

# **Canadian Mennonite Publishing Service**

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## **Annual Report For the year 2013**

Canadian Mennonite Publishing Service  
43rd Annual Meeting

Saturday, April 12, 2014, 3:00 p.m.  
At Douglas Mennonite Church, Winnipeg, Manitoba

1. Agenda for the 2014 Annual Meeting
2. Minutes of the 2013 Annual Meeting
3. Report from the Board Chair
4. Report from the Editor/Publisher
5. Report on Circulation
6. Report on Fundraising
7. Auditor's Report
8. Audited Financial Statements
9. Board Member and Staff List

43rd Annual Meeting of  
**CANADIAN MENNONITE PUBLISHING  
SERVICE**

Saturday, March 15, 2013, 3:00 p.m.  
Douglas Mennonite Church, Winnipeg, Manitoba

**Agenda**

1. List of members of the corporation
  - Linda Matties, Secretary, CMPS
2. Items requiring actions by CMPS members:
  - a) Acceptance of 2013 financial statements
  - b) Appointment of auditor for 2014
  - c) Approval of Articles of Continuance, by Special Resolution
  - d) Elections of CMPS board members
3. Other business and discussion
4. Adjournment

*The CMPS 2013 Annual Report is available and contains detailed board, editorial and circulation reports as well as audited financial statements for 2010.*

*The CMPS annual banquet follows at 6:00 p.m.*

**Canadian Mennonite Publishing Service  
42nd Annual General Meeting**

**Saturday, March 15, 2013, beginning at 3:00 pm  
Lethbridge Mennonite Church  
Lethbridge, Alberta**

**Members Present:** Joon Houn Park, Les Klassen Hamm, (treasurer), Ed Janzen (Secretary), Al Friesen, Marianne Harder, Doreen Martens, Linda Matties, Jim Moyer, Tim Reimer.

**Guests Present:** Tobi Thiessen (Chair), Dick Benner (Editor/Publisher), Carl DeGurse (Vice-Chair)

**1. Welcome**

Tobi welcomed the members\* to the 42nd Annual General Meeting. No others were present.

**2. Minutes**

Minutes from last year were reviewed.

**3. Chair Report :** We referred to Tobi's report at the Board.

**4. Report from the Editor/Publisher:** The report prepared for the Board was accepted.

**5. Items Requiring Board Action**

- a. Confirmed board actions in 2012. M/S/C Tim/Doreen
- b. Approved the financial statements presented at the preceding Board meeting. M/S/C Marianne/Jim
- c. Appointment of Auditor: Dick recommended that we retain BDO for 2013. M/S/C Les/Carl
- d. Election of Members. Nominating Committee nominates Tobi for reappointment.  
M/S/C Linda/Roger

Adjourned at 3:20.

Recorded by Ed Janzen, Secretary

\* The membership of Canadian Mennonite Publishing Service in 2012 was comprised of the members of the board that represent each area church, as follows: Mennonite Church Canada, four members; Mennonite Church Eastern Canada, one member; Mennonite Church Manitoba, one member; Mennonite Church Saskatchewan, one member; Mennonite Church Alberta, one member; Mennonite Church British Columbia, one member. *CMPS Bylaws, Item 5.*

## 2013 Chairperson's Report

Tobi Thiessen (Toronto, Ontario)

The board of Canadian Mennonite Publishing Service strives to support the Editor/Publisher in managing our national church magazine. In addition to our duties as directors of the corporation, we act as local points of contact for readers who, like our board, are spread out from British Columbia to Ontario. We remain focused on our mission to educate, inspire, inform and foster dialogue on issues facing Mennonites in Canada.

*Canadian Mennonite* is a forum of expression for many voices – a variety of writers express individual viewpoints; sometimes dialogue occurs over multiple issues through the Readers Write section, or in online comments after a compelling blog or article. Like the magazine itself, we, the board, add our voices to those in the magazine. In 2013, three board members contributed guest editorials.

**Workshops and Professional Development.** Two special projects that took place in 2013 were also valuable for broadening the points of contact people have with the magazine. A two-day Professional Development seminar for CM staff and correspondents was held in October at the Waterloo office. Second, we asked Dick Benner to visit each Area Church and offer a Writing Workshop to anyone interested. Workshops took place in Saskatchewan, Manitoba and Alberta. MC Canada requested a meeting at their office to specifically discuss MC Canada communications, and sent staff to participate in the MCM workshop. MCBC requested a leadership meeting without a workshop, which occurred in March 2014. A workshop in Ontario remains to be scheduled. Overall, the workshops were very well received and good contacts were made.

