



## **Canadian Mennonite Publishing Service**

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

# **Annual Report for the year 2005**

Canadian Mennonite Publishing Service  
35th Annual Meeting

Saturday, March 18, 2006, 4:00 p.m.  
at Nutana Park Mennonite Church, Saskatoon, Saskatchewan

- |                                       |                                 |
|---------------------------------------|---------------------------------|
| 1. Agenda for the 2006 Annual Meeting | 5. Report on Circulation        |
| 2. Minutes of the 2005 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  |

# **35<sup>th</sup> Annual Meeting of CANADIAN MENNONITE PUBLISHING SERVICE**

Saturday, March 18, 2006, 4:00 p.m.  
at Nutana Park Mennonite Church, Saskatoon, Saskatchewan

## **Agenda**

1. Welcome and introductions
  - Bernie Thiessen, MC Saskatchewan representative, CMPS Board
2. Opening devotional
  - Henry Neufeld, vice-chair, CMPS Board
3. Highlights of Minutes from 2005 Annual Meeting in Vancouver
  - Jan Wilhelm, secretary, CMPS Board
4. Highlights from Board meetings since the last Annual Meeting
  - Bernie Wiebe, chair, CMPS Board
5. Report from the Editor/Publisher
  - Tim Miller Dyck
6. Report of proxies
  - Jan Wilhelm, secretary
7. Items requiring action by CMPS members:
  - a) Confirmation of Board actions in 2005
  - b) Acceptance of 2005 financial statements
  - c) Appointment of auditor for 2006
  - d) Elections
8. Other business and discussion
9. Adjournment

***The CMPS 2005 Annual Report is available, and contains detailed board, editorial and circulation reports as well as audited financial statements for 2005.***

***The CMPS promotional banquet follows at 6 p.m.***

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

Present: 11 board members, two staff members, and two CMPS members.

1. **Welcome and Introductions**—Henry Neufeld, Chairperson. Henry welcomed all to the annual meeting of CMPS.
2. **Opening Devotional**—Bernie Wiebe. Bernie read from I Corinthians 10-13 and gave a message on the topic of the expectation of “one mind” in the church. The challenges of Paul’s time are still realities of today. Different generations have been affected by different events and developments in history, so they have different values. As a result, being of “one mind” is difficult. It takes caring to blend these generations and their different needs and priorities. He also explained different approaches to mass media. Unity of mind and purpose can be expressed in different ways. Paul encourages us to keep our minds and purposes around Jesus and the “foolishness of the cross.” Our lives need to model and show our faith and our beliefs. The different generations and beliefs will be pulled together into inclusiveness in Christ.
3. **Highlights of Minutes from 2004 Annual Meeting in Winnipeg**—Jan Wilhelm, Secretary. Two additions to the Board were noted.

4. **Highlights from Board Meetings**—Henry Neufeld, Board Chair  
Henry gratefully acknowledged the work of Margaret Loewen Reimer over the past 31 years. Timothy Dyck was welcomed as the new Editor/Publisher.  
Conference relations continue to be an area of concern, especially with regards to the funding formula. A special meeting was held in Manitoba and a Partnership group was formed to review the Partnership Agreement.  
Henry highlighted the following actions of the board:
  - The appointment of Timothy Dyck as Editor/Publisher.
  - The purchase of Director’s and Officer’s Insurance.
  - The formation of Editorial Advisory Group, which is still in process.
  - The appointment of Margaret Loewen Reimer to write an updated version of *One Quilt, Many Pieces*.
  - The appointment of Bernie Wiebe to coordinate the Partnership Group.Henry also thanked all of the staff and readers of *Canadian Mennonite*.  
Henry asked the Editor for a report as well.

**Editor’s Report—Timothy Dyck, Editor/Publisher**

For a relatively small amount of money, we are able to reach about 30,000 people every two weeks. *Canadian Mennonite* is a very strategic ministry that has tremendous impact. Tim has been traveling quite extensively on a Listening Tour and has had opportunity to hear from many people about the paper. That travel will continue in the coming year. A new Managing Editor has been hired, Ross

Muir. Also, a new graphic designer will be hired soon. Tim has begun making some editorial changes. Tim believes this is a very exciting ministry.

5. **Report of proxies.** Jan Wilhelm reported no proxies were received.
6. **Items requiring action by the Annual Meeting**
  - a) Confirmation of Board Actions in 2004  
**MOTION: Aiden moved that we accept the board actions. Mary seconded. Carried.**
  - b) Action on 2004 financial statements  
**MOTION: Bernie Wiebe moved that we accept the financial statements as printed. Ester seconded. Carried.**
  - c) Appointment of auditor  
**MOTION: Ester moved we appoint McMane, Dunkel, Kingston and Stranz (MDKS) as auditors for 2005. Bernie Thiessen seconded. Carried.**
  - d) Elections—None are necessary because no CMPS-appointed representatives' terms are expiring.
7. **Other business and discussion.** There was none.
8. **Adjournment.** The meeting adjourned at approximately 4:40 p.m.

