

# **Annual Report for the year 2022**

Canadian Mennonite Publishing Service 52nd Annual Meeting  
Saturday, May 13, 2023, 4:00 p.m. PDT by Zoom

1. Agenda for the 2023 Annual Meeting
2. Minutes of the 2022 Annual Meeting
3. Report from the Board Chair
4. Report from the Publisher
5. Board Member and Staff List
6. Auditor's Report
7. Audited Financial Statements

# **52nd Annual Meeting of CANADIAN MENNONITE PUBLISHING SERVICE**

Saturday, May 13, 2023, 4:00 p.m. PDT By Zoom

## Agenda

1. List of members of the corporation
2. Items requiring actions by CMPS members:
  - a) Approval of minutes from 2022 annual meeting
  - b) Acceptance of 2022 financial statements
  - c) Appointment of auditor for 2023
  - d) Elections of CMPS directors
3. Other business and discussion
4. Adjournment

The CMPS 2022 Annual Report contains board, editorial and circulation reports as well as audited financial statements for 2022.

**51st Annual Meeting**  
**CANADIAN MENNONITE PUBLISHING SERVICE**  
Saturday, May 7, 4:00 pm – 4:15 pm PDT by Zoom

1) List of members of the corporation

- The Directors representing the Publishing Partners are members of the corporation:
  - o Annika Krause, MC Canada
  - o Henry Krause, MC Canada
  - o Aaron Penner, MC Canada
  - o Eun Young Kwon, MCBC
  - o Art Koop, MCA
  - o Larry Epp, MCS
  - o Ken Reddig, MCM
  - o Karen Heese, MCEC
  
- General public: there were no members of the public that registered to be a member of the corporation in 2022.

2) Items requiring actions by CMPS members:

- a) Approval of minutes from 2021 annual meeting  
*Annika Krause moved to approve the minutes from 2021; Karen Heese seconded, approved unanimously*
  
- b) Acceptance of the 2021 financial statements  
*Aaron Penner moved to accept the 2021 financial statements; Art Koop seconded; Approved unanimously.*
  
- c) Appointment of auditor for 2022  
*Aaron Penner moved to appoint BDO as auditors for 2022 at a fee to be determined; Art Koop seconded; approved unanimously.*
  
- d) Election of CMPS directors  
*Art Koop moved to renew Kathryn Lymburner's term; Karen Heese seconded; unanimously approved.*

3) Other business and discussion.  
*None*

The meeting was adjourned at 4:15 p.m.

Minutes recorded by Annika Krause

## 2022 Chairperson's Report

As chair of the board of Canadian Mennonite Publishing Services it has been gratifying to be part of work of Canadian Mennonite (CM) and to support the work that is being done. As I reflect on the magazine over the last year, I want to affirm the Mission Statement that grounds this publication. The work is guided by these words: "To educate, inspire, inform, and foster dialogue on issues facing Mennonites in Canada as it shares the good news of Jesus Christ from an Anabaptist perspective. We do this through a print publication and through other media, working with our church partners."

This is what all the staff of CM have been involved in. And I want to affirm again the guiding values that motivate the work. The words from Hebrews 10:23-25 encourage us to "*... hold fast to the confession of our hope without wavering, for he who has promised is faithful. And let us consider how to provoke one another to love and good deeds...and encouraging one another...*" (Hebrews 10:23-25). These words help CM to value:

- Accuracy, fairness, balance
- Editorial freedom
- Seeking and speaking the truth in love
- Open hearts and minds in discerning God's will
- Covenantal relationships and mutual accountability

Thank you to Tobi Thiessen, publisher for guiding the work of CM in the work it is doing. I want to thank Ginny Hostetler for the good work she has done as executive editor. We have appreciated her dedication to the magazine and to the church as she has used her many gifts for CM. We wish her well in her retirement and the next challenges and opportunities that await her. As a result of her retirement, we say welcome and thank you to Will Braun for taking on the Editor position and for his vision for the magazine going forward. And finally, a big thank you for the good work of the writers, reporters and correspondents, of those who do the hands-on tasks of editing and putting the magazine together and to those who do the hard work of making sure that the ideas and stories and opinions that are part of the magazine are shared through various online platforms. In 2022, COVID continued to be a challenge in the life of those who work on the magazine although as the year progressed more opportunities opened up to go to a more 'normal' routine for CM.

