

## **Canadian Mennonite Publishing Service**

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[www.canadianmennonite.org](http://www.canadianmennonite.org)

# **Annual Report For the year 2016**

Canadian Mennonite Publishing Service  
46th Annual Meeting

Saturday, April 22, 2014, 4:00 p.m.  
At First Mennonite Church, Kitchener, ON

1. Agenda for the 2016 Annual Meeting
2. Minutes of the 2015 Annual Meeting
3. Report from the Board Chair
4. Report from the Editor/Publisher
5. Auditor's Report
6. Audited Financial Statements
7. Board Member and Staff List

46th Annual Meeting of  
**CANADIAN MENNONITE PUBLISHING SERVICE**

Saturday, April 22, 2017, 4:00 p.m.  
First Mennonite Church, Kitchener, Ontario

**Agenda**

1. List of members of the corporation
  - Linda Matties, Secretary, CMPS
2. Items requiring actions by CMPS members:
  - a) Acceptance of 2016 financial statements
  - b) Appointment of auditor for 2017
  - c) Elections of CMPS board members – Ally Siebert, Ottawa, Ontario
3. Other business and discussion
4. Adjournment

*The CMPS 2016 Annual Report contains board, editorial and circulation reports as well as audited financial statements for 2016.*

*The CMPS annual banquet followed at Floradale Mennonite Church at 6:00 p.m.*

**CANADIAN MENNONITE PUBLISHING SERVICE**

**Annual Members Meeting Minutes**

**April 23, 2016, 4:00 pm**

at Rosthern Mennonite Church

3016<sup>th</sup> Street, Rosthern SK S0K 3R0 tel: 306-232-5484

1. Members Present: CMPS Board directors representing MC Canada, MCBC, MC Alberta, MC Saskatchewan, MC Manitoba, MCEC, Dick Benner (staff), and Naomi Unger
2. Moved by Henry Krause / Seconded by Kuen Yee / Carried that the financial statements for 2015 be accepted as circulated.
3. Moved by Ken Reddig / Seconded by Tim Reimer / Carried that BDO be appointed as the auditors for Canadian Mennonite Publishing Service in 2016.
4. Nominations report: Alley Siebert, whose biography was circulated, has been nominated by the Nominations Committee as a board member for CMPS. This motion was carried.
5. Dick Benner reported briefly about the readership survey that was done during the past year. There was a brief discussion about the survey findings.

Adjournment

Minutes recorded by Linda Matties

## 2016 Chairperson's Report

2016 has been an exciting and challenging year for Canadian Mennonite, which has included some significant changes, a new fundraising initiative and the continued publication and online presence of an excellent magazine.

This year saw the retirement of Dick Benner, who was the Publisher/Editor for more than 7 years. We have very much appreciated his good work with CM and the initiatives he implemented. We have valued his work in the groundwork he laid in setting up the Friesen Legacy Fund. We are grateful that the fiscal year ended with a surplus, a significant change over the previous year.

We are grateful for the coming on staff of Tobi Thiessen as publisher and are thankful that she has taken on this role and look forward to her work at CM. We are also very pleased that Ginny Hostetler has agreed to take on the role of Executive Editor and to move into a full-time position with CM. Her expertise and interest in working with social media and an online presence for the magazine is appreciated as we move into a future that has new possibilities and potentials.

I want to recognize the good work the search committee did as they worked at discerning the best way forward and next steps for the future of CM. Separating the position into two roles is a new initiative and we look forward to working with this model in the next two years as we negotiate significant changes in the landscape of the Mennonite church in Canada and CM's role in it.

As chair I also want to acknowledge the work that the executive and the whole board has done this past year. There was a need to have more meetings than in the past because of a number of factors that included:

- A search for a new Editor and Publisher;
- The ending of the CMPS covenant with the area churches and MC Canada and the need to renew for one more year;
- Ongoing relationship building with the area churches, the national church and our constituency that we agreed to work on at last year's AGM.

As we look to the work we need to do as a board in the coming year we recognize that there are some significant challenges as well as opportunities before us:

- We do not yet know what the implementation of the Future Directions resolutions will mean for CMPS's relationship with the area churches;
- We will also continue to be at work discerning how best to position CM in the changing landscape of the print and digital/social media world;
- It will be important to continue to find ways to build relationships with the Mennonite church across Canada especially with those who no longer read CM and with younger readers

I am optimistic that we can meet these challenges as *Canadian Mennonite* has in the past and that with the excellent staff we have and a strong commitment to work with and for our church, that *Canadian Mennonite* will continue to thrive and make a significant contribution to the life of our churches across Canada.

