

# CANADIAN MENNONITE

Executive Committee Meeting  
By WebEx  
Wednesday, July 15, 2015, 7:00 – 9:30 pm EST

## Agenda

1. Opening Reflection Henry Krause
2. Agenda Review and Approval Tobi Thiessen
3. Minutes of April, 2015 meetings - review Linda Matties
  - Exec Meeting, April 16
  - Full Board Meeting, April 17 & 18
  - Annual General Meeting, April 18
  - Full Board Meeting after AGM, April 18
4. Editor/Publisher's Report Dick Benner
  1. Editorial Content
  2. Reader Engagement
  3. Circulation
    - a. Print
    - b. Online
  4. Readership Survey
  5. Staff Changes
  6. Advertising
  7. Financial Report
    - a. Year-over-year comparison
    - b. Temporary cash shortfall in General Fund  
*Motion to approve a transfer of up to \$130,000 from the Stabilization Fund to the General Fund and to return the same amount to the Stabilization Fund from the General Fund after the Canada Periodical Fund grant is received. Transfers should be organized to reduce penalties that may be charged due to early withdrawal.*
5. Transition to Digital – continuing discussion Carl DeGurse

Establish some priorities to carry forward, as this may impact the job description of the next Editor/Publisher
6. Board vacancies – MC Sask, MC Canada Tobi Thiessen
7. Next meetings:
  - Fall executive meeting – October by Webex, finalize date
  - Annual full board meeting – March or April, 2016, Saskatchewan



**Canadian Mennonite Publishing Service  
Executive Meeting Minutes**

**Thursday, April 16, 2015**

Held at the home of Linda Matties (#44 – 32691 Garibaldi Drive, Abbotsford, BC)

**Present:** Dick Benner (staff), Carl DeGurse (vice chair), Les Klassen Hamm (treasurer), Linda Matties (secretary), Tim Reimer (at large), Tobi Thiessen (chair)

**Agenda:** accepted as circulated

**1. Review of Meeting Schedule**

Discussion re: anticipated low attendance at banquet

Switch from banquet at Langley Mennonite Church to a barbecue at Henry Krause's residence

A sign will be put on the church door to inform regarding venue change

Dick Benner reviewed receipts from previous banquet

**2. Review of Full Agenda for Friday and Saturday Meetings**

Possibility to change agenda as need arises

Anything not covered on Friday will be moved to Saturday

Timed items include an in camera meeting on Friday at 4:00 pm and the annual members' meeting at 4:00 pm on Saturday

**3. Faith and Life Committee Letter to CMPS board**

Tobi reviewed the lengthy process by which the letter came into being

It is a product of the Faith and Life Committee (FLC), not General Board

It is an attempt to get *Canadian Mennonite* to change its mission statement, having less content about news and "issues" and more about faith. FLC said in the letter that CM does a good job of its existing mission. The letter was sent to the board instead of Dick because it challenges the mission of the magazine.

**4. "Transition to Digital" document**

Les gave some background on the taskforce's work preparing this document for board.

There could be a worst case scenario, i.e. catastrophe that forces more change at a faster pace.

CMPS needs to think about at what pace do we want to change – rapid or gradual?

Do we manage the change in a way that that it pro-active and visionary?

**5. Budget and related issues**

Dick reported that as a cost cutting measure, the number of pages will be reduced

Payment policy for news services is changing as follows:

Organizations who submit articles for the "From our Leaders" section will no longer be paid

Feature writers will no longer be paid

Connection to news service cut

Limiting staff travel (Only a few to Mennonite World Conference)

Ross is eligible for a 3-month Professional Development leave.

**6. Nominations**

Lois Epp, who is from Calgary, Alberta, is the CMPS nominee replacing Roger Epp. Saskatchewan area conference will be asked to appoint someone to replace Marianne Harder who needs to step down from her term one year early. Marianne is still willing to work on hosting the Full Board Meetings in Saskatchewan in 2016.

Minutes recorded by Linda Matties

**Canadian Mennonite Publishing Service**  
**Full Board Meeting**  
**April 17 and 18, 2015**  
**Level Ground Mennonite Church, Abbotsford, BC**

**Present:** Doreen Martens, Les Klassen Hamm, Tobi Thiessen, Dick Benner (staff), Ken Reddig, Carl DeGurse, Marianne Harder, Kuen Yee, Tim Reimer, Henry Krause, Bryan Moyer Suderman, Linda Matties

**Regrets:** Roger Epp

- 1. Welcome.** Tobi Thiessen opened the meeting.
- 2. Opening Devotional and local welcome:** Two pastors from the host church, Karen Heidebrecht Thiessen and Keith St. Jean, led in an opening devotional.

