



**Annual General Meeting
November 13, 2021**

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AGENDA

- | | |
|--|------------------------------|
| 1. Welcome | |
| a. Overseers Chair | Maggie John |
| b. BIC Canada Greetings | Charlie Mashinter |
| 2. Land Acknowledgement | Maggie John |
| 3. Governance Committee Report | Bruce Miller |
| a. <u>Motion:</u> Qualifications for Board of Overseers | |
| b. <u>Motion:</u> Conflict of Interest | |
| c. <u>Motion:</u> Officers of the Church | |
| d. <u>Motion:</u> Term limit for Officers | |
| 4. Nominating Committee Report | Sandy MacLean |
| a. <u>Motion:</u> Election of Overseers | |
| 5. Presentation of 2021-2022 Budget and Year-to-Date | Korede Agbenla |
| 6. Treasurer's Report | Cody Buchenauer |
| a. 2020-2021 Audited Financial Statements | |
| b. <u>Motion:</u> Approval of Audited Financial Statements for Fiscal Year Ended June 30, 2021 | |
| c. <u>Motion:</u> Approval of Appointment of 2021-2022 Auditors | |
| 7. Overseers Introductions | Maggie John |
| 8. Senior Pastor's Address | Bruxy Cavey & Darrell Winger |
| 9. Questions | Maggie John |
| 10. Closing Prayer and Dismissal | Maggie John |



2020 Annual General Meeting Minutes

November 14, 2020

- 1. Welcome and Greetings - Maggie John, Overseers Board Chair**
 - a. Still together but in a very different way
 - b. Crowdcast details and instructions
 - c. Sample poll
 - d. This year has been challenging – we are the church
 - e. Purpose/Vision/Values
 - f. Denley McIntosh – Diversity and Understanding advisor
 - g. Thank you for your sacrificial giving during this season
 - h. Prayer
- 2. Be In Christ Church of Canada Greetings - Charlie Mashinter, Acting Executive Director**
 - a. Living through most unusual times
 - b. Jeremiah 29: 4-7
 - c. Look at this as an opportunity rather than a set back
 - d. Praying that our communities will notice our churches are there
 - e. We have an opportunity to bring the Good News to those around us
 - f. Advent Devotional available online
- 3. Land Acknowledgement – Matt Thompson, Compassion Manager**
- 4. 2019 Annual General Meeting Minutes**
 - a. Motion to approve the November 2019 Annual General Meeting Minutes
 - b. Moved by Alison Hardman from the Oakville Parish
 - c. Seconded by Natalie Frisk from the Brantford Parish
 - d. All in favour. One opposed. Motion carried.
- 5. Nominating Committee Report - Mario Ferlanti**
 - a. Motion to Elect Jennifer Hryniw, Sandy MacLean and Nathan Scott to the Board of Overseers for their first 3-year term and that we re-elect Maggie John and Cody Buchenauer to serve on the Board for a second 3-year term. Moved by Mario Ferlanti from the Oakville Parish
 - b. Seconded by Samson Chiu from the Richmond Hill Parish
 - c. Questions pertaining to this motion:
 - i. Is there a limit to the number of terms an Overseer can serve?
 1. Yes, Overseers can serve two 3-year terms
 - d. All in favour. Motion carried.
- 6. Presentation of 2020-2021 Budget and Year-to-Date - Rod Tombs**
- 7. Treasurer's Report - Cody Buchenauer**
 - a. Presentation of the 2019-2020 Audited Statements
 - b. Motion to approve the Audited Financial Statements for the fiscal year ending June 30, 2020
 - i. Seconded by Tenika Millington from the Newmarket Parish
 - ii. Questions pertaining to the motion

