



Canadian Mennonite Publishing Service

490 Dutton Drive, Unit C5
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Annual Report for the year 2006

Canadian Mennonite Publishing Service
36th Annual Meeting

Saturday, March 10, 2007, 4:00 p.m.
at First Mennonite Church, Kitchener, Ontario

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|---------------------------------------|---------------------------------|
| 1. Agenda for the 2007 Annual Meeting | 5. Report on Circulation |
| 2. Minutes of the 2006 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 |

36th Annual Meeting of CANADIAN MENNONITE PUBLISHING SERVICE

Saturday, March 10, 2007, 4:00 p.m.
at First Mennonite Church, Kitchener, ON

Agenda

1. Welcome and introductions
 - Larry Cornies, MCEC representative, CMPS Board
2. Opening devotional
 - Bernie Wiebe, chair, CMPS Board
3. Highlights of minutes from 2006 Annual Meeting in Saskatoon
 - Paul Krahn, 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
 - Paul Krahn, secretary
7. Items requiring action by CMPS members:
 - a) Confirmation of Board actions in 2006
 - b) Acceptance of 2006 financial statements
 - c) Appointment of auditor for 2007
 - d) Elections of CMPS board members
8. Other business and discussion
9. Adjournment

The CMPS 2006 Annual Report is available, and contains detailed board, editorial and circulation reports as well as audited financial statements for 2006.

The CMPS annual banquet follows at 6 p.m.

Canadian Mennonite Publishing Service
Annual Meeting
Saturday, March 18, 2006, 4:00 p.m.
at Nutana Park Mennonite Church, Saskatoon, Saskatchewan

Present: 11 board members, two staff members, 13 CMPS members

1. Welcome and introductions

Bernie Thiessen welcomed all to the meeting. He then introduced the members of the board.

2. Opening devotional

Henry Neufeld led in a devotional based on letters written in the Bible. Letters in the Bible vary, because they deal with a variety of topics, people, and problems. Their stories and their message are still important today.

Journalists encourage us to acknowledge the stories of today—to read about them, remember them, and learn from them.

Canadian Mennonite is an important part of telling those stories. It also provides us with inspirational stories for strength for our journey.

3. Highlights of Minutes from 2005 Annual Meeting in Vancouver

Jan Wilhelm, Secretary, highlighted items from last year's minutes.

4. Highlights from Board meetings since the last Annual Meeting

Bernie Wiebe, board chair, highlighted: the signing of the new Partnership Agreement; the relative low cost of receiving *Canadian Mennonite*; the strong finances of CMPS; the excellent work of Timothy Miller Dyck and the positive review of his work; and Tim's planned, then cancelled, trip to China.

Bernie also outlined the challenges of staff changeovers, the need for new equipment, and reductions in funding from the Publications Assistance Program (PAP).

5. Report from the Editor/Publisher

Timothy Miller Dyck introduced himself and Karin Fehderau, Saskatchewan Regional Correspondent. He shared some highlights from his report. He indicated that *Canadian Mennonite* had 1,388 stories on the important things that are happening in the church, in Canada and around the world.

Three international emphases in editorial content this year were the tsunami, persecution of the Mennonite church in Vietnam and the Middle East conflict.

He also mentioned the new hires, the partnership covenant, and the search for a new printer.

He gave thanks for writing submitted by readers, and thanks for generous support as donations were up 25% in 2005 over 2004.

6. Report of proxies

No proxies were received.

7. Items requiring action by CMPS members:

a) Confirmation of Board actions in 2005

Bernie highlighted the board actions as outlined in the report booklet.

MOTION: Bernie Wiebe moved that the board actions be accepted. Al Klassen seconded. CARRIED.

b) Acceptance of 2005 financial statements

Paul highlighted the details of the financial statements contained in the report booklet.

MOTION: Paul Krahn moved the acceptance of the financial statements. Ester Neufeldt seconded. CARRIED.

c) Appointment of auditor for 2006

MOTION: Ester Neufeldt moved that MDKS (McMane Dunkel Kingston and Stranz) be appointed as auditors for the fiscal year ending Dec. 31, 2006. Seconded by Mary Lymburner. CARRIED.

d) Elections

On behalf of the nominating committee, Bernie Wiebe presented a CMPS nominee for the board, Margaret Ewen Peters. He shared a brief biography of Margaret.

MOTION: Bernie moved that we elect Margaret to the board. Seconded by Mary Lymburner. The floor was open to further nominations.

MOTION: Renata Klassen moved that nominations cease. Seconded by Jan Wilhelm. CARRIED.

Result: Margaret Ewen Peters elected to the board by acclamation.

8. Other business and discussion

A question was raised about the circulation data. Tim Miller Dyck responded.

9. Adjournment

Bernie Wiebe closed the meeting with prayer.

Report from the CMPS Board Chair

For a number of reasons, we had only one Executive meeting during 2006 in addition to the annual board meetings last March. If there was ever going to be a year when that might be okay, it seems 2006 was such a year. Our staff team remained largely stable for the year, and functioned very well. We were even able to encourage Tim Miller Dyck to take some of his additionally accumulated vacation days. Tim works very hard for CMPS and this has helped 2006 to be a very good year for us. We not only made a number of changes that cost extra money, but our receipts were unusually good so that we ended with a good balance at the end.

Challenges faced in 2006

2006 has treated us with some challenges that continue, and some that we have found answers to:

1. We changed printers/publishers and have better printing, but we have had some labeling problems that don't want to go away. We are seeking a resolution.
2. We have introduced new policies for "area conference active only" churches for their subscriptions.
3. Some audit changes were approved.
4. New employment policies were approved for bereavement, emergency, and medical leaves.
5. Overall HR policies were reviewed, amended, and approved.
6. The salary scales were reviewed and deemed to be okay at this time.

Some of the joys we shared in 2006

The past year has blessed Canadian Mennonite in many ways:

1. A loan of \$10,000 was forgiven to us and helped pay the office condo in full.
2. Fundraising in addition to subscription money was most gratifying and helped us to have a surplus to deal with at our annual meetings. It may even help us to do some creative work on the Endowment Fund.
3. While small declines in subscriptions continue, we have had positive feedback about CM from all of our partners. In a historic first, MCBC agreed to sign the Partnership Agreement, which will be due for review in 2008.
4. The Publications Assistance Program (PAP), which we had been told might be cut back drastically, has been continued at least for another year.
5. CMPS was able to claim back additional GST contributions this year when we discovered that we had not used this option fully in the past.

CMPS Executive and Board Actions & Motions -- 2006

From March 16, 2006 EXECUTIVE meeting at Nutana Park Mennonite, in Saskatoon, SK

4. Conflict of Interest Discussion

Ester shared her concern over being both a member of this board and a staff person in MCEC, especially in the decision regarding the new Partnership Agreement. It was generally agreed that she was in a “duality of roles,” and given that she didn’t stand to personally gain (financially, or otherwise), there was no true conflict.

ACTION: It is agreed that further discussion is not necessary at the board level on this matter.

7. Audit changes for 2006

Ester shared some concerns/suggestions from the Auditor that arose during the February 2006 audit meetings.