—Henry Krause

## 2016 Editor/Publisher Report

### Finances

Through the two disciplines of cutting costs and increasing income, we have managed to end the year with a \$8,584 surplus. Factors contributing to the lower costs were reducing the number of pages per issue to 32 (reducing both printing and postage costs by \$12,666), less travel to Area Church Gatherings, less pay for an interim administrative assistant in head office salaries—saving another \$8,310. The increased income came from a larger-than-expected government grant of \$228,821, my setting up the Ted Friesen Legacy Fund and having the Friesen family donate \$50,000 over five years and the Friesen Corp, donating another \$25,000 over three years. I then used that major donation to incentivize donors to our fall fund drive, which gave us a record \$99,130 (both spring and fall drives). These gifts came from 835 individual donors, 45 of whom were new this year. We are grateful for this outpouring of financial support at a crucial time when one of our Publishing Partners—MC Canada—had to reduce its share of the Every Home Plan. Their contribution was down by \$8,225 for 2016.

### Editorial highlights

With the cutback in the number of pages per issue to reduce printing costs, *Canadian Mennonite* carried 916 articles compared to 1,043 in 2015. This year there were 32 pages per issue in all but three issues.

Of the five regional correspondents providing that content was David Rogalsky (Eastern Canada) with 70 articles; Aaron Epp (Young Voices) with 41; Donna Schulz (Saskatchewan) with 40; Amy Dueckman (British Columbia) with 24, Beth Sawatzky (Manitoba) with 18; and Donita Wiebe-Neufeld (Alberta) with 17. (Note that these and the following statistics are only for content that appeared in print—they do not reflect content that appeared only online.)

As the area church with the highest population, Eastern Canada had 222 articles, followed by Manitoba with 166, Saskatchewan with 95, British Columbia with 80, Alberta with 52, and Quebec with seven.

The subjects most frequently discussed were MC Canada with 49 articles, MC Canada Saskatoon 2016 Assembly with 46, Future Directions with 41, Being a Faithful Church (BFC) with 30, Conrad Grebel University College with 24, LGBTQ issues with 24, Mennonite Central Committee with 23 and other MCCs, 27. Looking at the number of news releases we published: MC Canada got the most coverage from their news releases at 32. MennoMedia was next in line with 22, then Conrad Grebel with 12, Canadian Foodgrains Bank with 9, MCC with 8, Mennonite World Conference with 5, CMU with 5, and other MCCs with 5.

The subjects of letters was the highest about MC Canada with a total of 12, then the Assembly, 11, the BFC, 11, Future Directions, 10, LGBTQ, 9, same-sex relationships, 8, inclusion/exclusion, 8, biblical interpretation, 8 and MCC, 5. Future Directions was the subject of “God at Work” most discussed, with 10 articles. Indigenous peoples was the most discussed subject in “God at Work in the World” with 12 articles, and music got the most attention in Young Voices, with 6 articles. It should be noted that the Anabaptist Mennonite Biblical Seminary (AMBS) gets coverage through the “Window” paid supplement, which was inserted two times in 2016, one a four-pager, the other an eight-pager.

This gives you a glimpse of what our readers are most interested in. The area churches are served with regular reporting by our paid correspondents. It should be noted, too, that in addition to our readers' interest in indigenous relations, we carried a number of articles on Syria and refugees in Canada—both a topic of high interest and congregational involvement.

### **Digital engagement**

Our overall goal is to offer **quality content online** and to continually engage our readers. Selected stories from the print edition appear online, along with web-only stories. We post some time-sensitive stories online sooner than they appear in print.

In an ongoing positive trend, the traffic to the **Canadian Mennonite website** continues to increase. There was an increase of 18% in the number of new visitors, to a total of 93,299 in 2016. At the end of 2016 the number of returning visitors stood at 54,369, an increase of 34% from 2015. At the end of December the number of sessions stood at 147,668 (increased by 24%), and the number of page views was at 284,029 (increased by 18%).

More and more of our readers are accessing our online content on mobile devices and tablets. In 2013, 83% were reading CM on their desktop. In 2016 that number was 53%, with 33% accessing it through mobile devices and 14% through tablets.

In 2016, we launched the **e-newsletter *CM Now***, as a way to invite more readers to the website. This regular email highlights six stories, with links to the complete stories online. *CM Now* is sent by email every other week, alternating with CM's digital edition (24 e-newsletters a year). There is no cost to subscribers. We sent out the first issue of *CM Now* on January 22. At year end, there were 237 subscriptions. The average open rate was 54%.