Submitted by Jan Wilhelm.

## ***Report from the CMPS Board Chair***

For the first time in several years, we have a “full” CMPS team that makes Canadian Mennonite come out regularly and that also shapes its character. We have reason to be pleased because the overall acceptance of this new team has been very positive across our constituency. A survey done for MC Canada in 2005 shows CM in a “class by itself” in communicating the church to its members. While we didn’t have full budget commitments from two area conferences, our donations and advertising revenue both were up enough to more than cover expenses. The year 2005 has been a very good one for CMPS.

### ***Challenges faced in 2005***

At the same time, 2005 was “the best of times and the worst of times” in some ways. I mention our struggles first:

1. At the beginning of 2005 we found ourselves without any Partnership Agreement; so we were working in a bit of a “twilight zone.”
2. Most of our staff were quite new or even “brand” new in 2005; so we put Tim into the position of assisting them while reviewing past policies and practices and leading the production of regular publication. A heavy load!
3. Last Fall Tim’s wife, Myrna, took ill and this became quite serious due to complications in surgery, etc. It required a lot of extra energy also from Tim for about 4 months. As a Board we often felt helpless to know how to assist them.
4. We learned that Tim would not be able to make a visit to China because of Myrna’s illness. We had raised the money for it and paid for the trip. When Tim could not go, we anticipated insurance would cover it; but this has been a struggle.
5. Much of our hardware and software in the office was found to be inadequate for the long term health of Canadian Mennonite. So we needed to have Tim and other staff do extensive research and adjustments.
6. Because of less than full funding being promised by two area conferences, we had to seek ways to raise extra funds and also to live within our means.
7. Tim informed us of “publishing” problems that seemed difficult to resolve; therefore started looking for alternatives to a long term relationship with the present publisher.
8. We were informed that there might be postal changes in the works that could lead to substantial increases in mailing for future years.
9. Tim informed us that personnel policies too were outdated and needed revision.

### ***The joys we shared***

I put our joys second because we cannot help but be grateful for 2005! So *many* things have gone in our favour:

1. The first-year review of our new Editor-Publisher, Tim Miller Dyck, showed great enthusiasm for the work he has begun through Canadian Mennonite. The review committee of Henry Neufeld, Paul Krahn, and Bernie Wiebe – with Henry acting as the coordinator of this review – surveyed a representative

sample of leadership people among all partners and discussed findings with Tim. Findings were very positive. Together we then agreed on some areas for future growth. The CMPS Executive unanimously affirmed that Tim is the “right person for Canadian Mennonite at this juncture” and enthusiastically encouraged him to journey forward with our publication.

2. A special Task Group, that had been set up already in 2004, found its “working legs” in 2005. Aiden Enns, Paul Krahn, and Bernie Wiebe – due to living relatively close to each other in Manitoba – were asked to develop an initial draft for a new Partnership Agreement (PA) that would be submitted to Tim Miller Dyck for further input, and then also to the CMPS Board for its approval. This was to become our starting point for negotiating a new agreement among all 7 partners. After all partners had a chance to test this draft with their constituencies, a face-to-face meeting of the Task Group was convened in Waterloo 10-11 November. At this meeting all 7 partner reps. agreed to a new PA document they would now take back to their sponsoring bodies. As of this date, all partners have signed this new agreement! This includes a historic first for MC BC to also have a line item in their budget for CM. Concessions to the needs in BC and in Manitoba were incorporated into the agreement; and it is now approved for 2006-2008.

2.1 On the drawing board still is the intention to submit to all the partners some statements of editor’s goals and other CM policies and ideals.

3. We heard strong endorsements for Tim’s “learning tour” among the partners. People are excited about his approach in CM and about Tim as a person.
4. We had to wait until some time into 2006, but we rejoiced greatly with Tim and Myrna when they finally got an “all clear” signal about Myrna’s health. That too has been an answer to many prayers.
5. We rejoice that our mortgage on CMPS property in Waterloo is now almost completely paid.
6. Due to some excellent efforts in fundraising and in advertising sales, we were able to exceed our expenditures and have some decisions to make about surplus funds – a g-r-e-a-t predicament!

