

2019
**Annual
Report**



The Meeting House

The Meeting House

Our Vision

To introduce spiritually curious people to the Jesus-centred life, through a movement of Jesus-centred churches.

Our Values

Community

We believe that God created us for relationship with him and with each other.

Mission

We move beyond our spaces to share the Gospel with people and care for them.

Peace

Peace

We are committed to non-violence, peacemaking, and being agents of reconciliation.

Community

Simplicity

Simplicity

We challenge ourselves to live simply so that we can give generously.

Mission

We exist to grow loving communities of Jesus-followers who live and share his irreligious message.



What a privilege to be part of this extended church family! Thank you for everything you've invested in this community we call The Meeting House. Over the past year, we've experienced so much encouragement and transformation within and through our church. As you'll see in this report, there's a lot to celebrate!

Now looking ahead, we want to build on where we've been and who we are, so we're thrilled to be moving into an extended season of **Go**. We believe we become the best version of ourselves when we reach beyond ourselves to engage people who have never meaningfully encountered the good news of Jesus. This renewed commitment to evangelism and discipleship is a key moment in our history, and we can't wait to continue growing, serving, and loving well together!

Faith, Hope, and Love,

Darrell, Bruxy, Rod, and Maggie
Senior Pastors and Overseers Chair

Your generosity makes ministry happen.

Thank you for being part of the 3,500+ people who gave offerings this past year to support our vision. **Together, this looks like:**

Compassion & Agency Support

Supporting people in our own communities and around the world through local initiatives and our partnerships with World Vision, MCC, and BIC Canada Global

Kids & Youth

Discipling our kids and youth through curriculum production, programming, staffing, classroom supplies, and subsidies for our youth retreats



Adult Ministries

Funding Home Church, local events, volunteer training and appreciation, plus resourcing and salaries for our site pastors

Shared Ministry Expenses

Resourcing and training for our staff team and covering administrative costs and salaries for our senior pastors, IT, accounting, and HR staff

Facilities & Rent

Renting spaces for Sunday mornings, meetings, and rehearsals and funding storage facilities, utilities, and maintenance at the Oakville site

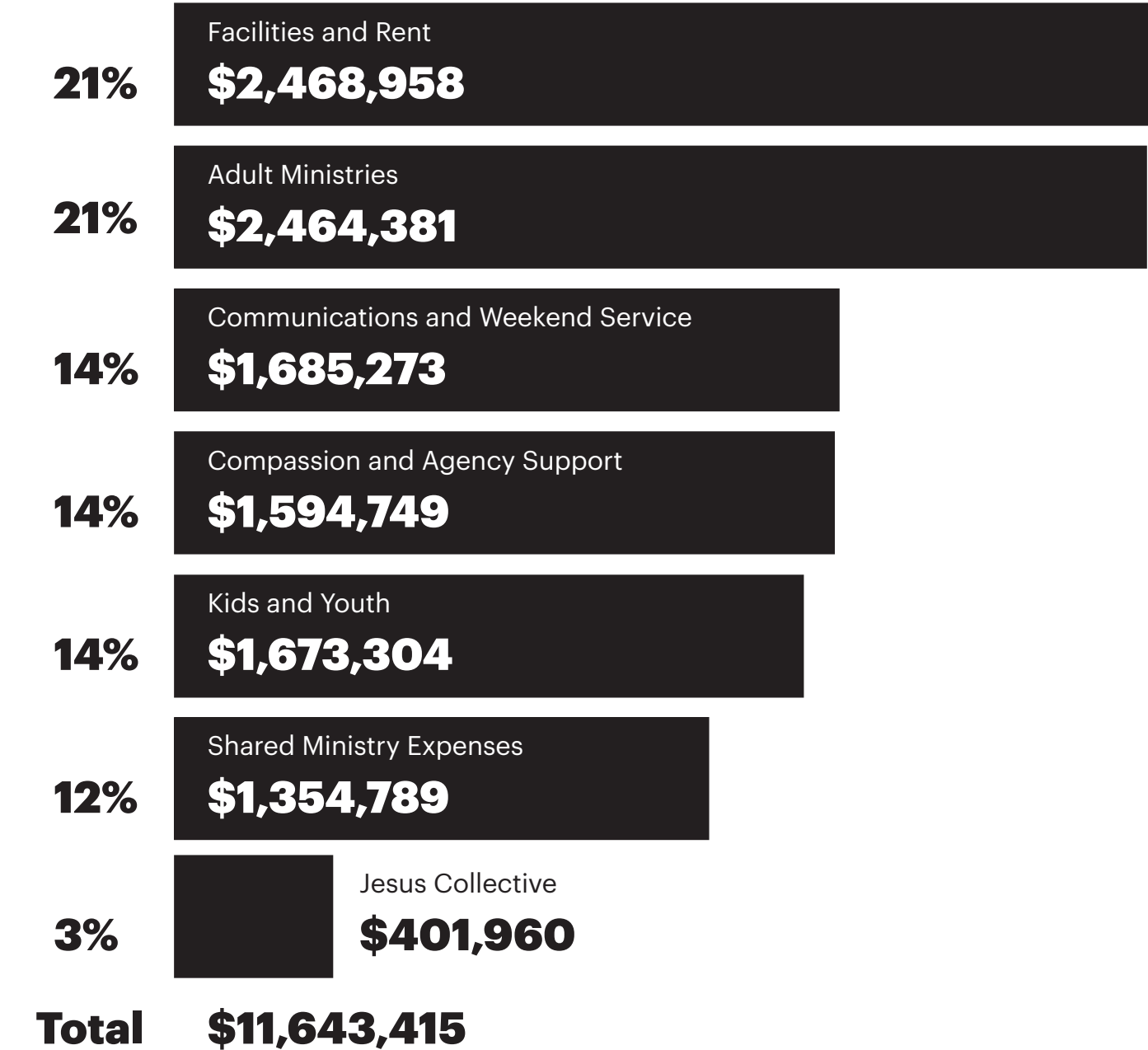


Communications & Weekend Service

Producing and distributing Sunday teaching to our sites and online community and funding tech, site support, and communications staff

Jesus Collective

Planning, promoting, and organizing the framework for Jesus Collective’s pilot phase and inviting others to join



Our impact is measured by His hands and feet.