In terms of **digital subscriptions** to the biweekly print edition, we sent sample bulletin announcements to congregations explaining the advantages of a digital subscription. At the end of the year CM had 786 digital subscribers, an increase of 12% from 2015. The average open rate for the digital notification was 48%.

### **Print Circulation**

Total print circulation, under the Every Home Plan, decreased by 600 during the year, from 11,948 to 11,345, due mostly to a couple of congregations leaving MC Canada, others to death or leaving the church. When a whole congregation cancels all of its member subscriptions, our practice it to write a letter to the individual subscribers and offer to send it to them as a paid subscription

### **Advertising**

Perhaps one of the most significant advertising accomplishments for 2016 is the fact that we gained (even if the gain was small) as opposed to losing ground. There was \$133,500 in advertising revenue in 2016 compared to \$128,300 in 2015.

Most visible was the gain in the sponsored spreads and inserts category. From a marketing perspective, much of the work done focused on building relationships designed to bear fruit in months and years to come. There were meaningful increases in Schools Directory, Sponsored Space and Inserts and in Internet advertising.

## **Staff**

In 2016, Lisa Jacky returned from her one-year maternity leave. Natasha Krahn, a former employee, filled in for Lisa during her leave. Beth Downey Sawatzky succeeded Josiah Neufeld as our Manitoba correspondent.

## **Facilities**

The past year presented no special challenges in terms of the office space. The space has served us well, but it is looking a bit “tired.” We anticipate doing some de-cluttering and cleaning the carpets. It will soon be time for some repainting. The furnace is still functioning well, but there always the possibility that it might need to be replaced in the near future.

*—Dick Benner, editor/publisher, with Ginny Hostetler, incoming executive editor*

## Canadian Mennonite Publishing Service

### Board of Directors as of Dec. 31, 2016

Representing	Term
<b>Canadian Mennonite Publishing Service</b>	
• Lois Epp, Calgary, AB	2015□2018, first term
• Bryce Miller, Winnipeg, MB	2015□2016, first term
• Ally Siebert, Ottawa, ON	2016□2019, third term
<b>Mennonite Church Canada</b>	
• Elmer Hildebrand, Winnipeg, MB	2016□2019, first term
• Henry Krause, Langley, BC	2014-2017, first term
• Doreen Martens, Oakville, ON	2016□2019, second term
• Rod Wiens, Herschel, SK	2016□2019, first term
<b>Mennonite Church British Columbia</b>	
• Linda Matties, Abbotsford, BC	2012□2015, second term
<b>Mennonite Church Alberta</b>	
vacant	
<b>Mennonite Church Saskatchewan</b>	
• Larry Epp, Rosthern, SK	2016-2019, first term
<b>Mennonite Church Manitoba</b>	
• Ken Reddig, Pinawa, MB	2014□2017, first term
<b>Mennonite Church Eastern Canada</b>	
• Tim Reimer, Toronto, ON	2016□2019, third term
• <i>indicates Executive Committee of the Board</i>	

### Staff as of Dec. 31, 2016

Head office	Started	Time
Dick Benner, Editor/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>		
B.C. Amy Dueckman, Abbotsford	2005	20%
Alberta: Donita Wiebe□Neufeld, Edmonton	2000	20%
Saskatchewan: Donna Schulz, Rosthern	2014	20%
Manitoba: Beth Downey Sawatzky, Winnipeg	2016	20%
Eastern Canada: David Rogalsky, Kitchener	2006	40%
Will Braun, Senior Writer, Winnipeg	2011	40%
Aaron Epp, Young Voices Co-Editor, Winnipeg	2013	40%
		6.8FTE



**Canadian Mennonite Publishing  
Service  
Financial Statements  
For the year ended December 31, 2016**

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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, 2016 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 audit opinion.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Mennonite Publishing Service as at December 31, 2016 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 Professional Accountants, Licensed Public Accountants