- A note has been added to our financial statement regarding the Endowment Fund to state in the audit that it exists and what its current value is, and how much was transferred into it from donations. The Endowment Fund was not mentioned in our audited financial reports prior to the 2005 audit report just completed.
- The length of time for computer amortization be changed to three years from five years, and that furniture/equipment be amortized over five years rather than three years, and that the amortization threshold amount be changed to \$500.00.
- The interest on the various funds is accrued to the operating fund, because of our policy, at this time necessitating many small interest book entries. The interest should be recognized on the financial statement in the funds which generated the interest. The board can then decide to transfer this interest into the general fund as a separately identifiable transfer. We earn about \$3,000.00 a year in interest.

ACTION: The Executive agreed to present these changes as recommendations to the full board.

8. Finances and budget recommendations to the board

Capital spending policy: We do not have a policy on decision making for capital expenses. The auditors have recommended we develop such a policy.

ACTION: Executive will recommend to the board a policy/motion that non-budgeted items over \$1,000.00 be brought to the board for approval.

9. Fundraising plans in 2006

The schedule is all readers every second year, with donors in alternate years. The past three years, that schedule has been changed by letters to all readers in Manitoba three times, and an appeal to all readers in B.C.

ACTION: For 2006, our recommendation to the board is a spring letter to every reader and a fall letter to donors only.

From March 17-18, 2006 BOARD meeting at Nutana Park Mennonite, in Saskatoon, SK

11.3 Printer selection and format changes

Tim asked for input from the board on the design of the paper. Tim and the designer Tim R. Dyck, have been investigating new printers. 19 quotes were narrowed down to four, and then two, which are thought to be the best options by Tim.

Tim feels that the three main areas for input/decision making are:

- Number of pages

- Type of paper
- Amount of colour

Tim shared some other criteria to consider, and some advantages and disadvantages of the options he showed. Board members shared some of their thoughts on the options.

ACTION: Generally, the board agrees that Tim go ahead and make changes, perhaps just changing the press, then upgrading the paper later, considering financial consequences and labour issues (living wage for employees).

The board thanked Tim for his work in researching other printers.

11.8 Staff benefits and HR policies

Tim has been working with the Executive on developing Human Resources policies, based in large part on MC Canada policies. Tim did find some old CMPS policies and in some cases, outlined how the new proposed policies differ. We asked some clarifying questions and made some suggestions/decisions regarding changes to the draft policies that Tim and the Executive developed. Tim made note of proposed changes.

MOTION: Brice moves that we approve the proposed Human Resources policies, as amended. Mary seconded.

CARRIED.

11.17 Provincially Active Only/Complete withdrawal from conference

We discussed how *Canadian Mennonite* should respond to churches that no longer belong to the conference(s). We may want to err on the side of patience and Christian tolerance.

ACTION: If there is a complete withdrawal, we offer a group subscription with 10% savings.

ACTION: If there is a withdrawal from MC Canada only (provincially active only), we could ask that they pay the portion that MC Canada covers. We agreed that we should wait and follow the lead of MC Canada.

14.1 Audited financial statements from 2005

Ester reviewed the audited financial statement contained in the report booklet. Overall, our net cash from operations is about \$24,000.

Ester highlighted some information, including changes to format, and proposed changes for next year.

ACTION: Audit Change for 2006: We will have the interest earned on various funds indicated more clearly, before their transfer to the operating fund.

MOTION: Ester moved we make the following financial changes.

- The amortization periods for computer hardware and software be changed from 5 years to 3 years, and for furniture and equipment from 3 years to 5 years.
- The cost threshold for amortization of a capital purchase move from \$300.00 to \$500.00.

John seconded. CARRIED.

MOTION: Ester moved the acceptance of this statement. John seconded. CARRIED.

14.2 Any issues arising from Executive Board regarding finances

MOTION: Paul moved a policy that any individual capital expenditure not budgeted, exceeding \$1,000.00 per year, be brought to the board for approval. Total purchases shall be within the overall budget. Bernie Thiessen seconded. CARRIED.

14.4 Proposed budget for 2006

Tim outlined the rationale for the various figures in the proposed budget. He explained why we are not in a significant surplus situation as we were last year.

ACTION: Budget changes to be made for 2006:

- Donations should be itemized to show individual, corporate, and publishing partner figures.
- PAP should be shown as a separate item.
- We will add transfers to restricted funds as a budget line.
- Some expenses will be reclassified into different groupings.

We discussed the options for fundraising in 2006. We plan to do an all reader campaign in Spring, and a campaign to previous donors in the Fall, in keeping with the pattern of previous years. We shared some ideas on doing an all reader campaign with an insert into the magazine to save mailing costs. Tim will investigate.

We discussed the option of a separate facility maintenance fund.

MOTION: Jan moved that we use the surplus from 2005 to (in 2006) pay off the mortgage (\$10,000 in interest free loans) and to make a transfer to the P.D. fund (\$10,000). We will also move \$3,000 to the Stabilization Fund, at the discretion of the treasurer and editor/publisher. Ester seconded. CARRIED.

ACTION: Investment options: Tim and Ester will investigate and select different options for investing our reserve funds, as long as they remain in cash instruments.

MOTION: Ester moved that we accept the budget in principle. Mary seconded. CARRIED.

19. Dates and Location for 2007 Annual Meeting

ACTION: The date is set for March 8th, 9th, and 10th, 2007, in Ontario. Ester, Mary, Larry, and Brice will discuss and recommend a location.

From March 18, 2006, ANNUAL GENERAL MEETING at Nutana Park Mennonite, Saskatoon, SK

7. Items requiring action by CMPS members:

a) Confirmation of Board actions in 2005

Bernie highlighted the board actions as outlined in the report booklet.

MOTION: Bernie Wiebe moved that the board actions be accepted. Al Klassen seconded. CARRIED.

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MOTION: Bernie moved that we elect Margaret to the board. Seconded by Mary Lymburner. The floor was open to further nominations.

MOTION: Renata Klassen moved that nominations cease. Seconded by Jan Wilhelm. CARRIED.

Result: Margaret Ewen Peters elected to the board by acclamation.

From September 29-30, 2006 Executive meeting in Winnipeg, MB

6.2 – Publication Assistance Program (PAP) change to subscriber requirements

- Tim received Letter from Cdn Culture & Heritage pointing out that subscribers be bona fide subscribers, as opposed to subscriptions that result from membership in a group.

- In 1997 Ron Rempel investigated this issue, and his correspondence then confirmed that this issue could be resolved through a vote by the membership to support and receive the publication.

- Recently Tim received an email from Cdn Church Press (CCP) indicating Canada Post's apparent intent to reduce its contribution to the PAP (up to 25% of the \$102,000 PAP grant).

ACTION:

- a) Tim will check with MC Can, MCC, and CCCC to see what action they are taking
- b) depending on the strategy of others, CMPS will draft a letter for area reps to send to Can Post to raise awareness and concerns on this issue.

6.9.3 – New employment policies

- as a result of staff discussions Tim has proposed three new policies

6.9.3.1 Bereavement Leave Policy (see handout)

- Tim presented a policy that allowed for three days of paid sick-leave time to be used for compassionate leave.

- Exec suggested that compassionate leave time be offered as a minimum of three paid days, not taken from sick-leave days, with discretion for the Editor-Publisher to increase this time from sick-leave time, or other CM leave policies.