1. What was the budget for when it was set last year?
 - a. The budget was set at \$8,922,180 in the spring of 2019
2. Has there been any analysis on how much money we are saving this year on expenses compared to normal?
 - a. We have committed to analyzing our finances as a whole every quarter and then rejig our plan based on the funds that have come in. The amount of money we are saving on expenses is offset by the decline in the offerings.
3. The rent expenditures are higher than I expected especially at the Parish level, can someone talk us through the trajectory of the rental expenditures?
 - a. There are some ongoing expenses that we were not able to pause like storage of trailers at the Parish level, other meeting expenses and the Parry Sound lease, but we are not spending to the same extent.
4. Is TMH Oakville Parish still able to collect any rental income from small groups using the facility in a safe way?
 - a. During the summer we were able to offer our facility for a summer camp for kids, so we were able to have some unexpected income over those months.
 - b. Many organizations would like to rent our facility, but it won't be to the same level as it has been in the past.
5. For the transfers to the Property, Compassion and Go funds, where are those funds being transferred from?
 - a. Those funds come from the General Fund
6. Is it better to give to the General Fund even if we are supporting the efforts for Compassion and Go Fund?
 - a. If there is any question about giving, please give to the General Fund. When we get to the end of the year, if the money in the GF balance is higher than we need, those funds are transferred to other funds that could use it.
7. Have there been layoffs due to COVID?
 - a. Yes, there have been. We did an assessment on what we are able to do in light of new realities and a number of our part-time staff at the Parish level had roles that focused on Sunday mornings and because of the shift we had to lay off a number of our part-time Parish staff. We have laid off some full-time staff that served our broader Parishes because their roles had been significantly impacted. If things change and improve, that will be reviewed and monitored as we go forward
8. What will we do if Cineplex goes bankrupt and we can't use the theatres anymore?
 - a. We are in the process of monitoring that and if we are no longer able to meet in theatres, we would ramp up our review of alternate facilities for Sunday mornings.
9. Is there still a mortgage on the Oakville production site?
 - a. Yes, there is, and the amount is around \$3,800,000
- iii. All in favour. Motion carried.
- c. Motion to appoint Grant Thornton LLP as the Auditors for the 2020-2021 fiscal year
 - i. Moved by Ann Rowe from the Oakville Parish
 - ii. Seconded by Amanda Palias from the High Park Parish
 - iii. All in favour. Motion

8. Overseers Introductions

9. Senior Pastors Address

- a. Bruxy
 - i. Thank you for your engagement
 - ii. What about in-person Sunday services?
 - iii. Ears to Hear – Early 2021
 - iv. New TMH App
 - v. End of Religion – Jesus 201
 - vi. Rod's retirement
- b. Darrell

- i. Rod's retirement
- ii. Parish minded
- iii. Update on all things Go
- iv. Survey

10. Questions

- a. How often do the Overseers meet?
 - i. We used to meet quarterly but since the beginning of COVID, the meetings have been monthly
- b. Should we vote for each nominated Overseer individually?
 - i. Our bylaw indicates that we can do a blanket vote and we have done that for many years

11. Closing Remarks and Prayer – Maggie John



Nominating Committee Report

Members at this year's Annual General Meeting will be presented with two returning Overseers for election to serve for a second three-year term and three new candidates for election to serve for a first three-year term as Overseers.

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

- Yohan Mahimwala, nominated to return for three years, the first of his 2nd and final three-year term. Yohan is a seasoned business leader with a broad range of experiences spanning over a decade in multiple sectors including Financial Services, Transportation / Logistics, Supply Chain and Not-For-Profit. Yohan and his family have been regular attenders of The Meeting House's Uptown site since 2012, volunteering and taking on eldership responsibilities that they are thrilled to be a part of.
- Bruce Miller, nominated to return for three years, the first of his 2nd and final three-year term. Bruce's working career includes five years in West Africa in international development, management positions in the petroleum industry, and six years at World Vision Canada. He has also served on a number of boards of Christian organisations. He and his wife Gael have been at The Meeting House for over 14 years and have volunteered in a variety of roles over that time.
- Nour Aziz, nominated to the first of her 1st three-year term. Nour has been part of The Meeting House family for 10 years in both Oakville and Uptown Toronto. Most recently, she served as the Compassion Coordinator in Uptown Toronto. Previously, she served on staff with The Meeting House youth team for a number of years. Nour is passionate about many things and has a deep love for the Church and spirituality. In 2014, she graduated with an Honours BA in Law & Society with a focus on human rights and equity studies. Nour has had the privilege of calling Canada home since 1997, after immigrating from Egypt with her family.
- Isaac Hoogland, nominated to the first of his 1st three-year term. Isaac and Kaitlin Hoogland, along with their two children, have been attending The Meeting House Ancaster for the past 5 years. After graduating from Calvin University then and working for 5 years as a certified public accountant, he and his wife moved to Ontario to join Kaitlin's family sign manufacturing business. Isaac and his brother-in-law are now co-owners of the business. Isaac and Kaitlin have been co-leaders of their home church for the past 3 years.
- Jamie van Manen, nominated to the first of his 1st three-year term. Jamie van Manen joined our Downtown Toronto Meeting House community in 2014. He has led a home church for six years and was a Kidmax sign-in volunteer for four years prior to the pandemic. Jamie was trained as a lawyer and is called to the bar of Ontario. He works in a non-practicing position at a trade union of public servants, where he performs dispute resolution, negotiations, training, advising, and infrastructure development. Jamie brings prior experience on a board of trustees. Jamie is a musician, an avid reader, and a movie lover. He has a particular passion for enriching the inner life of church community.