Karen reviewed the history of the church. In 1936, West Abbotsford Mennonite Church was established and it grew to a peak of over 600 members in the 1950s. By 2000 it had declined so much that its existence was in question. Involvement with the Kinghaven addiction recovery center next door helped the church remember its missional calling. However, they lacked leadership and finances. In 2008 they began merger discussions with Wellspring, another small congregation that had been sharing a building with Clearbrook Mennonite Church. In 2009 the merger was completed with the formation of Level Ground Mennonite Church. Ephesians 3:5,6 are the key verses.

Keith St. Jean, pastor for recovery ministries for the church and for Lifebridge Ministries, talked about creating a safe place for healthy relationships and about educating the church about addictions. He showed a video that demonstrated how using a label maker is an incomplete way of knowing the identity of something. We need to look beyond the label to the real person to develop a real relationship.

Prayer followed the presentation.

- 3. Board introductions and check in.** Board members introduced one another and shared a bit about their lives.
- 4. Agenda review**  
*Moved by Linda Matties / Seconded by Bryan Moyer Suderman / Carried that the agenda be approved as circulated.*
- 5. Recap of actions from previous full board meetings**  
*Moved by Doreen Martens / Seconded by Tim Reimer / Carried that the minutes of the April 2014 full board meetings, and the executive meetings in July and September of 2014 be accepted as circulated.*
- 6. Recap of actions from previous executive meetings**  
*Moved by Carl DeGurse / Seconded by Les Klassen Hamm / Carried that the actions of the executive in 2014 be approved.*

**7. Report from the Chair**

The report is found on page 27 and 28 of the reading package.

Tobi Thiessen spoke about being involved in the grant application process in fall because Dick Benner was on his professional development leave. She finds phone calls or emails from readers interesting. This will likely be her last year as chair.

## **8. Editor/Publisher's report**

Report found on Pages 20 to 23.

**8.1 Sabbatical** involved developing a process for a leadership survey and thinking about how *Canadian Mennonite* could survive if funding changes occur. Details about two possible survey companies are presented in the report (Barefoot Creative and Jane Armstrong Research Associates).

### **8.2 Editorial Themes/Coverage**

Dick reviewed recent editorial themes and geographic coverage statistics.

Has the discussion about sexuality been balanced or is it tilted toward inclusion?

Is the tilting happening in the magazine or is it happening in the congregations?

Letters to the editor are still coming in well.

Pontius Puddle is no longer being produced.

Importance of editorial impact

Interaction and continuing the conversation has higher value than only stating one view.

Importance of giving voice to all

Change of plans not to include stories of congregational processes re: Being a Faithful Church

Reluctance of LGBTQ to tell their stories

New topics include education and mental health

Reader misconceptions

Whose voice does *Canadian Mennonite* represent?

How do we communicate to readers about what we do?

Exclusion of some voices is censorship

The desire to hear only the "official" voice

Societal arguments vs. biblical arguments

Being a Faithful Church process doesn't follow a "biblical" pattern

Enacting the mission statement

Is our role to tell church what it already believes or to lead it in new ways?

Stewardship of the conversation is important

Important to converse with people, rather than about them

The forum is in use

Education is the first word in mission statement so what do we educate about?

**8.3 Advertising** - Sales continue to increase with Mike Hostettler's efforts.

**8.4 Print Circulation** – continues a slow downward trend. Currently 12,600 subscribers, down 300 from last year. Cancellations (shown in the "Cancellation Reasons" report, p. 26) are usually due to death of church members, or that the person no longer attends. Some cancellations were due to dissatisfaction with magazine content.

**8.5 Online Readership** – 575 e-subscribers, up 230 from a year ago. Website visits are up as well. 51% of visits are generated by direct search. Ginny Hostettler posts stories or headlines through Facebook and Twitter as well, which also bring people to the website. The number of

Facebook likes and Twitter followers is growing. Ideas that the CM office have to further drive traffic to the website:

Churches could be asked to add links to CM on their websites

Build e-subscriber list by sending an e-subscription to church leaders

In 2015, planned reduction in the size of the print edition will mean that more content is on the website. The print version will give headlines and direct readers to the website.

### **Lunch at Common Place Café in the new MCC BC building with local pastors**

Friday afternoon

#### **8. Report from the Editor/Publisher cont'd**

##### **8.6 Church relations**

Good level of trust with Mennonite Church Canada leadership

Attendance at Area Conference meetings was handled primarily by correspondents or Mike Hostettler instead of Dick

##### **8.7 Staff**

Lisa Jacky requesting maternity leave

Josiah Neufeld is the new correspondent for Manitoba

Ross Muir is eligible for a 3-month Professional Development Leave

Barb Draper will add one day per week during Ross' PD Leave

*Moved by Doreen Martens / Seconded by Carl DeGurse / Carried  
that Ross Muir be granted the three-month Professional Development leave, contingent on the leave including a course that enhances his skills in a digital environment*

*Moved by Carl DeGurse / Seconded by Henry Krause / Carried  
That \$21,043 be transferred from the Professional Development Fund to the General Fund to cover the cost of Ross Muir's Professional Development Leave.*

Directors expressed appreciation for the circulation of staff meeting minutes.