- Employees could also choose to use time from other CM Leave policies.

6.9.3.2 Personal Emergency Leave Policy (see handout)

- unpaid, job-protected time off – up to 10 days
- legally mandated by Ontario Labour Standards

6.9.3.3 Family Medical Leave Policy (see handout)

- unpaid, job-protected time off – up to 8 weeks in a 26 week period
- legally mandated by Ontario Labour Standards

ACTION: With the suggested amendments to the Bereavement Policy, the Executive approves these new policies.

6.9.4 – Salary scale

- Tim studied documents back to 2000. Historically CM has used CPI to adjust salaries, along with a step-scale. The most recent salary assessment was in 2002 by Tundra Lights Communications. They used a Cdn Church Press salary survey from 1998, as well as a 1998 salary survey from Masthead. At that time the recommendations were that salaries were too low, and that the salary difference between the managing editor and the editor-publisher was not significant enough. At that time suggestions were made to change titles and salaries to better represent actual staff responsibilities and work done. Many of these recommendations were implemented. The CM salary range from best paid to least paid at present is a scale of 1.8.

- Tim has asked for new information from Cdn Church Press and Masthead, but has not heard from them as yet.

- Discussion centred on whether staff are satisfied, and whether the pay is fair and equitable.

- Tim recommends that since the last review was only four years ago, and since MC Can has suggested salary increases follow CPI, that we not make adjustments to the salary scale at this time.

ACTION: The Executive accepts Tim's recommendation that we continue with the scale as it is, and scrupulously follow CPI for yearly increases so as not to fall behind. The Executive further recommends that the scale be revisited within at least five years.

7.3 End of year fund-raising plan

- Our appeal to all readers will be, for the first time, as an insert in CM around the end of November.

- We need to raise \$35000 in order to make our budget.

ACTION: The Exec recommends that we supplement the insert with a mailing to donors.

11. Other**11.1 - Board Transition**

- The Exec noted that during the 2007 year there will be significant board turnover.

ACTION: Tim will email the Nominating Committee (Bernie T, Aiden E, Mary L) to make them aware of the significant Board transitions for 2007, and to remind them to begin work on a slate of nominees for up to 5 positions.

Reminder to the CMPS Board

Just because we had an excellent year in 2006 is no guarantee for the future and it should not make us complacent. What does it mean that subscriptions continue to go down? How can we assure that our youth will continue to see CM as a significant communications vehicle? Is the affirmation of the churches enough confirmation that CM is being truly prophetic and nurturing in the way of Jesus and the Holy Spirit?

Closing Summary

It has been a pleasure and privilege to work with CM staff, with the CMPS Board, with the CMPS Executive, with our partners, and with readers of Canadian Mennonite.

To help Canadian Mennonite continue effectively, we also depend much on writers of articles, letters to the editor, the editorial advisory board, and continuing supporters in prayer and with financial donations. Thank you to all who are involved with CM.

Bernie Wiebe, CMPS chair, March 2007

Report from the Editor/Publisher 2006

Introduction

As I look back over 2006, two events we covered in *Canadian Mennonite* stand out for me as powerful witnesses on how Jesus calls us to live.

The first was brought about by the killing of five little Amish girls and the severe wounding of five more in Pennsylvania. The violence left the world struck dumb with amazement, not so much at (yet another) attack on the innocent, but that the Anabaptist community there could find the strength to reach out in forgiveness and love afterwards. “Despite the horror, the locals almost unbelievably spoke of forgiveness and redemption,” reported a BBC interviewer who was on the scene. When Enos Miller, the grandfather of two of the girls who died, was asked whether he had forgiven the gunman, he replied, “In my heart, yes,” he said, explaining it was “through God’s help.” There was no better teaching moment for all the world—as well as for us—to the power of Christ’s call to love and forgive.

The second was the example of the four Christian Peacemaker Teams members who showed with their actions that working for peace was important enough to die for. The man who did exactly that, Tom Fox, quoted Jesus the day before he was kidnapped: “Again, if I understand the message of God, how we take part in the creation of this [Peaceable Realm of God] is to love God with all our heart, our mind and our strength, and to love our neighbours and enemies as we love God and ourselves.”

Canadian Mennonite reported on both these events, along with articles on many other things, small and large, that shaped our lives together in the church. As Mennonites, one of our distinctives is the spiritual importance we place on community and discipleship. We make a promise before God upon baptism to give and receive counsel from each other. *Canadian Mennonite* is one way we live out our spiritual values with each other, testifying to the work of God in our lives and our world.

Operationally, the magazine carried out its ministry smoothly and without significant governance or structural changes last year. We switched printers in May 2006 with a resulting jump in print quality. We also implemented significant internal operational changes that resulted in better handling of finances, donations and article tracking. Last year was also the first year of our Publishing Partner Covenant; that stability and the support from our national and area churches were a big help to our work.

We ended the year with a small surplus despite lowering our invoices to publishing partners by almost \$32,000 in 2006 compared to 2005. This was a significant financial step-of-faith for us to take on responsibility for a greater share of the cost of Every Home subscriptions (as we agreed to in the Publishing Partner Covenant). Through increased reader donations (up again in comparison to 2005), donations from some of the publishing partners and cost-cutting, we were able to make up this difference and a little bit more. Thanks be to God!

Editorial Content

In 2006, we produced 24 issues containing 872 pages and 1,391 articles in total. This is eight pages less than in 2005 but with three more articles overall.

We publish more pages per year and as many issues per year as any other Mennonite magazine in North America, and as far as I know, the world. Thanks to the Every Home plan, we also have a larger circulation than most other Mennonite magazines in North America (the only other magazine with a comparably sized circulation that I know of is *MB Herald*, which also has an Every Home circulation plan). People are often surprised to hear that *Canadian Mennonite* is substantially larger in circulation and page counts than *The (U.S.) Mennonite*, but it is true. Thanks to the decision of the Canadian church to purchase subscriptions for every home and our own efforts to keep costs low enough for this approach to be affordable, the result is a magazine that has a tremendous reach. With the decision to close *Der Bote* in 2008, *Canadian Mennonite* becomes an even more precious resource for the building up and strengthening of the church.

Our issues contained a large variety of material relating to how Canadian Mennonites and Mennonite organizations seek to be faithful followers of Christ in the world. Areas of ongoing coverage were profiles of individuals and their faith stories, theological articles focused on particular topics, columns, letters, local church features, and news and features on the activities of church-related organizations. We published articles on a regular basis on the work of the five area churches, Mennonite Church Canada Witness workers, Mennonite Central Committee projects and Mennonite schools and camps news. We had ongoing reporting on delegate sessions and other meetings of the area churches and of Mennonite Church Canada, particularly the national church assembly in Edmonton in July.

Editorial Priorities

In terms of specific editorial emphases, we had major feature articles or article series in 2006 on the following topics. Each had at least one issue devoted to that topic, with some topics covered over two issues.

