

CANADIAN MENNONITE

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

Annual Report for the year 2008

Canadian Mennonite Publishing Service
38th Annual Meeting

Saturday, March 7, 2009, 4:30 p.m.
at Altona Mennonite Church, Altona, Manitoba

1. Agenda for the 2009 Annual Meeting
2. Minutes of the 2008 Annual Meeting
3. Board actions since the last Annual Meeting
4. Report from the Board Chair
5. Report from the Editor/Publisher
6. Report on Circulation
7. Report on Fundraising
8. Auditor's Report
9. Audited Financial Statements
10. Board Member and Staff List

The 38th Annual Meeting of

CANADIAN MENNONITE PUBLISHING SERVICE

Saturday, March 7, 2009, 4:30 p.m.
at Altona Mennonite Church, Altona, Manitoba

Agenda

1. Welcome and introductions
 - Al Friesen, MC Manitoba representative on the CMPS Board
2. Opening devotional
 - Al Friesen, MC Manitoba representative on the CMPS Board
3. Minutes of the 2008 Annual Meeting in Calgary
 - Paul Krahn, CMPS Board Secretary
4. Board actions since the last Annual Meeting
 - Paul Krahn, CMPS Board Secretary
5. Report from the Board Chair
 - Larry Cornies, CMPS Board Chair
6. Report from the Editor/Publisher, including reports on circulation, fundraising and audited financial statements
 - Tim Miller Dyck, Editor/Publisher
7. Report of proxy votes
 - Paul Krahn, CMPS Board Secretary
8. Items requiring action by CMPS members:
 - a) Confirmation of Board actions in 2008
 - b) Acceptance of 2008 financial statements
 - c) Appointment of auditor for 2009
 - d) Elections of CMPS board members
 - Joanna Reesor-McDowell, Board Nominating Committee
9. Other business and discussion
10. Adjournment

The CMPS annual banquet follows at 6 p.m. All are welcome!

Canadian Mennonite Publishing Service

Annual Meeting

Saturday, March 29, 2008, 4:00 p.m.

at Foothills Mennonite Church, Waterloo, ON

Present: 12 board members, 1 staff member, 3 guests

1. Welcome and introduction of CMPS Board & Staff – Doris Haysom – CMPS Board

Our cowboy poet
extraordinaire
Doris good days us
with whimsy and flair

2. Opening devotional – Larry Cornies – CMPS Vice-chair

Referring to Romans Larry shared that St. Paul sends a message to people that he has never met. He has not seen the gospels. He writes about what he has seen and what he knows about Christ. Despite the hard times the believers were experiencing, he is full of joy. He suggests that they can strengthen each other through good stories of encouragement. His simple letter to them contrasts with the message of power of the Roman Empire; he narrowcasts to a specific group of believers. Eventually the Empire would fall, but Paul's letter would live on.

There are parallels to CM's situation. It narrowcasts faith to us; holds a mirror up to us. Our goal is to impart spiritual gifts to make us strong and to mutually encourage each other.

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

- Paul briefly highlighted the minutes of the 2007 Annual meeting.

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

- Paul highlighted the Board Actions & Motions of 2007

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

- two stories to remember:

- one by a high school student, Johanu Botha, from Manitoba, who found inspiration and encouragement from his younger brother

- from Ryan Gruels, an inmate in Manitoba, letters about how he seeks to be salt and light in prison

- both of these examples testify to the work of Christ in our lives, like CM

- Tim highlighted many other stories from the year.

6. Report of proxies - Paul Krahn, secretary

- There were no proxies to report.

7. Items requiring action by CMPS members:

7.1 Confirmation of Board actions in 2007 – Paul Krahn

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

7.2 Acceptance of 2007 financial statements – Bernie Wiebe

- Bernie reviewed the statements of the past year.

Motion: Bernie Wiebe moved the acceptance of the financial reports. m/s/c

7.3 Appointment of auditor for 2007 – Tim Miller Dyck

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

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

7.4 Elections of CMPS board members – Aiden Enns

- Aiden Enns presented two nominees to fill the positions vacated by Brenda Tiessen Wiens & Bernie Wiebe.

- Doris Daley Haysom (Alberta)

- Al Friesen (Manitoba)

Motion: Larry Cornies moved that the meeting acclaim the nominees as presented. m/s/c

8. Other business and discussion

- Aiden Enns led us in acknowledging the good, hard work of Bernie Wiebe, who has spent 9 years working on the Board.
- He noted that Bernie is pleasant and punctual. He takes promoting CM and interacting with the constituency seriously.
- Fellow Board members passed along greetings and thanks as well.
- Tim Miller Dyck noted Bernie's ability and work in facilitating the first Publishing Partner Agreement.

9. Adjournment at 4:40 pm

CMPS Executive & Board Actions & Motions 2008

From March 27, 2008 Executive meeting at Foothills Mennonite Church, Calgary, AB

NO ACTIONS TO REPORT

From Annual Meeting, March 28, 2008, 9 am, Foothills Mennonite Church, Calgary, AB

8. Reports from Directors

SUGGESTION:

That Board members commission themselves to address specific issues and deliberately solicit responses from specific individuals and groups in their reports:

Noteworthy issues, individuals, or groups:

- non-ethnic Mennonites
- global/current issues
- physical quality of the magazine
- larger church leaders
- congregational members young and old
- local congregational leaders
- those disenfranchised from the church

10. 2009-2013 proposed Publishing Partner covenant status – Larry Cornies

SUGGESTION:

That there be a note in a cover letter or otherwise, pointing out the changes in this document, compared to the first one. This will be done in the preamble of the cover letter.

SUGGESTION:

Why doesn't CM change its fiscal year end to make this less awkward? (ie. End of Feb)

11. Report from the Editor/Publisher

11.1 Board meeting follow-up reporting

* the Board affirms Tim's efforts in making personal notes to the regular and new donors

11.3.4 Request from Der Bote: obits and multi-lingual content

MOTION: That CMPS offer paid obituaries, on a cost basis, to the constituency for a trial period and, that CMPS establish and promote a fund to help defray the cost for those with limited ability to pay.

MOTION to table until tomorrow.

AMENDED MOTION: That CMPS offer obituaries to the constituency for a trial period and that CM explore options for funding this new service. – m/s/c

MOTION: That CM offer free trial period subscriptions to those Der Bote readers who are not presently receiving CM. – m/s/c

Non Agenda item - Tim shared that within the first half of 2009, he feels he will leave CM.

ACTION: The Board commissions the Executive to proceed, using their best judgment, in the interest of facilitating continued good leadership employment at CM.

11.6.5 Proposed expense reimbursement policy

11.6.6 Proposed compensatory time policy

ACTION: The Board approves of these two new employment policies, with the concerns above addressed by Tim.

11.6.7 National correspondent

Recommendation:

- That we disclose Aaron Epp's conflict of interest.
- That we not publish any articles on CMU with Aaron's byline, in agreement with Aaron and CMU.
- That Evelyn Rempel-Paetkau make more effort to cover CMU stories.

13.2 Reporting on Stabilization Fund

13.2.1 Motion to leave \$9698.94 in Stabilization Fund

MOTION: That CMPS leave \$9698.94 in Stabilization Fund – m/s/c

13.3 Internal controls document consideration

ACTION: That the treasurer will examine the internal controls questionnaire, and the fraud and risk assessment, and will communicate that he is comfortable with the process as described, with the auditors. – m/s/c

13.4 Fundraising

13.4.2 Plans for this year

- typically we do two mailings per year

Recommendation for 2008: That we complete two letter campaigns to past donors.

13.4.3 Adding Board thank you phone calls

Action: The Board agrees to help out by making thank you phone calls.