We have so much to be thankful for during our last fiscal year. Here are some of the **things we're celebrating**:

8 First Nation communities in Northern Ontario increased seasonal food production by planting 30 gardens with the kits donated through our support of MCC's Indigenous Program

27 people with a history of sexual offence were supported through Circles of Support and Accountability, protecting communities and offenders during reintegration

30 Nigerian youth who were engaged in violence joined an intensive mentorship program where they learned vocational skills and peacebuilding advocacy

75 Baptisms

319

Home Church elders received training since August 2019 as part of our unified Home Church development

750

students participated in Peace Clubs in Zambia, learning how to be peacemakers in their neighbourhoods and transforming the culture of the cities they live in



2,500

Volunteers

3,912

people benefited from the 978 Relief Kits we sent to Jordan



Attendance

2,065

Home Church total

4,075

Kids & Youth total

5,759

Highest Sunday service

6,606

Christmas Eve service

7,444

Easter service

\$250,000

of our **Local Compassion Fund** was distributed to 23 partner organizations across our sites

\$350,000

has been given to **World Vision's Raw Hope** program to-date, providing basic needs and space for children and families to heal

Online & Media Engagement (this fiscal year)

734,148

Podcast downloads

4.9 Mil.

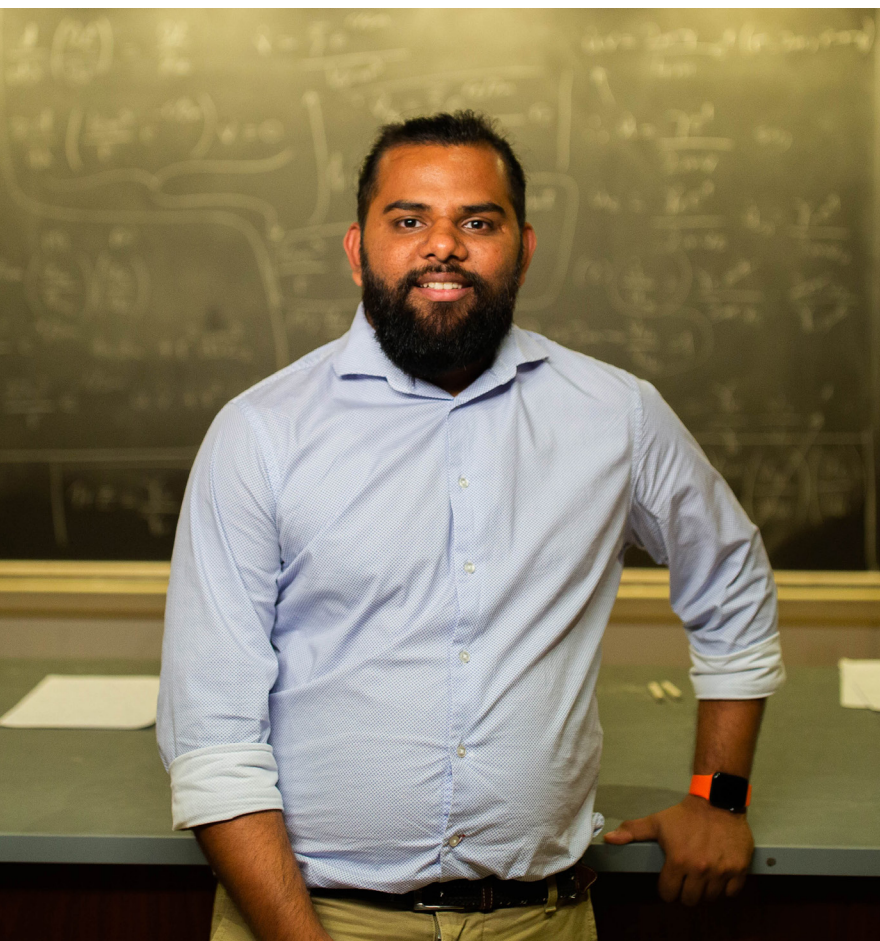
Minutes watched on YouTube

70%

of visitors to our website were **new**

We choose to be intentional in our areas of focus.

Everything we do as a church is in pursuit of our vision: to introduce spiritually curious people to the Jesus-centred life, through a movement of Jesus-centred churches. Across all our sites and beyond, people are living this out, and we want to share their stories.



Asking Questions

Nik is currently pursuing a PhD in Astrophysics at Queen's University. Growing up in India, he had always been interested in science and learning about the universe, but he found that his Hindu faith often conflicted with his curiosity. "Asking more and more questions and not getting any answers to those questions sort of made me move away from any sort of spiritual connection," he explains. Later, as a young adult studying physics, Nik began to identify as an atheist: "It looked simpler to me to be able to not believe anything and just go forward with science. . . . But those questions never really went away."

After moving to Canada, Nik met Christine, who started having conversations with him about spirituality and invited him to The Meeting House in Kingston. "Right out of the bat, the people at my church were just so welcoming," Nik says. "It took a while for me to get convinced, but I got answers. . . . The more I sat through Sunday services and the more I spent time with them, I realized it's about this dude Jesus." Over time, Nik began to realize that his faith didn't have to conflict with his studies: "I don't think believing in the presence of God really prevents me from doing science at all. . . . [Creation] is far more complex, and I think science tells us that."

Having a small, intimate community was key for Nik in creating a space to learn, explore, and grow in faith. "Coming to Canada and being a part of The Meeting House and my Home Church, I think I felt safe enough to be able to ask questions, understand Jesus more, understand how to live a loving and a serving life more." Today, he still has questions, but he no longer sees them as obstacles to avoid or overcome — instead, they are an integral part of his faith journey. "The more I investigate questions, the more I understand Jesus and the more I understand how much I have to go to even come closer to be like Jesus. So those questions are not discouraging. They're more encouraging than anything, and for me, I look at them as learning opportunities."



Journeying Together

Christine came to The Meeting House for the first time during her undergrad at Queen's University. "I just remember being so drawn to it because it's a very small group in Kingston. It was so intimate, and just as soon as you went you felt welcome," she says. "It was just nice to have a safe space to talk and ask questions and explore different ideas."

A few years later, Christine met Nik through their Master's program. "Throughout that year we got to know each other really well and talked about all sorts of things that we cared about and really started to develop a deep friendship." During their discussions, Nik began opening up about his own faith background and the questions he had. Then one Sunday, he decided to join Christine at The Meeting House and continued to come throughout the fall and winter. "I could see how there was so much unknown for him, but he still could take away so

much encouragement," Christine says. "It was cool to see God just totally meet Nik where he was at."

Journeying through faith together certainly strengthened their friendship, but it also required learning and growth on both sides. "I think a lot of it for me was trying to let go of the need to have the right answers," Christine says. "The role for me was just to be there for him and just to be a good friend." For Nik, it meant redefining his ideas of being in relationship and receiving love. "I think what was so overwhelming for him was that he never knew love this unconditional. . . . It just took a long time for him to hear you don't have to do anything — that Jesus just loves you and just wants a relationship with you."

"I think it was just really humbling to know that God would partner with me," Christine says on helping Nik come to faith. "To see somebody else experience it for the first time, it really brought me back in a lot of ways to when I first came to know Christ." The key for her was establishing that friendship and trust from the beginning and allowing God to do the rest. As an encouragement to those trying to reach the spiritually curious, she says, "Just be a good friend, be open and question together. . . . But then also I'd probably say to somebody that God is so in control, that Jesus is good news and encounters people personally, so he knows however your friend needs to experience him."