Subjects of Current Interest

- First Nations peoples and Christianity (two issues)
- Aid to Africa / Sharing our wealth globally (two issues)
- Caring for creation and food justice / Caring for God's green earth (two issues)
- Christian education at the post-secondary level
- Intelligent design

The Life of the Church

- Jack Suderman church tour reporting (two issues)
- New Mennonites talking about how they view the faith (from a Korean and a South American perspective—this is the completion of a series we started in 2005) (two issues)
- Lent and Easter (two issues)
- Raising spiritual children in the church
- Mentoring young people in the church
- Advent and the fostering inter-generational connections
- MC Canada Assembly in Edmonton
- Hospitality and the church
- Church discipline
- Men's church groups
- Silence in worship

Personal Spiritual Growth

- Christian use of money
- Giving gifts at Christmas
- Making space and time for God

2006 was also a year full of breaking news events with special significance for Mennonites. In January 2006, Mennonites across the country received letters soliciting their involvement and one million of their dollars in a land speculation deal in Ukraine. All through the four months of the year, we reported on the killing of one Christian Peacemaker Team member in Iraq and the eventual release of three more. In May, we reported on the ending of Calgary Inter-Mennonite's membership in Mennonite Church Alberta, a multi-year issue for the church there. In October, the Amish schoolhouse shooting occurred. In November, we reported on the sudden resignation of MCC's Executive Director after a year-and-a-half in the position.

We started one new column in 2006. A rotating set of Mennonite Foundation staff people began writing a monthly column titled “God, Money and me” devoted to personal stewardship. Continuing on in their columns, Phil Wagler wrote “Outside the Box,” Aiden Enns and Will Braun (and others) wrote “New Order Voice,” Melissa Miller wrote “Family Ties,” and leaders from Mennonite Church Canada and each area church wrote “From our Leaders.”

In 2006, we also had two multi-page special area church features focusing on MC Saskatchewan (January) and MC Eastern Canada (November).

Canadian Mennonite is known for its strong Arts and Culture reporting, especially its books coverage: as in the past, two issues in 2006 had a special focus on books. In all, we published 142 book reviews or mini-reviews, 14 movie reviews and six music reviews in 2006.

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.

Awards

I’m pleased to report that the magazine received six awards for our work in 2006 from the Canadian Church Press (CCP)—our best showing since at least 1997.

We had the top black-and-white magazine cover (“Would Jesus give to panhandlers?”) and three second-place awards: the “New Order Voice” column; a group of our arts section reviews; and for black-and-white photography (the panhandler cover photo). We also had two third-place awards for best colour photo spread (on MCC meat canning) and best colour photo (“Congo: A forgotten emergency”).

My congratulations to photographers Ross W. Muir and Ray Dirks; writers Will Braun, Aiden Enns and others; to our book, music and movie reviewers; and to our designer, Tim R. Dyck, for all their accomplishments!

Letters to the Editor

We published 111 letters in 2006, one less than in 2005. There were no dominant topics in 2006 as there were in 2005 (when women in ministry was by far the most discussed item). Having said that, the most discussed item in 2006 was the debate over World Vision versus MCC (seven percent of the total number).

Here is the list of the topics in the Letters section that had three letters or more on the subject:

Eight letters:

- World Vision and MCC

Five letters:

- MCC (other than in reference to World Vision)
- Ukraine land claims

Four letters:

- Calgary Inter-Mennonite Church
- Homosexuality (other than in reference to CIM)
- Sharing in worship

Three letters:

- Christmas
- First Nations
- Intelligent Design
- Israel/Palestine
- Mennonite identity
- “New Order Voice” by Aiden Enns
- Sarah Johnson’s “A personal confession of faith” article

Plus 60 more letters on other topics...

As in past years, I published virtually all (95 percent) of otherwise eligible letters sent to me. I did not publish six letters in 2006:

- Two were not published that arrived after I said we had had enough letters on the World Vision/MCC issue
- Two were on homosexuality
- One was not published as its purpose was to draw attention to an allegation of infidelity
- One was not published as it was a second letter from the same author on the same subject in the space of a few months (the “don’t hog the microphone principle”)

I also did not publish some letters from non-subscribers and non-church members seeking to advocate various causes. These I generally do not publish unless they are particularly interesting or insightful.

Regional Coverage

News from across Canada and the world helps us learn from each other and then choose how to respond. In particular, Israel/Palestine and Lebanon (because of ongoing Mennonite peacemaking efforts here), and DR Congo were areas of special attention in 2006. We raised the profile of DR Congo significantly in the magazine in 2006 through in-depth coverage in a number of issues (including making it the cover story of one issue). I felt this was important due to the large number of Mennonites there and the little amount of coverage given to the country in mainstream media.

Here are details of how the coverage was divided up. (The five Canadian area churches are ranked in the same order when compared by membership size, which is what I hope for.)

<i>Region</i>	<i>Count in 2006</i>	<i>Count in 2005</i>
Ontario	301	216
Manitoba	236	182
United States	162	58
Canada	144	75
British Columbia	110	116
Saskatchewan	90	91
Alberta	83	95
Israel/Palestine	14	12
Lebanon	12	
DR Congo	11	
South Korea	10	
Columbia	9	
Iraq	9	7
Vietnam	8	14
Indonesia	7	21
Burkina Faso	6	8
Quebec	6	
Ukraine	5	8
China	2	11
Sudan	2	8
(None)	27	322
(Other)	137	144
Total	1,391	1,388

Article Sources

We put in place a new article tracking system in 2006 that allowed me to determine the big picture when it comes to our article sources over time.

Here's our breakdown in 2006:

- 40 percent of our articles are directly written or assigned by staff
- 34 percent are selected from the releases we receive
- 24 percent are submitted from our constituency without having been commissioned (I responded to 70 percent of these with a Thank You letter along with a copy of the published article as a way of following up on their submission)

<i>Article Source</i>	<i>Count in 2006</i>
News release	466
Written by staff	383
Submitted by individuals or churches (non-letters)	226
Commissioned (paid) articles	176
Letters to the Editor	111
Reprint from another publication	29
Total	1,391

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

<i>Release Source</i>	<i>Count in 2006</i>
MCC International	102
MC Canada	79
Canadian Mennonite University	35
Mennonite World Conference	34
Associated Mennonite Biblical Seminary	20
Goshen College	14
Ecumenical News International (these are news briefs from the World Council of Churches)	13
Conrad Grebel University College	12
Mennonite Disaster Service	11
Mennonite Publishing Network	10
(Other)	136
Total	466

Future Plans

I'm excited about what's coming in 2007. We are working on features on faith and finances; growing leaders through Mennonite education; female spirituality; "high church" Mennonites; further reflections from Jack Suderman's church visits; faith and the global economy; the church's response to climate change; food and agriculture (following up on the 2002 "Peace with the Land" conference); peacemaking (from domestic violence to

elder abuse to Afghanistan); the role of sport and church teams in church life; and how we connect our faith with our health and our body image.

These topics were discerned to be of current importance to the church through consultation with the Editorial Advisory Group in the fall of 2006. It's good to have a longer-range editorial plan in place.

Staff Changes

We had two staff changes in 2006. Maurice Martin resigned as MC Eastern Canada Regional Correspondent when he took a staff position with MC Eastern Canada and Barb Burkholder resigned as Advertising Representative when she went back to university for teachers college.

I hired Dave Rogalsky and Karen Suderman, respectively, to fill these two positions. Both started on July 1, 2006.

I organized a thank you/farewell dinner for Maurice Martin and Barb Burkholder in June in recognition of their service, in addition to a gift for each of them. Both were able to provide some training to the incoming staff. Ross (with Dave) and I (with Karen) provided what was needed after that in July and August.