CM continues in the work of producing quality content in the paper magazine, and online. It continues to do the work of reporting on the life and ministries of the Mennonite church across Canada from local congregations to the regional churches to the work that is done nationally and internationally. In this work CM has been trying to be more aware of racism and racial justice and continues to look for writers who can give a better representation of the diversity of our church across our country. I want to applaud the good work and writing that continues to come through the magazine.

One issue that all print publications, whether it be newspapers or magazines like CM are facing is navigating the changing landscape of online content. This continues to grow as more people

engage in the various online platforms such as Facebook, Instagram and Twitter as well as through the comment section of the CM website. CM continues to be committed to producing a paper magazine, publishing 22 print issues in 2022. CM still has a very strong base that appreciates having a physical magazine in their hands. In addition to the hard copies there were four digital-only issues published.

Financially the magazine came through 2022 well. Thank you to all the donors who gave to the work of CM, providing healthy financial support. Many regular donors as well as new ones helped make this year one that was financially positive. With much gratitude we offer thanks to all those who shared and continue to share in this ministry. And we also want to thank the Canadian Periodical Fund for their grant again this year. This has been an ongoing grant that is very much appreciated.

CM continues to have a good partnership relationship with Mennonite Church Canada through the five Regional Churches. This has resulted in good interaction with the regional and national communication directors and CM staff. The 'Every Home Plan' continues through a covenant between the various Churches and CM. It allows anyone who attends a Mennonite Church Canada congregation to subscribe to the magazine.

As we look back on last year and plan for the future, I continue to be optimistic that we can meet the challenges before us and find ways to continue to serve the church through the magazine and through the online platforms. We have excellent staff and a vision for strengthening and supporting the church in its various forms and ministries across the country and I look forward to what the future will bring.

—*Henry Krause*  
Langley, B.C.

## 2022 Publisher's Report

*Canadian Mennonite* tells the stories of our church family across the country. With 26 issues per year, our website and social media, *Canadian Mennonite* offers a place to talk about current faith issues. We are inspired by Paul's letter to the Hebrews, exhorting the church to spur one another on to love and good deeds. Sharing diverse perspectives in an atmosphere of respect helps us all grow as caring congregations and a nationwide community that makes a difference in the world.

The year 2022 was eventful. Early in the year, a shortage of paper affected printing companies across North America. *Canadian Mennonite* continued publishing every two weeks, but the cost of paper rose dramatically. To mitigate the cost increase, we downgraded to a lower quality newsprint.

In spring, we launched *CM Events*, an online forum for interactive and lively discussion on important issues. We held three such events in 2022 and plan to do more in 2023.

In October, we commemorated the 25<sup>th</sup> year of publishing under the title *Canadian Mennonite*. In November, we said farewell to retiring Executive Editor Virginia Hostetler and we welcomed new editor Will Braun to the same position.

### **Paid circulation and readership**

Paid circulation (the number of copies sold to readers) continued its downward trend in 2022. At year end, there were approximately 8,400 subscriptions in Canada, down from 8,700 at the end of 2021.

Through the Every Home Plan, people from Mennonite Church Canada congregations subscribe to the magazine at half the cost of a regular subscription. Fees are paid collectively through the church.

The bulk of subscribers continue to prefer reading their magazine by mail. We deliver 1557 copies by email, up from 1450 at the end of 2019.

Traffic on the CM website was steady at approximately 200,000 visitors in 2022, similar to the previous year.

### **Finances**

CM recorded a small deficit of \$1,115, based on revenue of \$766,759 against expenses of \$767,874.

### ***Canadian Mennonite* in 2022**

- **Three** *CM* events
- **Four** digital-only issues
- **22** print issues
- **967** articles about the church in Canada and beyond
- **5,500** followers on social media
- **8,500** subscribers
- **200,000** website visitors

Advertising revenue and revenue from the Canada Periodical Fund – Aid to Publishers grant were both down but donation revenue was very strong at year-end. We are tremendously grateful for the dedicated support of many CM readers.

Expenses came in as largely as expected, except for the higher printing costs described above.

### **Facilities and Equipment**

CMPS owns a 1551 square foot unit at 490 Dutton Drive. Annual condominium fees cover snow removal and exterior maintenance. CMPS is responsible for interior maintenance, including heating, cooling and plumbing. In 2022, CMPS replace a motor in the 20-year old furnace. It cost \$4400 but extends the life of the furnace by several years.

Most staff members work remotely from their homes across Canada. Part-time staff that live in the Waterloo area may work from home or at the office, at their convenience. During pandemic restrictions, the staff followed a rotation so that no more than two people would be in the office at one time.