We want to thank our outgoing overseer Angela Rose for her invaluable service to the Board as she completes her first three-year term. Angela will not be returning to the board for a second three-year term. We also want to thank outgoing overseers Vincent John and Mario Ferlanti. They both have completed their second three-year terms. Both Vince and Mario have been part of the Nominating Committee and their contributions over the last six years include Vince's development of the nominee interview process and Mario's leadership as our chair for the last 5 years.

Respectfully submitted on behalf of the nominating committee,

Carole Ann Stephen
Nathan Scott
Darrell Winger
Sandy MacLean

Recommended Changes to The Meeting House Operating Bylaws

One of the responsibilities of the Overseers is to review The Meeting House Operating Bylaws from time to time and bring any recommended revisions to the Annual General Meeting (AGM). Over the last year, the Overseers have done this and are now bringing recommended changes to four bylaws. The following is a list of the proposed bylaw changes.

1. Bylaw 5.02 Qualifications for Board of Overseers

A section of our Bylaws pertaining to our Board of Overseers (Section 5) identifies seven important qualifications needed to serve as an Overseer for The Meeting House (Section 5.02). As the Overseers have been working with this in the nomination process to recommend new persons to serve on the Board, it has become clear that one of the items listed in the Bylaws would benefit from some clarification and, as well, be better placed in our Board Policies document.

The currently worded section of this bylaw states:

An individual may be considered for election to the Board of Overseers if...

(g) the person and his or her spouse, father, mother, child, brother, sister, or spouse of any of such individual, shall not be an employee, agent or individual that is receiving remuneration either directly or indirectly from the Church.

This qualification addresses the need to avoid conflict of interest which is very important. However, the current wording is somewhat unclear and overly broad. We believe better guidance would be provided with new wording and by also placing this in the Board Policy document rather than being in a bylaw format.

We, therefore, **recommend** that we delete the existing bylaw 5.02 (g) and replace it with the following wording: *"the person must also fulfil the qualifications defined in the Board policies"*.

In the Board Policy document, we would insert these new paragraphs:

In addition to the qualifications defined by the Bylaws and the Nominating Committee the following qualifications shall apply:

Having a family member who is in a senior leadership position will disqualify someone from being an Overseer. Family member is defined as "spouse, father, mother, child, brother, sister, and spouses of such individuals.

Senior leadership positions are defined as: Senior Pastor, Lead Pastor, and Director.

2. Bylaw 5.09 Conflict of Interest

One section of our Bylaws pertaining to the Board of Overseers addresses the issue of Conflict of Interest (Section 5.09). As stated in the first recommendation, this is an important principle for good governance.

The current wording is as follows:

No member of the Board of Overseers shall place himself or herself in a position where there is a conflict of interest between his or her duties as an Overseer and his or her other personal interest. Every Overseer who is in any way directly or indirectly interested in or may become interested in a material way in an existing or proposed contract, transaction, or arrangement with the Church or who otherwise has a conflict of interest by virtue of involvement with his or her:

- (a) spouse, father, mother, child, brother, sister, or spouse of any of such individual; or*
- (b) partner, business associate or church that the Overseer is involved with as either a director, shareholder, officer, employee, or agent, then such Overseer shall declare his or her conflict of interest fully at a meeting of the Board of Overseers and shall withdraw from any discussion or vote thereon and if such proposed contract, transaction or arrangement is approved by the Board of Overseers, such Overseer shall immediately resign from membership on the Board of Overseers.*

As the Overseers reviewed this section, it became clear that the current wording was not as simple or clear as it could be to provide guidance to the Board.

We, therefore, **recommend** that Bylaw 5.09 be amended as follows:

- a) *No director shall place himself/herself in a position where there is a conflict of interest between his/her duties as a director and his/her other interests.*
- b) *A director who has in any way a direct or indirect material interest in an existing or proposed contract, transaction, or arrangement with The Meeting House or who otherwise has a conflict of interest by virtue of involvement with a member of the director's family (as defined in 5.02 (g)) then such director shall declare his/her conflict of interest in the manner and at the time as required by the Act and Board Policy, shall withdraw from the discussion and refrain from voting in respect to the contract or arrangement or proposed contract or proposed arrangement.*
- c) *Material Interest: In this Section, "material interest" shall mean that the director in question, directly or indirectly, is personally receiving a direct or indirect material pecuniary interest, gain or benefit, with the determination of materiality in such circumstances to be determined by the Board.*

3. Bylaw 7.01 Officers of the Church

Each year, the officers of the Overseers Board need to be appointed and *Section 7: Officers in the Bylaws* addresses various aspects of this matter of governance, including when in the year officers should be appointed. As the Overseers reviewed this section it became clear that our existing timing of appointing officers has shifted to align with the timing of the Annual General Meeting. To bring things into current practice, we are recommending a revision to current wording.

