

CANADIAN MENNONITE

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

Annual Report for the year 2009

Canadian Mennonite Publishing Service
39th Annual Meeting

Saturday, March 13, 2010, 4:30 p.m.
At Emmanuel Mennonite Church, Abbotsford, British Columbia

1. Agenda for the 2020 Annual Meeting
2. Minutes of the 2009 Annual Meeting
3. Board actions since the Annual Meeting
4. Report from the Board Chair
5. Report from the Editor/Publisher
6. Report on Circulation
7. Report on Fundraising
8. Auditor's Report
9. Audited Financial Statements
10. Board Member and Staff List

The 39th Annual Meeting of
CANADIAN MENNONITE PUBLISHING SERVICE

Saturday, March 13, 2010, 4:30 p.m.
At Emmanuel Mennonite Church, Abbotsford, British Columbia

Agenda

1. Welcome and introductions
 - Ed Janzen, MC Canada representative from B.C.
2. Opening devotional
 - Ed Janzen, MC Canada representative from B.C.
3. Minutes of the 2009 Annual Meeting in Altona
 - Ed Janzen, CMPS Board Secretary
4. Board actions since the last Annual Meeting
 - Ed Janzen, CMPS Board Secretary
5. Report from the Board Chair
 - Larry Cornies, CMPS Board Chair
6. Report from the Editor/Publisher, including reports on circulation, fundraising and audited financial statements
 - Dick Benner, Editor/Publisher
7. Report of proxy votes
 - Ed Janzen, CMPS Board Secretary
8. Items requiring action by CMPS members:
 - a) Confirmations of Board actions in 2009
 - b) Acceptance of 2009 financial statements
 - c) Appointment of auditor for 2010
 - d) Elections of CMPS board members
 - Joanna Reesor-McDowell, Board Nominating Committee
9. Other business and discussion.
10. Adjournment

Canadian Mennonite Publishing Service

Annual Meeting

Saturday, March 7, 2009, 4:30 p.m.

at Altona Mennonite Church, Waterloo, ON

Present: 12 board members, 3 staff members, 4 guests

1. Welcome and introduction of CMPS Board & Staff – Al Friesen – MC Manitoba rep on CMPS Board

2. Opening devotional – Al Friesen

- Al opened with prayer

3. Minutes of 2007 Annual Meeting in Kitchener - Paul Krahn, secretary, CMPS

- Paul highlighted the minutes of the 2008 Annual meeting in Calgary.

4. Board actions since the last Annual Meeting – Paul Krahn, secretary, CMPS

- Paul highlighted the Board Actions & Motions of 2008

5. Report from the Board Chair – Larry Cornies

5.1 - significant events:

1 – Bidding farewell to Tim

2 – Hiring Dick Benner

3 – Five-year partnership agreement

5.2 - Reflection on Tim's time at CM

- a time of pastoral leadership

- has managed to bring together the area conferences in a joyful way

- we owe him a debt of gratitude

5.3 - Financially, we have finished in a surplus position for the year

5.4 – Postal Assistance Program

- has been stabilized for the next 2 years

- it will be rolled into the Canadian Periodical plan

5.5 – Media convergence

- societally, we are moving toward digital delivery of print product

- at CM we are not imminently threatened by this, however it is not too early to think about the future

5.6 – Thanks to staff

- to Aaron and Evelyn, and all the other staff we are grateful for your excellent work on minimal resources

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

6.1 – Thanks to staff for their ongoing work to make CM possible

6.2 – Two new things

6.2.1 Obituaries

6.2.2 Blog

6.3 – Awards

- received five award from the Cdn Church Press

6.4 – Circulation

- relatively stable; dropping slowly and steadily, which reflects a decline in church membership

6.5 – Advertising

- Ad income is up 8%

6.6 – Finances

- stable
- \$15,000 surplus put into reserve funds
- audited financial statements are a part of the Annual Report

7. Report of proxies - Paul Krahn, secretary

- There are no proxies to report.

8. Items requiring action by CMPS members:

8.1 Confirmation of Board actions in 2008 – Paul Krahn

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

8.2 Acceptance of 2008 financial statements – Tim Miller Dyck

- Tim reviewed the statements of the past year.

Motion: John Goossen (treasurer) moved the acceptance of the financial reports. m/s/c

8.3 Appointment of auditor for 2008 – Tim Miller Dyck

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

Motion: John Goossen moved that we continue to employ these auditors for 2009. m/s/c

8.4 Elections of CMPS board members – Joanna Reesor McDowell

- Joanna presented Margaret Ewan Peters for a 2nd term on the Board, as a CMPS representative

Motion: moved that the meeting acclaim the nominee as presented. m/s/c

9. Other business and discussion

- Larry Cornies led us in acknowledging the good, hard work of Tim Miller Dyck, who worked for 6 years working as the Editor Publisher
 - He presented him with one of the six bound copies of the CM issues for the years of his tenure.
 - Tim responded graciously, as we have come to expect.
 - He noted that CM reflects “how we wish we would be ... [it acts as] both a mirror and a map.”
 - He welcomed Dick to this very specialized and unique role.
- Paul Krahn, Aiden Enns, & Henry Neufeld were thanked for their work on the Board, by Margaret Ewan Peters, Joanna Reesor McDowell, and Ed Janzen respectively.

9. Adjournment at 5:30 pm

REPORT FROM THE CHAIR
Canadian Mennonite Publishing Service
Annual General Meeting and Full Board Meetings
Abbotsford, British Columbia
March 2010

1. The routine routinely becomes profound

Welcome to the annual meetings of Canadian Mennonite Publishing Service. On behalf of the entire board, I'd like to thank Emmanuel Mennonite Church and Mennonite Church British Columbia for receiving us so warmly in Abbotsford for our deliberations.

During my six years on the board of CMPS, I have experienced these meetings as being much more than mere two-day assemblies of far-flung board members to set budgets, review audited financial statements, pass motions and otherwise conduct the seemingly perfunctory business of a small publishing enterprise. Certainly, we do those things and, given the nature of Anabaptist ecclesiology, we deliberate with the principles of openness, transparency and accountability foremost in our minds.