### ***Board Actions for your approval***

Included in the 2005 Board and Executive actions in 2005:

1. *Appointed Bernie Wiebe, Aiden Enns, & Paul Krahn, to work on an initial draft for a new Partnership Agreement, test it with Tim Miller Dyck, get final approval from the CMPS Board and submit to other partners for negotiating a new agreement.*
2. *Agreed to work on extra fundraising efforts in Manitoba in consultation with the MC Man. Executive.*
3. *Agreed on a 1-year review of our Editor/Publisher, to be coordinated by Henry Neufeld, with Paul Krahn & Bernie Wiebe.*
4. *Celebrated Marg Loewen Reimer’s 31 years of work with MR/CM.*
5. *Approved the outcomes of the Partnership Agreement discussion 10-11 November and agreed to sign the new document.*
6. *Approved the 1-year review of Tim Miller Dyck and celebrated its affirmation of the good work he has begun with CMPS.*
7. *Approved overall review of CM personnel policies, publication matters, and changes in hardware/software as proposed by Tim Miller Dyck.*

### ***Concluding comments***

While there was much intense and hard work done in 2005, it has been a pleasure and privilege to work with CM staff, with the whole CMPS Board, with the CMPS Executive, with our partners, with the special Task Group, and with the readers of Canadian Mennonite. We are deeply grateful for you all.

Of course, to help Canadian Mennonite continue serving MC Canada and the area churches effectively, we also depend much on writers of articles, writers of letters to the editor, the editorial advisory board, and continuing supporters in prayer and with financial donations. Please keep us in mind. Thank you to all who are involved with CM.

*Bernie Wiebe*  
*CMPS chair*  
*March 2006*

## **Report from the Editor/Publisher 2005**

2005 was a significant year for strengthening *Canadian Mennonite's* foundations in a number of ways. New hires, new Partnership Covenant, new production equipment, search for a new printer and new relationships between the publication and its constituency have strengthened our ability to serve the church.

During this time, we have benefited from strong financial support from our constituency and church partners, the successful effort by board members to spearhead the creation of the Partnership Covenant and the productivity and creativity of our staff around the country in developing content for the magazine.

We received some very encouraging feedback through a survey organized by Mennonite Church Canada of 5,000 constituency households in mid-2005. Asked to rank 26 different Mennonite Church Canada programs, resources or events in terms of their overall value to the ministry of their churches, *Canadian Mennonite* received the highest overall evaluation. The firm analyzing the data stated, "*Canadian Mennonite* magazine is in a class by itself in terms of recognition and perceived value." It was wonderful to hear this strong an affirmation of our work! This trust in us is an ongoing challenge to keep seeking the best possible ways to carry out our ministry.

### **Editorial Content**

In 2005, we produced 24 issues containing 880 pages and 1,388 articles in total. Each issue was sent to around 16,200 subscription addresses worldwide. We publish more pages per year than any other Mennonite magazine in North America, and as far as I know, the world.

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 churches and of



Mennonite Church Canada, particularly the national church assembly in Charlotte, North Carolina in July 2005.

During 2005, we commissioned articles on Mennonite theology and practice (particularly Mennonite identity and peacemaking) and explored several pressing political issues of our day from Anabaptist positions. Our columnists called us to lives of greater faithfulness.

We started three new columns in 2005. Phil Wagler wrote “Outside the Box,” Aiden Enns and Will Braun (and others) wrote “New Order Voice,” and Matthew Bailey-Dick wrote “Shoes for your Feet.” “From our Leaders” (written by leaders from each area church and Mennonite Church Canada) and Melissa Miller’s “Family Ties” column continued throughout the year.

In 2005, we also had two special area church features focusing on MC Saskatchewan and MC Manitoba. We plan similar features on the other three area conferences in 2006.

We had major feature articles or article series in 2005 on the following topics:

- prayer and prayer resources
- a two-issue series on peacemaking and on Mennonite peacemakers in Canada and around the world
- Lent and Easter
- Forgiving one another
- Law, policing and Mennonite faith
- Fetal Alcohol Spectrum Disorders (FASD)
- Father Elias Chacour’s peacemaking work among Israelis and Palestinians
- The Charlotte assembly
- The Colombian Mennonite church
- Faith exploration through a set of first-person accounts from young adults
- Christian Zionism
- Mennonite identity: Who is a Mennonite (through reflection and a set of personal stories)
- Simple living in a consumerist age
- Christmas

We published 112 letters in 2005. Significant issues in the Letters section included:

- Women in ministry (by far, the most discussed topic)
- Same-sex marriage legislation
- MCC’s response to the tsunami

- homosexuality
- Christian Zionism
- The MC Canada assembly (particularly around it being held in the USA)

News from across Canada and the world helps us learn from each other and then choose how to respond. In particular, Indonesia, Vietnam and Israel/Palestine were areas of special attention in 2005 due to (respectively) the Asian tsunami, persecution of the Vietnamese Mennonite Church and Middle East conflict.