14. Proposed budget for this year

14.1 Operational expenses plan

Expected Surplus \$3300

Transferred \$1447 to pay for furnace costs

Motion: The Board approves of the budget as projected, with the change to reduce the donations line to reflect the lack of an insert campaign. – m/s/c

15. Proposed Privacy policy

Motion: The Board approves of the new Privacy Policy plan, as presented. – m/s/c

17. Environmental impact assessment report

- **Motions:**
- 1 - That the office will begin using recycled paper, and put reflective film on the windows.
 - 2 - For travel, Tim will book his next flight through FlyGreen.ca to explore this as a possibility. The Board suggests that flights be single leg, and that the Board will pay for the mode of travel that has the least impact, regardless of cost. – m/s/c

From Board & Organizational Meeting, Saturday, March 29, 2008 4 pm. at Foothills Mennonite Church, Calgary, AB

1. Election of the Executive – Aiden Enns

Motion: Aiden moved the acceptance of this Executive slate.

2. Appointment of the Nominating Committee – Aiden Enns

Motion: Aiden moved the acceptance of the Nominating Committee.

From Executive Board Meeting, Friday, June 20, 2008 at Tobi Thiessen's home (36 Westglen Cres., Etobicoke, ON)

4. Review of issues published since March

- Concern re the "place-lining" of Ross on a story that took place in China.
 - Suggestion that CM not place-line at all.

5. Editor/Publisher's Report

5.7 Staff

5.7.3 Expense policy:

- The Executive approves this increase in mileage rate, effective immediately (July 1st). The Executive also asks Tim to rework point D in the Travel Policy, for the Fall meeting.
- Tim will also investigate the merits of various options for purchasing insurance for flight tickets, and for car rentals, etc, and report on this for the Fall meeting.

5.7.4 Ross's sabbatical proposal

- The Executive Board approves of this proposal, in principle, pending that the details can be worked out satisfactorily for him and for CM.

5.7.5 Succession planning for Tim (and for CM)

- The Search Committee:
 - an Executive member (as chair) – Henry Neufeld
 - Board members – Ed Janzen, Joanna Reesor-McDowell, Doris Daley
 - alternates: Margaret Ewan-Peters
 - Larry will contact the Board members to ask for their service.
 - Larry & Tim will be consulted during the decision-making process
- Other related issues to consider:
 - Issues to review at the Fall Exec meeting:
 - hours of work
 - job description
 - sabbatical policy
 - Timeline: Tim's resignation will be announced following the Annual Delegate Session, with the intention to hire a new person by Nov 08 (to cover for Ross's sabbatical) or by the end of Jan 09 (if Ross does not take the sabbatical)
 - by the Fall Exec meeting we will give Tim a firm timeline for succession

6. Finances

6.4 Revenue Canada

- see "New Tools for Registered Charities"

- The Board of Directors is legally responsible to hold CM to these guidelines.

7. Possible Board development issues

- We will find an expert consultant on nonprofits to help us better understand our unique situation and concerns during the 2009 Annual meeting.
- Paul will access an "experts list" at UM or UW to check for experts on board governance.
- Tim will check whether the Mennonite Foundation might fund this exercise.

8. Privacy Policy final update

- The Exec Board approved of these changes.

From Executive Board Meeting, Friday, October 31, 2008 at Canadian Mennonite Office (Kitchener-Waterloo, ON)

5. Review of issues published since March

- placelines? Tim will deal with this in his report (6.1). The Cdn Press style book suggests where "most of the story took place." However it implies that the author was on location as well.
- Larry will follow up with CP to check on what the guidelines intend.

6. Editor/Publisher's Report

6.1 Report on action items from last board meeting

6.1.8 Extra travel money for MWC in Paraguay (July 09)

- Tim will continue to explore funding options to help with this.

6.4 Launching a blog

- Tim will check on our legal liabilities on this issue.

6.6 Obituaries (p. 8)

- re. Layout: The Exec suggested that they be set off in a san serif font, and perhaps they could follow the Milestones section – perhaps in three columns as well.

6.7 Production (p. 8)

- The Executive commends Tim on his fast work in finding a quality replacement press.

6.8 Circulation (p. 9)

- Tim will check on a second mailing for Der Bote subs

8. Editor/Publisher succession - Henry Neufeld

8.2 Editor/Publisher job description and benefits (especially sabbatical, job description & hours)

- We have made some minor adjustments to the document (will be sent to Henry & Tim)
- We ask the Search Committee to consider making an abridged version for first time contacts.
- ACTIONS:
 - a) The Executive will recommend to the Board, at the Annual meeting, that the 3 month sabbatical after 3 years option be removed from the policy, because it has not been used and does not seem necessary.
 - b) The Executive will discuss changing the sabbatical offering to a deferred salary leave plan. Tobi will study this and make a presentation at the Annual Board meeting.

8.3 Determine firm timeline for succession

1. Advertise more broadly

- We will use the \$2500 that was budgeted for flying the search committee in for interviews to pay for the advertisements.

2. Develop an interim strategy

- We will budget for search committee work (flying in for interviews) in the 2009 budget.

- timeline:

- We will shoulder-tap & advertise more aggressively, and hope to interview by the end of January 09; failing that, we will pursue interim editor/publishers

- Tim is willing to stay employed until the end of the Annual Meeting in March 09.

- CM can manage into the summer months if necessary, with Ross and Barb taking up the slack.

9. Finances

9.4 Preliminary budget for 2009 (early considerations due to new Publishing Partner covenant)

- Tim suggests that we review salaries and the salary scale next year, taking into consideration the results of the salary survey

ACTION: The Executive recommends that Tim budget for 2009 as though PAP support will not change, and that MCEC's and MC Can's contributions will come in according to the formula of the partnership agreement.

9.5 Mennonite Foundation proposal to add equities to Endowment Fund

- **ACTION:** The Executive recommends that we continue with the funds in the Fixed Income Pool, since this was the original intent for the monies as they were donated.

10. Travel policy updates

- re *Minimizing environment impact*.

- change: on the second point, change "will" to "may" (ie. "... Canadian Mennonite *may* pay ...")

ACTION: The Executive approves of the policy, with the above change.

REPORT FROM THE CHAIR
 Canadian Mennonite Publishing Service
 Annual General Meeting and Full Board Meetings
 Altona, Manitoba
 March 2009

Welcome to the annual meetings of Canadian Mennonite Publishing Service.

For those of us who serve on the board, the yearly gathering is always a highlight, as we review the work of *Canadian Mennonite* over the past 12 months and look forward to the challenges of the coming year. May God's grace be among us as we consider once again the mission and stewardship of a magazine so important to the ongoing dialogue within the Canadian Mennonite family as to what it means to live in faith.

1. Transition and consolidation

It is likely fair to say that many board members left our last round of meetings in Calgary in March of 2008 with one overriding question: Who could possibly replace Tim Miller Dyck, who had indicated that he would like to move along to other professional opportunities when his five-year term expires this year? Among the other projects and issues requiring the board's attention, it had become immediately clear that finding a successor to Tim would require a significant amount of energy from the board's executive committee in the months to come.

At its first meeting in Toronto in June 2008, the executive committee established a search committee to begin the task. It consisted of Henry Neufeld (B.C., chair), Doris Daley (Alberta), Ed Janzen (B.C.), Joanna Reesor-McDowell (Ontario) and Tim Miller Dyck (staff, ex officio).

After many months of advertising in church and non-church publications and websites, as well as personal approaches to about two dozen individuals to gauge their interest, the search committee interviewed four candidates for the position in late January 2009. Within days, the search committee returned a unanimous recommendation to the executive committee: that Richard ("Dick") Benner of Harrisonburg, Pa., be offered the position as *Canadian Mennonite's* next editor/publisher.

Dick is a committed Anabaptist Christian with deep experience in print journalism, newspapers and media management. His expertise in all of these areas will ensure the continuation of sound fiscal and managerial oversight, as well as sensitive journalistic and theological leadership, at *Canadian Mennonite*. Dick is cognizant of his need to get to know the Canadian constituency — and he is anxious to get on with this. (Dick has a brother in Ontario and two sisters in B.C., so Canadian turf is not entirely foreign territory to him.)

Applications have been made to federal authorities for a work permit for Dick, and we are hopeful this issue will be resolved within the coming weeks. Meanwhile, Dick has already begun the task of familiarizing himself with the Canadian Mennonite constituency, as well as its diverse theological landscape.

The hiring of a new editor/publisher represented a major point of transition for the magazine since our last annual meetings. The completed renewal of a new agreement among the magazine's seven publishing partners, on the other hand, marked an important point of consolidation.