Rediscovering God

Kanwar grew up as a Sikh in India. He recalls going to the temple for celebrations and witnessing his mother's prayers as a child, but he never felt like it connected with his own faith journey. "I didn't find any inspiration, I would say, outside of my home environment. . . . But growing up I never lost touch with God. There was never a point where I stopped believing in God, so I think that's something that I've always acknowledged."



After moving to Toronto with his family and completing an undergrad in Computer Science, Kanwar became more and more distant from any kind of faith, but then his girlfriend invited him to The Meeting House. “I was intrigued because I’d never had that exposure,” he says, “but also the fact that I think to some extent there was something in me that wanted to see an example of it.” The two of them went to the Uptown Toronto site one Sunday morning, and Kanwar was surprised by the diversity and warmth of the people there. “I saw a lot of different kinds of people — different types, different age groups. . . . It was really welcoming, the whole environment, and I think that really made a difference.”

Although Kanwar began to resonate with the accessibility and openness of the teaching, he still struggled to find his place within this new faith. “It definitely happened over a period of time, because in the beginning I had all these questions,” he remarks. At one point, he attended a Punjabi church and spoke with the pastor there about religion, identity, and transitioning from Sikhism. “[The pastor] said that whatever questions he had from the Sikh scripture that he didn’t have the answers to, he found the answers in the Bible . . . It was very simple. In a sense it was like a closure to the question I had in my head for a long time.”

Kanwar is currently pursuing a degree in teacher’s college, and his passion for teaching and connecting with others now inspires him to share his faith. “What makes it easier for me to believe is the hope that I can . . . share the story with someone else who comes from a different background, comes from a different upbringing,” he says. “That’s really something that I think motivates me.” He still considers himself on a journey, but he’s excited to be part of a space where he can continue to ask questions and connect. “[Coming to The Meeting House] gave me a lot of clarity, it gave me a lot of meaning, and it helped me understand and relate to God to a degree that I think was missing, even though I always believed in God. . . . Grace and love can really change lives — it’s not just inspiring, but it’s life-changing.”



Becoming Known

Sonia was raised in the Catholic church, but her view of God was never a relational one. “As I was growing up, I always saw God . . . as a very angry God, and a vengeful God, and a God who was disappointed in me,” she says. “My whole life I thought I had to be perfect to be seen and to be heard.” Talking about faith with family and friends at that time felt foreign and uncomfortable — it was easier not to think about it, and so Sonia eventually stopped going to church.

Then as a young adult, she began to question her identity and beliefs. “I reached a point in my life where I needed to start making my own decisions and deciding what I believed in,” Sonia says. “Inside I still felt something, but I just didn’t know what it was.” Moving to Hamilton felt like a fresh start, and as she began to explore her faith again, she found The Meeting House online and went the next Sunday. “It was a huge shock to the system for me, but in a good way,” she recalls. “I was already finding things I could apply to daily life. . . . It kept me wanting to go.”

A few weeks later, Sonia heard about Home Church. She was curious about the relational and practical focus of it and decided to try the one hosted by Jimmy, the Lead Pastor. “Within five minutes, it felt like I’d known these people my whole life, like we just clicked,” she recalls. “It wasn’t at all what I expected.” For Sonia, Home Church became a way to connect with people and do life together, to grow, learn, and dialogue alongside them. “They’re people that I may have not known for a long time, but I feel like I’ve known them longer than friends I’ve had for 25 years in my life because of just how deep these connections go.”

Later that year, Sonia began to think about baptism. “It was something I wanted to do, but again those feelings of not being good enough kept surfacing.” After months of prayer and support, she came to realize that baptism isn’t something you earn — “it comes down to wanting to live a life with Christ and wanting to journey with people through that.” The turning point for her was three words: God is love. “It’s really that simple, and

it's something I needed to hear my whole life, and I never heard it until then. . . . I realized that's the God I need to see, and that's the God that's always been there."

Sonia was baptized in June 2017, and she now leads a Home Church at the Downtown Hamilton site. As an elder, she has the opportunity to welcome and help people who are spiritually curious. "That's what I want to be in our community, that's what I want to do in someone's spiritual journey. I just want to be there, I want to journey with people."

Beginning a Movement

Angela is a pastor from northern California. She first began working at her parents' church plant after finishing Bible college, and the community she encountered there renewed her sense of mission and purpose. "I just fell in love with what I had always dreamed I could do with my faith," she says. "I knew what God had to offer [my community], and I knew it was the church's job to show them that."

In more recent years, just as her own church has been undergoing a kind of rebirth, Angela came to hear about Jesus Collective. Right away, she resonated with the values, mission, and focus: "These people are talking about the questions that I've been asking now for 20 years . . . I just couldn't wait to get to be part of the conversation." For her, the network presents a potential space to connect with other like-minded leaders as well as affirmation in her own questions and ideas. "It feels like God is already doing something through Jesus Collective whether I'm part of it or not, but I really want to be part of a movement. I really want to be part of this thing and be shaped by it and then shape the community."



Rick is a pastor at Port City Community Church in North Carolina. "We're a big church in a small community of people who don't necessarily know Jesus," he says. "It's a real mix of people that are there that we're trying to reach and trying to encourage in their walk with Christ." A few years ago, Rick felt a call from the Holy Spirit to simplify his faith and re-focus on Jesus. He began to discover more and more people with the same conviction, and then he heard about Jesus Collective when Bruxy came to speak at his church.

"I think the relational aspect of this, kind of learning what other people are seeing and exploring the kingdom together, is probably



the thing that excites me the most." For Rick, Jesus Collective presents a much-needed opportunity to expand perspectives and learn from fellow Jesus-followers. As a pastor with a passion for discipleship, his hope is to see different people coming together in a posture of humility and openness. "One of the most important things about our discipleship is who we surround ourselves with," he remarks. "Being able to collect all these people together in a network and talk with them and share with them in a relational way is a way for me to grow in my own discipleship. . . . As I grow and as we grow, that has huge influence on the churches that we lead."

Learn more about the movement at jesuscollective.com

The Meeting House

"...God's household, which is the church of the living God, the pillar and foundation of the truth."