We started tracking the geographical coverage of our articles in 2005. Here are the most-referenced regions in 2005 issues (note that the largest group of stories had no regional affiliation):

<i>Region</i>	<i>Count</i>
Ontario	216
Manitoba	182
British Columbia	116
Alberta	95
Saskatchewan	91
Canada	75
United States	58
Indonesia	21
Vietnam	14
Israel/Palestine	12
China	11
Burkina Faso	8
Sudan	8
Ukraine	8
Iraq	7
(None)	322
(Other)	144
<b>Total</b>	<b>1,388</b>

*Canadian Mennonite* is known for its strong Arts and Culture reporting, especially its books coverage: two issues in 2005 had a special focus on books and book reviews made regular appearances throughout the year. We also increased the number of movie and CD reviews we published.

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

and Transition announcements are published free of charge to those sending them.

### **Staff Changes**

Staffing has been a major focus for me. In 2005, I carried out four candidate searches, hiring a new Managing Editor in January, a new Graphic Designer in March, a new Administrative Assistant in April and a new B.C. Regional Correspondent in June.

With my start in August 2004, the organization has had considerable employee transition: four of six head office staff (and two-thirds of the whole staff counting by full-time-equivalency) are new.

As such, related tasks such as revising job descriptions and developing HR policies, communicating with job candidates and references, developing departure ceremonies (farewell events, thank you gifts, and exit interviews) have been also frequent. Once employees were been hired, orientation, training and four month reviews (for the switch from trial to ongoing employment) needed to occur.

We have been fortunate to have had good advance notice from departing employees in all cases, allowing us to develop training manuals and allow for cross-training where geographically possible. The loss of institutional knowledge is a concern but new employees have taken well to their positions.

The overall group is working well together, and in new ways as skills and interests have been discerned. These new skills and ideas have also been visible through this year's interesting and appealing issues.

### **Partnership Covenant Development**

*Canadian Mennonite* board chair Bernie Wiebe led the process through which the publishing service and area churches developed a new partnership agreement. (See his report for more on this.)

The process started in June 2004 at the Winkler MC Canada assembly, continued through 2005 and ended in November 2005 with a face-to-face gathering of all partners in Kitchener to finalize the language of the agreement. By February 2006, all parties had approved the covenant (most by Executive Board decisions; by direct delegate vote in MC B.C.).

This is a very significant step forward for the publication. It marks the first time in our history that all six area churches and CMPS formally agreed to work together to support the shared ministry of *Canadian Mennonite*. There is a big difference, especially in the Mennonite Church, between having some together and having all together!

Having a formal endorsement of our ministry from every part of our church's structure brings to full fruition the vision of *Canadian Mennonite's* restructuring in 1997. It is a very important endorsement of our ministry and a new claiming of that ministry by our church bodies as their own.

Since 2003, when the last (2001-2003) publishing agreement ended, CMPS had been working without a complete partnership structure. This agreement, for 2006-2008, re-establishes the strong CMPS/area church relationships I believe are crucial for the publication's work.

### **Rebuilding Our Infrastructure**

Another major area of focus for me has been rebuilding *Canadian Mennonite's* aged internal infrastructure.

In 2005, we updated our computer software across the board with a transition to new operating system, e-mail, word processing, page layout and web site design software.

We purchased three new computers, reassigned two existing computers and disposed of one system (a retirement gift to Margaret Loewen Reimer in February 2005). Our laser printer also failed mid-year and needed to be replaced. Pleasantly, the purchase costs for the computer hardware was roughly half of what we paid for the original equipment due to drops in hardware costs. Software update costs, unfortunately, did not have corresponding reductions in price.

This move provided us with much stronger tools to design and produce the magazine. Design is now faster and a more productive process than before according to our designer. Errors and crashes have dropped significantly and we no longer have significant difficulties reading files sent in by advertisers and external authors. Previously, we had a dishearteningly frequent occurrence of not being able to determine if a submitted ad had any design problems, leading to a cross-our-fingers approach when sending it for printing.

Our editorial and production equipment is now in good shape. For 2006, we need to invest attention in our finance, donation, author response and article archive systems, which are currently fragile and inflexible.

### **Searching for a New Printer**

We also had significant printing issues with our printer in 2005. The printer (Hamilton Web) was behind a picket line for the entire year. The strike led to reduced staffing and frequent changes in remaining staff (our main production liaison person changed four times). We had regular delivery problems due to the picket line for our labels and for advertiser inserts. In addition, aged presses and a manual masking process produced regular problems with printing, including blurriness, misalignment of colours, incorrect colours and, in a few cases, missing page or ad components.