Yet we consistently do much more. In the process of accomplishing what would seem routine, we grapple with questions that lie at the heart of being the church: As representatives of various churches, how do we relate to one another? How do we process what it means to apply the gospel of Jesus Christ to life in 21st century Canada? In whose hands does leadership lie? How do we facilitate conversation among Mennonites from a variety of cultural backgrounds and theological orientations about the meaning of faith and its implications for life here and now? How do we “encourage, comfort and urge one another to live lives worthy of God, who calls us into his kingdom and glory” (1 Thess. 2:12)? With each issue of the magazine, how do we simultaneously inspire, nurture, inform and explore? How do we moderate dissent or disagreement?

It is an ongoing challenge. I have seen board members reach into the depths of their being and express their most profound gratitude for, and most profound reservations about, the church we desire to serve. We aim to continue to do so with humility, grace and thanks for the opportunities that *Canadian Mennonite* provides to strengthen, inspire, inform, unite and challenge our family of faith. In no small way, the pages of the magazine both reflect and assist the community of Canadian Mennonite congregations as they wrestle with the meaning of the gospel for today's world. Information and dialogue, after all, are integral aspects of accomplishing that mission.

2. A year of extraordinary challenges

The 2009 fiscal year has been the most challenging of all my years on the board, due to the convergence of a number of unusual demands and challenges. The most significant were:

- the global recession, which had an impact on advertising revenues, though surprisingly made less of an impact on donations.
- the later-than-hoped-for arrival in Waterloo, Ont., of Dick Benner, our new editor/publisher. The delay was difficult for staff at head office, who had to continue producing and operating the magazine without a CEO being physically present in the corner office.
- a notification last spring from the newly established Canadian Periodical Fund that an audit of the magazine's circulation would be a necessary step for the renewal of the postal subsidies, formerly provided by the Postal Assistance Program, on which *Canadian Mennonite* so heavily relies.
- higher-than-anticipated expenses for travel to Mennonite World Conference in Asuncion, Paraguay, which Dick Benner covered for our magazine and a number of Mennonite periodicals.
- a lawsuit filed by writer Heather Robertson on behalf of Canadian freelance writers against publishers and distributors of freelance material, including ProQuest, which has long held a contract to store and sell the content of *Canadian Mennonite*. Like many other small publishers, *Canadian Mennonite* was obliged to defend itself against this civil litigation. Although a judge eventually ruled that the magazine should be excluded from liability in the case, the cost of *Canadian Mennonite*'s share of this defence, handled by Davis LLP, amounted to more than \$5,000. It would have been much higher if not for Dick Benner's negotiations with Davis.

The convergence of so many unanticipated (and unbudgeted) items and events in 2009 left the magazine with a modest deficit. Thanks to the establishment of a stabilization fund many years ago, into which substantial parts of past surpluses have been deposited, one year's deficit will not threaten the enterprise. We're hoping for a less eventful fiscal 2010 and are budgeting to regain lost ground.

3. Toward more effective governance

Effective service on board such as that of Canadian Mennonite Publishing Service, which meets as a full board only once a year and whose executive committee meets only three times annually, poses some unique challenges. At present, board membership consists of four representatives from Mennonite Church Canada, one representative from each of the five partnering area churches, and three from CMPS. Besides the infrequent nature of meetings of the entire board (due largely to concerns about keeping costs for publishing partners low), the board's executive committee consists of only five members.

In the hope of maximizing its effectiveness under the current governance structure and getting a more detached view of how it operates, the CMPS board engaged the services of Vancouver-based Vantage Point (formerly Volunteer Vancouver) for a special consultation during these meetings in Abbotsford.

4. A personal vision

What follows is not the official view of the board, but rather a personal view, on the occasion of my departure, on what the next five years of work at *Canadian Mennonite* might hold. It draws upon my experience as a journalist and some of the trends currently underway in the fields of journalism, communication and new media.

I believe the board and each of CMPS's publishing partners should, before long, contemplate significant changes in the way the organization facilitates reporting and discussion among members of the Canadian Mennonite family. I believe that the proliferation of digital technologies, the recession of legacy media ("ink on dead trees") and a growing consciousness about doing the work of journalism and communication in more environmentally sensitive ways will push us all into new frontiers. These might include, but not be limited to, the following:

- reporting of church news and analysis through daily website updates, supplemented by the delivery of other features and columns on a weekly basis on the same site. All items would be accompanied by printer-friendly options for those who need them.
- reporting on events such as conferences, assemblies and similar events in real time via social media and the development of custom applications for mobile devices.
- the widespread use of moderated comments by readers and other users to discuss items on the website — a most appropriate approach for members of a church body that hold high the notion of a "priesthood of all believers."
- the editing of a digest of news, features, comments and letters, columns and other items on a monthly basis, electronically delivered to "every home" and congregational offices in portable document format (PDF), designed to be printed by locally by users who wish to do so.
- the redeployment of budgetary resources, away from carbon-intensive printing and mailing and toward enhanced design, digital platforms and distribution, as well as more robust journalism and dialogue, to accomplish the above.

There are likely as many different views of how the future of Canadian Mennonite church journalism and communication might unfold as there are publishing partners in our joint venture. They — and the board members they send to this table — will require wisdom and discernment as they fashion the future of this important ministry.

Respectfully submitted,

Larry Cornies
Chair, Canadian Mennonite Publishing Service

Report from the Editor/Publisher for 2009

Introduction

As I reflect on my first year as editor/publisher, I am overwhelmed with a mixture of feelings—wonder, humility, gratitude, amazement at God’s continued providence and protection and not a little challenged.

The *wonder* comes from how accepting my Canadian sisters and brothers are of me as an American citizen coming handicapped with the stereotype of arrogance, ignorance and superficiality in understanding my Canadian neighbours. What did one of those queried by Tobi say, upon learning of my appointment: “it will take him at least 15 years to understand Canadians and the Canadian Mennonite culture?” I hope that I, at least, have made him/her less anxious. I know I am!

Humbled because I stand on the shoulders of a great lineage of editor/publishers: the gifts of a founding theologian/historian, Frank H. Epp who planted a vision of egalitarianism that has given the publication a sound foundation, the journalistic skills of a Ron Rempel who painstakingly expanded the news coverage of congregations and finally my immediate predecessor, Tim Miller Dyck, who with his pastoral approach, forged solid partnerships with area churches and MC Canada that has given the magazine new staying power in the denominational power centres as well as in the pews.

Amazed that even though we were somewhat challenged with Canadian Immigration, a class action lawsuit and a soft economy, we have come through these, with God’s help, relatively unscathed and hopeful for a return to some normalcy in publishing, whatever that is!