By the fall of 2008, all partners — Mennonite Church British Columbia, Mennonite Church Alberta, Mennonite Church Saskatchewan, Mennonite Church Manitoba, Mennonite Church Eastern Canada, Mennonite Church Canada and Canadian Mennonite Publishing Service — had signed a renewed agreement that runs until the end of 2013. While the agreement remains slightly asymmetrical in nature and provides for the varied fiscal challenges faced by supporting churches, we did see movement toward full financial congruence in the first agreement's three-year lifespan and trust that, with continued sound management of the magazine and God's grace, this trend will continue through the coming five.

2. Appreciation

Such a report on the transition in *Canadian Mennonite's* "corner office" would be incomplete without public recognition of the work Tim Miller Dyck has accomplished during the past five years.

Tim's personal commitment to the Christian gospel, love of the church, journalistic acumen, sensitivity to complex and potentially divisive issues, sense of servant leadership and meticulous attention to detail have been important elements in the success of the magazine over his tenure. His unique style of what might be called "pastoral journalism" has attracted readership among households and congregations that otherwise might have abandoned dialogue with the wider church, and has solidified support among publishing partners that, five years ago, had been wavering.

He is leaving the magazine on a high note — highly respected by the board to which he reports; dearly loved by the family of churches he serves. Over the past months, as the search for a new editor/publisher has been underway, board members have frequently heard expressions of appreciation for Tim's diligent work and disappointment over his imminent departure.

Canadian Mennonite owes a deep debt of gratitude to Tim for his selfless and faithful service. We wish him well in his future endeavours.

3. Finances

At the close of the 2008 fiscal year, *Canadian Mennonite* found itself in a favourable financial position, with revenues ahead of expenses, thanks to some prudent and timely managerial decisions on the expenses side by our editor/publisher and the continued support of our publishing partners.

Over the past number of years, the board has been proactive in preparing for the unexpected and leaner financial times by depositing portions of its small surpluses into a stabilization fund (intended to contain about 25 per cent of the magazine's annual budgeted expenses) and a professional development fund to allow our staff to grow their skills and attend events that would otherwise be impossible. These efforts continue in order to provide some stability and protection in more uncertain economic times.

Donations from readers and individual supporters continue to be an important part of overall revenues for *Canadian Mennonite*. Fundraising drives during 2008 produced \$92,896 from individual, business and publishing partner donations, or about 14 per cent of our total revenue of \$651,361. Donations, however, mean more than just income; they represent very personal votes of confidence in the magazine and appreciation for its service to the church. At last year's meetings in Calgary, the board decided to become personally involved in this effort by making phone calls to selected individual donors to thank them for their support and express openness to dialogue about the publication.

The board has also taken steps to improve financial accountability and transparency by mandating the documentation and examination by our treasurer and auditor of our internal financial controls.

A final note here concerns the magazine's levies to the five regional publishing partners. In keeping with the publishing partner agreement, *Canadian Mennonite* bills the five regional churches (MCBC, MC Alberta, MC Saskatchewan, MC Manitoba and MC Eastern Canada) based on updated membership data available from MC Canada every two years. Together, the five churches contribute 27.5 per cent of the revenue budget. The most recent data, available last spring, showed a decrease in membership in all area churches except MCEC, which grew slightly, affecting its proportion of costs more significantly than others. Invoices to area churches for the 2009 fiscal year reflect these nuances.

4. Postal Assistance Program

The federal Postal Assistance Program operated by Canada Post has been a significant contributor to *Canadian Mennonite's* revenues; indeed, publication of the magazine would be much more costly without it. In 2008, for example, the PAP contributed \$98,746 of the total revenue of \$651,361. Canada Post has repeatedly indicated that it plans to scale back these contributions to the Canadian magazine industry, and the board expected that the upcoming fiscal year might be the moment of impact.

We were pleased to learn, however, that the federal budget just passed by Ottawa makes provision for the PAP to continue at current levels. While this provides some relief and additional breathing room, the existence and future of this program is vital to *Canadian Mennonite* and must not be

overlooked as an important variable. Given the nature of the new budget as one of stimulus, it is not inconceivable that this program may, at some future date, be reduced significantly. Such a development would have a dramatic impact on the magazine's budgets and costs borne by publishing partners.

5. Editorial

From its columns to its design, its feature articles to its photography and news coverage, *Canadian Mennonite* continues to rank among the finest Canadian church magazines. Reader response to the publication's content, whether to planned feature material or letters, is unfailingly vibrant and thoughtful. Church members and adherents appear to view the magazine as an important national forum for study, reflection and discussion of important issues. Apart from the periodic gatherings of national and area churches, *Canadian Mennonite* would seem to be the place where dialogue occurs about the issues of the day and where church members and leaders alike go to find inspiration served up alongside information. We have a host of individuals to thank for this, not the least of which are the magazine's staff in Waterloo, Ont., and its many regular contributors across the country.

In 2008, *Canadian Mennonite* garnered additional awards from the Canadian Church Press:

- First place for media reviews, including writing by Karin Fehderau, Vic Thiessen, Angelika Dawson and Mark Steinacher
- First place in service journalism for "Other inconvenient truths/A cartoonist's perspective" by Ross W. Muir (on churches sometimes ignoring copyright issues with films or articles they use)
- Second place, magazine news story for "Protesting dialogue" by Dave Rogalsky and Ross W. Muir (our coverage of the Mennonite/Muslim conference last summer and the associated protests)
- Second place, magazine opinion piece: "Fragile Vessels" by Cam Harder (in our fall feature on Mennonite farmers and rural communities)
- Third place, layout and design of a magazine for our June 25, 2007, issue designed by Tim R. Dyck and Ross W. Muir

In November 2007, Aaron Epp was hired as *Canadian Mennonite*'s new national correspondent based in Winnipeg, complementing the work of five regional correspondents and head office staff who ensure that the voices of members and readers across the country are heard, and their stories told.

6. Toward more effective governance

Effective service on board such as that of Canadian Mennonite Publishing Service, which meets as a full board only once a year and whose executive committee meets only three times annually, poses some unique challenges. At present, board membership consists of four representatives from Mennonite Church Canada, one representative from each of the five partnering area churches, and three from CMPS.

Besides the infrequent nature of meetings of the entire board (due largely to concerns about keeping costs for publishing partners low), the board's executive committee consists of only five members.

The board has expressed interest in doing some introspection and professional development on questions related to its unique structure and how to ensure reporting and representation are as effective as possible within the CMPS context. Some halting steps were made toward this end during the past year; the matter of improving our governance will remain on the board's longer-term agenda in the months to come.

7. Convergence

Most readers will have noticed by now that *Canadian Mennonite* has entered the blogosphere, with a handful of designated writers contributing to a blog accessible via the magazine's website and an open invitation to all readers to submit comments. Yet in an age of liveblogging, social networking, tweets, RSS feeds and the arrival of "digital natives" into the ranks of young adults within the Mennonite Church, Canadian Mennonite Publishing Service needs to reconsider its strategies for how best to accomplish its goals.

A great continuum of possibility exists here. On one end of that continuum would lie the status quo: publication of a fortnightly paper-based product delivered via Canada Post to lists of subscribers, with a modest website to complement the printed product. On the other end of the continuum would lie a digital project that would change each day. News would be posted on a website as it is received and edited; coverage of church conferences and other events would take place online, as well as via “tweets” to “followers.” Discussions of important issues or news events would be moderated live online. Financial resources currently spent on paper, mailing and subscription-list maintenance would be redirected to vigorous church journalism and building robust dialogue among users. *Canadian Mennonite*’s carbon footprint and postal costs would shrink dramatically.

There would be, of course, many possibilities along that broad continuum: operating a hybrid service in which news and columns are collected fortnightly for electronic distribution, alongside a more participatory website, would be one.

This is a discussion on which the board itself has not yet fully embarked, let alone our publishing partners, our readers or church leaders. But it is a discussion we should anticipate having. We ignore changing possibilities and technologies at our own peril. Please let the board know what you think about how you see *Canadian Mennonite* evolving — and at what pace.