I have also found local correspondents in the Toronto and Leamington areas, something that will really help us cover events in these regions.

Infrastructure Improvements

In 2005, we focused on updating our editorial and production infrastructure. In 2006, my focus was to upgrade our aged and inflexible financial and operational systems.

Accounting and Finance

We purchased a new Windows PC for circulation and finance use. We had been using a Mac OS9-based accounting system (Sage/Accpac's Simply Accounting) since 1994. This package was discontinued by the manufacturer years previously and what minimal support there was (in the form of payroll deduction tables) was ended in 2007.

In March 2006, we switched our accounting package to Intuit's QuickBooks Premier for Nonprofits. This package provides built-in support for accrual accounting (Simply Accounting was cash based, and our audit needs to be

accrual-based), is much more flexible, has much better reporting and can do all our payroll and T4 submissions. In addition, we are spending about \$500 less each year as we now generate our own T4 reports rather than paying our auditors to do this job.

Unfortunately, there was no mechanism to import data from Simply Accounting into QuickBooks. We hired our auditors to work with Lisa Jacky to help us set up the system correctly, transfer over balances to the new system and provide training.

Circulation List and Donation Management

In March 2006, we moved from a custom-developed circulation and donation tracking package developed for us in 1998 based on the Macintosh database 4th Dimension to a custom-developed system based on the Windows database Microsoft Access.

In summary, the new software provides us with a range of new capabilities as well as automating labour-intensive and time-consuming tasks. We now record much more information about every subscription and every donation, have much improved access to the information, need to do much less work to enter data, and accuracy and consistency of the resulting records are much improved.

I described the changes in more detail in my report to the Executive Board in September 2006.

In 2007, I would like to see our donation system integrated directly with our accounting software to eliminate the year-end discrepancies between the two that have been present for many years.

Article Indexing System

In February 2006, we also moved from a custom-developed 4th Dimension article indexing system developed for us in the late 1980s to a custom-developed system based on the Macintosh database FileMaker Pro. The previous software did not provide the detail, search capabilities or reporting flexibility I wanted. In addition, we now need to track certain items of information that we did not need to previously.

We now track a number of new items:

- Article titles (the previous system only tracked per page, not per article)
- Section of magazine (lets me pull out reports on Letters, in particular)
- The geographic region of articles (to allow me to show evidence to the area churches how many articles we publish about their areas)

- Canadian content or not (needed for the PAP yearly re-validation process)
- Whether the item is a press release or not, and which organization it came from

Information from the previous system was imported into the new system and allows searching of issues back to January 1989.

The software also provides the new capability of tracking needed responses for articles (payment letter or *gratis* thank you letter) as well as generating these letters.

At some point, I would like to enable the article index to be searched online.

Printer Switch

In May, after a lengthy search for better options, we changed from printing our magazine with Hamilton Web in Hamilton to Central Ontario Web in Barrie.

The change has resulted in a magazine that is printed with fewer errors, corresponds more closely to what we send (as we now have a direct-to-plate process and can view issue proofs, neither of which we had before) and lower costs. As a result of the lower costs, we have been purchasing 8 to 16 more colour pages per issue than we were with Hamilton Web.

I described this change in more detail in my report to the Executive Board in September 2006.

Financial Results

We had a good financial year in 2006. Despite our reduction in Every Home Plan subscription prices, a drop in Publications Assistance Program grant income, and a \$10,000 drop in ad revenue, substantially increased donations from individuals and publishing partners and a one-time GST credit enabled us to finish the year with revenue a little above projections. On the debit side of the ledger, expenses came in a little below budget. The result was that we ended 2006 in the black, with an total surplus of \$39,149.

We paid off the interest-bearing portion of our mortgage in 2005. Thanks to increased donations in 2006 (especially a one-time gift of \$10,000 from an individual), we have now paid off the interest-free portion of our mortgage and are completely debt-free!

Fundraising

In terms of *Canadian Mennonite's* own fundraising, we sent out a June 2006 letter to previous donors, a November letter to previous donors and a November insert to all readers.

It was a good year for fundraising. Donations from individuals were up 13% over 2005. We also received significant Publishing Partner donations. Please see the fund-raising report for more details.

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

Circulation

Each issue was sent to around 15,800 subscription addresses worldwide, about 400 less than in 2005 (a 2.5% drop). Overall, circulation continues to trend slowly downward (please see chart, below).

In 2006, three new churches opened: Lao Canadian Evangelical Mennonite Church and The Gathering in Ontario, and Word of Life Mennonite Church (a Spanish congregation) in Calgary.

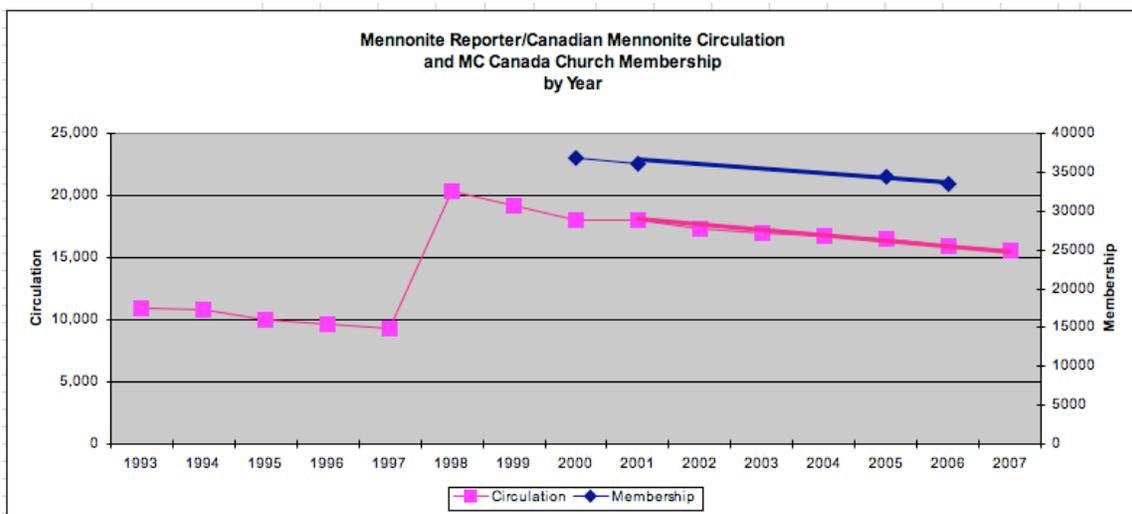
Several churches also left MC Canada: Rosemary Mennonite in Alberta and six churches in MC B.C. became Area Conference Only Members; Cornerstone and Neuanlage Grace in Saskatchewan both left the denomination entirely. One church, Bethany in Saskatchewan, closed.

Here are reasons recorded so far this year as to cancellation reasons. By far, the largest source of cancellations is through churches and thus we unfortunately have no contact with these individuals.