**Publishing Partner Covenant renewed.** After back-and-forth consultations between board members, Mennonite Church Canada and the Area Churches since 2012, we have concluded the process of revising and updating the Publishing Partner Covenant (PPC). Although previous Covenants were for five-year terms, this third Covenant in the life of CMPS is renewed for a period of three years. Mennonite Church Canada, undergoing its own in-depth process of review and re-visioning, could not commit to a longer time horizon.

We are grateful for the affirmation showed by MC Canada's committee responsible for CM, the Church Engagement Council (CEC), when in late October they proposed a resolution that MC Canada renew the PPC for the three year commitment with its funding formula in spite of uncertainties. The resolution was passed in November. The new PPC came into effect January 1, 2014.

## 2013 Editor/Publisher's Report

Dick Benner

### Highlights

As I reflect on last year's activities, three things stand out: (1) the Partner Visits/Writers' Workshops, (2) the hiring of a web editor and a new advertising rep and (3) my own refuelling/renewal from the month-long sabbatical the board graciously gave me in April. The Partner Visits deepened our relationship with our Publishing Partners and broadened our base of contributing writers. Ginny Hostetler, as our new web editor, has increased our visibility in social media and is energizing our website. The adding of Michael Hostetler as our ad rep has likewise raised our profile with our sister institutions. The addition of them to our home office staff has also brought new energy and vision to our daily operations and has improved staff morale. The sabbatical early in the year refurbished my spirits, giving me a much-needed emotional/mental rest and recharged my batteries.

### Editorial Themes/Coverage

Of our 24 editions, we had only two 32-pagers and one 48-pager with all the rest being 40-pagers. Of the 1,098 articles, our archivist Barb Draper says 240 of them were from Ontario, 218 from Manitoba, 98 from BC, 61 from Saskatchewan 50 from Alberta, 4 from Quebec and 2 from New Brunswick. Heading the list of most frequent subjects were stories from or about Conrad Grebel University College, and in descending order, MC Canada, CMU, *Canadian Mennonite*, Mennonite World Conference, biblical interpretation, Willard Metzger, Anabaptist Biblical Seminary, First Nations, awards, Canada Food Grains Bank, the Bible, Mennonite Disaster Service and music. The top ten subjects of letter writers were: *Canadian Mennonite*, Will Braun, editorial policy, Roman Catholics, Old Colony Mennonites, Catholic Church, Canada Revenue Agency, biblical interpretation, the Bible and Troy Watson, one of our regular columnists. In October/November, I wrote a 3-part series on the history and case for *Canadian Mennonite*. We ended an era with the retiring of Aiden Enns as a New Order Voice columnist to make room for a new column in 2014 for New Canadians, giving voice to the many ethnicities of our emerging churches.

### Correspondents Workshop/Partner Visits

Another highlight of the year was the carrying out of the special projects designated by the board at last year's session, namely the sponsoring of a 2-day workshop for all the regional correspondents who gathered in Waterloo in Oct. 29/30 and the visiting of area churches in the form of a Writers Workshop. The Correspondents Seminar was a rich and full two days of sharing story ideas, visioning the communication future with former board chair and journalism professor, Larry Cornies, receiving training in photography and doing videos, doing actual on-site reporting with the opening of the new MCC facility in Kitchener and in general increasing the camaraderie among each other and with the home office staff. While just a little apprehensive about how the Writers Workshops as content for our Partner Visits would be received, I found good cooperation and energetic participation in the three area churches visited—Saskatchewan, Manitoba and Alberta. MCBC didn't see the need for a workshop, but we did have a good session with their Leadership Council at their annual AGM in February. I also preached at Eigenheim Mennonite Church on my Sask visit. These visits, arranged by Tobi,

gave opportunity for me to get to know their key people better and to meet new potential writers. In short, it was a useful exchange in that I got to know first-hand their thoughts and desires as our publishing partner and through the workshops to acquaint them with our journalism standards and expectations. I held a special session with MC Canada staff when in Winnipeg for MCM and found them open and willing to work together in new and creative ways. More will come to light about that in our session with MC Canada.