8. Staff

Publication of a high-quality magazine such as *Canadian Mennonite* depends on the consistently diligent work of more people than only its editor/publisher. We are fortunate to have such a staff in both Waterloo, Ont., and at remote locations across the rest of the country. They are an integral part of what makes the magazine work so well, yet they seldom have the opportunity to be part of our annual meetings.

We owe them a debt of gratitude. To managing editor Ross Muir, editorial assistant Barb Draper, graphic designer Dan Johnson, circulation and finance staffer Lisa Jacky, advertising representative Karen Suderman, as well as dispersed correspondents Aaron Epp (national), Amy Dueckman (B.C.), Donita Wiebe-Neufeld (Alberta), Karin Fehderau (Saskatchewan), Evelyn Rempel Petkau (Manitoba) and David Rogalsky (Eastern Canada): a heartfelt thank you.

Especially in times of significant organizational and administrative change, it is a magazine’s staff that must bear the weight of uncertainty and adjustment on top of the everyday stress and responsibility of their regular jobs. As a board, we recognize this. Our aim is to help make the transition to new leadership in the editor/publisher’s office as seamless as possible.

Readers across Canada appreciate your contributions to the success of *Canadian Mennonite*.

Respectfully submitted,

Larry Cornies
Chair, Canadian Mennonite Publishing Service

Report from the Editor/Publisher for 2008

Introduction

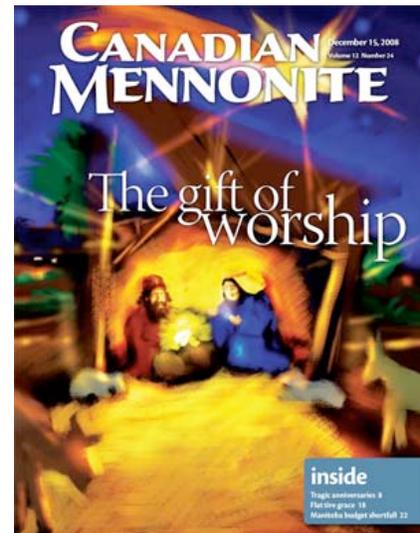
The apostle Paul writes in I Corinthians 14 about how we speak to one another. He compares speaking in tongues, a secret language, with prophesy, a public speaking: *“Pursue love and strive for the spiritual gifts, and especially that you may prophesy. For those who speak in a tongue do not speak to other people but to God; for nobody understands them, since they are speaking mysteries in the Spirit. On the other hand, those who prophesy speak to other people for their building up and encouragement and consolation. Those who speak in a tongue build up themselves, but those who prophesy build up the church”* (verses 1-4).

Paul asks those in Corinth to think of three measuring tools when deciding when and how to speak: Do we demonstrate love for one another? Are we strengthening, encouraging and consoling one another? Does our speech build up the church?

I’ve been reflecting on Paul’s lessons on how to communicate because I think they also shed light on how I see *Canadian Mennonite* working. Not that the magazine is just for prophetic words (although prophetic voices among us are certainly published here) but that all our speaking together through these pages be guided by our desire to love one another and build up the work of the church.

Canadian Mennonite, with its Every Home Subscription Plan approach across the country and to over 15,000 homes, 24 times a year, is the only ministry able to allow us all to do this.

Other than publishing 24 issues of the magazine in print and online, especially significant events in 2008 for *Canadian Mennonite* were the universal agreement among Publishing Partners for a new five-year Publishing Partner Covenant (from 2009 through 2013), hiring a new graphic designer, the launch of a new obituary section, launch of our new blog, the switch to a new printer, and the preparation for a transition to a new Editor/Publisher in 2009.



Editorial

We published 1,084 articles over 24 issues last year, a drop of 224 articles from 2007 where we published 1,308 articles (we published 16 few pages overall and we had a full year with the new design, which has slightly more white space than the former design). We published 10 40-page issues and 14 32-page issues. We continue to be the Mennonite magazine in North America that publishes more issues and more pages per issue than any other.

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

Editorial Contents Highlights in 2008

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

- an investigation into the funding sources for church-related organizations
- the emerging trend of interim ministers
- examining the effects of increasingly demanding sporting programs on church ministries, particularly children's ministries
- Pentecost
- the idea of pilgrimages, and walking as a spiritual discipline
- Easter, and the gift of God's love through Jesus' death on the cross for all people
- examining violent video games
- four Mennonites examine the emerging international doctrine of "Responsibility to Protect"
- new thinking on children and communion, and our history and current practice in this area
- fair trade and a critique of consumerism
- a Mennonite climate scientist writes about the theological implications of his research
- a three part graphic novel The Crimson Phoenix retelling the story of Jesus and Peter through a superhero allegory
- the MC Canada national delegate assembly in Winnipeg (one issue focused on the news from, and delegate comments at, the event and the following issue focused on the theological teaching given there)
- first-hand reporting of the conflict between Israel and Palestine and a critique of the theology of Christian Zionism
- Mennonite history as seen through the eyes of young adults
- elder abuse
- one pastor teaches our peace theology through his working out how to respond to a request to participate in local Remembrance Day events
- the role of music in congregational worship
- five people who chose the Mennonite church as adults tell their stories
- Christmas, including worship and a contrarian view on anti-consumption

My goal with features is to include a mix of original reporting on issues currently important to the church, theological reflection and Mennonite identify formation through personal stories and recollection of our faith history.

New Items in 2008

- We commissioned a ten-part series of “Living Within Limits” by Mennonite engineering professor Paul Fieguth on charting a path to environmental and societal sustainability.
- We published our first ever graphic novel in a three-issue summer series.
- We launched a new obituaries section (started in September) partly in response to help fill the role *Der Bote* played in publishing these and partly due to regular reader requests to publish obituaries of family members.
- We started a new online publication, the *Canadian Mennonite* blog (at canadianmennonite.org/blog), in November. The blog has commissioned, original writing from five young Canadian Mennonites located around the world: David Driedger and Rebecca Janzen from Ontario, Cheryl Woelk from Saskatchewan, Will Loewen from Korea, and Hinke Loewen-Rudgers from Israel/Palestine Will and Hinke are MC Canada Witness workers and Cheryl just returned from Korea as a MC Canada Witness staff person.



Continuing Items in 2008

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

- “Women walking together in faith,” a bimonthly feature focusing on women telling their stories of faith (in partnership with Canadian Women in Mission but run by us)
- Extensive supplemental online coverage of the national church assembly “At the Crossroads”, including additional reporting, photo galleries and audio recordings from the event

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



Editorial Awards

I'd like to congratulate a number of our staff people and writers that won awards for their work at the 2008 Canadian Church Press Convention awards banquet:

- **First place for media reviews**, including writing by Karin Fehderau, Vic Thiessen, Angelika Dawson and Mark Steinacher.
- **First place in service journalism** for “Other inconvenient truths/A cartoonist’s perspective” by Ross W. Muir (on churches sometimes ignoring copyright issues with films or articles they use).
- **Second place, magazine news story** for “Protesting dialogue” by Dave Rogalsky and Ross W. Muir (our coverage of the Mennonite/Muslim conference last summer and the associated protests).
- **Second place, magazine opinion piece** for “Fragile Vessels” by Cam Harder (in our fall feature on Mennonite farmers and rural communities).
- **Third place, layout and design of a magazine** for our June 25, 2007, issue designed by Tim R. Dyck and Ross W. Muir.

International Coverage

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

Overall, we had 77 percent of our articles refer to Canadian events or people, 7 percent relating the U.S., and the remaining 16 percent relating to other countries (these percentages are quite similar to 2006). Our foreign coverage is naturally aligned with countries where Mennonites live or go to serve.