—*Tobi Thiessen, Publisher*

## Canadian Mennonite Publishing Service Board of Directors as of Dec. 31, 2022

<b>Representing</b>	<b>Term</b>
<b>Canadian Mennonite Publishing Service</b>	
Lois Epp, Calgary, AB	2021 - 2024, third term
* Kathryn Lymburner, Stouffville, ON	2019 – 2022, first term
<b>Mennonite Church Canada</b>	
* Annika Krause, Montreal, QC	2021 - 2024, second term
* Henry Krause, Langley, BC	2020 - 2023, third term
* Aaron Penner, Winnipeg, MB	2019 - 2022, first term
<b>Mennonite Church British Columbia</b>	
Eun Young Kwan, Vancouver, BC	2021 - 2024, first term
<b>Mennonite Church Alberta</b>	
Art Koop, Edson, AB	2020 – 2023, second term
<b>Mennonite Church Saskatchewan</b>	
Alex Tiessen, Rosthern, SK	2019 - 2022, first term
<b>Mennonite Church Manitoba</b>	
Ken Reddig, Pinawa, MB	2020 - 2023, third term
<b>Mennonite Church Eastern Canada</b>	
Karen Heese, Stouffville, ON	2021 - 2022, first term
* indicates Executive Committee of the Board	

### Staff as of Dec. 31, 2022

<b>Head office</b>	<b>Started</b>	<b>FTE</b>
Graham Aberdein, Finance	2021	20%
Lorna Aberdein, Circulation/Donations/Office	2022	80%
Betty Avery, Graphic Designer	2017	60%
Will Braun, Editor	2022	100%
Barb Draper, Editorial Assistant	2001	40%
Aaron Epp, Online Media Manager	2019	100%
Ross W. Muir, Managing Editor	2005	60%
Ben Thiessen, Advertising Representative	2022	20%
Tobi Thiessen, Publisher	2017	60%
<b>Regional Correspondents</b>		
B.C. Amy Rinner Waddell, Abbotsford	2005	20%
Alberta: Jessica Evans	2022	20%
Saskatchewan: Emily Summach, Rosthern	2021	20%
Manitoba: Nicolien Klassen-Wiebe, Winnipeg	2016	20%
Eastern Canada: vacant		

**6.2FTE**



**Canadian Mennonite Publishing  
Service**  
**Financial Statements**  
For the year ended December 31, 2022

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Tel: 519-576-5220  
Fax: 519-576-5471  
Toll-free: 1-888-236-5482  
www.bdo.ca

BDO Canada LLP  
150 Caroline Street S Suite 201  
Waterloo ON N2L 0A5 Canada

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## Independent Auditor's Report

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**To the Members of  
Canadian Mennonite Publishing Service**

### **Opinion**

We have audited the financial statements of Canadian Mennonite Publishing Service (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statement's, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Ontario  
May 11, 2023

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

December 31					2022	2021
	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total	Total
<b>Assets</b>						
<b>Current</b>						
Cash (Note 2)	\$ 97,693	\$ 73,718	\$ 31,918	\$ 21,755	\$ 225,084	\$ 321,215
Short-term investments (Note 3)	80,000	131,762	-	-	211,762	112,739
Accounts receivable	33,277	-	-	-	33,277	30,416
Prepaid expenses	1,798	-	-	-	1,798	2,560
	<u>212,768</u>	<u>205,480</u>	<u>31,918</u>	<u>21,755</u>	<u>471,921</u>	<u>466,930</u>
Tangible capital assets (Note 4)	<u>52,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,740</u>	<u>54,504</u>
	<u>\$ 265,508</u>	<u>\$ 205,480</u>	<u>\$ 31,918</u>	<u>\$ 21,755</u>	<u>\$ 524,661</u>	<u>\$ 521,434</u>
<b>Liabilities and Fund Balances</b>						
<b>Current</b>						
Accounts payable and accrued liabilities (Note 5)	\$ 37,154	\$ -	\$ -	\$ -	\$ 37,154	\$ 23,202
Deferred grant revenue (Note 6)	54,502	-	-	-	54,502	62,352
Other deferred revenue	23,366	-	-	-	23,366	25,126
Interfund payables (receivables) (Note 7)	(12,134)	3,957	722	7,455	-	-
	<u>102,888</u>	<u>3,957</u>	<u>722</u>	<u>7,455</u>	<u>115,022</u>	<u>110,680</u>
<b>Fund balances</b>						
Internally restricted	-	201,523	31,196	14,300	247,019	250,148
Unrestricted	109,880	-	-	-	109,880	106,102
Restricted for tangible capital assets	52,740	-	-	-	52,740	54,504
	<u>162,620</u>	<u>201,523</u>	<u>31,196</u>	<u>14,300</u>	<u>356,899</u>	<u>410,754</u>
	<u>\$ 265,508</u>	<u>\$ 205,480</u>	<u>\$ 31,918</u>	<u>\$ 21,755</u>	<u>\$ 524,661</u>	<u>\$ 521,434</u>