### **Print/Electronic Circulation and Finances (PowerPoint/Google Analytics)**

It sounds like a broken record, but with our print circulation slowly declining (now at a little more than 13,000), it is not because of any discontent with the publication as much as it that our readership is aging/dying and perhaps more persons reading it online—although we have no data to show any kind of switching. With Google Analytics, our new web editor is tracking substantial increases in online viewing of our stories and with her regular postings on Facebook/Twitter has, in the short time she is here, increased exponentially our visibility in social media. Our stories and commentary are getting considerable play and “likes” on our CM sites. So when we look at our circulation we need to take into account our increased “viewership” in the digital world. There is a correlation, here, too, to our finances. With the adding of a new position, the wage item on our budget is going up. We made a new video, updating our old one and are in the process of re-designing our website to make it more reader-friendly. That has also pushed up our wage costs. We are in this “in-between” period of moving from a strictly print distribution model to a combination print/digital model, but not being able to cut costs of printing and mailing at the same time we are incurring new costs to do digital. It is something of a financial conundrum. All that I ask is that you keep circulation/finances in perspective as we travel this uncertain path to the near future and look at a projected deficit of nearly \$25,000 for the upcoming year.

### **Canadian Periodical Fund**

Again, as our Publishing Partner financial support becomes more fragile, we look to the government to continue its repeated CPF grant, which this year came to \$210,734, comprising 31 per cent of our total income. And again, while we are grateful for this contribution to our operating costs, it gives us continuing anxiety that it will continue at this level because we don't know why we get it or if it will be in the offing this year. We simply apply for it year-after-year, meeting all the increasing requirements for approval. We have been receiving this grant, in one form or another, for the past 10 years. In the past two years, we have had to purchase an independent circulation audit to substantiate our circulation numbers and convince the analysts that the readers are receiving it voluntarily and not considering it third-class or “junk mail.” So far we have been persuasive in arguing for the “voluntary” part of our suspect Every Home Plan. Have faith, sisters and brothers!

### **Revised bylaws for new Non-For-Profit Corporations Act**

Taking up considerable time the beginning of this year was working with our attorney in revising our bylaws for compliance with this new act, the deadline for which is October, 2014. This required a legal review of all of our minutes and official actions since CMPS was officially incorporated in 1972. I will speak off-the-record in giving some context to this new requirement by the government.

## **Staff**

As noted, I hired a husband-wife duo this year, one as a replacement for advertising representative, D. Michael Hostetler, the other for a new position of Web Editor, Ginny Hostetler, his wife, in attempt to be more intentional in our move to digital and beefing up our website and social media presence. Michael, who comes to us with 30 years of experience in promotion and as a videographer, started in September as a successor to Graeme Stemp-Morlock, who resigned due to illness. Ginny began her duties in October, first with a grant as a trainee from the local Working Centre, then as a half-time employee of CMPS. She is now fully paid by CMPS. All other home office staff remains the same; there were no sabbaticals or sick leaves except for my month-long stress leave in April. We had one change in regional correspondents, that of Donna Schulz of Rosthern, SK, and succeeding Karen Fehderau who resigned after 13 years in that position. Aaron Epp, of Winnipeg, moved into the position as co-editor of Young Voices in June, replacing Emily Loewen who took a position of MCC Canada. Rachel Bergen assists Aaron as YV co-editor, from her home in Chilliwack, BC, while doing graduate work in journalism.

## **Equipment/hardware/software**

While we added no new computer hardware during the year, we did replace some hard drives and experienced a fair number of crashes and breakdowns with what has become out-dated software. Our outside IT consultant/techie, Tim Miller Dyck, the former editor/publisher, had too many trouble-shooting calls this year, causing me to have a sit-down early this year to come up with a plan to update our software with a one-shot cost that will hopefully control our monthly costs in maintenance and repair going forward.