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

<i>Region</i>	<i>Region Counts in 2008</i>	<i>Region Counts in 2007</i>
Ontario	313	349
Manitoba	238	273
British Columbia	104	129
Saskatchewan	92	87
United States	80	141
Alberta	69	71
Israel/Palestine	13	13
Canada	11	107
China	6	8
Quebec	7	3
Kenya	7	7
Philippines	6	1
DR Congo	5	5
Paraguay	5	4
India	5	4
(Other)	123	106
Total	1,084	1,308

Article Sources

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

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

<i>Article Sources</i>	<i>Article Counts in 2008</i>	<i>Article Counts in 2007</i>
Written by staff	312	340
News releases	284	406
Paid articles	241	207
Other (unpaid)	138	207
Letters to the Editor	98	116
Reprints from other publications	11	32
Total	1,084	1,308

Out of the releases we do use, MC Canada is our top sources of articles. Following MC Canada are MCC Canada, CMU, Conrad Grebel, AMBS and Mennonite World Conference (in order).

In moving to publish fewer pages in 2008, we cut out more releases than other types of articles, reflecting my priorities described above.

Letters to the Editor

We published 98 letters in 2008, 18 fewer than in 2007. Almost all those I receive are published, so this section does not reflect editorial priorities established for other parts of the magazine. Here's what people wanted to talk about, ranked by frequency:

- #1: Homosexuality (we had a big surge in letters on this in the fall following the Postcard Project and our related writing on it, resulting in as about many letters on the subject as all of 2006 and 2007 combined)
- #2: Israel and Palestine (following our feature on the subject and a response letter from the Simon Wiesenthal Center in Los Angeles on our coverage)
- #3: Environmental concerns
- #4: Locally grown food
- #5 (ties): Paul Fieguth's "Living within Limits" column series / Editorial policy

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

Editorial Plans for 2009

So far this year, we have published features on:

- lessons on the financial cost of church work based on Jesus' ministry
- mental illness and the church
- an examination of where voluntary service is at in the church, and why many fewer Mennonites are volunteering for service than 20 years ago
- a three-part Biblical teaching series on "reading the Bible for all it's worth"

I've also started two new limited-length columns:

- CMU worship professor Christine Longhurst on worship practices in our churches, focusing on practical tips and resources
- MC Canada Christian Formation Council chair Sue Steiner on how congregations can care for their pastors

Here are upcoming features in progress:

- Easter
- Infertility
- Divorce (“who gets the church”)
- The state of music in our churches: what are we singing and why?
- Money and retirement (“rethinking what is enough”)
- National church adult and youth assemblies
- Mennonite World Conference in Paraguay
- Music as communion
- Spirituality as service
- Living in a multi-faith society

Addressing Blog Legal Risks

One of the attractive aspects of a blog is that any reader can comment on articles posted there or in response to other comments. However, this opens us up to libel risks, especially around comments, as they can come from anyone.

Canada’s legal situation regarding a publisher’s liability for comments posted on their web site is unclear. University of Ottawa law professor Michael Geist was quoted in a *Globe and Mail* article on this subject saying that while third parties are protected from such suits in the United States by the Communications Decency Act, Canada has no such protection, and this raises “a significant threat of ‘libel chill.’” A case launched by a B.C. man, Wayne Crookes, is currently working its way through the courts and thus establishing case law.

Here is our current approach:

- All those who want to post a comment must create an account on the blog first, so we have a name and e-mail address for them (there are currently 17 registered commentators, by the way).
- All comments are copied to me by e-mail so I can see if they are a legal risk. If so, I will remove them.
- All comments are scanned by a spam filter.

If we want to, we can also require all comments to be approved by us before they are posted.

Advertising

We had a slower start in advertising sales compared to 2007 but an excellent second half of the year, resulting in ad sales that were about \$5,000 higher than 2007, not including a gain of about \$2,750 from deferred schools directory revenue (this is a one-time accounting adjustment).

We increased rates by 2.0% for the Sept. 2007-August 2008 ad rate period and our ad rep generated new sales above 2007 as well.

Advertisers that increased their advertising in the magazine were MCC B.C., MCC Canada, MSCU, MVSA (Mennonite Voluntary Service Adventure), Mennonite Mutual Insurance, and

Camp Shekinah in Saskatchewan (they bought a three-page supplement). We did a Focus on Fair Trade feature for the first time in 2008 and sold Ten Thousand Villages the anchor ad for this feature. We also have benefited from increased travel agency advertising for Mennonite World Conference-related tours and travel.

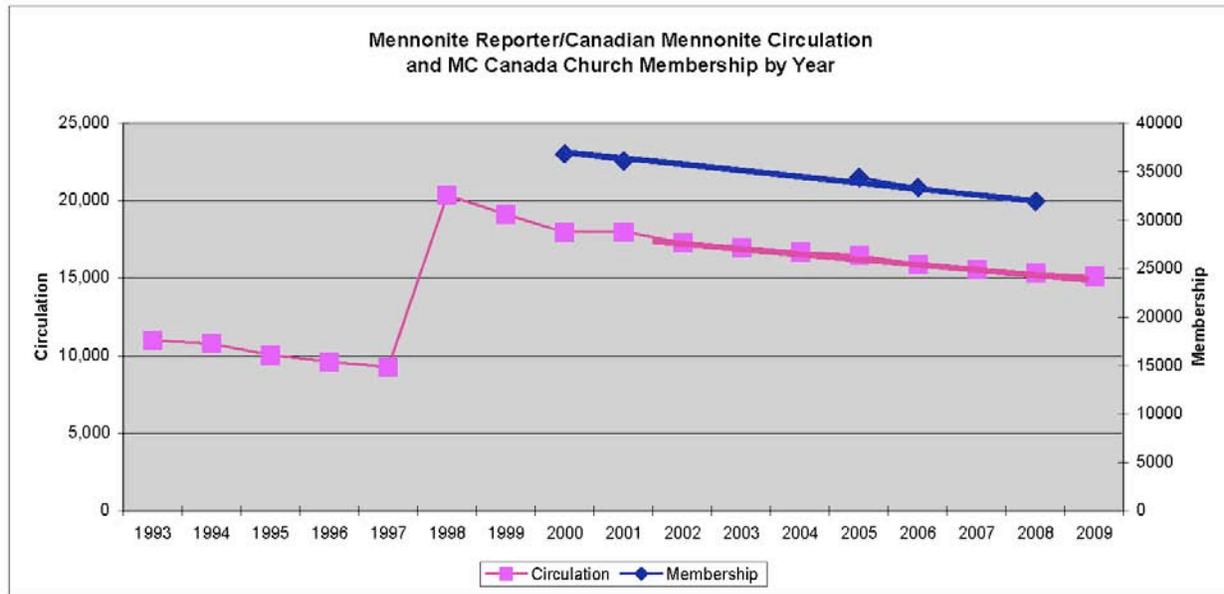
Circulation

We have 15,133 subscribing households as of February 2009 (compared with 15,349 subscribing households in March 2008). This is a 1.4% drop, about the same as we experienced from 2007 to 2008. Overall, circulation continues to trend slowly downward (please see chart, below).

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

<i>Cancellation Reason</i>	<i>Number of Subscribers in 2008</i>	<i>Number of Subscribers in 2007</i>
Church cancellation (no longer attending the church)	242	202
Church cancellation (no reason given)	138	175
Deceased	97	83
Subscriber cancellation (no reason given)	75	63
Returned by Canada Post as undeliverable	64	80
Other	61	26
Not able to read easily (due to health)	51	41
Subscription expired with no response to renewal letters	38	112
No time to read magazine	32	20
Does not want to read magazine	24	37
Receiving two copies	21	40
Can read relative's/friend's copy	21	23
Not renewed	15	1
No longer attending the church	6	3
Moving out of the country	5	11
Objects to/disagrees with contents	2	2
Wants to save us money	2	2
Total	894	921

Every two years, MC Canada releases an updated membership directory. The latest figures, from the 2008-2009 MC Canada Membership Directory, show a similar trend to our own subscription figures.



Circulation Initiatives

We carried out four subscription initiatives in 2008.

- A subscription drive in B.C. through promotion in the area church newsletter *News n' Notes*; churches can sign up anyone for a free one year subscription paid for by *Canadian Mennonite*
- A subscription drive to Mennonite post-secondary students (AMBS, Conrad Grebel, CMU, with CBC still to come) offering free subscriptions to students affiliated with one of our churches
- A *Der Bote* reader subscription drive
- A U.S. subscriber drive to those attending the Bi-national convention in July 2008

All of these provided a few new subscriptions except the U.S. subscriber drive. The *Der Bote* drive was the most successful.