##### **8.8 Readership Survey**

Quotes from two possible survey companies were presented in the reading package (Barefoot Creative and Jane Armstrong Research Associates).

Questions to be generated by CMPS and Mennonite Church Canada

Discussion over who will be surveyed (Readers only? Print readers only? Would digital subscribers easier to survey?)

Discussion over purpose of the survey:

Need to find out who reads it

What parts do they read

Implications for the future

One survey may not answer all questions

How specific can we be about what we need to know?

Focus and distillation so we learn what we need to know and so the survey is not too long

*More details are requested before the survey goes ahead, but Directors generally favor moving ahead with a survey.*

**8.9 Alternate Business Model.** As a blue-sky exercise, Dick distributed a spreadsheet that showed how CM might operate if there was no Every Home Plan or CPF grant. Individual subscriptions would have to be sold, perhaps at a higher price for the print magazine, and lower rate for e-subscriptions. More advertising revenue would be required, to offset the loss of the grant.

*Suggested that one survey question might be how much individuals would be willing to pay for a digital subscription.*

**8.10 Finances.** Dick Benner highlighted areas where there was a variance between budgeted and actual amounts in 2014.

There was a question about Michael Hostetler's pay. His weekly stipend (added in April 2014 on top of his commission) is now discontinued and he will now only receive a percentage of advertising revenue.

Budget reductions in 2015 will mean that less content is paid for. (News Service)

A deficit means that reserve funds are drawn down.

At this point, Dick Benner was excused from the meeting, and the board continued in camera.
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**Saturday, April 18, 2105**

## **9. Reports from Directors**

- 9.1 Carl DeGurse reported the results of a survey done with his journalism class at CMU. Report on pages 28 and 29.
- 9.2 Linda Matties, Kuen Yee and Tim Reimer tried to obtain information about readership from non-anglo congregations, using questions prepared by Tim. Linda Matties sent out the questionnaire twice and received no response.
- 9.3 Kuen Yee's survey received 20 responses. In general, there is little readership of CM, whether because of language, or disinterest in reading about social justice issues instead of personal faith stories. Written report is on pages 33-34. A supplementary page was handed out.
- 9.4 Marianne Harder highlighted the difficulty with same sex marriage that is driving a wedge between churches in this area conference. It made the process of obtaining nominees more difficult. Report on pages 34 and 35.
- 9.5 Ken Reddig reported that the economic difficulties regarding camping ministry dominated the concerns of the Manitoba conference. Report on page 36.
- 9.6 Tim Reimer tries to encourage the non-European congregations in the Toronto area to see CM as a resource, by showing them articles that he knows align with their theological convictions, or would be of interest to them.
- 9.7 Bryan Moyer Suderman talked about running on relational fumes. There is a need to meet, to talk and to read in order to learn each other's stories. We need to be stewards of the conversation. Report on pages 30-32.

## **10. Discussion items**

### **10.1 Directors of the Corporation**

Dick Benner reported that no individuals have applied to be members of the corporation for the purposes of attending the annual meeting.

*Moved by Les Klassen Hamm / Seconded by Carl DeGurse / Carried*



*That the directors of the corporation are as follows:*

<i>Mennonite Church Canada</i>	<i>Les Klassen Hamm</i>
<i>Mennonite Church Canada</i>	<i>Doreen Martens</i>
<i>Mennonite Church Canada</i>	<i>Henry Krause</i>
<i>Mennonite Church British Columbia</i>	<i>Linda Matties</i>
<i>Mennonite Church Alberta</i>	<i>Kuen Yee</i>
<i>Mennonite Church Saskatchewan</i>	<i>Marianne Harder</i>
<i>Mennonite Church Manitoba</i>	<i>Ken Reddig</i>
<i>Mennonite Church Eastern Canada</i>	<i>Tim Reimer</i>

**10.2 Transition to Digital** presented by Les Klassen Hamm, Doreen Martens, Roger Epp  
Report on Page 38-40

Feedback regarding the new website:

What kind of transition style do we want? Continuous loading or issue loading?

Pagination bounce around? Tablet orientation?

New website is responsive to tablet

For the future:

How do we RESTART or REBOOT understanding of *Canadian Mennonite* in our churches?