The current wording states that the timing of the appointment of officers shall be *"at the first meeting of each fiscal year."* (See Section 7:01 (a), (b), (c), (d)).

Our practice has shifted to having this take place at the first meeting after the Annual General Meeting.

We, therefore, **recommend**, that Bylaw 7.01 (a), (b), (c), (d) be amended to read: *"at the first Overseers meeting after the Annual General Meeting."*

4. Bylaw 7.02 Term limit for an officer

In the section of the Bylaws that pertains to the Board officers (Section 7), one bylaw (7.02) speaks to the issue of how many years in a row an officer can serve in that role. As the Overseers reviewed this section it was observed that this unnecessarily limits the potential of officers to provide continuity to the Board in serving as an officer. We believe more flexibility is best.

The current wording of Bylaw 7.02 states: *"An officer shall not hold his or her office for more than three (3) consecutive one-year terms."*

We, therefore, **recommend**, that Bylaw 7.02 be amended to state:

"An officer shall not hold his or her office for more than five (5) consecutive one-year terms."

Finance Update – October 2021

With limited understanding of how the last fiscal year was going to evolve and a higher level of uncertainty throughout our planning period as well as during the now concluded year, we consistently encouraged donations to be channeled into our unrestricted General Fund. This was to allow us the flexibility of deploying our resources where they were most needed, with limited constraints. It also explains an unusually low contribution into our restricted Funds – the Go Fund and Compassion Fund.

As we look ahead from our first full fiscal year under the pandemic related restrictions to the current year, the following reports provide an update for the last fiscal year and reflect income and expense trend expectations for this year.

Restrictions due to the coronavirus on ministry activity and resulting finances continues to be unpredictable and impact the trend on which projections are usually based. We will therefore continue to maintain a flexible approach as we look ahead to this unfolding fiscal year.

First Quarter Review

Our current fiscal year began July 1, 2021. Like last year, our first quarter General Fund budget anticipated a reduction in offerings in line with historical trend and this was largely the case. At the end of August, Contribution to the General Fund was 1% below last year's. However, we ended the quarter at 4.4% above last year's contributions due to a 43% increase in **special offerings (one-time larger gifts)**; **Regular offerings** also grew by 1% above last year.

We continue to see a first quarter **special gifts** growth trend. While the number of **special gifts** decreased by 10%, this year's **special gifts** at the end of September were \$214,000, a 137% increase over the same period last year. This enabled us to close our first quarter 4% ahead of our budget.

Our first quarter expenses are currently trending below budgeted spending levels. This is primarily due to the general restrictions to ministry during the summer as well as our adaptations to a slower pace of in-person regathering activities across our parishes on account of the lingering impact of Covid-19 and its Delta variant.

Please see below for further explanations of the current year's provisions for our budget, along with the financial reports for the last fiscal year.

THE MEETING HOUSE CHURCH FAMILY
Statement of Financial Position
As at June 30, 2021

ASSETS	General Fund	Go Fund	Compassion Fund	Property Fund	Total
Current Assets					
Current Bank Accounts	400,787				400,787
RBC Savings	3,333,072	768,888	952,143	820,898	5,875,002
Accounts Receivable & HST Receivable	49,739				49,739
Prepaid Expenses & Security Deposits	39,127				39,127
Resource Centre Inventory	18,649				18,649
Total Current Assets	3,841,375	768,888	952,143	820,898	6,383,304
Fixed Assets					
Building (net of depreciation)				7,516,606	7,516,606
Land				2,070,000	2,070,000
Landscaping/Paving				140,477	140,477
Leasehold Improvements				14,023	14,023
Computer Equipment (net)				16,377	16,377
Furniture & Equipment (net)				147,087	147,087
Sound/Video (net)				279,312	279,312
Vehicles & Trailers (net)				59,563	59,563
Total Fixed Assets	-	-	-	10,243,444	10,243,444
Total Assets	3,841,375	768,888	952,143	11,064,343	16,626,749
LIABILITIES & FUND BALANCES					
Current Liabilities					
Accounts Payable & Accrued Liabilities	356,326				356,326
Deferred Revenue	48,652		8,385		57,038
Current Portion of RBC Mortgage				284,019	284,019
Total Current Liabilities	404,979	-	8,385	284,019	697,383
Long Term Liabilities					
Long Term RBC Mtg – Renews June 2024				3,519,111	3,519,111
Total Long Term Liabilities	-	-	-	3,519,111	3,519,111
Total Liabilities	404,979	-	8,385	3,803,130	4,216,494
Fund Balances					
Fund Balance June 30, 2021	1,925,460	787,061	519,822	6,937,886	10,170,229
Change in Fund Balance Current Year	1,510,936	(18,173)	423,936	323,327	2,240,025
Total Fund Balance	3,436,396	768,888	943,758	7,261,213	12,410,255
	3,841,375	768,888	952,143	11,064,343	16,626,749