Waterloo, Ontario  
March 22, 2017

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

December 31					2016	2015
	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total	Total
<b>Assets</b>						
<b>Current</b>						
Cash (Note 2)	\$ 146,167	\$ 179,922	\$ 31,747	\$ 13,754	\$ 371,590	\$ 354,437
Short-term investments (Note 3)	-	9,027	-	-	9,027	7,569
Accounts receivable	7,429	-	-	-	7,429	7,479
Prepaid expenses	1,754	-	-	-	1,754	1,519
	<b>155,350</b>	<b>188,949</b>	<b>31,747</b>	<b>13,754</b>	<b>389,800</b>	<b>371,004</b>
Tangible capital assets (Note 4)	88,287	-	-	-	88,287	96,609
	<b>\$ 243,637</b>	<b>\$ 188,949</b>	<b>\$ 31,747</b>	<b>\$ 13,754</b>	<b>\$ 478,087</b>	<b>\$ 467,613</b>
<b>Liabilities and Fund Balances</b>						
<b>Current</b>						
Accounts payable and accrued liabilities (Note 5)	\$ 17,797	\$ -	\$ -	\$ -	\$ 17,797	\$ 16,219
Deferred contributions (Note 6)	57,205	-	-	-	57,205	54,019
Deferred revenue	26,695	-	-	-	26,695	28,814
Interfund payables (receivables) (Note 7)	(5,130)	4,342	550	238	-	-
	<b>96,567</b>	<b>4,342</b>	<b>550</b>	<b>238</b>	<b>101,697</b>	<b>99,052</b>
<b>Fund balances</b>						
Internally restricted	88,287	184,607	31,197	13,516	317,607	326,780
Unrestricted	58,783	-	-	-	58,783	41,781
	<b>147,070</b>	<b>184,607</b>	<b>31,197</b>	<b>13,516</b>	<b>376,390</b>	<b>368,561</b>
	<b>\$ 243,637</b>	<b>\$ 188,949</b>	<b>\$ 31,747</b>	<b>\$ 13,754</b>	<b>\$ 478,087</b>	<b>\$ 467,613</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

2016

2015

	Budget (unaudited)	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total	Total
<b>Revenue</b>							
Individual & group subscriptions	\$ 267,574	\$ 266,546	\$ -	\$ -	\$ -	\$ 266,546	\$ 274,343
Advertising and supplements	140,000	131,152	-	-	-	131,152	128,548
Grants (Note 8)	212,000	225,636	-	-	-	225,636	212,375
Donations - Individual	130,000	115,523	-	-	-	115,523	78,374
Donations - Publishing partners	1,500	1,730	-	-	-	1,730	1,580
Interest	2,500	630	1,290	238	112	2,270	2,550
Unrealized gain (loss) on investments	-	-	1,458	-	-	1,458	(725)
Other	-	(464)	-	-	-	(464)	(50)
	<b>753,574</b>	<b>740,753</b>	<b>2,748</b>	<b>238</b>	<b>112</b>	<b>743,851</b>	<b>696,995</b>
<b>Expenses (Schedule 1)</b>	<b>745,682</b>	<b>736,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>736,022</b>	<b>773,453</b>
<b>Surplus (deficit) for the year</b>	<b>7,892</b>	<b>4,731</b>	<b>2,748</b>	<b>238</b>	<b>112</b>	<b>7,829</b>	<b>(76,458)</b>
<b>Fund balances, beginning of year</b>	<b>138,390</b>	<b>138,390</b>	<b>183,149</b>	<b>31,197</b>	<b>15,825</b>	<b>368,561</b>	<b>445,019</b>
Transfer (from) to Professional Development Fund (Note 9)	-	238	-	(238)	-	-	-
Transfer (from) to Stabilization Fund (Note 9)	-	1,290	(1,290)	-	-	-	-
Transfer (from) to Capital Fund (Note 9)	-	2,421	-	-	(2,421)	-	-
<b>Fund balances, end of year</b>	<b>\$ 146,282</b>	<b>\$ 147,070</b>	<b>\$ 184,607</b>	<b>\$ 31,197</b>	<b>\$ 13,516</b>	<b>\$ 376,390</b>	<b>\$ 368,561</b>

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

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## Canadian Mennonite Publishing Service Statement of Cash Flows

For the year ended December 31	2016	2015
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	\$ 7,829	\$ (76,458)
Items not involving cash		
Amortization of tangible capital assets	10,832	11,409
Unrealized loss (gain) on short term investment	(1,458)	725
Gain on disposal of tangible capital assets	-	60
	17,203	(64,264)
Changes in non-cash working capital balances		
Accounts receivable	50	34
Prepaid expenses	(235)	(338)
Accounts payable and accrued liabilities	1,578	(462)
Deferred contributions	3,186	3,702
Deferred revenue	(2,119)	(1,781)
	19,663	(63,109)
<b>Cash flows from investing activities</b>		
Purchase of tangible capital assets	(2,509)	(373)
	17,154	(63,482)
<b>Increase (decrease) in cash during the year</b>		
	354,437	417,919
<b>Cash, beginning of year</b>		
	\$ 371,591	\$ 354,437
<b>Cash, end of year</b>		

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# Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2016

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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.