(1 Timothy 3:15)

To view our complete 2019 Annual Report, Financial Audit, and Proxy Ballot, go to
themeetinghouse.com/annualreport



The Meeting House

Annual General Meeting November 9, 2019

Supporting Documentation Contents

2019 Annual General Meeting Agenda	Page 2
AGM Minutes – November 10, 2018	Page 3
Nominating Committee Report	Page 4
Statement of Financial Position as of June 30, 2019	Page 5
General Fund	Page 6/7
Compassion Fund	Page 8
Growth Fund	Page 9
Restricted Funds and Designated Giving Policy	Page 10
Proxy Ballot	Page 11
2018-2019 Audited Financial Statements	Page 12-30



AGENDA

- 1. Welcome**
 - a. Overseers Chair
 - b. BIC Canada Greetings

Maggie John
Charlie Mashinter
- 2. Land Acknowledgement**

Matt Thompson
- 3. Overseers Introductions**

Maggie John
- 4. Senior Pastor's Address**

Bruxy Cavey
- 5. Nominating Committee Report**
 - a. Motion: Election of Overseers

Mario Ferlanti
- 6. Presentation of 2019-2020 Budget and Year-to-Date**

Rod Tombs
- 7. Treasurer's Report**

Yohan Mahimwala/Rod Tombs

 - a. 2018-2019 Audited Financial Statements
 - b. Motion: Approval of Audited Financial Statements for Fiscal Year Ended June 30, 2019
 - c. Motion: Approval of Appointment of 2019-2020 Auditors
- 8. Closing Prayer and Dismissal**

Maggie John

Annual General Meeting Minutes November 10, 2018

1. **Musical Worship**
2. **Welcome and Prayer – David Lees (Overseer Chair) and Doug Sider (BIC Executive Director)**
3. **Land Acknowledgement – Matt Thompson**
4. **Overseers Introductions – David Lees**
 - Cody Buchenauer, Mario Ferlanti, David Ho, Maggie John, Vince John, Mathew Moore, Carole Ann Stephen, Nathan Piche
5. **Senior Pastor's Address – Bruxy Cavey**
 - Annual Communication Cycle – AGM, State of the Union, HC tours, Town Halls
 - Anabaptist distinctives
 - Ears to Hear
 - Vision: Opportunity in increasingly secular context
 - Re-branding
 - Network
6. **Approval of Nov 11, 2017 AGM minutes**
 - Motion: Moved – Mark Hamilton. Second: Daniel Crack. Carried.
7. **Nominating Committee Report – Mario Ferlanti**
 - Election of Yohan Mahimwala, Bruce Miller, and Angela Rose to their first 3-year term as Overseers, and Mario Ferlanti and Vincent John to their second 3-year term as Overseers.
 - Motion: Moved – Russ Skinner. Second - Matt Kerr. Carried.
8. **Presentation of 2018-2019 Budget and Year-to-Date – Rod Tombs**
 - General Fund trends
 - Special Gifts and December Giving
9. **Treasurer's Report - Mathew Moore/Rod Tombs**
 - 2017-2018 Audited Financial Statements
 - Motion: Approval of Audited Financial Statements for Fiscal Year Ending June 30, 2018
 - Moved – Mark Hamilton. Second – Russ Skinner. Carried.
 - Motion: Appointment of Grant Thornton Chartered Accountants as 2018-2019 Auditors
 - Moved - Maggie McKay. Second – Fiona Miles. Carried.
10. **Questions**
 - Network – how do we give to this?
11. **Closing Prayer and Dismissal - Bruxy Cavey**



NOMINATING COMMITTEE REPORT

Members at this year's Annual General Meeting will be presented with one returning Overseer for election to serve for a second three-year term.

The Board has elected to defer the process of seeking new Overseers for election in this term as the current complement of Overseers is adequate at this time. The nominating process will reinitiate in 2020 and will culminate with the election of several new Overseers at the 2020 AGM.

We are very excited to recommend the following Overseer, who is deeply committed to The Meeting House and clearly exhibits the qualities outlined in 1 Timothy 3: 1-7 and 1 Peter 5:1-7.

- Carole Ann Stephen, nominated to return for three years, the first of her 2nd and final three-year term; Carole Ann has been part of The Meeting House for 17 years. Carole Ann is married and is a registered Psychotherapist and trauma therapist^[1]_{SEP}.

We want to thank two of our outgoing overseers for their invaluable service to the Board as they complete their terms. David Ho has completed his second three-year term and has served as the Secretary and Vice-Chair of the Board. David will continue to serve our High Park community in meaningful ways. Catherine McNeil has completed her three-year term on the Board. Catherine will continue to serve in our Richmond Hill community.

Respectfully submitted on behalf of the nominating committee,

Carole Ann Stephen
Vince John
Darrell Winger
Mario Ferlanti

MEETING HOUSE CHURCH FAMILY
Statement of Financial Position
As at June 30, 2019

ASSETS	General Fund	Growth Fund	Compassion Fund	Property Fund	Total
Current Assets					
Current Bank Accounts	348,201				348,201
RBC Savings Accounts	1,398,455	948,428	747,067	496,623	3,590,573
Accounts Receivable & HST Receivable	73,098	1,329			74,427
Prepaid Expenses & Security Deposits	11,726				11,726
Resource Centre Inventory	24,455				24,455
Total Current Assets	1,855,935	949,757	747,067	496,623	4,049,382
Fixed Assets					
Building (net of depreciation)				8,156,039	8,156,039
Land				2,070,000	2,070,000
Leasehold Improvements (net)				30,000	30,000
Computer Equipment (net)				33,422	33,422
Furniture & Equipment				184,846	184,846
Sound/Video (net)				383,108	383,108
Vehicles & Trailers (net)				61,083	61,083
Total Fixed Assets				10,918,498	10,918,498
Total Assets	1,855,935	949,757	747,067	11,415,120	14,967,880
LIABILITIES & FUND BALANCES					
Current Liabilities					
Accounts Payable & Accrued Liabilities	668,819				668,819
Deferred Revenue	67,270		26,203		93,473
Current Portion of Mortgage				263,354	263,354
Total Current Liabilities	736,089	-	26,203	263,354	1,025,646
Long Term Liabilities					
Long Term RBC Mtg – Renews June 2024				4,075,621	4,075,621
Total Long Term Liabilities	-	-	-	4,075,621	4,075,621
Total Liabilities	736,089	-	26,203	4,338,974	5,101,267
Fund Balances					
Fund Balance June 30, 2019	932,214	529,576	797,137	7,146,290	9,405,218
Change in Fund Balance Current Year	187,631	420,181	(76,273)	(70,144)	461,395
Total Fund Balance	1,119,845	949,757	720,864	7,076,146	9,866,613
	1,855,935	949,757	747,067	11,415,120	14,967,880

GENERAL FUND

	Actual 2019	Budget 2019	Budget 2020
INCOME			
Offerings	8,974,249	9,296,200	8,922,180
Transfer from Deferred Revenue for new sites	25,848	0	-
Bristol Rentals Income - Net	405,436	366,620	366,520
Interest, Resource Centre & Other Income	17,789	7,500	14,500
TOTAL INCOME	9,423,322	9,670,320	9,303,200
EXPENSES			
BIC Co-operative Ministries	343,583	361,000	340,720
Kidmax	495,225	516,425	473,760
Youth Ministries	630,147	659,745	655,990
Adult Ministries	2,428,795	2,601,450	2,482,240
Communications	615,357	634,630	619,650
Weekend Service	961,522	1,041,500	1,016,685
Shared Ministry Expenses	1,250,721	1,319,370	1,323,840
Facilities & Site Rent	1,740,276	1,862,770	1,817,320
Mortgage Interest	170,041	170,400	159,865
TOTAL EXPENSES	8,635,668	9,167,290	8,890,070
Net Income (Loss)	787,654	502,930	413,130
Equipment Purchases & Building Repairs	139,790	150,000	75,000
Mortgage Principal	310,233	330,000	268,092
Transfer to Property Fund	150,00	150,000	70,000
Total Cash Outflow	9,235,690	9,797,290	9,303,162
NET CASH FLOW	187,631	(127,070)	(38)
General Fund Balance at Beginning of Year	932,214	1,033,425	805,144
General Fund Balance at End of Year/Period	1,119,845	906,355	805,182