*--Dick Benner, February 23, 2014*

**Canadian Mennonite Publishing  
Service**  
**Financial Statements**  
For the year ended December 31, 2013

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## Independent Auditor's Report

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### To the Members of Canadian Mennonite Publishing Service

We have audited the accompanying financial statements of Canadian Mennonite Publishing Service, which comprise the statement of financial position as at December 31, 2013 and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



### **Basis for Qualified Opinion**

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures for the year, current assets and fund balances.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Mennonite Publishing Service as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Waterloo, Ontario

March 19, 2014

**Canadian Mennonite Publishing Service**  
**Statement of Financial Position**

	December 31				
	2013		2012		
	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total
<b>Assets</b>					
<b>Current</b>					
Cash (Note 2)	\$ 182,824	\$ 174,999	\$ 84,718	\$ 19,015	\$ 461,556
Short-term investments (Note 3)	-	7,645	-	-	7,645
Accounts receivable	18,449	-	-	-	18,449
Prepaid expenses	1,682	-	-	-	1,682
	<b>202,955</b>	<b>182,644</b>	<b>84,718</b>	<b>19,015</b>	<b>489,332</b>
Property, plant and equipment (Note 4)	114,214	-	-	-	114,214
	<b>\$ 317,169</b>	<b>\$ 182,644</b>	<b>\$ 84,718</b>	<b>\$ 19,015</b>	<b>\$ 603,546</b>

**Liabilities and Fund Balances**

<b>Current</b>					
Accounts payable and accrued liabilities (Note 5)	\$ 17,666	\$ -	\$ -	\$ -	\$ 17,666
Deferred contributions (Note 6)	52,683	-	-	-	52,683
Deferred revenue	31,598	-	-	-	31,598
Interfund payables (receivables) (Note 8)	(25,273)	4,019	21,045	209	-
	<b>76,674</b>	<b>4,019</b>	<b>21,045</b>	<b>209</b>	<b>101,947</b>
<b>Fund balances</b>					
Internally restricted	114,214	178,625	63,673	18,806	375,318
Unrestricted	126,281	-	-	-	126,281
	<b>240,495</b>	<b>178,625</b>	<b>63,673</b>	<b>18,806</b>	<b>501,599</b>
	<b>\$ 317,169</b>	<b>\$ 182,644</b>	<b>\$ 84,718</b>	<b>\$ 19,015</b>	<b>\$ 603,546</b>

On behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

## Canadian Mennonite Publishing Service Statement of Revenue and Expenses and Changes in Fund Balances

For the year ended December 31

2013      2012

	Budget (unaudited)	2013				Total
		General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	
<b>Revenue</b>						
Individual & group subscriptions	\$ 264,864	\$ 269,624	\$ -	\$ -	\$ -	\$ 293,387
Advertising and supplements	135,000	113,508	-	-	-	131,015
Grants (Note 10)	205,860	203,160	-	-	-	216,079
Donations - Individual	81,000	76,413	-	-	-	80,987
Donations - Publishing partners	1,500	2,394	-	-	-	1,470
Interest	5,500	1,719	2,142	1,052	210	5,454
Unrealized gain on investments	-	-	925	-	-	606
Other	-	415	-	-	-	1,084
	693,724	667,233	3,067	1,052	210	730,082
<b>Expenses (Schedule 1)</b>						
	708,000	704,230	-	-	-	699,322
<b>Surplus (deficit) for the year</b>	(14,276)	(36,997)	3,067	1,052	210	(32,668)
Fund balances, beginning of year	207,441	275,529	166,260	83,673	8,805	534,267
Transfer (from) to Professional Development Fund (Note 7)	-	21,052	-	(21,052)	-	-
Transfer to (from) Stabilization Fund (Note 7)	-	(9,298)	9,298	-	-	-
Transfer (from) to Capital Fund (Note 7)	-	(9,791)	-	-	9,791	-
<b>Fund balances, end of year</b>	\$ 193,165	\$ 240,495	\$ 178,625	\$ 63,673	\$ 18,806	\$ 534,267

The accompanying notes are an integral part of these financial statements.

## Canadian Mennonite Publishing Service Statement of Cash Flows

For the year ended December 31	2013	2012
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	\$ (32,668)	\$ 30,760
Items not involving cash		
Amortization of property, plant and equipment	10,457	10,132
Unrealized gain on short term investment	(925)	(606)
Gain on disposal of property, plant & equipment	-	1,800
	<u>(23,136)</u>	<u>42,086</u>
 Changes in non-cash working capital balances		
Accounts receivable	(4,433)	(26)
Prepaid expenses	673	(104)
Accounts payable and accrued liabilities	1,692	6,507
Deferred contributions	7,574	(3,851)
Deferred revenue	4,880	(497)
	<u>(12,750)</u>	<u>44,115</u>
 <b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,435)	(5,731)
	<u>(3,435)</u>	<u>(5,731)</u>
 <b>Increase (decrease) in cash during the year</b>	<b>(16,185)</b>	<b>38,384</b>
 <b>Cash, beginning of year</b>	<b>477,741</b>	<b>439,357</b>
 <b>Cash, end of year</b>	<b>\$ 461,556</b>	<b>\$ 477,741</b>

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# Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2013

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## 1. Summary of Significant Accounting Policies

**Nature of Business** Canadian Mennonite Publishing Service ("the organization") 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.