<i>Cancellation Reason</i>	<i>Number of Subscribers</i>
Church cancellation (No reason given)	397
Church cancellation (no longer attending the church)	114
Does not want to read magazine	89
Deceased	81
Subscriber cancellation (No reason given)	79
Other (see comment)	58
Returned by CP as undeliverable	34
Not able to read easily (due to health)	24

Receiving two copies	22
Subscription expired with no response to renewal letters	15
No time to read magazine	10
Not renewed	8
Moving out of the country	6
Can read relative's/friend's copy	3
No longer attending the church	3
(Unknown)	2
Wants to save us money	2
Objects to/disagrees with contents	1

I gathered circulation data for *Canadian Mennonite* back to 1993 to provide a bigger picture as to our circulation patterns (please see handout “Comparative circulation report.pdf”, just the chart reproduced here).



There was a huge jump in 1998 when we moved to a Every Home Plan across Canada. For the next two years, Ron Rempel stated in past minutes that there was a lot of duplication in the various databases that were combined to produce the Every Home Plan and so the circulation drops these years are driven mostly by the elimination of duplicates.

From 2000 to now, we have had a drop of about 2% per year in circulation.

I then compared our trends with overall church membership data gathered from the Mennonite Directory and Mennonite Church Canada. This is plotted in blue. Significantly, the rate of overall membership decline is virtually identical to our circulation change. Circulation drops continue to be discouraging no matter what the reason (for the good of the church!), but I do think this finding suggests we mostly lose readers because they leave the

church as a whole through age or other forms of departure, not because of anything specifically with *Canadian Mennonite*.

Circulation Initiatives

Based on this information, here are some proposals for action.

These three new initiatives are now in place:

- We need to have direct contact with the many cancellations from churches! I have put in a place a new procedure where all church cancellations get a letter explaining why their subscription has stopped and a subscription form to ask if they desire a personal subscription.
- When sending cancellation letters for any reason, outline ways to re-subscribe (including a form) and ask for feedback on why the subscription is being cancelled.
- Promote the option that an electronic edition is available for those that cancel in case paper usage is their concern.

Future Ideas

- Send a poster to all churches advertising the magazine to try to find those attending but not receiving yet.
- Send sample issues to churches that have capacity to have more subscribers. We can compare membership with circulation lists to determine which churches there are.
- Give a free, trial subscription to graduates of all Mennonite post-secondary schools.

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.

Online Services

While there was a doubling in web traffic to our site in 2005, in 2006 that traffic levelled off. Our average month in 2006 had 10,400 visits and 23,000 page views.

Due to time constraints, we have only been posting a subset (perhaps one-third to half) of each issue online. In January 2006, we launched a new service where current subscribers can sign up to have the entire issue of the next issue delivered to them by e-mail in PDF format. This file is page-for-page identical to the print version with the exception that images are reduced in resolution to make the file smaller.

We offer two methods for getting the file: subscribers can choose to have the issue delivered directly to their inbox as an attachment or to receive an e-mail containing a link to the issue file online, which can be then viewed whenever desired.

While I could see this option being more important to the magazine or to readers in the future, after a year, the numbers of adopters is small: 64 readers get the direct delivery of issues as attachments and 41 readers get the notification e-mail with link. However, the system is working well and now takes minimal time on the part of Tim R. Dyck to prepare and send the messages, so it a cheap thing for us to support. Last week, one subscriber concerned about paper waste re-subscribed (after cancelling her subscription) when I told her an electronic edition was available.

After a 60 day wait, anyone can also download or view the PDF copy of any of our issues. Google also indexes the full text of these issues so we are getting much better searches at our site as a free by-product of posting the PDF versions.

Tim Miller Dyck External Representation and Travel Report for 2006

- February 24-26: Represent CMPS at the MC B.C. annual delegate sessions at Eben Ezer Mennonite in Abbotsford; address delegates encouraging them to vote in support the new partner agreement
- March 2-4: MC Canada Leadership Assembly at CMU in Winnipeg
- March 5: Visit and greet worshipers at Bethel Mennonite in Winnipeg
- March 16-18: CMPS annual meetings at Nutana Park Mennonite in Saskatoon
- March 19: visit and bring greetings to Mount Royal Mennonite Church in Saskatoon
- April 7-8: Cover and represent CMPS at the MC Alberta annual delegate sessions at Foothills Mennonite in Calgary; separate interviews with CIM staff and church chair
- April 9: Preach at First Mennonite in Calgary (Palm Sunday)
- April 28-29: Cover MCEC Spring delegate sessions at St Catharines United Mennonite Church
- May 4-6: Regional Correspondent gathering in Winnipeg with Canadian Church Press 2006 conference
- May 7: Visit and greet worshipers at Charleswood Mennonite in Winnipeg
- May 25: MEDA breakfast, Waterloo
- May 27: lunch with MEDA president Allan Sauder to learn about what MEDA projects CM should be covering

- May 25: Represent CMPS at a MAX Canada insurance dinner
- (Ross) June 2-3: Represent CMPS at Meetinghouse meetings in Newton, Kansas
- June 8-10: Cover bi-national Confession of Faith conference at AMBS in Elkhart, Indiana
- July 4-8: Represent CMPS and cover MC Canada National Assembly in Edmonton
- Sept. 17: Visit and speak at Lao Canadian Evangelical Church in Toronto
- Sept. 23-24: Preach at North Leamington United Mennonite Church; attend UMEI school year opening and meet with school principal; visit Faith Mennonite
- Sept. 29-30: Executive Board meetings in Winnipeg
- Oct. 1: Visit and bring greetings to First Mennonite Church, Winnipeg
- Oct. 6: Meet with Meritas CEO Gary Hawton and Brice Balmer

Thanks

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

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

Tim Miller Dyck
Editor and Publisher
March 2007

CANADIAN MENNONITE
Circulation Report March 1, 2007

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals
Individual	Individual	52	67	34	96	93	5	0	67	10	424
	Gift	7	7	6	11	13	1	1	9	7	62
Group Plans	Small Groups	0	47	0	5	0	0	0	0	0	52
Every Home Plans	MC – BC	994	9	4	1	1	1	0	3	4	1017
	MC – AB	9	699	7	5	6	0	1	8	3	738
	MC – SK	23	45	1703	33	15	3	0	18	9	1849
	MC- MB	27	34	6	4327	34	2	2	27	22	4481
	Mennonite Church of Eastern Canada	23	9	2	22	6153	82	2	56	21	6370
	Other	0	34	12	52	5	0	0	1	0	104
	Bulk (churches)	58	22	0	73	70	0	0	0	0	223
	Complimentary	2	1	1	7	4	1	0	4	3	23
	Bulk (schools, etc.)	31	0	15	115	13	0	0	0	0	174
	Exchange	1	0	2	10	7	1	0	11	6	38
Totals		1227	974	1792	4757	6414	96	6	204	85	15555