General Fund Notes

1. The offerings budget was set at 7% over the previous year's actual giving. This was based on giving trends when the budget was set, however as the year unfolded it became clear that trends were changing, making it challenging to reach budget. The first eight months of the year were slow, but giving started to trend higher in the spring, so we ended the year with offerings to this fund at 4% over the previous year and adjusted our spending plans throughout the year accordingly. This resulted in an overall positive net cash flow of \$187,631 for the year.
2. Deferred revenue is the transfer of an internal reserve that was set aside to help fund new sites that may not cover their direct costs in their first two years after launch. It was used this year, and the reserve has been closed.
3. Rental of the Bristol Circle facility in Oakville ended the year with a net profit of \$39,800 over budget. Corporate and community groups regularly occupy vacant space throughout each week, providing additional income and a unique outreach into our local community. We continue to budget conservatively for next year as booking possibilities differ year over year.
4. BIC Co-operative Ministries is a percentage of our offerings that we donate to our denomination to help fund their work in Canada and throughout the world.
5. Total expenses ended the year at \$531,622 under budget. Overall budget cuts from earlier in the year, open staff positions, and unused rent allowance were the primary drivers. Included was rent provision

for one site that was slated to move to a new location due to planned renovations; however, that was postponed until this current year. Within the budget were also contingencies for opening additional theatres for Kidmax classrooms at current sites, but not all the funds were required.

6. Kidmax and Youth Ministry expenses include supplies for Sunday and midweek programs, staff that serve in these ministries, as well as subsidies for retreats and events.
7. Adult Ministries allows our pastors and support staff to serve our adult community. Costs would cover leadership development, training our elders, and providing general pastoral care.
8. Communications includes the costs to capture and produce Sunday service teaching, video, and other resource developments that provide support for all our ministries and promote The Meeting House externally.
9. Weekend Service covers a breadth of costs to provide a Sunday morning service, including weekly supplies for each location and every ministry, all printing, coffee, music, truck/trailer maintenance, as well as all our support staff in the Oakville office and our sites on Sunday mornings.
10. Shared Ministry expenses include administration costs such as insurance, IT, telephone, professional fees, and general office expenses as well as the senior leadership and administrative staff that serve all sites and ministries.
11. Facilities and Site Rent costs include operating and staffing of the Oakville production facility, local site rental costs for Sunday services, midweek youth program locations, music rehearsal space, truck and trailer parking during the week, as well as any special ministry space requirements at all our sites throughout the year.
12. Equipment purchases cover the costs for minor equipment purchases at all locations as required.
13. The transfer to the Property Fund is a planned value to cover anticipated costs for repair/replacement of significant building components, major production equipment, and trucks/trailers. This spring, the final roof repairs needed at the Oakville facility were completed.
14. The General Fund balance is held to allow for fluctuations in cash flow throughout the year and as an emergency fund for unforeseen events. Seasonal fluctuation within this fund is normative. Our cash balances are naturally the highest around the Christmas season and lowest through the summer. The balance in these statements would be typical for June, and this level ensures we have enough cash on hand for expenses throughout the summer months. (Note: the balances in the other funds are restricted and cannot be used for General Fund needs.)

COMPASSION FUND

INCOME	Actual 2019	Plan 2019	Plan 2020
Offerings	809,928	800,000	800,000
Peacemakers Donations	232,663	260,000	225,000
Interest & Other Income	25,689	3,000	3,000
Total Income	1,068,280	1,063,000	1,028,000
EXPENSES			
Global Compassion			
MCC Peacemakers, Program Support	261,463	261,500	256,500
World Vision Support	100,000	100,000	100,000
BIC Global Ministry & Compassion Support	105,163	105,000	105,000
Extended Partner Support & Mission Trips	33,022	112,500	62,000
Ministry Oversight & Communication	163,118	164,800	170,200
Total Global Compassion	662,766	743,800	693,700
Local Compassion			
Local Agency Funding	250,000	250,000	250,000
Local Extended Partner Support	31,998	27,500	49,000
Site Level Partner Support & Benevolence	80,445	104,000	109,000
Ministry Oversight & Communication	119,344	118,900	124,130
Total Local Compassion	481,787	500,400	532,130
Total Expenses	1,144,553	1,244,200	1,225,830
Net Cash Flow	(76,273)	(181,200)	(197,830)
Fund Balance at Beginning of Year	797,137	765,453	627,937
Fund Balance at End of Year	720,864	584,253	430,107

Compassion Fund Notes

1. Donations to the Compassion Fund were slightly higher than planned, but donations to the Peacemakers campaign were lower than anticipated. We were able to transfer the planned amount to Mennonite Central Committee (MCC) for their Peacemakers initiatives and make up the difference from a positive variance within the Compassion Fund balance.
2. Global Compassion supports partner agencies and mission workers in global relief and development and evangelistic work. Under Extended Partner Support and Mission trips, a learning trip that was budgeted for did not come together, resulting in lower spending than planned.
3. Local Compassion provides funding to the various agencies we partner with at each of our sites. It also provides support for Canadian mission workers, local mission trips, site level compassion initiatives, and benevolence needs in our local communities. This year we were able to distribute over \$250,000 to partner agencies. The plan for next year draws down a portion of the surplus fund balance that is not needed for ongoing commitments to other agencies and cash flow.

GROWTH FUND

INCOME	Actual 2019	Plan 2019	Plan 2020
Offerings	856,151	550,000	430,000
Jesus Collective Donations	410,190	450,000	150,000
Curriculum Donations	24,308	50,000	25,000
Interest and Other Income	11,055	3,000	5,000
Total Income	1,301,704	1,053,000	610,000
EXPENSES			
Site Development/Expansion	8,463	52,700	40,000
Jesus Collective	401,960	611,660	604,480
Curriculum	379,622	377,330	399,100
BIC Church Planting	75,000	75,000	75,000
Branding & Website	16,477	2,000	140,000
Total Expenses	881,523	1,118,690	1,258,580
Net Cash Flow	420,181	(65,690)	(648,580)
Fund Balance at Beginning of Year/Period	529,576	299,598	877,196
Fund Balance at End of Year	949,757	233,908	228,616

Growth Fund Notes

1. Donations to the Growth Fund were above plan this past year, mainly due to a one-time donation towards our vision and strategy for the future.
2. While we are not currently exploring any new Meeting House sites, the Site Development Expansion provides funds for equipment, promotion, and staff needed to start new sites as well as expand existing sites that are growing.
3. We are planning, promoting, and organizing the framework for Jesus Collective's pilot phase and inviting other leaders and churches to join.
4. The curriculum for kids and youth teaching is an ongoing multi-year project involving video production and written materials.
5. We support the BIC as they provide ministry support throughout the denomination and assist with new church planting.
6. Our new branding initiative was rolled out in Fall 2019 for new printed materials and signage across all locations. Funds were spent in June on the design phase with the rest of the costs being spent in the fall. The website costs are for a new and updated website to be launched in late Fall 2019.