**Basis of Accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations (ASNPO).

**Fund Accounting** The organization follows the restricted fund method of accounting for fund contributions.

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

The Stabilization Fund was established to protect the organization from operating fluctuations that may occur from time to time. The goal is to accumulate, from surpluses, an amount equal to 25% of annual expenses in the fund for this purpose. Revenue earned by the assets of this fund are to be transferred to the General Fund.

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

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

**Property, Plant and  
Equipment**

Property, plant & equipment are stated at cost. Amortization based on the estimated useful life of the asset is calculated as follows:

Building	-	25	year straight-line basis
Computer equipment	-	3	year straight-line basis
Computer software	-	3	year straight-line basis
Office equipment	-	5	year straight-line basis

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# Canadian Mennonite Publishing Service

## Notes to Financial Statements

December 31, 2013

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### 1. Summary of Significant Accounting Policies

**Income Taxes** The organization is a registered charity and therefore is not subject to income taxes.

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

Grant revenue is received annually from the Canadian Periodical Fund, under the Aid to Publishers component. Monies which are received are to be spent on eligible expenditures. Unexpended amounts received in the year are deferred until the year in which the related expenses are incurred.

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

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

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

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# Canadian Mennonite Publishing Service

## Notes to Financial Statements

December 31, 2013

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### 1. Summary of Significant Accounting Policies (continued)

#### **Contributed Services and Materials**

Contributed materials which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### **Use of Estimates**

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable.

#### **Impairment of Long Lived Assets**

In the event that facts and circumstances indicate that the company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The company considers that no circumstances exist that would require such an evaluation.



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## Canadian Mennonite Publishing Service Notes to Financial Statements

**December 31, 2013**

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### 2. Cash

The organization's bank accounts are held at one credit union. The bank account earns nominal interest.

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### 3. Short-Term Investments

Short-term investments consist of an index fund equity instrument presented at fair value.

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### 4. Property, Plant and Equipment

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 18,530	\$ -	\$ 18,530	\$ -
Building	166,771	81,164	166,771	74,492
Computer equipment	20,396	18,884	19,724	17,621
Computer software	4,519	2,884	2,557	2,557
Office equipment	21,987	15,057	21,187	12,863
	<b>\$ 232,203</b>	<b>\$ 117,989</b>	<b>\$ 228,769</b>	<b>\$ 107,533</b>
Net book value		<b>\$ 114,214</b>		<b>\$ 121,236</b>

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### 5. Accounts Payable and Accrued Liabilities

Government remittances payable at the year end totalled \$5,122 (2012 - \$4,459).

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## Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2013

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**6. Deferred Contributions**

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 45,109	\$ 48,960
Contributions received	210,734	212,228
Amortized into revenue	<u>(203,160)</u>	<u>(216,079)</u>
Balance, end of year	<u>\$ 52,683</u>	<u>\$ 45,109</u>

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**7. Interfund Transfers**

During the year, the Board of Directors authorized transfers of \$11,440 from the General Fund to the Stabilization Fund, \$10,000 from the General Fund to the Capital Fund and \$20,000 from the Professional Development Fund to the General Fund.

Investment income earned in the Stabilization Fund of \$2,142, Professional Development Fund of \$1,052 and Capital Fund of \$209 were transferred to the General Fund.

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**8. Interfund Payables (Receivables)**

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

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**9. Endowment Funds**

Contributions made for endowment purposes are forwarded to the Mennonite Foundation of Canada ("Foundation") which acts as trustee on behalf of the Organization for these funds. Under the terms of an agreement dated January 21, 1991, all donations to the Endowment Fund belong to the Foundation. Only interest earned is forwarded to the organization for use in the operations of the periodical. The balance on deposit in the fund at December 31, 2013 was \$15,957 (2012 - \$14,577) and interest earned during the year amounted to \$423 (2012 - \$424).