Challenged in a changing media environment that is seeing print on the decline, cyberspace and social networking becoming the dominant communication venue, an aging readership and advertisers becoming far more discriminating in how they spend their promotion dollars. What lies ahead will take the best discernment and skill set to continue to be the “conversation center” for the Mennonite Church of Canada, a small, but thoughtful group of people also undergoing a cultural shift and discovering a new ethos that preserves core values while witnessing to an enduring faith in an increasingly pluralistic, multi-faith society. (more on this when I discuss hopes and dreams)

The highlight of my year, thanks to the board’s permission, was the 10 days spent at the Mennonite World Conference in Paraguay this past summer where the inspiring music, the Word preached in eight different tongues, the cultural mix of dance, art and costume amounted to a 21st century *glossolalia*, a new Pentecost. One cannot have this global experience and not be changed for a lifetime. You are forced to shed your cultural/religious provincialism and see how God is working in a much larger context than your own.

Editorial

We published 1,143 articles over 24 issues last year, an increase of 59 over what we published in 2008. We published 8 - 40-page issues and 16 - 32-page issues, in line with our goal of economizing on printing. We continue to be the Mennonite magazine in North America that publishes more issues and more pages per issue than any other, the only one with a solid Every-Home subscription plan that does what it says!

Our issues contained a large variety of material relating to how Canadian Mennonites and Mennonite organizations carry out a mission of hope and healing on a domestic and global scale. 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. Large portions of two issues following Mennonite World Conference gave full coverage to that event, some of them by myself as a member of the Meetinghouse (other US/Canadian denominations editors) team of reporters. 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.

The strength of our reporting lies in the fact that *Canadian Mennonite* uniquely employs national and regional correspondents to do a lot of original stories rather than rely heavily on news releases from the many church agencies. In this way, we are closer to our congregants, I think, than the average Mennonite Church publication. While we do use and edit agency news, a preponderance of our stories carry our own by-lines.

Editorial Contents Highlights in 2009

Last year, we focused on the following topics in our opening Feature section:

- a practical look at what ministry at the local level actually costs.
- sharing what it means to minister to parishioners with bipolar disorder.
- voluntary service for a new generation.
- helpful instruction by John H. Neufeld on “reading the Bible for all its worth.”
- an intriguing story of a “boy and his duck” to illustrate the message of grace, peace and harmony at Easter.
- challenging words from Henry Neufeld on how we get the art of discipleship so backwards.
- some counter-cultural advice on how to plan for retirement.
- a look at the contours of the emerging church.
- consciousness-raising on how precious we are in the sight of God.
- some pushback on how subconsciously we become “religious tourists” in our eagerness to visit global mission and services locations for “vacation.”

- “listening with respect” to our aboriginal neighbours as we struggle with cultural differences.
- a new call to heed Micah’s warning about practicing justice from our Congolese brother at Mennonite World Conference.
- prevention tips on how to cope with an anticipated pandemic of the H1N1 flu virus.
- fighting back against schoolyard bullying.
- a look at the historical tension between evangelism and ethics in our theology
- reviewing MC Canada’s experience with the wider ecumenical church.
- The role of music as communion.
- A young person’s questions about the spirituality of service.
- An “unsanitized” Christmas.

Our goal as a publication continues with a mix of original reporting on issues currently important to the church, theological reflection and Mennonite identify formation through personal stories and recollection of our faith history.

What’s new in 2009?

In early December we added NEWS UPDATE to our website, a weekly line-up of breaking news—stories and important events that are published on a more timely basis than news in our biweekly print edition. My goal is to update every Friday by 6 p.m. EST. In the planning for this year is an overhaul of our website, making it more user friendly and perhaps tying into the popular social networking such as Facebook and Twitter. This is an attempt to bring younger readers to our venue, as this is where they dwell—on the Internet! On *Canadian Mennonite’s* blog two writers have been added in the persons of Paul Loewen, a writer/author and youth pastor of Douglas Mennonite Church, Winnipeg, and Gene Stoltzfus of Fort Frances, Ont., with 45 years of peacemaking experience, 16 of them as director of the Christian Peacemaker Teams. They have enriched our more reflective thinking, along with those continuing—Will Loewen, Cheryl Woelk and David Dreidger. Rebecca Janzen is no longer writing.

What spurred letters?

Here are the topics that readers felt most inclined to write about in the “Readers Write” section (almost all the letters 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.

- #1: Mennonite Central Committee—on all fronts—strategies in the “New Wineskins” restructuring, to its mission, to its personnel on the field (in comparison to 2008 where the topic of homosexuality was foremost)
- #2: Israel and Palestine (again a repeat of 2008)
- #3: Mennonite identity
- #4: Consumerism
- #5: (ties) Biblical interpretation

Continuing Items in 2010

- “Outside the Box” by Phil Wagler (monthly)
- “New Order Voice” by Aiden Enns and Will Braun (monthly)
- “Family Ties” by Melissa Miller (monthly)
- “God, Money and me” by Mennonite foundation staff people (monthly)
- “From our Leaders” by leaders from Mennonite Church Canada and each area church (each issue)
- “Young Prophets”, which highlighted the writing of a particular young adult (monthly)
- “Stories of Faith in Life,” an occasional 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)

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.

Editorial Awards

I'd like to congratulate the following staffer and contributors who won awards for their work last year:

- Managing editor **Ross W. Muir** won the Word Guild's Canadian Christian Writing Award for "Long Feature" for "Caring for the Least of These," his exploration of the "Responsibility to Protect doctrine" in light of Mennonite peace principles.
- Our **letter writers** won a second place Award of Merit at the CCP convention in the "Letters to the Editor - Open" category.
- **Steven "Reese" Friesen** won a third place Award of Merit at the Canadian Church Press (CCP) convention in the "Narrative - Open" category for his graphic novel serial, "Tales of Avalon City."
- **Judy Wilson** won a third place Award of Merit at the CCP convention in the "Biblical Interpretation - Open" category for her feature article, "The Temptations of Ahab."