Staff

- Designer Tim. R. Dyck resigned in June 2008 to pursue his art and framing storefront business full time.
- I hired Dan Johnson in June 2008 as our new Designer.
- The Board search committee sought a new Editor/Publisher from August through January 2009. In January, the search committee recommended Dick Benner as their choice and he accepted the position on Jan. 30, 2009. Dick will be officially on staff as soon as we can get his work visa. He has already attended the MC Manitoba delegate sessions and will be part of these full board meetings.

- Advertising Representative Karen Suderman will be leaving *Canadian Mennonite* in June 2009. She and her husband will be starting a three-year term with MC Canada Witness in South Africa. I will be posting the position starting the end of March.

Finances

Financially, we ended the year with a \$15,000 surplus, which about double what was anticipated in the budget. Income was above budget due to higher advertising sales and some one-time unexpected gains. Individual donations were at budget and up from 2007. Expenses were slightly above budget due to some extra end-of-year spending. Our audited financial statements are included further on in our annual report.

Here are the areas where our financial results differed substantially (by \$5,000 or more) from 2007 actual results.

- Advertising revenue was about \$5,000 higher after a one-time gain of about \$2,750 from deferred schools directory revenue is factored out. This is mostly due to increased sales over 2007.
- Donations from individuals were about \$5,700 higher over 2007, an eight percent increase. We had a slightly higher number of donations, and the amounts given per donation were higher. We also had a good number of people who had not donated for some time (two or more years) donate again in our Christmas campaign.
- Donations from churches and church bodies ("Publishing Partners") were \$16,250 lower than 2007 due to an expected drop in this area (we benefited from a large donation from MC Manitoba in 2007).
- Regional correspondent expenses were \$7,200 higher due to anticipated extra expenses for an all-staff gathering and training sessions in Ontario in May 2008.
- Special projects were \$5,200 higher due to an end-of-year unbudgeted expense. With the transition to a new publishing partner agreement, one of our publishing partners (MCEC) was facing a large increase in its subscription costs (all other publishing partners stayed the same as before or had lower costs under the new agreement, according to the cost-sharing formula). We gave them \$5,000 as a one-time help in moving to the new cost-sharing framework. We also had a 2008 one-time expense for insulating our windows as a energy-saving measure.

Note also that we invested \$6,771.67 of our Stabilization Fund in a Meritas Jantzi Social Index mutual fund. As of Dec. 31, this fund has lost about \$2,200 off its book value. This was recorded as a loss in our financial statements to reflect fair market valuation changes. The entire amount was a reinvestment of just the market gain on an earlier investment that we sold.

Fundraising

In terms of *Canadian Mennonite's* own fundraising, we did two direct mail campaigns to previous donors in 2008 as well as our annual banquet. Please see the fund-raising report for more details. As commented above, donations were up over 2007, though 2009 donations are below where they were at this time in 2008.

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

Postal Assistance Program

We were closely watching the Postal Assistance Program (a source of about \$100,000 in annual funding to us) for an expected 25% program cut. However, in the upcoming (as yet, not passed) Federal budget, new funds have been allocated to maintain current funding levels through 2010-2011. At that point, PAP will be replaced by a new granting program, the Canada Periodical Fund.

Thank you to the board members who wrote and spoke to those in political office to lobby for continued PAP support!

Facilities and equipment

We upgraded one laptop, the Editor/Publisher laptop, in fiscal 2008. Our furnace also broke down again, requiring several hundred dollars of repairs.

Printer switch

In July, I received word that our printer at the time, Central Ontario Web, was increasing our printing costs by 15% and was also decommissioning their label operation (they were independently owned but then were bought by TorStar, which then restructured the company).

I had fortunately done a printer market survey in the spring and so was able to quickly switch to an alternative printer to bring expenses back into line with budget. We are now being printed by Rictor Web in Brantford, and have been pleased with the quality and service. I needed to move to a slightly lower grade of paper (33lb vs. 35lb and 70 bright vs. 80 bright) to achieve the needed cost savings. I have had no comments on the change. Unless the two paper stocks are held side-by-side, the difference is imperceptible.

A complicating factor was labels. The printer change also meant a move to inkjet labels, as the Cheshire labels (stick-on labels) we were using were not offered by any of the printers I contacted to request quotes. Inkjet labels are a technically better option (no labels fall off), but more costly. However, with the printer savings, we were still able to come in just under budget on printing.

Online Services

Our web site had an average of 9,300 visits per month through 2008. This is about a 15 percent drop from the 10,900 average visits we had in 2007. Some of this traffic will be search engines as well.

Our electronic delivery service continues also to grow, but is still very small in absolute terms. We have 222 subscribers getting delivery of issues as attachments (versus 180 a year ago) and 82 subscribers getting the notification e-mail with a link to the complete issue (versus 68 a year ago).

Publishing Partner relationships

The most significant news was certainly the establishment of the next covenant, and at a longer term than the one we have just concluded (five years rather than three).

In 2008, we succeeded in developing and publishing special features highlighting the work of two of the five area churches: MCEC and MC Saskatchewan. This was offered to every area church but we didn't get something developed with MC B.C., MC Alberta or MC Manitoba in the past year.

Last year, we created and published a free ad to help promote some aspect of each Publishing Partner's ministry as a free benefit to them. Usually, these were to highlight their delegate sessions. I am offering this again in 2009.

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

Thank you

As I near the end of my time of service at my church's magazine, I extend my deep 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 also to the ad hoc editorial advisory group that has been a real help working through particular thorny issues.

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 continue use *Canadian Mennonite* for the building up of the church!

Tim Miller Dyck
Editor and Publisher
March 2009

CANADIAN MENNONITE
Circulation Report February 9, 2009

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals	Previous Report Totals	Change Since 10/22/2008
Individual	Individual	59	48	36	91	84	8	0	59	10	395	432	-37
	Gift	7	10	5	12	17	1	1	9	6	68	67	1
Group Plans	Small Groups	0	63	6	7	0	0	0	0	1	77	75	2
Every Home Plans	MC – BC	908	6	2	1	1	2	0	3	1	924	931	-7
	MC – AB	7	727	7	6	10	0	1	5	2	765	767	-2
	MC – SK	18	33	1575	31	13	2	0	13	7	1692	1719	-27
	MC- MB	19	28	3	4209	36	4	1	16	16	4332	4331	1
	Mennonite Church of Eastern Canada	24	11	1	19	6194	86	2	50	25	6412	6424	-12
	Other	0	0	10	0	2	0	0	0	0	12	12	0
	Bulk (churches)	48	23	0	73	70	0	0	0	0	214	219	-5
	Complimentary	2	1	1	7	6	1	0	4	3	25	25	0
	Bulk (schools, etc.)	11	0	15	115	40	0	0	0	0	181	171	10
	Exchange	1		2	9	5	1	0	12	6	36	37	-1
Totals		1104	950	1663	4580	6478	105	5	171	77	15133	15210	-77

CANADIAN MENNONITE REPORT ON FUNDRAISING 2008

Individual and Corporate Donations: Operating Costs

	<u>Fund Drive</u>	<u># Donations</u>	<u>Operating Costs</u>
Pre-2008 donations received in 2008		1 \$	100.00
2007 2nd regular (all-donors) (received in 2008)		156 \$	14,227.40
2008 Annual Banquet (Calgary)		27 \$	2,235.00
2008 July Der Bote subscription offer letter (unsolicited donation)		3 \$	70.00
2008 1st regular (all-donors, less once-per-year donors)		481 \$	35,834.65
2008 2nd regular (all-donors)		366 \$	26,811.10
	Subtotal	1,034 \$	79,278.15
	<u>Adjustments</u>		
Less donations booked in previous years		-1 \$	(100.00)
Adjust to audit (should be zero)		- \$	135.70
	Total	1,033 \$	79,313.85

Publishing Partner and Church Donations: Operating Costs

	<u>Source</u>	<u># Donations</u>	<u>Operating Costs</u>
	MC Alberta region	2 \$	150.00
	MC BC region	- \$	-
	MC Canada	4 \$	11,972.00
	MC Eastern Canada region	1 \$	100.00
	MC Manitoba region	4 \$	1,320.00
	MC Saskatchewan region	1 \$	40.00
	Adjust to audit (should be zero)	- \$	-
	Total	12 \$	13,582.00

Endowment Fund

	<u>Fund Drive</u>	<u># Donations</u>	<u>Endowment Fund</u>
Pre-2008 donations received in 2008		- \$	-
2007 2nd regular (all-donors) (received in 2008)		1 \$	100.00
2008 Annual Banquet (Calgary)		- \$	-
2008 July Der Bote subscription offer letter (unsolicited donation)		- \$	-
2008 1st regular (all-donors, less once-per-year donors)		7 \$	450.00
2008 2nd regular (all-donors)		5 \$	600.00
Adjust to audit (should be zero)		- \$	-
	Total	13 \$	1,150.00

TOTAL DONATIONS RECEIVED (AS PER AUDIT)	1,058 \$	94,045.85
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CANADIAN MENNONITE PUBLISHING SERVICE

**Financial Statements
December 31, 2008**

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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, 2008 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, 2008 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.