THE MEETING HOUSE – GENERAL FUND
Year Ending June 2021

	Actual 2021	Budget 2021	Budget 2022
INCOME			
Offerings	8,400,444	7,281,700	8,700,000
Bristol Lease & Rentals Income - Net	75,906	150,000	230,000
Interest. Resource Ctr & Other Income	7,944	12,000	9,000
Total General Fund Income	8,484,294	7,443,700	8,939,000
EXPENSES			
Missions & Partnership Support	387,025	325,500	403,500
Ministry Development Reserve	-	125,320	125,000
Sunday Gathering Re-opening	104	140,000	253,350
Kidmax	243,048	236,850	306,080
Youth Ministries	389,492	383,350	472,470
Adult Ministries	2,260,616	2,392,630	2,527,670
Communications & Livestream	698,901	743,450	914,930
Weekend Service	482,975	496,250	623,610
Administration	697,387	756,050	807,530
Shared Ministry Expenses	528,035	485,200	752,210
Facilities & Site Rent	578,082	754,080	1,437,770
Mortgage Interest	149,826	150,195	139,240
TOTAL EXPENSES	6,415,491	6,988,875	8,763,360
Net Income (Loss)	2,068,803	454,825	175,640
Equipment/Livestream Purchases	34,435	50,000	89,500
Mortgage Principal	273,432	273,065	284,020
Transfer to Compassion Fund	-	100,000	-
Transfer to Go Fund	250,000	50,000	-
Transfer to Property Fund	500,000	100,000	200,000
One Time Special Donation	(500,000)		-
Total Cash Outflow	6,973,358	7,561,940	9,336,880
NET CASH FLOW	1,510,936	(118,240)	(397,880)
General Fund Balance at Beginning of Year	1,925,460	1,925,460	3,436,396
General Fund Balance at End of Year/Period	3,436,396	1,807,220	3,038,516

General Fund Budget Notes:

1. Contribution to the General Fund last year was 15% higher than the budget but slightly lower than the previous year's contribution. This is partly because last year's budget was more conservative than usual as the unfolding economic impact of the pandemic made it difficult to plan with a comfortable degree of certainty. Although the budget for this year is set at 3.5% higher than last year's contribution, with an expectation of in-person services resuming and impacting giving trends, this is still 3% lower than the latest pre-pandemic year.
2. Rental of the Bristol Circle facility in Oakville ended the year with a net profit 50% lower than planned. We were able to have some limited rental events but not as many as planned due to continued Covid-19 related shutdowns. The rentals/facilities staff were able to pivot and provide online options for some of our clients. While we anticipate a higher activity level this year as booking possibilities slowly re-open, we continue to budget conservatively at 43% below the latest pre-pandemic year.
3. 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.
4. Total expenses ended under budget by 8% last year. We created two contingency lines last year called Ministry Development Reserve and Sunday Gathering Re-opening. While these contingencies were meant to have been used where needed if we could resume in-person services, our services remained virtual through the year and most of our budget lines were scaled back. These contingencies have once again been included in our 2022 budget in anticipation of in-person services resuming during this year.

5. KidMax and Youth Ministry expenses include staff that serve in these ministries as well as supplies that facilitate online and scaled back in-person ministry.
6. 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.
7. Communications includes costs associated with capturing and producing Sunday service teaching, video, and other resource developments that provide support for all our ministries and promote The Meeting House externally. This includes the cost of running our Sunday Livestream services and broadcasting them to each of our parishes.
8. Weekend Service costs for last year were reduced significantly to only provide for support that facilitates online ministry. Support for meetings (Sundays or otherwise) had been significantly reduced in the light of provincial restrictions but this year's budget reintroduces some of these costs in anticipation of resuming in-person Sunday services in our parishes.
9. Administration and IT costs include such things as insurance, our IT infrastructure, telephone, professional fees, and general office expenses, supporting all ministries. The budget this year increased to allow for additional cyber security and HR staffing costs.
10. Facilities and parish rent costs typically include operating and staffing of the Oakville production facility, local parish 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 parishes throughout the year. The budget last year was significantly reduced but increases again this year as we look to re-open.
11. Equipment purchases covers the costs for minor equipment purchases as required and this year includes an additional allowance for livestreaming equipment.
12. The transfer to the Property Fund is planned to cover anticipated costs in our five-year replacement plan for repair/replacement of significant building components, major production equipment, trucks/trailers, etc. At the end of last year, we were able to transfer \$500,000 from the General Fund in line with our fund balance target. This will enable us to carry out some major upcoming expenditures in this respect.
13. The planned transfer to the Compassion Fund last year was not needed due to a special one- time donation received at year end. Overall donations to the Compassion Fund have been trending slightly lower in recent years but we do not see a need to transfer funds from the General Fund this year.
14. The budgeted transfer of \$50,000 to the Go Fund last year was added to support innovative plans at the parish and Home Church level for reaching out into local communities beyond historical ways. Due to the overall surplus in the General Fund and lower than anticipated donations to the Go Fund, we were able to transfer \$250,000 to cover the difference.
15. 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. A balance in this fund on the June statements would typically be around \$900,000 — this level ensures we have enough cash on hand for expenses throughout the summer months. Due to the uncertainty of this time, we have planned to increase the level of this provision to \$1,800,000 to allow for increased uncertainty. We ended the year significantly higher due to a one-time special donation and overall positive cash flow. This balance gives us a cushion for the uncertainties of the future and will be drawn down over the next few years. (Note: the balances in the other funds are restricted and cannot be used for General Fund needs.)