International Coverage

As already noted, we carried major stories from Mennonite World Conference in at least two of our summer issues with follow-up on an ongoing basis. I received many comments of gratitude for this extensive coverage, and of course, some negative pushback on perhaps a poor choice of words on our Nov. 16 cover in which we declared “Lutherans Called to Recant” in drawing

attention to that denomination's gracious gesture in asking us Anabaptists to forgive them for persecuting us, including killings, 400 years ago during the religious upheaval of the Reformation. This cover angered Bert Lobe of MWC and disappointed Jack Suderman of MC Canada, both of whom have been working tirelessly at ecumenical relations over the last number of years. Their letters to the editor drew other readers into the discussion. While not thinking it serious enough to apologize, I do feel badly that this kind of 16th century language got past me as the editor. Having been there to witness the embrace of MWC president Danisa Ndlovu and Ishmael Noko, general secretary of the Lutheran World Federation—a high moment and moving gesture—I regret in retrospect the harsh language we resurrected from our horrific past to draw readers into the story. It did not at all reflect the spirit in which this forgiveness event occurred. It is one of those things you wish you could re-do. I have since talked with both Bert and Jack who have moved on, but unfortunately it is now a part of the printed record.

Coverage

Here are the details of how the coverage was divided up. (The five area churches are more-or-less represented in proportion to their membership size.) The number of columnists from Ontario and Manitoba increase their numbers. This year editorials were not counted as coming from Ontario.

<u>Region</u>	<u>Region counts in 2009</u>	<u>in 2008</u>
Ontario	264	313
Manitoba	205	238
Saskatchewan	70	92
British Columbia	69	104
United States	83	80
Canada	45	11
Paraguay	45	5
Alberta	44	69
Israel/Palestine	9	13
China	6	6
Ukraine	6	
Burkina Faso	5	
Philippines	4	6
Quebec	1	7

Article Sources

<u>Article Sources</u>	<u>in 2009</u>	<u>in 2008</u>
Written by staff	266	312
News releases	255	284
Paid articles	289	241
Other (unpaid)	234	138

Letters to the Editor	87	98
Reprints from other publications	<u>12</u>	<u>11</u>
Total	1143	1084

Staff wrote 23 percent of all articles
 25 percent were paid works written by constituency members (includes bloggers)
 22 percent were selected from releases we receive
 20 percent were unpaid submissions
 8 percent were letters
 1 percent was reprinted from other publications or sources

Out of the releases we do use, MC Canada is our top source of articles. Following MC Canada are (in order for 2009): Mennonite World Conference, MCC, CMU, Conrad Grebel and Mennonite Publishing Network.

Advertising (as reported by Lisa Metzger, our new ad rep)

Overall ad sales for 2009 were much lower than 2008, we had a decrease of \$18,005 over the course of the year with total sales only reaching \$122,044. I would attribute much of decrease to the economy in general and to the staff changes at Canadian Mennonite. Economic issues led to a large decrease in employment advertising revenues and also to a decrease in display advertising.

For example, in 2008 Good Books took out two full pages and Pandora press had two ads in the books issue – this year both cited economic troubles and business changes and did not advertise leading to a decrease of almost \$3,500 in one issue alone. In the fall, Herald Press pulled their monthly ads due to budget cuts but thankfully that was replaced by an MPN insert with close to the same revenue.

We also had Yellow Pages advertisers drop out. They viewed their Yellow Pages ads as a donation/show of support for the publication and not as lead generators for them so in tighter economic times it was harder to justify the expense. In one case, a travel agency pulled their Yellow Pages ad in 2009 but they have spent a similar amount with us to advertise specific tours in 2010.

On a positive note, things are looking up for 2010. Herald Press is back to advertising once a month, Mennonite Savings and Credit Union is committed to advertising in every issue, and FaithLife Financial is actively advertising with us. Due to a change in sales strategy and a dramatic increase in employment advertising, we have currently brought in over 51% of our revenue goal for 2010 and we have commitments for 63% of our goal.

Due to the drop off in advertising in 2009, this year we are working with advertisers to develop their annual ad schedule and asking for a solid commitment to their schedules with pre-payment when the first ad runs. This ensures that we have a solid revenue base and that frequent

Circulation

We have lost 242 subscribers since October 2009, for no particular reason. Our circulation total now stands at 14,688. Lisa Jacky tells me this is mostly through attrition (deaths) and in some cases the closing of entire congregations. There is no evidence of subscribers canceling because they are unhappy with the paper.

	BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals	Previous Report Totals	Change Since 23/09/2009
Individual	55	48	37	85	82	7	0	52	10	376	396	-20
Gift	9	10	3	12	22	1	1	4	6	68	65	3
Small Groups	0	62	4	6	0	0	0	0	1	73	73	0
MC – BC	811	6	2	0	1	2	0	3	0	825	848	-23
MC – AB	6	710	3	5	8	0	0	3	2	737	766	-29
MC – SK	17	33	1511	30	13	3	0	13	7	1627	1678	-51
MC- MB	19	24	4	4079	36	2	1	11	11	4187	4276	-89
Mennonite Church of Eastern Canada	28	11	2	17	6077	90	2	42	21	6290	6313	-23
Other	0	0	10	0	2	0	0	0	0	12	12	0
Bulk (churches)	88	19	0	73	70	0	0	0	0	250	245	5
Complimentary	3	1	1	7	6	1	0	6	3	28	27	1
Bulk (schools, etc.)	26	0	15	99	40	0	0	0	0	180	196	-16
Exchange	1	0	2	9	5	0	0	11	7	35	35	0
	1063	924	1594	4422	6362	106	4	145	68	14688	14930	-242

Staff

- I hired Lisa Metzger as our new ad representative in June to replace Karen Suderman who with her husband left to serve a three-year term with MC Canada Witness in South Africa.
- Aaron Epp, national correspondent working out of Winnipeg, resigned as of July 30. I replaced him with Rachel Bergen, a 4th year student at Canadian Mennonite University who had been doing some writing for us.

My Immigration Status

As of now, I will have to leave Canada as of April 30, 2010, having only a one-year permit to work in the country. Under legal guidance, we are beginning the process of renewing that work permit, trying for an extended stay. One of the first steps Tim Wichert, our counsel, has recommended is that CMPS again advertise my position to persuade Immigration that it is attempting to find a Canadian to fill my position. We have run ads in two non-church venues, one paid, the other free, with responses going to Larry, as chair. He will have an update on that. Tobi Thiessen is working with Tim to carry out next steps to persuade Immigration of my worthiness as a US citizen to continue in the job. She has an update, I'm sure.

An Official Hire

One of the conditions of my contract with CMPS states that I am under a one-year trial period, my work to be evaluated before being extended a longer contract. I signed the contract with CMPS on Feb. 10, 2009, so that year is up and I am working at your mercy at the moment. This requires official board action.