This company has printed *Canadian Mennonite* for over 20 years, so a printer change has been a very rare occurrence in the magazine's history. However, I felt it was time to pursue other options.

In addition to meeting with Hamilton Web's production group and president to go over our issues and hear where they were going in the future, Tim R. Dyck (our designer) and I have been soliciting quotes and meeting with other press representatives. After an extensive Request for Quotation process, we expect to switch to another printer in 2006.

### **Financial Results**

2005 was a turn-around year after 2004's slight financial loss. Revenue was up \$27,033 and expenses were down \$3,777 compared with 2004. We ended 2005 in the black, with a net cash gain of \$23,856.

We had some one-time income and expenses but what made the biggest difference were a 25% increase in individual donations over 2004 and a \$10,000 increase in advertising sales. We are grateful for this financial vote of confidence in our work, especially in donation revenue, since donations are such a significant statement of support by our readers.

We used part of these additional funds completely pay off the interest-bearing portion of our building mortgage a few months early. We also recorded some additional one-time charges relating to audit and retirement fund costs.

## **Fundraising**

In terms of *Canadian Mennonite's* own fundraising, we carried out our regular twice-yearly letter fundraising campaign to previous donors. The first campaign did not include Manitoba donors to avoid contacting them three times in the year instead of twice (see the next paragraph). The second campaign went to the whole donor list.

We also sent a mid-year fund-raising letter to all Manitoba readers (including past Manitoba donors) to raise additional funds. We did this same extra appeal last year. This year we were able to have the funding letter come jointly from Canadian Mennonite and Mennonite Church Manitoba. This appeal brought in almost \$19,000 as well as broadening our donor base.

It was a good year for fundraising. As mentioned, donations from individuals were up 25% over 2004. We also received significant organizational donations. Please see the fund-raising report for more details.

Donations continue to make a significant positive difference to our finances. Thank you so much to those of you who are able to financially support our ministry!

## **Circulation**

Circulation dropped about 500 subscriptions, or about 3%, over 2004. This was a larger drop than in past years. Contributors to this were a large drop in group subscriptions due Coaldale Mennonite Church reducing their subscriptions and some Mennonite institutions reducing their group subscriptions (at their request).

We also had a number of cancellations from Manitoba readers as a result of our fund-raising letter (which explained the need for additional funding from Manitoba to cover subscription costs in that region). This response from readers was likely in an effort to save us money. The circulation loss proved to be the downside risk of this funding appeal.

Starting about mid-year, we began tracking why cancellations occur. These were the causes:

<i><b>Reason</b></i>	<i><b>Count</b></i>
Cancelled by church	151
No longer interested	71
Returned by Canada Post	53
Deceased	46
No longer able to read well	28
Moving/Unknown	18
<b>Total</b>	<b>367</b>

The overall membership of MC Canada and area churches is both slowly dropping and aging so we have a decreasing base of readers from which to draw.

Interestingly, we've seen visits to *Canadian Mennonite's* web site (at [canadianmennonite.org](http://canadianmennonite.org)) go up steadily through 2005. Overall, we've had a doubling of visits in 2005 over 2004, with a peak in Dec. 2005 of 11,402 visits and 39,800 page views that month. Online distribution is an increasingly strategic vehicle for us.

### **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/Publisher  
March 2006

**CANADIAN MENNONITE**  
**Circulation Report March 10, 2006**

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals
<b>Individual</b>	Individual	51	41	29	90	97	5	0	72	8	393
	Gift	9	6	6	14	17	1	1	10	7	71
<b>Group Plans</b>	Small Groups	0	50	0	5	0	0	0	0	1	56
<b>Every Home Plans</b>	MC – BC	1016	9	5	1	1	2	0	3	5	1042
	MC – AB	10	806	10	12	9	1	1	8	5	862
	MC – SK	19	46	1788	38	17	3	0	20	10	1941
	MC- MB	30	38	10	4423	31	4	2	26	23	4587
	Mennonite Church of Eastern Canada	22	9	4	23	6263	80	2	58	26	6487
	Bulk (churches)	73	26	15	70	60	0	0	0	0	244
	Complimentary	1	0	1	5	6	1	0	2	3	19
Bulk (schools, etc.)	31	0	15	125	27	0	0	0	0	198	
Exchange	1	0	2	11	7	1	0	9	5	36	
<b>Totals</b>		1263	1031	1885	4817	6535	98	6	208	93	<b>15936</b>