CANADIAN MENNONITE REPORT ON FUNDRAISING 2006

Individual and Corporate Donations

	<u>Operating Costs</u>		<u>Mortgage</u>		<u>Endowment Fund</u>		<u>Other</u>		<u>Total</u>	<u># Donations</u>
Pre-2006 donations received in 2006	\$ 100.00	\$	-	\$	-	\$	-	\$	100.00	1
2005 Fall All-Donors (received in 2006)	\$ 4,507.80	\$	-	\$	-	\$	-	\$	4,507.80	75
2006 Annual Banquet (Saskatoon)	\$ 2,390.00	\$	-	\$	-	\$	-	\$	2,390.00	17
2006 Spring All-Donors	\$ 34,920.53	\$	10,000.00	\$	100.00	\$	-	\$	45,020.53	510
2006 Fall All-Donors	\$ 33,039.84	\$	-	\$	105.00	\$	-	\$	33,144.84	488
2006 Fall All-Readers	\$ 8,720.00	\$	-	\$	150.00	\$	-	\$	8,870.00	110
Adjust to audit	\$ -	\$	-	\$	-	\$	(390.00)	\$	(390.00)	
Subtotal	\$ 83,678.17	\$	10,000.00	\$	355.00	\$	(390.00)	\$	93,643.17	1,201
Less transfer to Endowment Fund							\$ (355.00)			
Less donations reported in previous years							\$ (100.00)			
Total							\$ 93,188.17			

Publishing Partner and Church Donations

	<u>Operating Costs</u>		<u>Mortgage</u>		<u>Endowment Fund</u>		<u>Other</u>		<u>Total</u>	<u># Donations</u>
2006 Publishing Partners and Churches	\$ 24,080.07	\$	-	\$	-	\$	-	\$	24,080.07	18
Total	\$ 24,080.07	\$	-	\$	-	\$	-	\$	24,080.07	18

GRAND TOTAL **\$ 117,268.24** **1,219**

CANADIAN MENNONITE PUBLISHING SERVICE

**Financial Statements
December 31, 2006**

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Auditors' Report

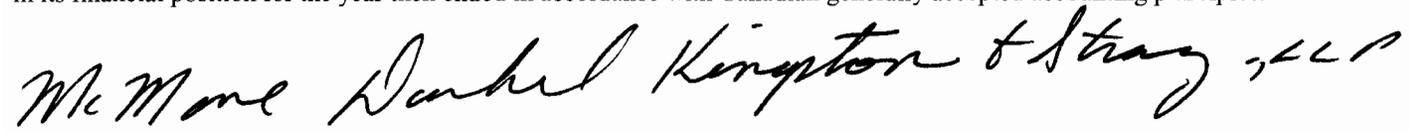
To: The Members of the Board of Directors of
Canadian Mennonite Publishing Service:

We have audited the statement of financial position of Canadian Mennonite Publishing Service as at December 31, 2006 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, 2006 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.



Chartered Accountants

Waterloo, Ontario
February 15, 2007

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Revenue and Expenses and Changes in Fund Balances
Year Ended December 31, 2006

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenue											
Every Home Plan	\$ 273,493	\$ 273,864	\$ 304,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,864	\$ 304,389
Individual & group subscriptions	18,800	18,135	18,930	-	-	-	-	-	-	18,135	18,930
Advertising and supplements	152,794	143,299	149,798	-	-	-	-	-	-	143,299	149,798
Grants	95,624	94,896	102,103	-	-	-	-	-	-	94,896	102,103
Donations - Individual	82,649	93,188	81,028	-	-	-	-	-	-	93,188	81,028
Donations - Publishing Partners	22,443	24,080	7,500	-	-	-	-	-	-	24,080	7,500
Interest and exchange	2,000	2,813	2,629	750	181	905	293	300	140	4,768	3,243
Gain on short-term investments	-	-	-	3,890	-	-	-	-	-	3,890	-
Other	6,000	9,388	5,858	-	-	-	-	-	-	9,388	5,858
	653,803	659,663	672,235	4,640	181	905	293	300	140	665,508	672,849
Expenses (Page 6)	629,824	626,359	625,055	-	-	-	-	-	-	626,359	625,055
Surplus for the year	23,979	33,304	47,180	4,640	181	905	293	300	140	39,149	47,794
Fund balances, beginning of year	309,208	309,208	256,414	42,445	42,445	56,774	46,774	14,447	29,447	422,874	375,080
	333,187	342,512	303,594	47,085	42,626	57,679	47,067	14,747	29,587	462,023	422,874
Transfer to Professional Development Fund	(10,000)	(9,095)	(9,707)	-	-	9,095	9,707	-	-	-	-
Transfer to Stabilization Fund	(3,000)	(2,250)	181	2,250	(181)	-	-	-	-	-	-
Transfer from Capital Fund	-	300	15,140	-	-	-	-	(300)	(15,140)	-	-
	(13,000)	(11,045)	5,614	2,250	(181)	9,095	9,707	(300)	(15,140)	-	-
Fund balances, end of year	\$ 320,187	\$ 331,467	\$ 309,208	\$ 49,335	\$ 42,445	\$ 66,774	\$ 56,774	\$ 14,447	\$ 14,447	\$ 462,023	\$ 422,874

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Financial Position
December 31, 2006

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
ASSETS										
Current Assets										
Bank	\$ 137,859	\$ 91,329	\$ 31,434	\$ 5,824	\$ 48,413	\$ 47,507	\$ 16,038	\$ 15,738	\$ 233,744	\$ 160,398
Short-term investments (Note 4)	50,000	50,000	16,023	36,993	-	-	-	-	66,023	86,993
Accounts receivable	24,301	40,356	-	-	-	-	-	-	24,301	40,356
Prepaid expenses	2,537	3,298	-	-	-	-	-	-	2,537	3,298
	<u>214,697</u>	<u>184,983</u>	<u>47,457</u>	<u>42,817</u>	<u>48,413</u>	<u>47,507</u>	<u>16,038</u>	<u>15,738</u>	<u>326,605</u>	<u>291,045</u>
Capital Assets (Note 5)	<u>161,296</u>	<u>174,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,296</u>	<u>174,518</u>
	\$ 375,993	\$ 359,501	\$ 47,457	\$ 42,817	\$ 48,413	\$ 47,507	\$ 16,038	\$ 15,738	\$ 487,901	\$ 465,563
LIABILITIES										
Current Liabilities										
Accounts payable	\$ 8,230	\$ 24,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,230	\$ 24,130
Deferred revenue	17,648	8,559	-	-	-	-	-	-	17,648	8,559
Interfund payables (receivables)	18,648	7,604	(1,878)	372	(18,361)	(9,267)	1,591	1,291	-	-
Current portion of long-term debt (Note 7)	-	10,000	-	-	-	-	-	-	-	10,000
	<u>44,526</u>	<u>50,293</u>	<u>(1,878)</u>	<u>372</u>	<u>(18,361)</u>	<u>(9,267)</u>	<u>1,591</u>	<u>1,291</u>	<u>25,878</u>	<u>42,689</u>
FUND BALANCES	<u>331,467</u>	<u>309,208</u>	<u>49,335</u>	<u>42,445</u>	<u>66,774</u>	<u>56,774</u>	<u>14,447</u>	<u>14,447</u>	<u>462,023</u>	<u>422,874</u>
	\$ 375,993	\$ 359,501	\$ 47,457	\$ 42,817	\$ 48,413	\$ 47,507	\$ 16,038	\$ 15,738	\$ 487,901	\$ 465,563
Fund balance comprised of:										
Invested in capital assets	\$ 161,296	\$ 164,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,296	\$ 164,518
Internally restricted	-	-	49,335	42,445	66,774	56,774	14,447	14,447	130,556	113,666
Unrestricted	<u>170,171</u>	<u>144,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,171</u>	<u>144,690</u>
	\$ 331,467	\$ 309,208	\$ 49,335	\$ 42,445	\$ 66,774	\$ 56,774	\$ 14,447	\$ 14,447	\$ 462,023	\$ 422,874

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements December 31, 2006

1. Purpose of the Organization

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

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

2. Significant Accounting Policies

Fund Accounting.