Guest Luncheons

To improve relations with the leadership of the Mennonite Church, starting with local institutions, I have started monthly Guest Luncheons where we invite in four persons from a given agency and tell them how we put Canadian Mennonite together and give them equal time to ask questions of and give suggestions to us. So far we have entertained the staff of MCEC and MCC Ontario. Marlene prepares the lunches and the staff serves the food. So far it has been a productive experience. As Tobi says, we should consider expanding these hospitality/public relations to the national scene, so with the help of video-conferencing that will be the next step.

Monthly Leadership Breakfasts

Jack Dueck, one of our columnists, has made it his mission, bless his heart, to arrange a monthly breakfast meeting to which he invites church/community leaders for an informal exchange. It lasts for about 90 minutes while we exchange ideas and stories of our lives. He affectionately calls this group a gathering of the "saints" and insists that there is no agenda. He is so excited with what he perceives is the "new" *Canadian Mennonite* under my leadership that he wants to engage as many thoughtful people as he can to give me affirmation, critique and instruction. And likewise, they get to know me and my vision in the process. It has been a wonderful gift to me as I learn a new national and church culture. He is so convinced that there is a certain readership "returning" to the CM, especially among the professional/business class, that he thinks we should set up a foundation to which he projects that at least 20 business persons would give \$5,000 annually to help underwrite our costs, and to form an alternative source of income should we lose the sizeable postal grant, for instance.

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Finances

Financially, we ended the year in a slightly negative position of minus \$6,693, a drop from a \$15,000 surplus in 2008. Expenses that pushed us into the red column were an unanticipated class action suit which cost us in excess of \$7,000, extra travel for my trip to Paraguay, higher wages due to my overlap with my predecessor and the same for ad reps and the added cost (\$1,487) of an independent audit of our subscriptions to keep qualifying for government postal assistance. Advertising revenues were down \$18,000 due to a change in the economy and other factors noted by Lisa Metzger above. Individual donations from our fund drives were up by \$5,564 for a total of nearly \$85,000, though, helping to keep the bottom line healthier than expected.

Fundraising

In terms of *Canadian Mennonite's* own fundraising, we again did two direct mail campaigns to previous donors in 2009 as well as our annual banquet. Please see the fund-raising report for more details.

Donations continue to be a major boost 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!

Postal Assistance Program (now Canada Periodical Fund)

The Postal Assistance Program (PAP) had been assisting us to the tune of \$100,000 per year in postal subsidies, but that program has been cut and changed to a similar one called the Canada Periodical Fund. As noted, one of the requirements for continuing our grant was to contract an independent auditing agency, in our case Canadian Media Circulation Audit (CMCA), at an annual cost of \$1,500. This will be an ongoing cost as we have to have it done annually to prove to the Fund that our readers, through our Every Home Plan, indeed do desire and use the product, and that it isn't something of a denominational organ that goes to the individual subscriber whether or not they desire it. And the only good difference between the implementation of CPF over PAP is that we get our entire grant up front rather than with each mailing as was the case.

Facilities and equipment

We made no equipment purchases in 2009.

Online Services

Our web site had an average of 12,000 visits per month from January 2009 through February 2010. This has picked up from about the 9,800 average visits we had in 2008. Some of this traffic will be search engines as well.

Our electronic delivery service continues also to grow, but is still very small in absolute terms. We have nearly 600 subscribers getting delivery of issues as attachments (versus 222 a year ago).

Publishing Partner relationships

The most significant news here is that each one of the partners agreed, without hesitation, to a small 2% increase in their contribution to Canadian Mennonite, based on their membership numbers. I told them we were holding the line on our own internal expenses, but that we have no control over the postal numbers going up each year.

We are in a bit of contention over the use of our mailing list by MC Canada for their own fundraising purposes, their communication director, Dan Dyck, approaching me last fall with the assumption we would co-operate without hesitation since they considered themselves “co-owners” of that list. Mine was a not-so-fast response, knowing that since being given that list originally by MC Canada, Canadian Mennonite has come under new PIPEDA privacy laws restricting, in fact, barring, us from sharing this list with anyone, inside the church structure or not. Apparently this was not a new thing, my predecessor and the board having had a similar discussion back in 2008, when, after getting a legal opinion, decided not to share the list. From the top down, MC Canada is of the opinion that since they are a church “insider,” that the PIPEDA restrictions do not apply. In a recent conversation with Louie Sawatsky, director of MC Canada’s Support Services, of which Ed Janzen is chair and was party to the discussion, I agreed to contact the “commissioner” of PIPEDA (if there is such a person) and get an opinion on how this might be an exception. Meanwhile, it is a major item for the CMPS board agenda. I have no promises or commitments to MC Canada, but have always insisted that the board will make the final decision.

We continue the offering of a free ad to help promote some aspect of each Publishing Partner’s ministry as a free benefit to them. Usually, these were to highlight their delegate sessions. This is available again in 2010.

I submit *Canadian Mennonite* reports to each area church delegate session report book (customized for each region) and attend as many of these sessions in person as is possible. Personal visits are the most effective way to build constituency relationships.

Hopes and Dreams

A Tsunami of Change

While today, *Canadian Mennonite* is on sound financial, readership and distribution footing, cultural shifts both in society at large and among Canadian Mennonites are certain to change drastically how we think about our task, how we view our readers and how we deliver the product.

It is almost a cliché to note that the communication business is in a tsunami of change with the advance of new electronic technologies that have readers spending more time in front of their

computers screen than with the printed page. Our readership is aging, the latest survey showing that more than 70 percent of them are 50 years of age and older.

Along with this technological revolution comes a drastic change in the generations, so profound that those born after 1970 have some difficulty understanding and accepting the world their elders inhabit—something that futurist Leonard Sweet has put handles to, calling them “immigrants” and “natives.” It is so counter-intuitive as to make your head spin. *Immigrants* are those of us hopelessly groping around in the Gutenberg age, tied to print, having strong loyalty to institutions and appreciating order in our lives. *Natives* (the twenty/thirty somethings), on the other hand, get their information/entertainment and social direction from cyberspace, have few loyalties and even less regard for authority/institutions and are comfortable with chaos.

“Immigrants are word-based. Natives are image-driven. . . . Say ‘image’ to any immigrant, and they think superficial, shallow and uncritical.”