## REPORT ON FUNDRAISING 2005

	<b>Operating Costs</b>		<b>Mortgage</b>		<b>Endowment Fund</b>		<b>Other</b>		<b>Total</b>
All Donor Campaign, Spring 2005	\$ 23,050.50	\$	3,128.00	\$	1,815.00	\$	1,765.00	\$	29,758.50
Manitoba Reader Campaign, Summer 2005	\$ 17,896.76	\$	50.00	\$	350.00	\$	475.00	\$	18,771.76
All Donor Campaign, Fall 2005	\$ 24,273.00		n/a	\$	475.00	\$	1,300.00	\$	26,048.00
Donations from Churches	\$ 650.00		0		0		0	\$	650.00
Donations from Publishing Partners	\$ 7,500.00		0		0		0	\$	7,500.00
Ungrouped Other	\$ 8,440.00		0		0		0	\$	8,440.00
<b>Subtotals</b>	<b>\$ 81,810.26</b>	<b>\$</b>	<b>3,178.00</b>	<b>\$</b>	<b>2,640.00</b>	<b>\$</b>	<b>3,540.00</b>	<b>\$</b>	<b>91,168.26</b>
Less transfer to Endowment Fund									\$ (2,640.00)
<b>Total</b>									<b>\$ 88,528.26</b>

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**CANADIAN MENNONITE PUBLISHING SERVICE**

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**Financial Statements  
December 31, 2005**

**Index**

	<b>Page</b>
<b>Auditors' Report</b>	<b>1</b>
<b>Statement of Revenue and Expenses and Changes in Fund Balances</b>	<b>2</b>
<b>Statement of Financial Position</b>	<b>3</b>
<b>Notes to the Financial Statements</b>	<b>4-5</b>
<b>Schedule of Expenses</b>	<b>6</b>

## 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, 2005 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, 2005 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*McMane Dunkel Kingston & Stranz, LLP*

Chartered Accountants

Waterloo, Ontario  
March 1, 2006

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Revenue and Expenses and Changes in Fund Balances  
Year Ended December 31, 2005

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
<b>Revenue</b>											
Conference subscriptions	\$ 338,523	\$ 304,389	\$ 309,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,389	\$ 309,090
Individual subscriptions	21,000	18,930	21,229	-	-	-	-	-	-	18,930	21,229
Advertising and supplements	140,000	149,798	139,916	-	-	-	-	-	-	149,798	139,916
Donations	72,000	88,528	65,227	-	-	-	-	-	-	88,528	65,227
Interest and exchange	1,850	3,243	1,873	-	-	-	-	-	-	3,243	1,873
Other	7,000	5,858	6,378	-	-	-	-	-	-	5,858	6,378
	580,373	570,746	543,713	-	-	-	-	-	-	570,746	543,713
<b>Expenses (Page 6)</b>	531,680	522,952	526,729	-	-	-	-	-	-	522,952	526,729
<b>Surplus for the year</b>	48,693	47,794	16,984	-	-	-	-	-	-	47,794	16,984
<b>Fund balances, beginning of year</b>	256,414	256,414	247,366	42,445	42,445	46,774	42,024	29,447	26,261	375,080	358,096
	305,107	304,208	264,350	42,445	42,445	46,774	42,024	29,447	26,261	422,874	375,080
Transfer to Professional Development Fund	(10,000)	(10,000)	(4,750)	-	-	10,000	4,750	-	-	-	-
Transfer from (to) Capital Fund	15,000	15,000	(3,186)	-	-	-	-	(15,000)	3,186	-	-
	5,000	5,000	(7,936)	-	-	10,000	4,750	(15,000)	3,186	-	-
<b>Fund balances, end of year</b>	<b>\$ 310,107</b>	<b>\$ 309,208</b>	<b>\$ 256,414</b>	<b>\$ 42,445</b>	<b>\$ 42,445</b>	<b>\$ 56,774</b>	<b>\$ 46,774</b>	<b>\$ 14,447</b>	<b>\$ 29,447</b>	<b>\$ 422,874</b>	<b>\$ 375,080</b>

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Financial Position  
December 31, 2005