Simple and user friendly

What readers want

Every issue touches on many issues/subjects

The report focused on the tools that we could use, rather than content

The report focused not so much on better, but different ways of carrying out CM mission

**10.3 Board Skills Matrix** presented by Marianne Harder and Tobi Thiessen

See board skills matrix on pages 42 and 43. The chart shows a range of skills that are desirable for good balance on the CMPS board. For use by the Board Nominations sub-committee in recruiting new directors for the board, whether by recommending particular qualities to Publishing Partners for their nominations process, or for selecting CMPS-appointed directors.

*Moved by Bryan Moyer Suderman / Seconded by Carl DeGurse / Carried*

*That the board skills matrix be accepted as presented with the addition of cultural diversity as a category to consider*

**11. Opening Reflection.** Carl DeGurse read Philippians 4:2-9. These verses refer to Paul's way of resolving conflict. It was referred to the people on the scene. It begins with rejoicing. Gentleness is evidence as bigger than conflict. Avoid or overcome anxiety. Change one's thought focus towards peace. Just as Paul doesn't resolve the conflict for the Philippians, it is not the board's role to resolve conflict. Instead we provide a microphone for all to be heard. Everyone is on level ground.

**12. Financial Report**

**12.1 Audited financial statements for the 2014 fiscal year**

Les Klassen Hamm reported that the questions raised or suggestions made by auditors were minor in nature but included:

Reasons for raises should be noted if not part of regular policy

There should be documentation of the formula for advertising rates

Careful attention to cash flow drain

Reason for amortizing software was questioned  
Lisa Jacky's excellent work is noted

**12.2 Reporting on restricted fund balances** (pg 4 of the financial statements)

Les Klassen Hamm reported that at year end, the Stabilization Fund had a balance of \$187,803; The Professional Development Fund had a balance of \$52,991; and the Capital Fund had a balance of \$16,039. The Endowment Fund (page 11) had a balance of \$16,107.

**13. Proposed Budget for this year**

To reduce the operating deficit compared to 2014, Dick reported plans to reduce the number of pages printed, moving more content online. This reduces printing and production costs. News service payments, and staff travel will also be reduced.

There's an increase in extended health benefits costs due to carrier change, and a cost-of living adjustment of 2.1% for office staff.

*Moved by Carl DeGurse / Seconded by Ken Reddig / Carried  
That staff receive a Cost of Living Adjustment (COLA) of 2.1%.*

*Moved by Marianne Harder / Seconded by Doreen Martens / Carried  
That the CPF grant, if received, be distributed equally over 12 months.*

*Moved by Ken Reddig / Seconded by Doreen Martens / Carried  
That \$15,000 be allocated for the proposed subscriber survey. Mennonite Foundation and area churches are to be asked for contributions for this purpose. (eg. Go and Grow fund).*

Revenue expected is \$720,180  
Budget expenses are \$768,169  
Deficit is \$47,989

*Moved Carl DeGurse / Seconded by Tim Reimer / Carried  
That the budget be accepted as amended*

Regarding transfers to/from restricted funds, a draw will be made from the PD Fund to pay for Ross's PD leave. No transfer to the Stabilization Fund will be made. There is no request to draw funds from the Capital Fund this year.

*Moved Les Klassen Hamm / Seconded by Kuen Yee / Carried  
That \$21,043 be transferred from the Professional Development Fund to the General Fund and that due to the deficit, no funds be transferred to the Stabilization Fund or to the Capital Fund.*

**14. Nominating Committee Report, presented by Marianne Harder**

See chart on page 46  
Lois Epp, from Alberta, will be the nominee from CMPS

**15. Letter from the Mennonite Church Canada Faith and Life Committee**

*Tobi to respond to the Faith and Life Committee that the letter has been received and heard  
Creates and opportunity for conversation  
There is vigorous discussion and dialogue will continue  
The issue will be raised when renewing the Publishing Partner Covenant at the end of 2016*

Tobi declared the meeting adjourned.

## **Canadian Mennonite Publishing Service**

### **Annual Members Meeting**

**April 18, 2015 at 4:00 pm**

Level Ground Mennonite Church, Abbotsford, BC

31216 King Road, Abbotsford, BC V2T 6C2 Phone: (604) 854-8181

**Church Members:** all present.

Mennonite Church Canada:	Henry Krause Doreen Martens Bryan Moyer Suderman
Mennonite Church British Columbia:	Linda Matties
Mennonite Church Alberta:	Kuen Yee
Mennonite Church Saskatchewan:	Marianne Harder
Mennonite Church Manitoba:	Ken Reddig
Mennonite Church Eastern Canada:	Tim Reimer

**Individual Members:** none

#### **1. Receiving Reports**

*Moved by Ken Reddig / Seconded by Tim Reimer / Carried  
That the reports from the Editor/Publisher and directors be accepted as presented.*

#### **2. Receiving Financial Statements**

*Moved by Les Klassen Hamm / Seconded by Doreen Martens / Carried  
That the financial statements be accepted as presented.*

#### **3. Auditor appointment**

*Moved by Tim Reimer / Seconded by Marianne Harder / Carried  
That BDO be appointed as the auditors for CMPS*

Note: BDO is to be informed that we expressed concern about their lack of staff continuity in regards to working on the audit. A new staff member does not bring background information about CMPS to the table. This adds significantly to the amount of time it takes to complete the audit.