THE MEETING HOUSE – COMPASSION FUND
Year Ending June 2021

INCOME	Actual 2021	Plan 2021	Plan 2022
Donations	756,332	790,551	750,000
Peacemakers Donations	295,945	225,000	255,000
Interest & Other Income	2,212	3,000	3,000
Total Income	1,054,490	1,018,551	1,008,000
EXPENSES			
Cross Regional Compassion`			
MCC Peacemakers, Program Support	295,945	255,000	255,000
World Vision Support	100,000	100,000	100,000
BIC Global Ministry & Compassion Support	105,000	105,000	105,000
Extended Partner Support	15,015	19,380	200,000
Ministry Oversight & Communication	118,429	135,000	122,770
Total Cross Regional Compassion	634,389	614,380	782,770
Local Engagement			
Local Partner Funding	238,692	238,600	400,000
Local Extended Partner Support	13,525	49,000	25,000
Parish Level Partner Support & Benevolence	117,600	149,551	105,000
Ministry Oversight & Communication	126,348	136,000	99,690
Total Local Engagement	496,165	573,151	629,690
Total Expenses	1,130,554	1,187,531	1,412,460
Other Income – One Time Donation	500,000	0	
Net Cash Flow	423,936	(168,980)	(404,460)
Fund Balance at Beginning of Year	519,822	519,822	943,758
Transfer from General Fund		100,000	
Fund Balance at End of Year/Period	943,758	450,842	539,298

Compassion Fund Notes

1. Donations to the Compassion Fund were slightly lower than planned. This year's budget reflects reduced expectations again due to the unfolding economic impact of the coronavirus pandemic.
2. Peacemakers donations were above plan last year. We were not able to assemble in person and collect physical relief kits as usual. This resulted in donors giving more financially rather than purchasing and donating kit supplies.
3. Global Compassion supports partner agencies and mission workers in global relief and development and evangelistic work.
4. The extended partner support budget increased significantly this year as we draw down on the one-time donation to support indigenous reconciliation partners and programs, as well as other international agencies support.
5. Local Compassion provides funding to the various agencies we partner with at each of our parishes. It also provides support for Canadian mission workers, local mission trips, parish level compassion initiatives, and benevolence needs in our local communities. This year's local partner budget increased to provide additional support to some of our partners who have struggled with lower cash flow over this past year and to support some new initiatives.

THE MEETING HOUSE – GO FUND

INCOME	Actual 2021	Plan 2021	Plan 2022
Donations	780,496	980,000	1,036,000
One Story Curriculum Income	32,232	43,875	150,000
Interest and Other Income	31,828	16,000	31,500
Total Income	844,556	1,039,875	1,217,500
EXPENSES			
Jesus Collective	475,377	485,800	427,595
One Story Curriculum	580,268	587,328	514,515
Ministry Initiatives	57,084	120,934	355,900
Total Expenses	1,112,729	1,194,062	1,298,010
Net Cash Flow	(268,173)	(154,187)	(80,510)
Fund Balance at Beginning of Year/Period	787,061	787,061	768,888
Transfer from General Fund	250,000	50,000	
Fund Balance at End of Year	768,888	682,874	688,378

Go Fund Notes

1. The Go vision was launched in November 2019 as a five-year plan to support special initiatives such as One Story curriculum, Jesus Collective launch and support, Website and App upgrades, Home Church resourcing, youth and young adults, TMHU launch, support for new TMH extended family churches, parish expansion initiatives and an upgrade to physical technologies.
2. This vision continues to develop and is being rolled out over the next few years. The current plan reflects anticipated spending on these initiatives during this fiscal year.
3. Jesus Collective completed the pilot phase and has successfully launched this year. It has received its' own charitable status and is now operating as a distinct legal entity. The plan is to continue our support for the first few years until it becomes self sustaining. The above expenses are net of its anticipated income next year.
4. The ongoing development of our One Story curriculum for kids and youth teaching was substantially completed this year. As planned, we have transitioned from the free model to a subscription distribution model in which other churches and organizations use the curriculum based on subscriptions through Jesus Collective. This was launched in March of 2021, and we anticipate more uptake as churches re-open into the fall. The planned expenses relate to the cost of making the product available to the market as well as keeping the product current.
5. Ministry Initiatives include Website and App upgrades, Home Church resourcing, youth and young adults, TMHU launch, support for new TMH extended family churches, parish expansion initiatives and an upgrade to physical technologies.