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

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

The Stabilization Fund is to protect the organization from operating fluctuations that may occur from time to time. The goal, initially, was to accumulate, from surpluses, an amount between 12.5% and 25% of budgeted expenses in the fund for this purpose. As a result of the building purchase, the board reduced the amount required to be kept in the fund to a minimum of 8% of budgeted expenses and the excess in the fund of \$38,275 was used for a down payment on the building. 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, except the unrealized gains and losses on short-term investments as described below. Other investment income is recognized as revenue of the General Fund when earned.

Grant Revenue

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

Short-Term Investments

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

Capital Assets

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

Use of Estimates

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

Financial Instruments

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

3. Change in Accounting Policy

The Organization adopted the provisions of CICA Sections 3855, Financial instruments - Recognition and Measurement, on January 1, 2006. These provisions address the classification, recognition and measurement of financial instruments. As a result of adopting these new standards, no adjustment to opening fund balances was necessary as the difference between cost and estimated fair value of the assets classified as available-for-sale was insignificant.

CANADIAN MENNONITE PUBLISHING SERVICE

**Notes to the Financial Statements
December 31, 2006**

4. Short-Term Investments

	<u>2006</u>	<u>2005</u>
<u>General Fund</u>		
MSCU term deposit, 3.70% (2005 - 1.60%), due February 2007 (2005 - March 2006)	\$ 50,000	\$ 25,000
MSCU term deposit, 1.40%, due January 2006	<u>-</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,000</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 1.60%), due February 2006	-	25,000
Ethical Funds Inc., Ethical Balanced Fund At market value (cost - \$12,133)	16,023	-
At cost (market value - \$13,285)	<u>-</u>	<u>11,993</u>
	<u>16,023</u>	<u>36,993</u>
	<u>\$ 66,023</u>	<u>\$ 86,993</u>

5. Capital Assets

	<u>2006</u>		<u>2005</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 14,420	\$ 8,879	\$ 5,541	\$ 9,805
Computer software	8,029	3,969	4,060	6,737
Office equipment	10,610	9,749	861	471
Building	166,771	34,467	132,304	138,975
Land	18,530	-	18,530	18,530
	<u>\$ 218,360</u>	<u>\$ 57,064</u>	<u>\$ 161,296</u>	<u>\$ 174,518</u>

6. Endowment Funds

Contributions made for endowment purposes are forwarded to the Mennonite Foundation of Canada ("Foundation") which acts as trustee on behalf of the Organization for these funds. Under the terms of an agreement dated January 21, 1991, all donations to the Endowment Fund belong to the Foundation. Only interest earned is forwarded to the Charity for use in the operations of the periodical. The balance on deposit in the fund at December 31, 2006 was \$11,952 (2005 - \$9,312) and interest earned during the year amounted to \$715 (2005 - \$323).

7. Long-Term Debt

	<u>2006</u>	<u>2005</u>
Loans payable, non-interest bearing, unsecured, due December 2006	\$ -	\$ 10,000
Less current portion	<u>-</u>	<u>10,000</u>
	<u>\$ -</u>	<u>\$ -</u>

8. 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.

9. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

CANADIAN MENNONITE PUBLISHING SERVICE

Schedule of Expenses
Year Ended December 31, 2006

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Postage	\$ 171,366	\$ 175,048	\$ 174,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,048	\$ 174,395
Head office - salaries	160,146	156,700	152,795	-	-	-	-	-	-	156,700	152,795
Printing and production	109,313	105,440	121,131	-	-	-	-	-	-	105,440	121,131
Regional correspondents	63,780	67,872	63,775	-	-	-	-	-	-	67,872	63,775
Head office - benefits	25,352	24,639	23,625	-	-	-	-	-	-	24,639	23,625
Advertising representative	17,486	18,024	17,451	-	-	-	-	-	-	18,024	17,451
Amortization	12,579	14,816	11,363	-	-	-	-	-	-	14,816	11,363
News service	9,825	9,518	9,899	-	-	-	-	-	-	9,518	9,899
Facility costs	8,906	8,940	2,171	-	-	-	-	-	-	8,940	2,171
Professional fees	6,915	8,090	13,478	-	-	-	-	-	-	8,090	13,478
Staff	4,600	7,764	4,385	-	-	-	-	-	-	7,764	4,385
Board	10,350	7,507	10,270	-	-	-	-	-	-	7,507	10,270
Fundraising	13,335	6,839	7,182	-	-	-	-	-	-	6,839	7,182
Office	6,800	6,760	4,936	-	-	-	-	-	-	6,760	4,936
Telephone	4,971	4,118	4,858	-	-	-	-	-	-	4,118	4,858
Insurance	2,500	2,162	2,437	-	-	-	-	-	-	2,162	2,437
Equipment maintenance	1,000	1,634	681	-	-	-	-	-	-	1,634	681
Special projects	500	291	213	-	-	-	-	-	-	291	213
Bad debts	-	197	-	-	-	-	-	-	-	197	-
Promotion	100	-	10	-	-	-	-	-	-	-	10
	<u>\$ 629,824</u>	<u>\$ 626,359</u>	<u>\$ 625,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,359</u>	<u>\$ 625,055</u>

**Canadian Mennonite Publishing Service
Board of Directors as of Dec. 31, 2006**

Representing	Term
Canadian Mennonite Publishing Service	
Mary Lymburner, Stouffville, Ont.	2004-2007, second term
* Ester Neufeldt (treasurer), Kitchener, Ont.	2004-2007, first term
Margaret Ewen Peters, Hanley, Sask.	2006-2009, first term
Mennonite Church Canada	
Brice Balmer, Kitchener, Ont.	2005-2008, second term
Aiden Enns, Winnipeg, Man.	2006-2009, second term
John W. Goosen, Delta, B.C.	2004-2007, first term
* Paul Krahn (secretary), Altona, Man.	2006-2009, second term
Mennonite Church British Columbia	
* Henry Neufeld (vice-chair), Ladner, B.C.	2006-2009, third term
Mennonite Church Alberta	
* Brenda Tiessen-Wiens (member-at-large), Calgary, Alta.	2005-2008, second term
Mennonite Church Saskatchewan	
Bernie Thiessen, Rosthern, Sask.	2004-2007, second term
Mennonite Church Manitoba	
* Bernie Wiebe (chair), Winnipeg, Man.	2005-2008, third term
Mennonite Church Eastern Canada	
Larry Cornies, London, Ont.	2004-2007, first term

* indicates Executive Committee of the Board

**Canadian Mennonite Publishing Service
Staff as of Dec. 31, 2006**

Head office	Started	Time
Barb Draper, Editorial Assistant	2001	40%
Tim R. Dyck, Art Director	2005	50%
Lisa Jacky, Administrative Assistant	2005	80%
Tim Miller Dyck, Editor and Publisher	2004	100%
Ross W. Muir, Managing Editor	2005	100%
Karen Suderman, Advertising Rep	2006	40%
Winnipeg office		
Leona Dueck Penner, National Correspondent	2002	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