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

2022

2021

	Budget (unaudited)	General Fund	Stabilization Fund	Professional Development Fund	Capital Fund	Total	Total
<b>Revenue</b>							
Individual and group subscriptions	\$ 253,900	\$ 252,853	\$ -	\$ -	\$ -	\$ 252,853	\$ 256,010
Advertising and supplements	115,000	108,011	-	-	-	108,011	113,689
Grants (Note 8)	250,000	230,060	-	-	-	230,060	258,815
Donations	150,000	173,015	-	-	-	173,015	150,359
Interest	3,000	2,628	644	311	213	3,796	1,578
Unrealized gain (loss) on investments	-	-	(976)	-	-	(976)	2,470
	<b>771,900</b>	<b>766,567</b>	<b>(332)</b>	<b>311</b>	<b>213</b>	<b>766,759</b>	<b>782,921</b>
<b>Expenses (Schedule 1)</b>	<b>770,800</b>	<b>767,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>767,874</b>	<b>743,578</b>
<b>Surplus (deficit) for the year</b>	<b>1,100</b>	<b>(1,307)</b>	<b>(332)</b>	<b>311</b>	<b>213</b>	<b>(1,115)</b>	<b>39,343</b>
Fund balances, beginning of year	-	160,606	202,500	31,197	16,451	410,754	371,411
Transfer (from) to Professional Development Fund (Note 9)	-	312	-	(312)	-	-	-
Transfer (from) to Stabilization Fund (Note 9)	-	645	(645)	-	-	-	-
Transfer (from) to Capital Fund (Note 9)	-	2,364	-	-	(2,364)	-	-
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 162,620</b>	<b>\$ 201,523</b>	<b>\$ 31,196</b>	<b>\$ 14,300</b>	<b>\$ 409,639</b>	<b>\$ 410,754</b>

## Canadian Mennonite Publishing Service Statement of Cash Flows

For the year ended December 31	2022	2021
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	\$ (1,115)	\$ 39,343
Items not involving cash		
Amortization of tangible capital assets	8,875	8,394
Unrealized gain on short term investment	976	(2,470)
	<u>8,736</u>	<u>45,267</u>
Changes in non-cash working capital balances		
Accounts receivable	(2,861)	(12,539)
Prepaid expenses	762	(1,032)
Accounts payable and accrued liabilities	13,952	910
Deferred grant revenue	(7,850)	(7,029)
Other deferred revenue	(1,760)	(656)
	<u>10,979</u>	<u>24,921</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible capital assets	(7,110)	(1,975)
Purchase of short term investments	(100,000)	-
	<u>(107,110)</u>	<u>(1,975)</u>
<b>Increase (decrease) in cash during the year</b>	<b>(96,131)</b>	<b>22,946</b>
<b>Cash, beginning of year</b>	<b>321,215</b>	<b>298,269</b>
<b>Cash, end of year</b>	<b>\$ 225,084</b>	<b>\$ 321,215</b>

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# Canadian Mennonite Publishing Service

## Notes to the Financial Statements

December 31, 2022

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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 not-for-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 approximately 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. Transfers to the fund are made as required and are approved by the Board. Revenue earned by the assets of this fund are to be transferred to the General Fund.

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# Canadian Mennonite Publishing Service

## Notes to the Financial Statements

December 31, 2022

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

**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.

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

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

**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.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.



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# Canadian Mennonite Publishing Service

## Notes to the Financial Statements

December 31, 2022

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

#### Revenue Recognition

Subscription revenue is recognized on a straight-line basis over the term of the subscription. Deferred subscription revenue results from advance payments for subscriptions received from subscribers.

Advertising revenue is recorded upon release of the periodical to subscribers. 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.