Restricted Funds

The Go 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 Go, 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.



Financial Statements

The Meeting House Church Family

June 30, 2021

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Independent Auditor's Report

Grant Thornton LLP
Suite 501
201 City Centre Drive
Mississauga, ON
L5B 2T4
T +1 416 366 0100
F +1 905 804 0509

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, 2021, 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, 2021, 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 but 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.

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

Mississauga, Canada
September 28, 2021

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	2021	2020
Revenue		
Offerings	\$ 8,400,444	\$ 8,778,637
Rental and sales income	113,615	436,383
Interest and other	26,844	67,494
Ministry reimbursements	<u>7,953</u>	<u>53,101</u>
	<u>8,548,856</u>	<u>9,335,615</u>
Expenditures		
Adult ministries	2,272,626	2,364,489
Communications	710,684	602,101
Administration	701,281	766,998
Facilities	584,119	1,403,696
Shared staff expense	528,036	529,046
Weekend services	488,604	854,112
Youth	393,688	565,627
Missions and partnership support	387,025	332,700
Kidmax	243,258	443,430
Interest on long-term debt (Note 6)	149,826	160,845
Rent and sales expense	<u>38,263</u>	<u>168,931</u>
	<u>6,497,410</u>	<u>8,191,975</u>
Excess of revenue over expenditures before unusual item	2,051,446	1,143,640
Special one-time donation	<u>500,000</u>	<u>-</u>
Excess of revenue over expenditures	2,551,446	1,143,640
Fund balance, beginning of year	<u>1,925,461</u>	<u>1,119,847</u>
Interfund transfers		
Funding of property and equipment reserve fund	(500,000)	(70,000)
Repayment of loan principal	(273,432)	(262,412)
Funding of Go fund	(250,000)	-
Purchase of property and equipment	<u>(17,078)</u>	<u>(5,614)</u>
	<u>(1,040,510)</u>	<u>(338,026)</u>
Fund balance, end of year	<u>\$ 3,436,397</u>	<u>\$ 1,925,461</u>

The Meeting House Church Family

Statement of Restricted Funds Activity and Changes in Fund Balances

Year ended June 30	Go Fund	Compassion Fund	Total 2021	Total 2020
Revenue				
Offerings	\$ 801,611	\$ 1,052,277	\$ 1,853,888	\$ 2,122,489
Other income	40,605	255	40,860	31,559
Interest income	<u>2,340</u>	<u>1,958</u>	<u>4,298</u>	<u>25,245</u>
	<u>844,556</u>	<u>1,054,490</u>	<u>1,899,046</u>	<u>2,179,293</u>
Expenditures				
Compassion - local and global	-	885,777	885,777	1,038,883
Curriculum - One Story	580,268	-	580,268	402,614
Jesus Collective	475,377	-	475,377	562,783
Ministry oversight and communication	-	244,777	244,777	287,577
Ministry initiatives	<u>57,084</u>	<u>-</u>	<u>57,084</u>	<u>219,017</u>
	<u>1,112,729</u>	<u>1,130,554</u>	<u>2,243,283</u>	<u>2,510,874</u>
Excess (deficiency) of revenue over expenditures before unusual item	(268,173)	(76,064)	(344,237)	(331,581)
Special one-time donation	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(268,173)	423,936	155,763	(331,581)
Fund balances, beginning of year	<u>787,060</u>	<u>519,822</u>	<u>1,306,882</u>	<u>1,670,621</u>
Interfund transfers				
Support from General Fund	250,000	-	250,000	-
Purchase of property and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,158)</u>
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>(32,158)</u>
Fund balances, end of year	<u>\$ 768,887</u>	<u>\$ 943,758</u>	<u>\$ 1,712,645</u>	<u>\$ 1,306,882</u>