Licensed Public Accountants

Waterloo, Ontario
February 13, 2009

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Revenue and Expenses and Changes in Fund Balances
Year Ended December 31, 2008

	General Fund			Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	Budget	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue											
Every Home Plan	\$ 285,747	\$ 285,747	\$ 281,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,747	\$ 281,093
Individual & group subscriptions	19,750	19,849	20,257	-	-	-	-	-	-	19,849	20,257
Advertising and supplements	132,269	140,049	129,676	-	-	-	-	-	-	140,049	129,676
Grants	98,400	99,686	96,342	-	-	-	-	-	-	99,686	96,342
Donations - Individual	80,000	79,314	73,645	-	-	-	-	-	-	79,314	73,645
Donations - Publishing Partners	11,972	13,582	29,845	-	-	-	-	-	-	13,582	29,845
Interest and exchange	10,360	1,617	3,656	5,724	3,622	3,027	2,873	557	669	10,925	10,820
(Loss) gain on investments (Note 4)	-	-	-	(2,206)	749	-	-	-	-	(2,206)	749
Other	2,000	4,415	1,119	-	-	-	-	-	-	4,415	1,119
	640,498	644,259	635,633	3,518	4,371	3,027	2,873	557	669	651,361	643,546
Expenses (Page 8)	633,742	636,367	618,953	-	-	-	-	-	-	636,367	618,953
Surplus for the year	6,756	7,892	16,680	3,518	4,371	3,027	2,873	557	669	14,994	24,593
Fund balances, beginning of year	230,615	230,615	331,467	159,783	49,335	76,772	66,774	19,446	14,447	486,616	462,023
	237,371	238,507	348,147	163,301	53,706	79,799	69,647	20,003	15,116	501,610	486,616
Transfer to Professional Development Fund	-	(6,973)	(7,125)	-	-	6,973	7,125	-	-	-	-
Transfer to Stabilization Fund	-	1,473	(106,077)	(1,473)	106,077	-	-	-	-	-	-
Transfer from Capital Fund	1,447	2,003	(4,330)	-	-	-	-	(2,003)	4,330	-	-
	1,447	(3,497)	(117,532)	(1,473)	106,077	6,973	7,125	(2,003)	4,330	-	-
Fund balances, end of year	\$ 238,818	\$ 235,010	\$ 230,615	\$ 161,828	\$ 159,783	\$ 86,772	\$ 76,772	\$ 18,000	\$ 19,446	\$ 501,610	\$ 486,616

CANADIAN MENNONITE PUBLISHING SERVICE

Statement of Financial Position
December 31, 2008

	General Fund		Stabilization Fund		Professional Development Fund		Capital Fund		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
ASSETS										
Current Assets										
Bank	\$ 120,190	\$ 83,563	\$ -	\$ 6,934	\$ -	\$ 86	\$ 18,557	\$ 21,707	\$ 138,747	\$ 112,290
Investments (Note 4)	-	-	162,442	147,963	79,793	77,951	-	-	242,235	225,914
Accounts receivable	14,297	28,446	859	236	6	1,608	-	-	15,162	30,290
Prepaid expenses	2,254	2,007	-	-	-	-	-	-	2,254	2,007
	136,741	114,016	163,301	155,133	79,799	79,645	18,557	21,707	398,398	370,501
Capital Assets (Note 5)	141,075	152,530	-	-	-	-	-	-	141,075	152,530
	\$ 277,816	\$ 266,546	\$ 163,301	\$ 155,133	\$ 79,799	\$ 79,645	\$ 18,557	\$ 21,707	\$ 539,473	\$ 523,031
LIABILITIES										
Current Liabilities										
Accounts payable	\$ 15,991	\$ 16,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,991	\$ 16,395
Deferred revenue	21,872	20,020	-	-	-	-	-	-	21,872	20,020
Interfund payables (receivables)	4,943	(484)	1,473	(4,650)	(6,973)	2,873	557	2,261	-	-
	42,806	35,931	1,473	(4,650)	(6,973)	2,873	557	2,261	37,863	36,415
FUND BALANCES	235,010	230,615	161,828	159,783	86,772	76,772	18,000	19,446	501,610	486,616
	\$ 277,816	\$ 266,546	\$ 163,301	\$ 155,133	\$ 79,799	\$ 79,645	\$ 18,557	\$ 21,707	\$ 539,473	\$ 523,031
Fund balance comprised of:										
Invested in capital assets	\$ 141,075	\$ 152,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,075	\$ 152,530
Internally restricted	-	-	161,828	159,783	86,772	76,772	18,000	19,446	266,600	256,001
Unrestricted	93,935	78,085	-	-	-	-	-	-	93,935	78,085
	\$ 235,010	\$ 230,615	\$ 161,828	\$ 159,783	\$ 86,772	\$ 76,772	\$ 18,000	\$ 19,446	\$ 501,610	\$ 486,616

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2008

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

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

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

Revenue Recognition

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

Revenue earned on the assets of the Stabilization, Professional Development and Capital Funds is recognized as revenue of the General Fund when it is earned, except the unrealized gains and losses on 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.

Investments

Investments are classified as held for trading. Unrealized holding gains and losses related to these investments are included in revenue of the fund in which the related assets are held and not available for transfer to the General fund until they are realized. The investments are recorded at their estimated fair value determined by prices quoted on the relevant stock exchanges.

Capital Assets

Capital assets are carried at cost. 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 the building is calculated on the straight-line basis over twenty five years.

Use of Estimates

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

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2008

3. Accounting Changes
Adopted in 2008
Going Concern

Effective January 1, 2008, the organization adopted amendments to CICA Handbook Section 1400, *General Standards of Financial Statement Presentation*. These amendments require management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date.

Capital Disclosures

Effective January 1, 2008, the company adopted the new CICA Handbook Section 1535, *Capital Disclosures*. This section specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non compliance.

Future Impact of Recently Issued Accounting Standards

The following accounting standards have been issued by the CICA but are not yet effective. The Organization is currently evaluating the effect of adopting these standards on their financial statements.

The CICA issued two new standards, CICA Handbook Section 3862, *Financial Instruments – Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation*, which enhance the disclosure of the nature and extent of risks arising from financial instruments and how the entity manages those risks. Amendments to the standards have deferred the implementation of these standards to fiscal years beginning on or after August 1, 2008. These standards will only require additional disclosures in the financial statements.

The CICA amended CICA Handbook Section 1540, *Cash Flow Statements*, to expand the scope of the section to make it applicable to not-for-profit organizations. This amendment to the existing standard is in effect for fiscal years beginning on or after January 1, 2009.

The CICA amended CICA Handbook Section 4400, *Financial Statement Presentation*, to (i) make S. 1540, *Cash Flow Statements*, applicable to not-for-profit organizations; (ii) eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so; and (iii) clarify that

revenues and expenses must be recognized and presented on a gross basis when a not-for-profit is acting as a principal in transactions. These amendments to the existing standard are in effect for fiscal years beginning on or after January 1, 2009.