Restricted Funds

The Growth and Compassion Funds are considered externally restricted funds, meaning donations to these funds should be used for their stated purposes and not for General Fund needs. The General Fund is not restricted, and therefore surplus funds at year end can be transferred to the Growth, Compassion, or Property funds as directed by the Overseers.

Designated Giving Policy

Spending of funds is confined to organization-approved programs and projects. Each restricted contribution designated towards an organization-approved program or project will be used with the understanding that when the need for such a program or project has been met or cannot be completed for any reason determined by the organization, the remaining restricted contributions designated for the program or project will be used where needed most.



Proxy Form for Annual Meeting

I, _____
(name of member)

have reviewed the 2019 Annual Report and 2018-2019 Audited Statements and appoint

(name of proxy)

to attend and to speak and vote on my behalf at the Annual Meeting of the Members of THE MEETING HOUSE CHURCH FAMILY to be held on the 9th day of November 2019 and at any adjournment of such meeting.

DATED this _____ day of _____, 2019.

(signature of member)

The Meeting House

2700 Bristol Circle | Oakville | Ontario | L6H 6E1

905.287.7000 | Fax 905.287.7099

Financial Statements

The Meeting House Church Family

June 30, 2019

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of General Fund Activity and Changes in Fund Balance	3
Statement of Restricted Funds Activity and Changes in Fund Balances	4
Statement of Property Fund Activity and Changes in Fund Balance	5
Statement of Changes in Fund Balances	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 16

Independent Auditor's Report

To the Overseers of
The Meeting House Church Family

Opinion

We have audited the financial statements of The Meeting House Church Family (the "Church"), which comprise the statement of financial position as at June 30, 2019, and the statements of General Fund activity and changes in fund balance, Restricted Funds activity and changes in fund balances, Property Fund activity and changes in fund balance, 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 Church as at June 30, 2019, 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 ("ASNPO").

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

Those charged with governance are responsible for overseeing the Church'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 Church'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 Church'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 Church 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.

Mississauga, Canada
September 27, 2019

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants
Licensed Public Accountants

The Meeting House Church Family

Statement of General Fund Activity and Changes in Fund Balance

Year ended June 30	2019	2018
Revenue		
Offerings	\$ 9,012,406	\$ 8,679,593
Rental and sales income	644,613	715,680
Ministry reimbursements	200,033	184,631
Interest and other	<u>33,399</u>	<u>50,788</u>
	<u>9,890,451</u>	<u>9,630,692</u>
Expenditures		
Adult ministries	2,464,381	2,435,341
Facilities	1,745,450	1,763,785
Weekend services	978,589	1,011,021
Administration	829,680	767,719
Youth	793,945	685,147
Communications	649,686	532,816
Shared staff expense	503,986	618,811
Kidmax	499,552	365,840
Missions and partnership support	343,583	326,426
Rent and sales expense	237,916	248,628
Interest on long-term debt (Note 6)	<u>170,041</u>	<u>177,466</u>
	<u>9,216,809</u>	<u>8,933,000</u>
Excess of revenue over expenditures	<u>673,642</u>	<u>697,692</u>
Fund balance, beginning of year	<u>932,215</u>	<u>900,254</u>
Interfund transfers		
Repayment of loan principal	(310,233)	(320,063)
Funding of property and equipment reserve fund	(150,000)	(300,000)
Purchase of property and equipment	<u>(25,777)</u>	<u>(45,668)</u>
Fund balance, end of year	<u>\$ 1,119,847</u>	<u>\$ 932,215</u>

The Meeting House Church Family

Statement of Restricted Funds Activity and Changes in Fund Balances

Year ended June 30	Growth Fund	Compassion Fund	Total 2019	Total 2018
Revenue				
Offerings	\$ 1,290,649	\$ 1,087,768	\$ 2,378,417	\$ 1,883,785
Other income	231	3,357	3,588	51,360
Investment income	<u>11,055</u>	<u>12,813</u>	<u>23,868</u>	<u>14,214</u>
	<u>1,301,935</u>	<u>1,103,938</u>	<u>2,405,873</u>	<u>1,949,359</u>
Expenditures				
Compassion - local and global	75,000	897,668	972,668	972,413
Expansion - new and current sites	410,470	-	410,470	105,980
Curriculum and growth and invite goals	379,807	-	379,807	556,358
Ministry oversight and communication	<u>16,477</u>	<u>282,543</u>	<u>299,020</u>	<u>246,516</u>
	<u>881,754</u>	<u>1,180,211</u>	<u>2,061,965</u>	<u>1,881,267</u>
Excess (deficiency) of revenue over expenditures	420,181	(76,273)	343,908	68,092
Fund balances, beginning of year	<u>529,575</u>	<u>797,138</u>	<u>1,326,713</u>	<u>1,258,621</u>
Fund balances, end of year	<u>\$ 949,756</u>	<u>\$ 720,865</u>	<u>\$ 1,670,621</u>	<u>\$ 1,326,713</u>

See accompanying notes to the financial statements.

The Meeting House Church Family

Statement of Property Fund Activity and Changes in Fund Balance

Year ended June 30	2019	2018
Revenue		
Interest income	\$ 10,973	\$ 7,764
Gain on disposal of property and equipment	2,868	16,383
Donations	-	72,890
	<u>13,841</u>	<u>97,037</u>
Expenditures		
Amortization of property and equipment	515,588	544,669
Property repairs and replacement equipment	<u>54,407</u>	<u>85,094</u>
	<u>569,995</u>	<u>629,763</u>
Deficiency of revenue over expenditures	<u>(556,154)</u>	<u>(532,726)</u>
Fund balance, beginning of year	<u>7,146,290</u>	<u>7,013,285</u>
Interfund transfers		
Repayment of loan principal	310,233	320,063
Support from the General Fund	150,000	300,000
Purchase of property and equipment	<u>25,777</u>	<u>45,668</u>
Fund balance, end of year	<u>\$ 7,076,146</u>	<u>\$ 7,146,290</u>