It is not a matter of preparing for a different time for *Canadian Mennonite*, it is already here. If we stick only with print and mail distribution, sound as it is, we will find ourselves losing ground and readers over time, perhaps sooner than later. Who knows for sure?

It would be foolhardy to over-react to this tsunami. Print, though declining in value, will not disappear overnight. The infatuation and courtship with the Internet on the part of the young, is, like a good marriage, to be tested over time. We do not know, with any certainty, where all this will settle down. But we have to be prepared, always keep an open mind and a discerning heart, as we traverse this uncertain path.

To this end, we have to begin going multi-media. A tiny step was taken this year with my starting a NEWS UPDATE blog on our website that makes the news far more current than our fortnightly can deliver with its two-week lag in delivering time. I have begun to add video clips to some of the items; have you noticed?

Our website, so “90s,” as our graphic designer, Dan Johnson (the youngest member of our staff) is inclined to say, has to undergo a major upgrade to give news in real time, make it easy to interact with and be accessible on Facebook and Twitter, the new social networking. For it is there that the immigrants traverse and will find us.

What this does to our production model is uncertain. Right now our financial base is dependent on subscription income which is rooted in putting words and pictures on a piece of newsprint, printing it in volume and sending it out via national post mail—an increasingly unreliable and slow distribution. Readers west of Manitoba constantly complain of slow delivery, making the content out of date even as it arrives in their homes.

A More Active and Involved Governance

Working through all of this will take more than the wisdom of my staff and me as director. I am asking you, as a 12-member board, to give serious thought to these matters, take the issues one

by one, study them and come back with recommendations and suggestions. One committee of the board could study and more seriously survey the readership, their likes and dislikes, the things they find missing, another could study new models of communication, noting the trends in both print and electronic delivery of content, another could spend some time with pastors, university professors, business leaders, and church officials seeing what they envision for a strong denominational publication.

A CM Foundation?

As noted above, Jack Dueck thinks we should establish a foundation of interested persons who would not only give us financial stability, but also insure the unique mission of our paper to avoid what Larry Cornies has so eloquently expressed in his farewell editorial the “editorial control migrating from the newsroom to the board room.” Jack and his friends think the paper is best served by retaining a measure of independence to stem the tide of church magazines being given over to denominational control. It has already happened to the *Mennonite*, the MC USA’s official paper that has now come under executive committee control and direction. This is not to say that the *Canadian Mennonite* should operate separately and as constant critic of the power centres, but its “prophetic” mission should include the role of holding itself and other church councils accountable and in line with our core Anabaptist belief and practice.

This then is my report of what is at Canadian Mennonite and what could be. I am grateful for y our warm welcome and support and desire your continued prayers as we journey this uncertain path together. We don’t know what lies there, but we do know that our Creator/Sustainer God knows the way. Our trust is in him.

Dick Benner
Editor and Publisher
March 2010

CANADIAN MENNONITE PUBLISHING SERVICE

Financial Statements
December 31, 2009

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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, 2009, the statements of revenue and expenses and changes in fund balances and cash flows 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.

Except as explained in the following paragraph, 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 donations which are not susceptible to complete audit verification. Accordingly, our verification of donation revenue was limited to accounting for the amounts recorded in the records of the organization. We were not able to determine whether any adjustments might be necessary to revenue, surplus, current assets or fund balances.

In our opinion, except for the effect of adjustments, if any, had donation revenue 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by McMane Dunkel Kingston and Stranz, LLP whose practice now operates under BDO Canada LLP.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Waterloo, Ontario
February 10, 2010

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Revenue and Expenses and Changes in Fund Balances
Year Ended December 31, 2009

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>(unaudited)</i>										
Revenue											
Every Home Plan Individual & group subscriptions	\$ 287,206	\$ 289,020	\$ 285,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289,020	\$ 285,747
Advertising and supplements	20,550	17,836	19,849	-	-	-	-	-	-	17,836	19,849
Grants	143,255	122,044	140,049	-	-	-	-	-	-	122,044	140,049
Donations - Individual	100,649	99,393	99,686	-	-	-	-	-	-	99,393	99,686
Donations - Publishing Partners	73,000	84,878	79,314	-	-	-	-	-	-	84,878	79,314
Interest and exchange	12,721	13,316	13,582	-	-	-	-	-	-	13,316	13,582
Unrealized gain (loss) on investments (Note 5)	8,212	1,531	1,617	3,159	5,724	1,620	3,027	235	557	6,545	10,925
Other	-	-	-	1,640	(2,206)	-	-	-	-	1,640	(2,206)
	3,000	2,754	4,415	-	-	-	-	-	-	2,754	4,415
	648,593	630,772	644,259	4,799	3,518	1,620	3,027	235	557	637,426	651,361
Expenses (Page 8)	648,491	644,120	636,367	-	-	-	-	-	-	644,120	636,367
(Deficit) Surplus for the year	102	(13,348)	7,892	4,799	3,518	1,620	3,027	235	557	(6,694)	14,994
Fund balances, beginning of year	235,010	235,010	230,615	161,828	159,783	86,772	76,772	18,000	19,446	501,610	486,616
	235,112	221,662	238,507	166,627	163,301	88,392	79,799	18,235	20,003	494,916	501,610
Transfer to Professional Development Fund (Note 3)	-	(3,281)	(6,973)	-	-	3,281	6,973	-	-	-	-
Transfer from Stabilization Fund (Note 3)	-	8,159	1,473	(8,159)	(1,473)	-	-	-	-	-	-
Transfer (to) from Capital Fund (Note 3)	-	(865)	2,003	-	-	-	-	865	(2,003)	-	-
	-	4,013	(3,497)	(8,159)	(1,473)	3,281	6,973	865	(2,003)	-	-
Fund balances, end of year	<u>\$ 235,112</u>	<u>\$ 225,675</u>	<u>\$ 235,010</u>	<u>\$ 158,468</u>	<u>\$ 161,828</u>	<u>\$ 91,673</u>	<u>\$ 86,772</u>	<u>\$ 19,100</u>	<u>\$ 18,000</u>	<u>\$ 494,916</u>	<u>\$ 501,610</u>

See notes to financial statements

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Financial Position
December 31, 2009