#### **4. Board of Directors appointments and elections**

*Moved by Marianne Harder / Seconded by Kuen Yee / Carried  
That Lois Epp be elected as a CMPS representative to the board.*

Mennonite Church Canada has a vacancy to replace outgoing MC Canada appointee Les Klassen Hamm. MC Saskatchewan has a vacancy to replace Marianne Harder, resigning her position one year early.

#### **5. Adjournment**

Minutes recorded by Linda Matties

## **Canadian Mennonite Publishing Service Full Board Meeting**

Following the CMPS Annual Meeting

Saturday, April 18, 2015 at 4:30 pm

Level Ground Mennonite Church, Abbotsford, BC

All Directors were present.

CMPS: Tobi Thiessen  
Carl DeGurse

Mennonite Church Canada: Henry Krause  
Doreen Martens  
Bryan Moyer Suderman

Mennonite Church British Columbia: Linda Matties

Mennonite Church Alberta: Kuen Yee

Mennonite Church Saskatchewan: Marianne Harder

Mennonite Church Manitoba: Ken Reddig

Mennonite Church Eastern Canada: Tim Reimer

### **1. Election of Executive Committee**

*The following executive appointments were made by board consensus:*

Chair: Tobi Thiessen  
Vice Chair: Henry Krause  
Secretary: Linda Matties  
Treasurer: Lois Epp is to be asked  
Member at Large: Carl DeGurse

### **2. Appointment of Nominations Committee**

Tim Reimer and Kuen Yee will be responsible for Board Nominations.

### **3. Appointment of other sub-committees for the coming year**

Hosting Committee: Marianne Harder, with the  
incoming MC Sask representative

Adhoc Committee to reviewing and revise Editor/Publisher job description:  
Doreen Martens  
Carl DeGurse  
Ken Reddig

MC Canada Church Engagement Council Bryan Moyer Suderman

Meeting adjourned by Tobi Thiessen.

Minutes recorded by Linda Matties

## **Editor/Publisher's Report**

to CM Executive Committee

### **Editorial Content**

In line with the Faith and Life Commission's critique earlier this year, we have attempted to carry more personal faith stories, which also seem to be getting more hits on our website and social media. Wanting to be more intentional about this, we are coming up with a logo that identifies these stories. We have not changed our content menu to carry less news and more "devotional" material, as F&L requested, because we think the news stories reflect in poignant and interesting ways, the life of the church at the local level. We have invested heavily in regional correspondents for this and are not about to change the publication's narrative. The main feature and opinion pieces provide the devotional/inspirational aspects. We carried a five-part series of main features leading up to Mennonite World Conference that dealt with various subtexts of the theme "Walking with God," the theme of the world gathering this month in Harrisburg, PA. With the July 6 issue, we started the first of a regular series called "A Moment from Yesterday," photos and captions provided by the Mennonite Archival Image Database and the text by Lauren Harder-Gissing of the Mennonite Archives of Ontario. This replaces the regular cartoon feature by the late Joel Kauffman. CM will be represented at Mennonite World Conference by Ginny and Michael Hostetler and Dave Rogalsky, our eastern Canada correspondent, all of whom will be reporting/videocasting the conference as part of the Meetinghouse reporting team. (Meetinghouse is a loosely organized group representing US/Canadian denominational publications). I will not be attending as editor/publisher.

### **Engagement**

Letters continue at a high volume, many on the sexuality debate. Sensing reader fatigue on this subject, I put in place a policy that we will only carry the essential paragraph of any letter on this subject and put the full text online for those who are interested. That policy will stay in effect until (and may sometime following) the 2016 Assembly when MC Canada will conclude the Being a Faithful Church discernment process and offer concluding statements. Readership online has increased exponentially since Ginny Hostetler, our web editor, has been posting web exclusives and other pieces on our website as well as on Facebook/Twitter. Her more detailed report follows.