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
<b>ASSETS</b>										
<b>Current Assets</b>										
Bank	\$ 91,329	\$ 60,848	\$ 5,824	\$ 5,787	\$ 47,507	\$ 42,465	\$ 15,738	\$ 27,412	\$ 160,398	\$ 136,512
Short-term investments (Note 3)	50,000	50,000	36,993	36,849	-	-	-	-	86,993	86,849
Accounts receivable	40,356	22,418	-	-	-	-	-	-	40,356	22,418
Prepaid expenses	3,298	2,033	-	-	-	-	-	-	3,298	2,033
	<u>184,983</u>	<u>135,299</u>	<u>42,817</u>	<u>42,636</u>	<u>47,507</u>	<u>42,465</u>	<u>15,738</u>	<u>27,412</u>	<u>291,045</u>	<u>247,812</u>
<b>Capital Assets (Note 4)</b>	<u>174,518</u>	<u>171,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,518</u>	<u>171,345</u>
	<b>\$ 359,501</b>	<b>\$ 306,644</b>	<b>\$ 42,817</b>	<b>\$ 42,636</b>	<b>\$ 47,507</b>	<b>\$ 42,465</b>	<b>\$ 15,738</b>	<b>\$ 27,412</b>	<b>\$ 465,563</b>	<b>\$ 419,157</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Accounts payable	\$ 24,130	\$ 6,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,130	\$ 6,836
Deferred revenue	8,559	9,081	-	-	-	-	-	-	8,559	9,081
Interfund payables (receivables)	7,604	6,153	372	191	(9,267)	(4,309)	1,291	(2,035)	-	-
Current portion of long-term debt	10,000	17,419	-	-	-	-	-	-	10,000	17,419
	<u>50,293</u>	<u>39,489</u>	<u>372</u>	<u>191</u>	<u>(9,267)</u>	<u>(4,309)</u>	<u>1,291</u>	<u>(2,035)</u>	<u>42,689</u>	<u>33,336</u>
<b>Long Term Debt (Note 6)</b>	<u>-</u>	<u>10,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,741</u>
<b>FUND BALANCES</b>	<u>309,208</u>	<u>256,414</u>	<u>42,445</u>	<u>42,445</u>	<u>56,774</u>	<u>46,774</u>	<u>14,447</u>	<u>29,447</u>	<u>422,874</u>	<u>375,080</u>
	<b>\$ 359,501</b>	<b>\$ 306,644</b>	<b>\$ 42,817</b>	<b>\$ 42,636</b>	<b>\$ 47,507</b>	<b>\$ 42,465</b>	<b>\$ 15,738</b>	<b>\$ 27,412</b>	<b>\$ 465,563</b>	<b>\$ 419,157</b>
<b>Fund balance comprised of:</b>										
Invested in capital assets	\$ 164,518	\$ 143,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,518	\$ 143,185
Internally restricted	-	-	42,445	42,445	56,774	46,774	14,447	29,447	113,666	118,666
Unrestricted	144,690	113,229	-	-	-	-	-	-	144,690	113,229
	<u>\$ 309,208</u>	<u>\$ 256,414</u>	<u>\$ 42,445</u>	<u>\$ 42,445</u>	<u>\$ 56,774</u>	<u>\$ 46,774</u>	<u>\$ 14,447</u>	<u>\$ 29,447</u>	<u>\$ 422,874</u>	<u>\$ 375,080</u>

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## CANADIAN MENNONITE PUBLISHING SERVICE

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### Notes to the Financial Statements December 31, 2005

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#### 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 conferences (referred to as the "partner conferences") that purchase subscriptions for their members. The revised by-laws further provide for representation of these conferences on the Mennonite Publishing Service Board and at the 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. Revenue earned by the assets of this fund are to be credited to the General Fund.

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

The Capital Fund was established to fund future equipment purchases. Revenue earned by the assets of this fund are to be credited to the General Fund.

##### Revenue Recognition

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

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

##### Short-Term Investments

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

##### Capital Assets

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

##### Use of Estimates

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

##### Financial Instruments

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

#### 3. Short-Term Investments

	<u>2005</u>	<u>2004</u>
<u>General Fund</u>		
MSCU term deposit, 1.60% (2004 - 1.45%), due March 2006 (2004 - March 2005)	\$ 25,000	\$ 25,000
MSCU term deposit, 1.40% (2004 - 1.25%), due January 2006 (2004- January 2005)	<u>25,000</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,000</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 1.60% (2004 - 1.40%), due February 2006 (2004 - February 2005)	25,000	25,000
Ethical Funds Inc., Ethical Balanced Fund (market value \$13,285)	<u>11,993</u>	<u>11,849</u>
	<u>36,993</u>	<u>36,849</u>
	<u>\$ 86,993</u>	<u>\$ 86,849</u>

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**CANADIAN MENNONITE PUBLISHING SERVICE**

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**Notes to the Financial Statements  
December 31, 2005**

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**4. Capital Assets**

	<b>2005</b>			<b>2004</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computer equipment	\$ 22,379	\$ 12,574	\$ 9,805	\$ 6,381
Computer software	9,712	2,975	6,737	248
Office equipment	9,827	9,356	471	540
Building	166,771	27,796	138,975	145,646
Land	18,530	-	18,530	18,530
	<b>\$ 227,219</b>	<b>\$ 52,701</b>	<b>\$ 174,518</b>	<b>\$ 171,345</b>

**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 Charity 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, 2005 was \$9,312 (2004 - \$9,312) and interest earned during the year amounted to \$323 (2004 - \$389).