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
ASSETS										
Current Assets										
Bank (Note 4)	\$ 109,689	\$ 120,190	\$ 160,421	\$ -	\$ 93,293	\$ -	\$ 19,335	\$ 18,557	\$ 382,738	\$ 138,747
Investments (Note 5)	-	-	6,206	162,442	-	79,793	-	-	6,206	242,235
Accounts receivable	8,134	14,297	-	859	-	6	-	-	8,134	15,162
Prepaid expenses	3,729	2,254	-	-	-	-	-	-	3,729	2,254
	121,552	136,741	166,627	163,301	93,293	79,799	19,335	18,557	400,807	398,398
Capital Assets (Note 6)	133,511	141,075	-	-	-	-	-	-	133,511	141,075
	<u>\$ 255,063</u>	<u>\$ 277,816</u>	<u>\$ 166,627</u>	<u>\$ 163,301</u>	<u>\$ 93,293</u>	<u>\$ 79,799</u>	<u>\$ 19,335</u>	<u>\$ 18,557</u>	<u>\$ 534,318</u>	<u>\$ 539,473</u>
LIABILITIES										
Current Liabilities										
Accounts payable	\$ 7,669	\$ 15,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,669	\$ 15,991
Deferred revenue	31,733	21,872	-	-	-	-	-	-	31,733	21,872
Interfund (payables) receivables (Note 7)	(10,014)	4,943	8,159	1,473	1,620	(6,973)	235	557	-	-
	29,388	42,806	8,159	1,473	1,620	(6,973)	235	557	39,402	37,863
FUND BALANCES	225,675	235,010	158,468	161,828	91,673	86,772	19,100	18,000	494,916	501,610
	<u>\$ 255,063</u>	<u>\$ 277,816</u>	<u>\$ 166,627</u>	<u>\$ 163,301</u>	<u>\$ 93,293</u>	<u>\$ 79,799</u>	<u>\$ 19,335</u>	<u>\$ 18,557</u>	<u>\$ 534,318</u>	<u>\$ 539,473</u>
Fund balance comprised of:										
Internally restricted	\$ 133,511	\$ 141,075	\$ 158,468	\$ 161,828	\$ 91,673	\$ 86,772	\$ 19,100	\$ 18,000	\$ 402,752	\$ 407,675
Unrestricted	92,164	93,935	-	-	-	-	-	-	92,164	93,935
	<u>\$ 225,675</u>	<u>\$ 235,010</u>	<u>\$ 158,468</u>	<u>\$ 161,828</u>	<u>\$ 91,673</u>	<u>\$ 86,772</u>	<u>\$ 19,100</u>	<u>\$ 18,000</u>	<u>\$ 494,916</u>	<u>\$ 501,610</u>

APPROVED BY THE BOARD OF DIRECTORS

Director

Director

See notes to financial statements

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Cash Flows
Year Ended December 31, 2009

	2009	2008
Operating Activities		
(Deficit) Surplus for the year	\$ (6,694)	\$ 14,994
Items not involving cash		
Amortization	9,054	12,327
Loss on disposal of capital assets	-	500
Unrealized gain (loss) on portfolio investment	<u>(1,640)</u>	<u>2,206</u>
	720	30,027
Changes in non-cash working capital items		
Accounts receivable	7,028	15,128
Prepaid expenses	(1,475)	(247)
Accounts payable	(8,322)	(404)
Deferred revenue	<u>9,861</u>	<u>1,852</u>
	<u>7,812</u>	<u>46,356</u>
Investing activities		
Purchase of capital assets	(1,489)	(1,372)
Purchase of portfolio investments	-	(6,772)
Purchase of term deposits	(253,714)	(720,757)
Redemption of term deposits	<u>491,382</u>	<u>709,002</u>
	<u>236,179</u>	<u>(19,899)</u>
Net increase in cash	243,991	26,457
Cash, beginning of year	<u>138,747</u>	<u>112,290</u>
Cash, end of year	<u>\$ 382,738</u>	<u>\$ 138,747</u>

See notes to financial statements

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements December 31, 2009

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 was established to protect the organization from operating fluctuations that may occur from time to time. The goal is to accumulate, from surpluses, an amount equal to 25% of annual expenses in the fund for this purpose. 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

Deferred subscription revenue results from advance payments for subscriptions received from subscribers and is recognized on a straight line basis over the term of the subscription as issues are released. Periodical advertising revenue is recorded upon release of the periodical to subscribers. Amounts are recorded as revenue of the General Fund.

Restricted donations related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted donations are recognized as revenue of the appropriate restricted fund.

2. Significant Accounting Policies (cont'd)

Unrestricted donations are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income 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 unrealized gains and losses on investments as described below. Other investment income is recognized as revenue of the General Fund when earned.

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 in the year the related expense is incurred.

Investments

Investments are classified as held for trading. Unrealized holding gains and losses related to these 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 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 less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer hardware	3 years	straight-line method
Computer software	3 years	straight-line method
Furniture and equipment	5 years	straight-line method
Building	25 years	straight-line method

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements December 31, 2009

2. Significant Accounting Policies (cont'd)

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.

3. Interfund Transfers

During the year, the Board of Directors authorized transfers of \$5,000 from the Stabilization Fund to the General Fund, \$1,100 from the General Fund to the Equipment Fund, and \$4,900 from the General Fund to the Professional Development Fund.

Investment income earned in the Stabilization Fund of \$3,159, Professional Development Fund of \$1,620 and Capital Fund of \$235 were transferred to the General Fund.

4. Bank

The Organization's bank accounts are held at one credit union. The bank accounts earn nominal interest.

5. Investments

	<u>2009</u>	<u>2008</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 3.15%, matured during the year	\$ -	\$ 157,876
Meritas Jantzi Social Index Fund At market value (cost - \$6,772)	<u>6,206</u>	<u>4,566</u>
	<u>6,206</u>	<u>162,442</u>
<u>Professional Development Fund</u>		
MSCU term deposit, 2.75%, matured during the year	<u>-</u>	<u>79,793</u>
	<u>\$ 6,206</u>	<u>\$ 242,235</u>

5. Investments (cont'd)

Cumulative unrealized losses included in the fund balance of the Stabilization Fund is \$566 (2008 - \$2,206).

6. Capital Assets

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 15,081	\$ 12,750	\$ 2,331	\$ 2,622
Computer software	2,557	2,355	202	603
Office equipment	10,610	10,454	156	358
Building	166,771	54,479	112,292	118,962
Land	18,530	-	18,530	18,530
	<u>\$ 213,549</u>	<u>\$ 80,038</u>	<u>\$ 133,511</u>	<u>\$ 141,075</u>

7. Interfund (Payables) Receivables

The interfund balances are interest free and have no fixed terms of repayment.