### **Circulation (print and online)**

Our print circulation is holding steady at 12,429. But now, with our online readership increasing, we need to think not only print readership but also how much our online readership is increasing. On the "Cancellations" document, there is a higher number of those "objecting to or disagreeing with the content" due to some MC Canada churches leaving or planning to leave over the sexuality debate. We have had 72 cancellations in the first six months of this year. (see document). Here is what **Ginny Hostetler**, our web editor, is reporting regarding online readership: In March 2015 we launched the new website, which offers our readers improved design and navigation and liberal use of photos. We have not received many responses to the re-design, but people are accessing our online content in

increasing numbers. In the three months since then we've seen all-time highs in the number of sessions, users, and page views. Comparing the numbers in January-June 2014 and January-June 2015, we've seen an increase of 50 per cent in the number of sessions, 50 per cent increase in users and 23 per cent increase in page views. Our presence on Facebook and Twitter is growing at a steady pace, with our followers sharing our content in the social media world.

### **Readership (subscriber) Survey**

Gayle Goosen of Barefoot Creative has met twice with our staff in designing a survey that will give us a better grasp of both our print/online readership, demographic statistics and a sense of what readers respond to positively and negatively and what they might want to see that is not now a part of our content. It will also attempt to analyse our online/social media readership. The survey will be conducted in September with results available sometime in December. It will appear as a supplement in our own publication, but with responses going to Barefoot for analysis. Such an independent survey has not been done for CM since 2001.

### **Staff Changes**

With Lisa Jacky going on a year's maternity leave the end of July, we have hired a former administrative assistant, Natasha Krahn Chodos, of Waterloo, to fill that position for the upcoming year. She will spend time with Lisa to update her on our systems software and procedures since Natasha worked here in the early 2000s. Rachel Bergen, as Young Voices co-editor, is terminating her position in August, to go into a SALT program. Aaron Epp will function as editor for the remainder of the year, after which we will attempt to get an "eastern Canada" co-editor to work with him in the new year. Ross Muir remains on sabbatical until September with Barb Draper increasing her time as editorial assistant, to fill in as managing editor.

### **Advertising**

As compared to last year's ad income numbers, we are down thus far this year. Michael Hostetler's attempt to rally some of our partners to a build-up to MWC failed to materialize. He is working hard, in these summer months, to bring together sponsors of a sponsored-space spread on mental health as a ministry of our churches and denomination. His projections follow in a separate document. Here is **Michael's** report/projections:

The priority from a communications and marketing perspective for this year has been to strengthen our relationship with MC Canada and area churches. Earlier this year we as staff met with MCEC leadership to explore collaboration on the Anabaptist Mennonite Mosaic project. The goal is to establish 24 commitments to back page ads (\$1967) over the next year. MCEC is focusing on building Mennonite/Anabaptist identity and is taking an active role in making this project a reality. We've agreed to work together is setting up an advisory group for the project and to produce three more samples in addition to the one we already have in order to help potential participants understand how the vision might take shape. We are also exploring the idea of working with MCEC to set up a "scholarship" fund to help congregations in need of financial aid to help participate in the effort.

The second major effort is focusing on building a series of sponsored spreads (\$2,800 per spread) focusing on building a culture of mental wellness in MC Canada congregations. The goal is to attract four sponsorships, although the need and the topic is considerably greater than what we can cover in four spreads so the potential for sponsorship is greater than the four spreads we are projecting. Communitas (and MCC started organization that works with mental health, based in BC) which has expressed interest in the project.

A significant amount of time is currently being invested in laying the ground work for sponsored space in the months and years to come. We are running about \$17,600 behind where we were at last year in part because of a last minute reversal in commitments made for this year. I'm hoping to close the gap and exceed revenues generated last year by the end of this year.

### **Finances**

As indicated by a move to draw money from our Stabilization Fund to cover operating expenses until we receive our annual government grant from the Canada Periodical Fund (CPF) expected later this fall, our other income from our Publishing Partners and personal donations is insufficient to cover expenses during the summer and early fall. The savings to bring down the deficit of 2014 are in place (fewer printed pages in our biweekly editions, no payment to volunteer writers, limiting travel expenses and other constraints). We are attempting to be as lean as we can without lessening the quality of our publication—in print and online. See the Comparative P&L document.

*--Dick Benner, editor/publisher, July 8, 2015*

**Canadian Mennonite Publishing  
Service  
Financial Statements  
For the year ended December 31, 2014**

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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, 2014 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, surplus (deficit) 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, 2014 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 27, 2015