Other grant revenue received during the year for current expenses is included in the determination of net income for the year. When grant revenue is received which relates to expenses of future periods, the amount is deferred and amortized to income as 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 the Financial Statements

December 31, 2022

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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

	<u>2022</u>	<u>2021</u>
Short-term investments	\$ 11,762	\$ 12,739
GIC Investments	<u>200,000</u>	<u>100,000</u>
Balance, end of year	<u>\$ 211,762</u>	<u>\$ 112,739</u>

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

A guaranteed investment of \$100,000 earns interest at 2.150% per annum, maturing on January 24, 2023. A guaranteed investment of \$50,000 earns interest at 2.850% per annum, maturing on March 22, 2023. A guaranteed investment of \$50,000 earns interest at 3.784% per annum, maturing on September 23, 2023.

The guaranteed investment of \$100,000 is renewed every 30 days earning interest between 2.150% - 2.450%.

Subsequent to year-end, the following guaranteed investment certificates were renewed:

- \$100,000 bearing interest at 2.450%, due May 24, 2023
  - \$50,000 bearing interest at 3.300%, due September 18, 2023
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## Canadian Mennonite Publishing Service Notes to the Financial Statements

December 31, 2022

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#### 4. Tangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 18,530	\$ -	\$ 18,530	\$ -
Building	171,092	141,844	166,771	135,086
Computer equipment	32,623	28,744	29,833	27,622
Computer software	5,489	5,488	5,489	5,488
Office equipment	27,255	26,173	27,255	25,178
	<b>\$ 254,989</b>	<b>\$ 202,249</b>	<b>\$ 247,878</b>	<b>\$ 193,374</b>
Net book value		<b>\$ 52,740</b>		<b>\$ 54,504</b>

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#### 5. Accounts Payable and Accrued Liabilities

Government remittances payable at the year end totalled \$6,039 (2021 -\$4,960).

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#### 6. Deferred Grant Revenue

	2022	2021
Balance, beginning of year	\$ 62,352	\$ 69,381
Grants received (Note 8)	218,010	247,796
Amortized into revenue (Note 8)	(225,860)	(254,825)
Balance, end of year	<b>\$ 54,502</b>	<b>\$ 62,352</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 the Financial Statements

December 31, 2022

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### 8. Government Assistance and Economic Dependence

The organization receives funding from the Federal government. During the year, the organization received \$218,010 (2021 - \$247,796) as a grant under the Canada Periodical Fund. Of this amount, \$225,860 was recognized as revenue in the year. The organization is economically dependent on this funding to continue its operations. The organization also received \$4,200 from the federal government relating to the Summer Job Grant in 2022.

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### 9. Interfund Transfers

Investment income earned in the Stabilization Fund of \$645, Professional Development Fund of \$312 and Capital Fund of \$213 were transferred to the General Fund. During the year, the Board of Directors authorized the transfer of funds in the amount of \$2,151 from the Capital Fund to the General Fund.

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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, 2022 was \$21,876 (2021 - \$21,876) and interest earned during the year amounted to \$202 (2021 - \$195).

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# Canadian Mennonite Publishing Service

## Notes to the Financial Statements

December 31, 2022

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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 and accrued liabilities.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

#### Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to this risk through its short-term investments.

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## Canadian Mennonite Publishing Service Notes to the Financial Statements

December 31, 2022

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### 11. Financial Instrument Risks (continued)

#### 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. Financial instruments which potentially subject the organization to concentrations of credit risk consist of cash, accounts receivable and short term investments. The short and long term investments are described in Note 3. The organization has deposited the cash and investments with a reputable financial institution, from which management believes the risk of loss to be remote. The credit risk on accounts receivable arises from credit provided to customers in the normal course of operations.

There have not been any changes in the risks from the prior year.

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## Canadian Mennonite Publishing Service Schedule 1 - Expenses

For the year ended December 31	Budget	2022	2021
	(unaudited)		
Head office - salaries	\$ 330,000	\$ 320,746	\$ 313,856
Postage	122,400	123,550	122,497
Printing and production	65,400	73,513	65,591
Regional correspondents	81,000	71,708	76,224
Head office - benefits	56,000	56,758	55,399
Fundraising	26,500	28,708	23,367
Professional fees	16,500	19,251	18,090
Facility costs	14,900	15,627	14,490
News service	11,000	13,425	9,748
Staff travel	9,000	9,609	2,078
Office	11,500	9,017	8,098
Amortization	7,800	8,875	8,394
Equipment maintenance	5,000	6,999	7,309
Other	3,500	2,426	2,422
Insurance	2,300	2,364	2,218
Telephone	-	2,359	2,036
Promotion	2,000	1,740	601
Board travel and insurance	6,000	1,199	1,160
Special projects	-	-	10,000
	<b>\$ 770,800</b>	<b>\$ 767,874</b>	<b>\$ 743,578</b>