8. 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 Organization for use in the operations of the periodical. The balance on deposit in the fund at December 31, 2009 was \$14,132 (2008 - \$12,982) and interest earned during the year amounted to \$429 (2008 - \$439).

Notes to the Financial Statements
December 31, 2009

9. Financial Instruments

The Organization's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities.

Fair Value

The following policies and assumptions were used to determine fair value of each class of financial assets and financial liabilities.

Cash, accounts receivable, accounts payable and accrued liabilities:

These financial assets and liabilities held for trading are measured at their carrying amount since it is comparable to their fair value due to their short-term nature.

Investments:

Investments are classified as held for trading financial assets. They are measured at fair value, determined on the basis of market value.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit risk.

Currency Risk

Currency risk is the risk to the Organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest rate risk.

10. Capital Risk Management

The Organization's objectives when managing capital are to safeguard the Organization's ability to continue as a going concern. Capital is defined by the Organization as all general and internally restricted funds and capitalized assets.

The General Fund's objective is to provide working capital for the Organization's operating expenses. Deposits and withdrawals to this fund are administered by management and are authorized by Board passage of the annual operating budget.

10. Capital Risk Management (cont'd)

Any material variations from budgeted income or expenditures are to be reported to the Board of Directors promptly, and at least three times per year as part of regular financial reporting to the Board.

The Stabilization Fund's objective is to ensure that, should there be an operational shortfall reducing expected cash flow, the Organization can continue to operate for at least three months. This requires a minimum valuation of 25% of current annual expenses. At December 31, 2009, the Organization was not in compliance with the required minimum fund balance of \$161,030.

The Professional Development Fund's objective is to cover the costs of providing eligible staff with their defined professional development leave benefit. The Board determines what adequate levels of funding in this fund are on the basis of cost-projection forecasts prepared by management as part of the annual budget. At December 31, 2009, the Organization was in compliance with the required minimum fund balance of \$91,673.

The Capital Fund's objective is to provide funding for large capital asset purchases or repairs of existing capital assets. The Board determines what adequate levels of funding in this fund are on the basis of cost-projection forecasts prepared by management as part of the annual budget. At December 31, 2009, the Organization was in compliance with the required minimum fund balance of \$19,100.

The Organization's investment policy is to invest all funds in cash instruments such as bank accounts and term deposits. Any exceptions to this policy must be made through specific board motion.

The Organization is not subject to externally imposed capital requirements and the Organization's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2008.

CANADIAN MENNONITE PUBLISHING SERVICE

Schedule of Expenses
Year Ended December 31, 2009

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget <i>(unaudited)</i>	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Postage	\$ 179,596	\$ 174,427	\$ 173,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,427	\$ 173,960
Head office - salaries	180,551	176,605	165,281	-	-	-	-	-	-	176,605	165,281
Printing and production	93,967	91,578	103,828	-	-	-	-	-	-	91,578	103,828
Regional correspondents	68,118	68,196	68,818	-	-	-	-	-	-	68,196	68,818
Head office - benefits	26,279	22,923	21,769	-	-	-	-	-	-	22,923	21,769
Advertising representative	16,549	15,981	16,049	-	-	-	-	-	-	15,981	16,049
Amortization	9,045	9,054	12,327	-	-	-	-	-	-	9,054	12,327
News service	18,375	14,413	15,833	-	-	-	-	-	-	14,413	15,833
Facility costs	10,055	11,399	9,757	-	-	-	-	-	-	11,399	9,757
Professional fees	6,710	13,295	6,708	-	-	-	-	-	-	13,295	6,708
Staff	7,000	7,647	5,595	-	-	-	-	-	-	7,647	5,595
Board	10,460	9,228	9,314	-	-	-	-	-	-	9,228	9,314
Fundraising	6,050	4,681	4,402	-	-	-	-	-	-	4,681	4,402
Office	5,424	6,256	5,996	-	-	-	-	-	-	6,256	5,996
Telephone	4,077	4,187	4,012	-	-	-	-	-	-	4,187	4,012
Insurance	1,700	1,681	1,775	-	-	-	-	-	-	1,681	1,775
Equipment maintenance	2,485	1,198	1,956	-	-	-	-	-	-	1,198	1,956
Special projects	2,000	9,068	7,128	-	-	-	-	-	-	9,068	7,128
Bad debts	-	-	492	-	-	-	-	-	-	-	492
Promotion	50	2,303	1,367	-	-	-	-	-	-	2,303	1,367
	<u>\$ 648,491</u>	<u>\$ 644,120</u>	<u>\$ 636,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644,120</u>	<u>\$ 636,367</u>

**Canadian Mennonite Publishing Service
Board of Directors as of Dec. 31, 2009**

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 (member-at-large), Etobicoke, Ont.	2007-2010, first term
Mennonite Church Canada	
* John W. Goossen (treasurer), Delta, B.C.	2007-2010, second term
* Ed Janzen, Abbotsford, B.C.	2007-2010, first term
Les Klassen Hamm, Saskatoon, Sask.	2009 -2012 first term
Joon Park, Abbotsford, B.C.	2009 - 2012 first term
Mennonite Church British Columbia	
Linda Matties, Abbotsford, B.C.	2009 – 2012 first term
Mennonite Church Alberta	
Open (Doris Haysom Daly has resigned)	2008-2011, first term
Mennonite Church Saskatchewan	
Joe Neufeld, Regina, Sask.	2007-2010, first term
Mennonite Church Manitoba	
Al Friesen, Altona, Man.	2008-2011, first term
Mennonite Church Eastern Canada	
* Larry Cornies (chair), Toronto, Ont.	2007-2010, second term

* indicates Executive Committee of the Board

**Canadian Mennonite Publishing Service
Staff as of Dec. 31, 2009**

Head office	Started	Time
Barb Draper, Editorial Assistant	2001	40%
Lisa Jacky, Administrative Assistant	2005	80%
Dan Johnson, Graphic Designer	2008	50%
Dick Benner, Editor and Publisher	2009	100%
Ross W. Muir, Managing Editor	2005	100%
Lisa Metzger, Advertising Representative	2009	40%
Winnipeg office		
Rachel Bergen, National Correspondent	2009	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