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

December 31	2014		2013		
	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total
<b>Assets</b>					
<b>Current</b>					
Cash (Note 2)	\$ 169,380	\$ 179,509	\$ 52,991	\$ 16,039	\$ 417,919
Short-term investments (Note 3)	-	8,294	-	-	8,294
Accounts receivable	7,513	-	-	-	7,513
Prepaid expenses	1,181	-	-	-	1,181
	<b>178,074</b>	<b>187,803</b>	<b>52,991</b>	<b>16,039</b>	<b>434,907</b>
<b>Property, plant and equipment (Note 4)</b>	<b>107,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,705</b>
	<b>\$ 285,779</b>	<b>\$ 187,803</b>	<b>\$ 52,991</b>	<b>\$ 16,039</b>	<b>\$ 542,612</b>
	<b>\$ 285,779</b>	<b>\$ 187,803</b>	<b>\$ 52,991</b>	<b>\$ 16,039</b>	<b>\$ 603,546</b>
<b>Liabilities and Fund Balances</b>					
<b>Current</b>					
Accounts payable and accrued liabilities (Note 5)	\$ 16,681	\$ -	\$ -	\$ -	\$ 16,681
Deferred contributions (Note 6)	50,317	-	-	-	50,317
Deferred revenue	30,595	-	-	-	30,595
Interfund payables (receivables) (Note 7)	(4,894)	3,928	752	214	-
	<b>92,699</b>	<b>3,928</b>	<b>752</b>	<b>214</b>	<b>97,593</b>
<b>Fund balances</b>					
Internally restricted	107,705	183,875	52,239	15,825	359,644
Unrestricted	85,375	-	-	-	85,375
	<b>193,080</b>	<b>183,875</b>	<b>52,239</b>	<b>15,825</b>	<b>445,019</b>
	<b>\$ 285,779</b>	<b>\$ 187,803</b>	<b>\$ 52,991</b>	<b>\$ 16,039</b>	<b>\$ 542,612</b>
	<b>\$ 285,779</b>	<b>\$ 187,803</b>	<b>\$ 52,991</b>	<b>\$ 16,039</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

2014      2013

	Budget (unaudited)				Total
	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	
<b>Revenue</b>					
Individual & group subscriptions	\$ 270,718	\$ 272,479	\$ -	\$ -	\$ 269,624
Advertising and supplements	150,000	145,192	-	-	113,508
Grants (Note 8)	203,160	203,636	-	-	203,160
Donations - Individual	80,000	81,017	-	-	76,413
Donations - Publishing partners	1,500	2,755	-	-	2,394
Interest	5,500	1,954	2,052	215	4,980
Unrealized gain on investments	-	-	649	-	925
Other	-	(10)	-	-	415
	<b>710,878</b>	<b>707,023</b>	<b>2,701</b>	<b>215</b>	<b>710,698</b>
<b>Expenses (Schedule 1)</b>					
	<b>727,837</b>	<b>767,278</b>	<b>-</b>	<b>-</b>	<b>704,230</b>
<b>Surplus (deficit) for the year</b>	<b>(16,959)</b>	<b>(60,255)</b>	<b>2,701</b>	<b>215</b>	<b>(56,580)</b>
Fund balances, beginning of year	193,165	240,495	178,625	18,806	534,267
Transfer (from) to Professional Development Fund (Note 9)	-	12,193	-	-	-
Transfer to (from) Stabilization Fund (Note 9)	-	(2,549)	2,549	-	-
Transfer (from) to Capital Fund (Note 9)	-	3,196	-	(3,196)	-
<b>Fund balances, end of year</b>	<b>\$ 176,206</b>	<b>\$ 193,080</b>	<b>\$ 183,875</b>	<b>\$ 15,825</b>	<b>\$ 501,599</b>

## Canadian Mennonite Publishing Service Statement of Cash Flows

For the year ended December 31	2014	2013
<b>Cash flows from operating activities</b>		
Deficit for the year	\$ (56,580)	\$ (32,668)
Items not involving cash		
Amortization of property, plant and equipment	11,155	10,457
Unrealized gain on short term investment	(649)	(925)
	<u>(46,074)</u>	<u>(23,136)</u>
 Changes in non-cash working capital balances		
Accounts receivable	10,936	(4,433)
Prepaid expenses	501	673
Accounts payable and accrued liabilities	(985)	1,692
Deferred contributions	(2,366)	7,574
Deferred revenue	(1,003)	4,880
	<u>(38,991)</u>	<u>(12,750)</u>
 <b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,646)	(3,435)
	<u>(43,637)</u>	<u>(16,185)</u>
 <b>Decrease in cash during the year</b>	<b>(43,637)</b>	<b>(16,185)</b>
 Cash, beginning of year	<u>461,556</u>	<u>477,741</u>
 Cash, end of year	<u>\$ 417,919</u>	<u>\$ 461,556</u>

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# Canadian Mennonite Publishing Service

## Notes to Financial Statements

December 31, 2014

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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

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, 2014**

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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 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.

**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.

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, 2014

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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.