**Tangible Capital Assets** Tangible capital assets 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

One half of the normal amortization is provided in the year of acquisition and no amortization is provided in the year of disposal.

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# Canadian Mennonite Publishing Service Notes to Financial Statements

**December 31, 2016**

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

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

In the event that facts and circumstances indicate that the organization'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.

### **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. Deferred advertising revenue results from advertising funds received in advance of the periodical releases.

Grant revenue is received annually from the Canadian Periodical Fund, under the Aid to Publishers component. Funds 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.

All 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, 2016

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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.

#### 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.

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### 2. Cash

The organization's bank accounts are held at one credit union. The bank accounts earn interest of less than 1% per annum.

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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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## Canadian Mennonite Publishing Service Notes to Financial Statements

**December 31, 2016**

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### 4. Tangible Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 18,530	\$ -	\$ 18,530	\$ -
Building	166,771	101,176	166,771	94,506
Computer equipment	26,058	23,450	23,749	21,836
Computer software	5,489	5,165	5,489	4,515
Office equipment	22,284	21,054	22,084	19,157
	<b>\$ 239,132</b>	<b>\$ 150,845</b>	<b>\$ 236,623</b>	<b>\$ 140,014</b>
Net book value		<b>\$ 88,287</b>		<b>\$ 96,609</b>

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### 5. Accounts Payable and Accrued Liabilities

Government remittances payable at the year end totaled \$5,656 (2015 - \$7,127).

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### 6. Deferred Contributions

	2016	2015
Balance, beginning of year	\$ 54,019	\$ 50,317
Contributions received	228,821	216,076
Amortized into revenue	(225,635)	(212,374)
	<b>\$ 57,205</b>	<b>\$ 54,019</b>

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### 7. Interfund Payables (Receivables)

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

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## Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2016

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### 8. Government Assistance and Economic Dependence

The organization receives funding from government ministries. During the year, the organization received \$228,821 as a grant under the Canadian Periodical Fund. Of this amount, \$225,635 was recognized as revenue in the year. The organization is economically dependent on this funding to continue its operations.

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### 9. Interfund Transfers

Investment income earned in the Stabilization Fund of \$1,290, Professional Development Fund of \$238 and Capital Fund of \$112 were transferred to the General Fund. A transfer of \$2,309 from the Capital Fund to the General Fund was made to purchase a new computer.

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### 10. Endowment Funds

Contributions made for endowment purposes are forwarded to Abundance 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, 2016 was \$16,252 (2015 - \$16,252) and interest earned during the year amounted to \$285 (2015 - \$362).

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## Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2016

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### 11. Financial Instrument Risks

#### 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.

#### Equity Risk

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

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable from organizations that operate in the same industry. The organization provides credit to its clients in the normal course of its operations.

The above risks are unchanged from the prior year.

**Canadian Mennonite Publishing Service  
Schedule 1 - Expenses**

**For the year ended December 31**

**2016                      2015**

	Budget (unaudited)	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total	Total
Postage	\$ 175,000	\$ 164,687	\$ -	\$ -	\$ -	\$ 164,687	\$ 170,122
Head office - salaries	257,632	253,626	-	-	-	253,626	256,935
Printing and production	80,000	78,797	-	-	-	78,797	86,028
Regional correspondents	92,000	99,474	-	-	-	99,474	103,652
Head office - benefits	42,500	44,255	-	-	-	44,255	45,025
Advertising representative	21,750	17,894	-	-	-	17,894	17,188
Amortization	12,000	10,832	-	-	-	10,832	11,409
News service	9,000	5,737	-	-	-	5,737	8,989
Facility costs	12,500	12,378	-	-	-	12,378	12,048
Professional fees	11,000	12,206	-	-	-	12,206	10,869
Staff travel	6,000	3,042	-	-	-	3,042	7,200
Board travel and insurance	6,000	9,929	-	-	-	9,929	5,934
Fundraising	5,000	4,949	-	-	-	4,949	4,901
Office	6,000	5,753	-	-	-	5,753	6,198
Telephone	3,000	1,833	-	-	-	1,833	2,644
Insurance	2,000	1,819	-	-	-	1,819	1,847
Equipment maintenance	4,300	2,771	-	-	-	2,771	3,881
Special projects	-	5,150	-	-	-	5,150	18,583
Promotion	-	890	-	-	-	890	-
	<b>\$ 745,682</b>	<b>\$ 736,022</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 736,022</b>	<b>\$ 773,453</b>

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