-	-	7,944	6,760
Telephone	3,750	3,499	4,118	-	-	-	-	-	-	3,499	4,118
Insurance	2,200	2,003	2,162	-	-	-	-	-	-	2,003	2,162
Equipment maintenance	1,000	1,037	1,634	-	-	-	-	-	-	1,037	1,634
Special projects	2,500	1,957	291	-	-	-	-	-	-	1,957	291
Bad debts	-	-	197	-	-	-	-	-	-	-	197
Promotion	100	-	-	-	-	-	-	-	-	-	-
	<u>\$ 639,131</u>	<u>\$ 618,953</u>	<u>\$ 626,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618,953</u>	<u>\$ 626,359</u>

Canadian Mennonite Publishing Service Board of Directors as of Dec. 31, 2007

Representing	Term
Canadian Mennonite Publishing Service	
Margaret Ewen Peters, Hanley, Sask.	2006-2009, first term
Joanna Reesor-McDowell, Stouffville, Ont.	2007-2010, first term
Tobi Thiessen, Etobicoke, Ont.	2007-2010, first term
Mennonite Church Canada	
Aiden Enns, Winnipeg, Man.	2006-2009, second term
* John W. Goosen (treasurer), Delta, B.C.	2007-2010, second term
Ed Janzen, Abbotsford, B.C.	2007-2010, first term
* Paul Krahn (secretary), Altona, Man.	2006-2009, second term
Mennonite Church British Columbia	
Henry Neufeld, Ladner, B.C.	2006-2009, third term
Mennonite Church Alberta	
* Brenda Tiessen-Wiens (member-at-large), Calgary, Alta.	2005-2008, second term
Mennonite Church Saskatchewan	
Joe Neufeld, Regina, Sask.	2007-2010, first term
Mennonite Church Manitoba	
* Bernie Wiebe (chair), Winnipeg, Man.	2005-2008, third term
Mennonite Church Eastern Canada	
* Larry Cornies (vice-chair), Toronto, Ont.	2007-2010, second term

* indicates Executive Committee of the Board

Canadian Mennonite Publishing Service Staff as of Dec. 31, 2007

Head office	Started	Time
Barb Draper, Editorial Assistant	2001	40%
Tim R. Dyck, Art Director	2005	50%
Lisa Jacky, Administrative Assistant	2005	80%
Tim Miller Dyck, Editor and Publisher	2004	100%
Ross W. Muir, Managing Editor	2005	100%
Karen Suderman, Advertising Representative	2006	40%
Winnipeg office		
Aaron Epp, National Correspondent	2007	40%
Regional Correspondents		
B.C.: Amy Dueckman, Abbotsford	2005	20%
Alberta: Donita Wiebe-Neufeld, Edmonton	2000	20%
Saskatchewan: Karin Fehderau, Saskatoon	2000	20%
Manitoba: Evelyn Rempel Petkau, Carman	1997	20%
Eastern Canada: David Rogalsky, Kitchener	2006	<u>20%</u>
		5.5 FTE staff