The Meeting House Church Family

Statement of Changes in Fund Balances

Year ended June 30	General Fund	Restricted Funds	Property Fund	Total 2019	Total 2018
Fund balances, beginning of year \$	932,215	\$ 1,326,713	\$ 7,146,290	\$ 9,405,218	\$ 9,172,160
Excess (deficiency) of revenue over expenditures	673,642	343,908	(556,154)	461,396	233,058
Interfund transfers					
Loan principal repayments	(310,233)	-	310,233	-	-
Support from the General Fund	(150,000)	-	150,000	-	-
Purchase of property and equipment	<u>(25,777)</u>	<u>-</u>	<u>25,777</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,119,847</u>	<u>\$ 1,670,621</u>	<u>\$ 7,076,146</u>	<u>\$ 9,866,614</u>	<u>\$ 9,405,218</u>

The Meeting House Church Family

Statement of Financial Position

As at June 30

2019

2018

Assets

Current

Cash and cash equivalents (Note 4)

General Fund

\$ 1,746,656 \$ 1,453,617

Restricted Funds

1,695,495 1,326,713

Property Fund

496,623 596,020

Taxes recoverable

66,817 43,325

Miscellaneous receivables

7,610 59,767

Prepaid expenses and deposits

11,726 97,976

Resource Centre inventory

24,455 29,836

4,049,382 3,607,254

Property and equipment (Note 5)

10,918,498 11,192,413

\$ 14,967,880 \$ 14,799,667

Liabilities

Current

Accounts payable and accrued liabilities

\$ 668,819 \$ 711,449

Deferred revenue

93,473 40,857

Long-term debt (Note 6)

263,081 4,642,143

1,025,373 5,394,449

Long-term debt (Note 6)

4,075,893 -

5,101,266 5,394,449

Fund balances

Working capital reserve

1,119,847 932,215

Internally restricted

Property Fund

496,622 596,020

Invested in property and equipment

6,579,524 6,550,270

Externally restricted

Growth Fund

949,756 529,575

Compassion Fund

720,865 797,138

9,866,614 9,405,218

\$ 14,967,880 \$ 14,799,667

Commitments (Note 8)

On behalf of the Overseers Board

Director

Director

See accompanying notes to the financial statements.

The Meeting House Church Family

Statement of Cash Flows

Year ended June 30	2019	2018
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenue over expenditures	\$ 461,396	\$ 233,058
Items not affecting cash		
Amortization of property and equipment	515,588	544,669
Gain on disposal of property and equipment	<u>(2,868)</u>	<u>(16,383)</u>
	<u>974,116</u>	<u>761,344</u>
Change in non-cash working capital items		
Taxes recoverable	(23,492)	21,521
Miscellaneous receivables	52,157	(31,320)
Prepaid expenses and deposits	86,250	(82,428)
Resource Centre inventory	5,381	(765)
Accounts payable and accrued liabilities	(42,630)	259,146
Deferred revenue	<u>52,616</u>	<u>(37,572)</u>
	<u>130,282</u>	<u>128,582</u>
	<u>1,104,398</u>	<u>889,926</u>
Financing		
Long-term debt principal repayments	<u>(303,169)</u>	<u>(320,063)</u>
Investing		
Proceeds from sale of property and equipment	2,868	18,759
Purchase of property and equipment	<u>(241,673)</u>	<u>(528,579)</u>
	<u>(238,805)</u>	<u>(509,820)</u>
Increase in cash and cash equivalents	562,424	60,043
Cash and cash equivalents (Note 4)		
Beginning of year	<u>3,376,350</u>	<u>3,316,307</u>
End of year	<u>\$ 3,938,774</u>	<u>\$ 3,376,350</u>

See accompanying notes to the financial statements.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

1. Purpose of the Organization

The Meeting House Church Family (the "Organization") was established to honour God by proclaiming the irreligious message of Jesus and fostering loving communities of fully-committed Christ-followers. The Organization was incorporated under the laws of Ontario on June 4, 2004 as a Not-For-Profit Organization and is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by the Organization and applied in these financial statements are summarized below.

Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of the Organization are classified for accounting and reporting purposes into funds to be used according to the directions of the donor or as determined by the Organization.

General Fund

The General Fund consists of unrestricted contributions and other revenue and related expenditures pertaining to the operations of the Organization.

Restricted Funds

Externally restricted fund - Growth Fund

The Growth Fund consists of amounts designated by donors to assist in church growth and other programs as established by the Overseers Board (the "Overseers"). Such programs include, but are not limited to, establishing and expanding regional sites, acquisition and improvements of buildings and other assets.

Externally restricted fund - Compassion Fund

The Compassion Fund consists of amounts designated by donors to assist in compassionate ministries and other programs. Such programs include, but are not limited to, local and global compassionate initiatives, and outreach opportunities.

Property Fund

The Property Fund consists of the assets, liabilities, revenue and expenditures related to the Organization's property and equipment.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

2. Summary of significant accounting policies (continued)

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized to finance activities and acquisitions in another fund.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

All offerings which are externally restricted by the donor with an associated restricted fund are recorded in the appropriate restricted fund in the year received. Externally restricted offerings and deposits to the General Fund are recorded as deferred revenue and subsequently recognized as revenue as the related expenses are incurred.

Unrestricted offerings are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rent, sales, investment, interest and all other income are recognized as earned.

Resource Centre inventory

The cost of Resource Centre inventory comprises the purchase price and other costs directly attributable to its acquisition. Resource Centre inventory is stated at the lower of cost and net realizable value and relieved on a first-in, first-out basis. Net realizable value is the estimated selling price, in the ordinary course of business, less the estimated costs necessary to make the sale.

Resource Centre inventory is adjusted to net realizable value when the cost of Resource Centre inventory is not estimated to be recoverable. The amount of any write-down of Resource Centre inventory to net realizable value and all losses of Resource Centre inventory are recognized as an expense in the period the write-down occurs.

Property and equipment

Purchased property and equipment are recorded in the Property Fund at cost less accumulated amortization, which is provided for over the expected useful life of the assets as follows:

Building	4% declining balance
Sound and video equipment	20% declining balance
Furniture and equipment	20% declining balance
Computer hardware and software	30% declining balance
Vehicles and trailers	30% declining balance
Leasehold improvements	straight-line over the life of the lease

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

2. Summary of significant accounting policies (continued)

Contributed goods and services

Contributed goods and capital donations are recorded at fair market value as at the date of contribution.

Contributed services are not recognized in these financial statements due to the difficulty in determining their fair value.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash and cash equivalents, taxes recoverable, miscellaneous receivables, accounts payable and long-term debt.

Financial assets and liabilities are initially recorded at their fair value. The Organization subsequently measures all of its financial assets and liabilities at amortized cost.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the excess or deficiency of revenue over expenditures as appropriate in the year they become known.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

3. Objectives, policies and processes for managing capital

The Organization's capital is comprised of the net amounts invested in property and equipment, unrestricted funds and internally and externally restricted funds.