The CICA amended CICA Handbook Section 4430, *Capital Assets Held by Not-for-Profit Organizations*, to provide additional guidance with respect to the appropriate use of the scope exemption for smaller entities. This amendment to the existing standard is in effect for fiscal years beginning on or after January 1, 2009.

The CICA amended CICA Handbook Section 4460, *Disclosure of Related Party Transactions by Not-for-Profit Organizations*, to make the language consistent with Section 3840, *Related Party Transactions*. This amendment to the existing standard is in effect for fiscal years beginning on or after January 1, 2009.

The CICA issued CICA Handbook Section 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. This new section establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. This amendment to the existing standard is in effect for fiscal years beginning on or after January 1, 2009.

4. Investments

	<u>2008</u>	<u>2007</u>
<u>Stabilization Fund</u>		
MSCU term deposit, 3.15% (2007 - 4.50%), due April 2009	157,876	147,963
Meritaz Jantzi Social Index Fund At market value (cost - \$6,772)	<u>4,566</u>	<u>-</u>
	<u>162,442</u>	<u>147,963</u>
<u>Professional Development Fund</u>		
MSCU term deposit, 2.75% (2007 - 4.40%), due June 2009	<u>79,793</u>	<u>77,951</u>
	<u>\$ 242,235</u>	<u>\$ 225,914</u>

Unrealized losses included in revenue of the Stabilization Fund is \$2,206 (2007 - \$Nil)

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2008

5. Capital Assets

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 14,058	\$ 11,436	\$ 2,622	\$ 5,403
Computer software	9,236	8,633	603	2,389
Office equipment	10,610	10,252	358	575
Building	166,771	47,809	118,962	125,633
Land	18,530	-	18,530	18,530
	<u>\$ 219,205</u>	<u>\$ 78,130</u>	<u>\$ 141,075</u>	<u>\$ 152,530</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, 2008 was \$12,982 (2007 - \$12,306) and interest earned during the year amounted to \$439 (2007 - \$461).

7. Financial Instruments

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

Fair Value

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

Cash, accounts receivable, accounts payable and accrued liabilities:

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

Investments:

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

Credit Risk

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

Currency Risk

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

Interest Rate Risk

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

8. Capital Risk Management

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

The General Fund's objective is to provide working capital for the Organization's operating expenses. Deposits and withdrawals to this fund are administered by management and are authorized by Board passage of the annual operating budget. Any material variations from budgeted income or expenditures are to be reported to the Board of Directors promptly, and at least three times per year as part of regular financial reporting to the Board.

The Stabilization Fund's objective is to ensure that, should there be an operational shortfall reducing expected cash flow, the Organization can continue to operate for at least three months. This requires a minimum valuation of 25% of current annual budgeted expenses. At December 31, 2008, the Organization was in compliance with the required minimum fund balance of \$158,435.

The Professional Development Fund's objective is to cover the costs of providing eligible staff with their defined professional development leave benefit. The Board determines what adequate levels of funding in this fund are on the basis of cost-projection forecasts prepared by management as part of the annual budget. At December 31, 2008, the Organization was in compliance with the required minimum fund balance of \$86,772.

The Capital Fund's objective is to provide funding for large capital asset purchases or repairs of existing capital assets. The Board determines what adequate levels of funding in this fund are on the basis of cost-projection forecasts prepared by management as part of the annual budget. At December 31, 2008, the Organization was in compliance with the required minimum fund balance of \$18,000.

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

CANADIAN MENNONITE PUBLISHING SERVICE

Notes to the Financial Statements
December 31, 2008

8. Capital Risk Management *(continued)*

The Organization is not subject to externally imposed capital requirements and the Organization's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2007.

9. 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, 2008

	<u>General Fund</u>			<u>Stabilization Fund</u>		<u>Professional Development Fund</u>		<u>Capital Fund</u>		<u>Total</u>	
	<u>Budget</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Postage	\$ 174,151	\$ 173,960	\$ 170,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,960	\$ 170,017
Head office - salaries	166,220	165,281	163,693	-	-	-	-	-	-	165,281	163,693
Printing and production	103,910	103,828	103,101	-	-	-	-	-	-	103,828	103,101
Regional correspondents	71,012	68,818	61,608	-	-	-	-	-	-	68,818	61,608
Head office - benefits	21,979	21,769	23,675	-	-	-	-	-	-	21,769	23,675
Advertising representative	15,829	16,049	15,374	-	-	-	-	-	-	16,049	15,374
Amortization	13,664	12,327	13,557	-	-	-	-	-	-	12,327	13,557
News service	11,710	15,833	11,709	-	-	-	-	-	-	15,833	11,709
Facility costs	9,980	9,757	9,231	-	-	-	-	-	-	9,757	9,231
Professional fees	6,500	6,708	6,630	-	-	-	-	-	-	6,708	6,630
Staff	7,720	5,595	5,894	-	-	-	-	-	-	5,595	5,894
Board	12,000	9,314	11,804	-	-	-	-	-	-	9,314	11,804
Fundraising	4,400	4,402	6,220	-	-	-	-	-	-	4,402	6,220
Office	6,441	5,996	7,944	-	-	-	-	-	-	5,996	7,944
Telephone	3,805	4,012	3,499	-	-	-	-	-	-	4,012	3,499
Insurance	2,000	1,775	2,003	-	-	-	-	-	-	1,775	2,003
Equipment maintenance	1,171	1,956	1,037	-	-	-	-	-	-	1,956	1,037
Special projects	1,250	7,128	1,957	-	-	-	-	-	-	7,128	1,957
Bad debts	-	492	-	-	-	-	-	-	-	492	-
Promotion	-	1,367	-	-	-	-	-	-	-	1,367	-
	<u>\$ 633,742</u>	<u>\$ 636,367</u>	<u>\$ 618,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,367</u>	<u>\$ 618,953</u>

Canadian Mennonite Publishing Service Board of Directors as of Dec. 31, 2008

Representing	Term
Canadian Mennonite Publishing Service	
Margaret Ewen Peters, Hanley, Sask.	2006-2009, first term
Joanna Reesor-McDowell, Stouffville, Ont.	2007-2010, first term
* Tobi Thiessen (member-at-large), Etobicoke, Ont.	2007-2010, first term
Mennonite Church Canada	
Aiden Enns, Winnipeg, Man.	2006-2009, second term
* John W. Goossen (treasurer), Delta, B.C.	2007-2010, second term
Ed Janzen, Abbotsford, B.C.	2007-2010, first term
* Paul Krahn (secretary), Altona, Man.	2006-2009, second term
Mennonite Church British Columbia	
* Henry Neufeld, Ladner, B.C. (vice-chair)	2006-2009, third term
Mennonite Church Alberta	
Doris Daley Haysom, Turner Valley, Alta.	2008-2011, first term
Mennonite Church Saskatchewan	
Joe Neufeld, Regina, Sask.	2007-2010, first term
Mennonite Church Manitoba	
Al Friesen, Altona, Man.	2008-2011, first term
Mennonite Church Eastern Canada	
* Larry Cornies (chair), Toronto, Ont.	2007-2010, second term

* indicates Executive Committee of the Board

Canadian Mennonite Publishing Service Staff as of Dec. 31, 2008

Head office	Started	Time
Barb Draper, Editorial Assistant	2001	40%
Lisa Jacky, Administrative Assistant	2005	80%
Dan Johnson, Graphic Designer	2008	50%
Tim Miller Dyck, Editor and Publisher	2004	100%
Ross W. Muir, Managing Editor	2005	100%
Karen Suderman, Advertising Representative	2006	40%
Winnipeg office		
Aaron Epp, National Correspondent	2007	40%
Regional Correspondents		
B.C.: Amy Dueckman, Abbotsford	2005	20%
Alberta: Donita Wiebe-Neufeld, Edmonton	2000	20%
Saskatchewan: Karin Fehderau, Saskatoon	2000	20%
Manitoba: Evelyn Rempel Petkau, Carman	1997	20%
Eastern Canada: David Rogalsky, Kitchener	2006	<u>20%</u>
		5.5 FTE staff