**6. Long-Term Debt**

	<b>2005</b>	<b>2004</b>
Loans payable, non-interest bearing, unsecured, with various due dates between December 2005 and December 2006	\$ 10,000	\$ 21,000
Mortgage payable, Mennonite Foundation of Canada, 4.4% (2004 - 4.3%), repayable in blended monthly installments of \$45, secured by the land and building, renewed annually on November 1st, paid off December 2005	-	7,160
	10,000	28,160
Less current portion	10,000	17,419
	<b>\$ -</b>	<b>\$ 10,741</b>

**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, 2005

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Head office salaries	\$ 158,051	\$ 156,077	\$ 156,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,077	\$ 156,965
Printing and production	122,076	121,131	123,800	-	-	-	-	-	-	121,131	123,800
Postage	67,289	72,293	72,538	-	-	-	-	-	-	72,293	72,538
Regional correspondents	59,919	59,186	55,307	-	-	-	-	-	-	59,186	55,307
Benefits	22,289	25,923	21,627	-	-	-	-	-	-	25,923	21,627
Advertising representative	15,500	16,459	15,464	-	-	-	-	-	-	16,459	15,464
Professional fees	7,000	13,478	6,578	-	-	-	-	-	-	13,478	6,578
Amortization	13,745	11,363	11,239	-	-	-	-	-	-	11,363	11,239
Board	10,000	10,270	8,767	-	-	-	-	-	-	10,270	8,767
News service	8,000	9,899	9,186	-	-	-	-	-	-	9,899	9,186
Fundraising	8,400	7,182	13,426	-	-	-	-	-	-	7,182	13,426
Office	3,000	4,936	3,580	-	-	-	-	-	-	4,936	3,580
Telephone	5,300	4,858	5,515	-	-	-	-	-	-	4,858	5,515
Staff	8,000	4,385	6,661	-	-	-	-	-	-	4,385	6,661
Insurance	3,100	2,437	2,819	-	-	-	-	-	-	2,437	2,819
Facility costs	13,111	2,171	11,135	-	-	-	-	-	-	2,171	11,135
Equipment maintenance	1,300	681	1,288	-	-	-	-	-	-	681	1,288
Special projects	5,000	213	260	-	-	-	-	-	-	213	260
Promotion	600	10	574	-	-	-	-	-	-	10	574
	<u>\$ 531,680</u>	<u>\$ 522,952</u>	<u>\$ 526,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,952</u>	<u>\$ 526,729</u>



**Canadian Mennonite Publishing Service  
Board of Directors as of Dec. 31, 2005**

<b>Representing</b>	<b>Term</b>
<b>Canadian Mennonite Publishing Service</b>	
Mary Lymburner, Stouffville	2004-2007, second term
* Ester Neufeldt (treasurer), Kitchener	2004-2007, first term
* Jan Wilhelm (secretary), Edmonton	2003-2006, second term
<b>Mennonite Church Canada</b>	
Brice Balmer, Kitchener	2005-2008, second term
Aiden Enns, Winnipeg	2006-2009, second term
John W. Goosen, Delta	2004-2007, first term
* Paul Krahn, Altona	2006-2009, second term
<b>Mennonite Church British Columbia</b>	
* Henry Neufeld (vice-chair), Ladner	2006-2009, third term
<b>Mennonite Church Alberta</b>	
Brenda Tiessen-Wiens, Calgary	2005-2008, second term
<b>Mennonite Church Saskatchewan</b>	
Bernie Thiessen, Rosthern	2004-2007, second term
<b>Mennonite Church Manitoba</b>	
* Bernie Wiebe (chair), Winnipeg	2005-2008, third term
<b>Mennonite Church Eastern Canada</b>	
Larry Cornies, London	2004-2007, first term

\* indicates Executive Committee of the Board

**Canadian Mennonite Publishing Service  
Staff as of Dec. 31, 2005**

<b>Head office</b>	<b>Started</b>	<b>Time</b>
Barbara Burkholder, Advertising Rep	2002	40%
Barb Draper, Editorial Assistant	2001	40%
Tim R. Dyck, Art Director	2005	50%
Lisa Jacky, Administrative Assistant	2005	80%
Tim Miller Dyck, Editor/Publisher	2004	100%
Ross W. Muir, Managing Editor	2005	100%
<b>Winnipeg office</b>		
Leona Dueck Penner, National Correspondent	2002	40%
<b>Regional Correspondents</b>		
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: Maurice Martin, New Hamburg	2001	<u>20%</u>
		<b>5.5 FTE</b>