Working capital reserve fund - General Fund

The Overseers' objective is to maintain a working capital reserve fund balance sufficient to meet the annual working capital requirements. This is an amount determined by the Overseers based on the annual budget. Staff prepares and the Overseers approve the annual budget which projects the working capital reserve fund balance required. The Treasurer monitors the actual results against the forecast and notifies the Overseers when changes to plans are required.

Internally restricted funds - Property Fund

The Overseers' objective is to maintain a reserve of funds that can be drawn on to fund major building and property repairs and improvements and replace broken or obsolete equipment. The Property Fund is replenished by an annual budgeted transfer from the General Fund based on the spending expectations in the Property Fund replacement plan. Staff monitors the status of the fund and reports to the Overseers on its usage.

Invested in property and equipment

The Organization invests in property and equipment in order to provide worship and devotional programming that enhances the personal experience of all participants.

The Finance and Senior Pastors teams are responsible for this investment and define the policies to be followed to ensure the smooth functioning of the building and equipment and their maintenance.

Staff develop the annual capital budget. The Overseers authorize the funds for the budget, with revisions throughout the year as required. The budget is executed by the Senior Pastors and monthly reports are submitted to the Overseers.

Where cash funds are not required in the short-term, the Finance Manager invests their balances in short-term, low risk and highly liquid financial instruments for both internally and externally restricted funds.

Externally restricted funds - Growth Fund

The objective of the Growth Fund is to provide for church growth, and other programs as established by the Overseers. The Senior Pastors team is responsible for carrying out the objectives of this fund as set out in the plan. The Treasurer monitors the status of the fund and reports to the Overseers on its usage.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

3. Objectives, policies and processes for managing capital (continued)

Externally restricted funds - Compassion Fund

The objective of the Compassion Fund is to provide for compassionate ministries and other programs as established by the Overseers. The Senior Pastors team is responsible for carrying out the objectives of this fund as set out in the plan. The Treasurer monitors the status of the fund and reports to the Overseers on its usage.

Other restrictions

The Organization is subject to the disbursement requirements set by the Canada Revenue Agency for Canadian charities and as at the end of fiscal 2019, was in compliance with these requirements.

The Organization is not subject to any external capital requirements other than those outlined above.

4. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
General Fund		
Cash	\$ 348,201	\$ 403,793
High interest savings account	<u>1,398,455</u>	<u>1,049,824</u>
	<u>1,746,656</u>	<u>1,453,617</u>
Restricted Funds		
Growth Fund - High interest savings account	948,428	529,576
Compassion Fund - High interest savings account	<u>747,067</u>	<u>797,137</u>
	<u>1,695,495</u>	<u>1,326,713</u>
Property Fund		
High interest savings account	<u>496,623</u>	<u>596,020</u>
	<u>\$ 3,938,774</u>	<u>\$ 3,376,350</u>

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net</u>	<u>2018 Net</u>
Land	\$ 2,070,000	\$ -	\$ 2,070,000	\$ 2,070,000
Building	12,219,449	4,063,410	8,156,039	8,354,059
Sound and video equipment	2,463,726	2,080,618	383,108	391,598
Furniture and equipment	988,880	804,034	184,846	215,337
Computer hardware and software	537,469	504,047	33,422	47,745
Vehicles and trailers	376,497	315,414	61,083	73,674
Leasehold improvements	<u>50,000</u>	<u>20,000</u>	<u>30,000</u>	<u>40,000</u>
	<u>\$ 18,706,021</u>	<u>\$ 7,787,523</u>	<u>\$ 10,918,498</u>	<u>\$ 11,192,413</u>

Additions to property and equipment were as follows:

	<u>2019</u>	<u>2018</u>
Building	\$ 138,920	\$ 432,911
Sound and video equipment	77,589	12,412
Furniture and equipment	13,974	33,256
Vehicles and trailers	11,190	-
Leasehold improvements	<u>-</u>	<u>50,000</u>
	<u>\$ 241,673</u>	<u>\$ 528,579</u>

The Meeting House Church Family Notes to the Financial Statements

June 30, 2019

6. Long-term debt

	<u>2019</u>	<u>2018</u>
Mortgage with the Royal Bank of Canada, bearing interest at 3.79%, due June 24, 2024, payable by monthly instalments of principal plus interest of \$35,271 and secured by the Bristol Circle property and a general security agreement	\$ 4,338,974	\$ -
Mortgage with the Royal Bank of Canada, bearing interest at 3.72%, due May 29, 2019, payable by monthly instalments of principal plus interest of \$27,121 and secured by the Bristol Circle property and a general security agreement	-	2,562,046
Mortgage with the Royal Bank of Canada, bearing interest at 3.88%, due on June 20, 2019, payable by monthly installments plus interest of \$14,573 and secured by a general security agreement	<u>-</u>	<u>2,080,097</u>
	4,338,974	4,642,143
Current portion	<u>263,081</u>	<u>4,642,143</u>
	<u>\$ 4,075,893</u>	<u>\$ -</u>

Interest incurred on the above loans in the amount of \$170,041 (2018 - \$177,466) was expensed in the statement of General Fund activity and changes in fund balance.

Minimum principal repayments over the next five fiscal years are as follows:

2020	\$ 263,081
2021	273,500
2022	284,047
2023	295,002
2024	<u>3,223,344</u>
	<u>\$ 4,338,974</u>

The Church intends to refinance the mortgage upon maturity.

7. Line of credit

A line of credit is available up to a maximum of \$250,000 and bears interest at the bank prime rate plus 0.5%. The line is secured in the same manner as long-term debt as indicated in Note 6. At year end, there was no amount drawn on this line.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2019

8. Commitments

The Organization is committed under operating leases for equipment and premises extending for various periods to June 2022. The future minimum annual payment required over the next three years are as follows:

2020	\$	59,424
2021		53,678
2022		35,104

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. It is management's opinion that the Organization is not exposed to significant risk arising from its financial instruments. There have been no changes in the nature of risks from prior year.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Organization. The Organization's main credit risks relate to its taxes recoverable and miscellaneous receivable.

The Organization provides for its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at June 30, 2019, the allowance for doubtful accounts is \$Nil (2018 - \$Nil).

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. The Organization is exposed to liquidity risk mainly in respect to its accounts payable and long-term debt.

The Organization's financing facilities include a requirement to maintain a minimum of \$500,000 of unrestricted funds at all times. The Organization is in compliance with this requirement as at June 30, 2019.

The Organization manages its liquidity risk by forecasting cash flows from operations, investing and financing activities, including a working capital reserve held in the General Fund, to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Interest rate risk

Interest rate price risk is the risk that the fair value of an interest bearing financial instrument will fluctuate due to changes in market interest rates. Interest rate cash flow risk is the risk that the cash flows of the Organization will fluctuate due to changes in market interest rates.

The Organization's exposure to interest rate price risk is limited to its fixed interest bearing debt and investments. As the Organization does not have variable interest bearing debt or investments, the Organization is not exposed to interest rate cash flow risk.