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## Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2013

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### 10. Government Assistance

The organization receives funding from government ministries. During the year, the organization received \$210,734 as a grant under the Canadian Periodical Fund. Of this amount, \$203,160 was recognized as revenue in the year.

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### 11. Financial Instruments

#### Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable.

#### Market Risk

The organization is exposed to fluctuations in equity markets on its short-term investments.

The above risks are unchanged from the prior year.

## Canadian Mennonite Publishing Service Schedule 1 - Expenses

For the year ended December 31

2013                      2012

	Budget (unaudited)	Professional				Total
		General Fund	Stabilization Fund	Development Fund	Capital Fund	
Postage	\$ 172,000	\$ 168,336	\$ -	\$ -	\$ -	\$ 170,018
Head office - salaries	200,000	203,849	-	-	-	198,317
Printing and production	101,000	98,034	-	-	-	100,346
Regional correspondents	105,000	97,482	-	-	-	104,025
Head office - benefits	24,000	24,941	-	-	-	23,605
Advertising representative	15,000	12,583	-	-	-	15,677
Amortization	9,000	10,457	-	-	-	10,132
New service	15,000	16,004	-	-	-	15,322
Facility costs	10,000	11,012	-	-	-	10,585
Professional fees	6,800	9,080	-	-	-	6,572
Staff	5,000	7,691	-	-	-	7,229
Board	10,000	9,397	-	-	-	10,923
Fundraising	5,000	4,933	-	-	-	5,054
Office	5,800	6,213	-	-	-	5,746
Telephone	2,500	1,708	-	-	-	2,719
Insurance	1,900	1,750	-	-	-	1,859
Equipment maintenance	4,000	8,179	-	-	-	3,833
Special projects	16,000	12,581	-	-	-	7,360
	\$ 708,000	\$ 704,230	\$ -	\$ -	\$ -	\$ 699,322

The accompanying notes are an integral part of these financial statements.

## Canadian Mennonite Publishing Service Board of Directors as of Dec. 31, 2013

Representing	Term
<b>Canadian Mennonite Publishing Service</b>	
• Carl DeGurse, Winnipeg, MB	2013-2016, second term
Roger Epp, Edmonton, AB	2012-2015, first term
• Tobi Thiessen, Toronto, ON	2013-2016, third term
<b>Mennonite Church Canada</b>	
• Les Klassen Hamm, Saskatoon, SK.	2012-2015, second term
Doreen Martens, Oakville, ON	2013-2016, second term
Bryan Moyer Suderman, Stouffville, ON	2013-2016, first term
<b>Mennonite Church British Columbia</b>	
Linda Matties, Abbotsford, BC	2012-2015, second term
<b>Mennonite Church Alberta</b>	
• James Moyer, Lethbridge, AB	2011-2014, first term
<b>Mennonite Church Saskatchewan</b>	
Marianne Harder, Rosthern, SK	2013-2016, first term
<b>Mennonite Church Manitoba</b>	
Al Friesen, Altona, MB	2011-2014, second term
<b>Mennonite Church Eastern Canada</b>	
• Tim Reimer, Toronto, ON	2014-2016, second term
• indicates Executive Committee of the Board	

## Canadian Mennonite Publishing Service Staff as of Dec. 31, 2013

Head office	Started	Time
Dick Benner, Editor and Publisher	2009	100%
Barb Draper, Editorial Assistant	2001	40%
Michael Hostettler, Advertising Representative	2013	40%
Virginia Hostettler, Web Editor	2013	50%
Lisa Jacky, Circulation/Finance	2005	80%
Dan Johnson, Graphic Designer	2008	50%
Ross W. Muir, Managing Editor	2005	100%
<b>Regional Correspondents/editors</b>		
Rachel Bergen, Young Voices Co-Editor, Abbotsford	2009	40%
Will Braun, Senior Writer, Winnipeg	2011	40%
Aaron Epp, Young Voices Co-Editor, Winnipeg	2013	40%
B.C. Amy Dueckman, Abbotsford	2005	20%
Alberta: Donita Wiebe-Neufeld, Edmonton	2000	20%
Saskatchewan: Donna Schulz, Rosthern	2013	20%
Manitoba: Evelyn Rempel Petkau, Carman	1997	20%
Eastern Canada: David Rogalsky, Kitchener	2006	<u>20%</u>

Total FTE: 6.8