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## Canadian Mennonite Publishing Service Notes to Financial Statements

**December 31, 2014**

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### 2. Cash

The organization's bank accounts are held at one credit union. The bank accounts earn 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

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 18,530	\$ -	\$ 18,530	\$ -
Building	166,771	87,835	166,771	81,164
Computer equipment	23,376	20,369	20,396	18,884
Computer software	5,489	3,538	4,519	2,884
Office equipment	22,684	17,403	21,987	15,057
	<b>\$ 236,850</b>	<b>\$ 129,145</b>	<b>\$ 232,203</b>	<b>\$ 117,989</b>
Net book value		<b>\$ 107,705</b>		<b>\$ 114,214</b>

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### 5. Accounts Payable and Accrued Liabilities

Government remittances payable at the year end totalled \$6,393 (2013 - \$5,122).

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## Canadian Mennonite Publishing Service Notes to Financial Statements

**December 31, 2014**

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**6. Deferred Contributions**

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 52,683	\$ 45,109
Contributions received	201,269	210,734
Amortized into revenue	<u>(203,635)</u>	<u>(203,160)</u>
Balance, end of year	<u>\$ 50,317</u>	<u>\$ 52,683</u>

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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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**8. Government Assistance and Economic Dependence**

The organization receives funding from government ministries. During the year, the organization received \$201,269 as a grant under the Canadian Periodical Fund. Of this amount, \$203,635 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**

During the year, the Board of Directors authorized transfers of \$4,600 from the General Fund to the Stabilization Fund, \$11,429 from the Professional Development Fund to the General Fund and \$2,981 from the Capital Fund to the General Fund.

Investment income earned in the Stabilization Fund of \$2,051, Professional Development Fund of \$764 and Capital Fund of \$215 were transferred to the General Fund.

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## Canadian Mennonite Publishing Service Notes to Financial Statements

December 31, 2014

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### 10. 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, 2014 was \$16,107 (2013 - \$15,957) and interest earned during the year amounted to \$403 (2013 - \$423).

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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 companies 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

2014

2013

	Budget (unaudited)	General			Professional		Total
		Fund	Stabilization Fund	Development Fund	Capital Fund	Total	
Postage	\$ 175,000	\$ 170,552	\$ -	\$ -	\$ -	\$ 170,552	\$ 168,336
Head office - salaries	241,340	240,968	-	-	-	240,968	203,849
Printing and production	99,000	97,626	-	-	-	97,626	98,034
Regional correspondents	94,497	107,660	-	-	-	107,660	97,482
Head office - benefits	26,000	34,342	-	-	-	34,342	24,941
Advertising representative	15,000	22,289	-	-	-	22,289	12,583
Amortization	13,500	11,155	-	-	-	11,155	10,457
News service	8,000	14,744	-	-	-	14,744	16,004
Facility costs	10,000	11,936	-	-	-	11,936	11,012
Professional fees	8,000	8,464	-	-	-	8,464	9,080
Staff travel	5,000	11,145	-	-	-	11,145	7,691
Board travel and insurance	10,000	10,060	-	-	-	10,060	9,397
Fundraising	5,000	5,287	-	-	-	5,287	4,933
Office	5,800	7,702	-	-	-	7,702	6,213
Telephone	1,800	1,889	-	-	-	1,889	1,708
Insurance	1,900	1,797	-	-	-	1,797	1,750
Equipment maintenance	4,000	5,389	-	-	-	5,389	8,179
Special projects	4,000	4,273	-	-	-	4,273	12,581
	\$ 727,837	\$ 767,278	\$ -	\$ -	\$ -	\$ 767,278	\$ 704,230

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

**CANADIAN MENNONITE**  
**Circulation Report July 1, 2015**

		BC	AB	SK	MB	ON	QC & East	Very North	US	Overseas	Totals	Previous Report Totals	Change Since 15-03-12
<b>Individual</b>	Individual	39	54	56	63	112	7	1	41	5	378	343	35
	Gift	11	8	6	8	15	2	1	1	2	54	54	0
<b>Group Plans</b>	Small Groups	0	23	0	5	0	0	0	0	1	29	30	-1
<b>Every Home Plans</b>	MC – BC	590	2	0	0	0	1	1	0	2	596	605	-9
	MC – AB	3	574	1	3	6	0	0	2	1	590	592	-2
	MC – SK	12	21	1224	24	9	2	0	7	4	1303	1348	-45
	MC- MB	17	17	4	3522	30	3	0	5	8	3606	3649	-43
	Mennonite Church of Eastern Canada	19	10	2	11	5338	84	2	23	20	5509	5565	-56
	Other	0	0	4	0	1	0	0	0	0	5	5	0
	Bulk (churches)	47	19	0	22	61	0	0	0	0	149	149	0
	Bulk (schools, etc.)	26	0	0	74	40	0	0	0	0	140	196	-56
	Complimentary	5	3	2	10	11	0	0	6	2	39	39	0
	Exchange	0	0	2	9	5	0	0	9	6	31	31	0
<b>Totals</b>		769	731	1301	3751	5628	99	5	94	51	12429	12606	-177