The Meeting House Church Family

Statement of Property Fund Activity and Changes in Fund Balance

Year ended June 30	2021	2020
Revenue		
Gain on disposal of property and equipment	\$ 14,487	\$ 8,283
Interest income	<u>1,338</u>	<u>7,484</u>
	<u>15,825</u>	<u>15,767</u>
Expenditures		
Amortization of property and equipment	469,940	493,945
Property repairs and replacement equipment	<u>13,069</u>	<u>30,266</u>
	<u>483,009</u>	<u>524,211</u>
Deficiency of revenue over expenditures	<u>(467,184)</u>	<u>(508,444)</u>
Fund balance, beginning of year	<u>6,937,886</u>	<u>7,076,146</u>
Interfund transfers		
Support from General Fund	500,000	70,000
Repayment of loan principal	273,432	262,412
Purchase of property and equipment	<u>17,078</u>	<u>37,772</u>
	<u>790,510</u>	<u>370,184</u>
Fund balance, end of year	<u>\$ 7,261,212</u>	<u>\$ 6,937,886</u>

The Meeting House Church Family

Statement of Changes in Fund Balances

Year ended June 30	General Fund	Restricted Funds	Property Fund	Total 2021	Total 2020
Fund balances, beginning of year	\$ 1,925,461	\$ 1,306,882	\$ 6,937,886	\$ 10,170,229	\$ 9,866,614
Excess (deficiency) of revenue over expenditures	2,551,446	155,763	(467,184)	2,240,025	303,615
Interfund transfers					
Repayment of loan principal	(273,432)	-	273,432	-	-
Support from General Fund	(750,000)	250,000	500,000	-	-
Purchase of property and equipment	<u>(17,078)</u>	<u>-</u>	<u>17,078</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,436,397</u>	<u>\$ 1,712,645</u>	<u>\$ 7,261,212</u>	<u>\$ 12,410,254</u>	<u>\$ 10,170,229</u>

The Meeting House Church Family Statement of Financial Position

As at June 30

2021

2020

Assets

Current

Cash and cash equivalents (Note 4)	\$ 6,275,789	\$ 3,991,551
Taxes recoverable	21,950	16,524
Miscellaneous receivables	27,789	4,055
Prepaid expenses and deposits	39,127	110,167
Resource Centre inventory	<u>18,649</u>	<u>18,986</u>
	6,383,304	4,141,283

Property and equipment (Note 5)	<u>10,243,444</u>	<u>10,554,133</u>
	<u>\$ 16,626,748</u>	<u>\$ 14,695,416</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 356,326	\$ 356,235
Deferred revenue	57,038	92,390
Long-term debt (Note 6)	<u>284,019</u>	<u>273,474</u>
	697,383	722,099


Long-term debt (Note 6)	<u>3,519,111</u>	<u>3,803,088</u>
	<u>4,216,494</u>	<u>4,525,187</u>

Fund balances

Working capital reserve		
General Fund	3,436,397	1,925,461
Internally restricted		
Property Fund		
Property and equipment reserve fund	820,898	460,315
Invested in property and equipment	6,440,314	6,477,571
Externally restricted		
Go Fund	768,887	787,060
Compassion Fund	<u>943,758</u>	<u>519,822</u>
	<u>12,410,254</u>	<u>10,170,229</u>
	<u>\$ 16,626,748</u>	<u>\$ 14,695,416</u>

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 2021 2020

Increase (decrease) in cash and cash equivalents

Operating

Excess of revenue over expenditures	\$ 2,240,025	\$ 303,615
Items not affecting cash		
Amortization of property and equipment	469,940	493,945
Gain on disposal of property and equipment	<u>(14,487)</u>	<u>(8,283)</u>
	<u>2,695,478</u>	<u>789,277</u>
Change in non-cash working capital items		
Taxes recoverable	(5,426)	50,293
Miscellaneous receivables	(23,734)	3,555
Prepaid expenses and deposits	71,040	(98,441)
Resource Centre inventory	337	5,469
Accounts payable and accrued liabilities	91	(312,584)
Deferred revenue	<u>(35,352)</u>	<u>(1,083)</u>
	<u>6,956</u>	<u>(352,791)</u>
	<u>2,702,434</u>	<u>436,486</u>

Financing

Long-term debt principal repayments	<u>(273,432)</u>	<u>(262,412)</u>
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Investing

Proceeds from sale of property and equipment	20,185	9,427
Purchase of property and equipment	<u>(164,949)</u>	<u>(130,724)</u>
	<u>(144,764)</u>	<u>(121,297)</u>

Increase in cash and cash equivalents 2,284,238 52,777

Cash and cash equivalents (Note 4)

Beginning of year	<u>3,991,551</u>	<u>3,938,774</u>
End of year	<u>\$ 6,275,789</u>	<u>\$ 3,991,551</u>

See accompanying notes to the financial statements.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

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 Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

The Organization controls Jesus Collective ("JC") as JC's Board of Directors consists entirely of members of the Overseers Board (the "Overseers") as well as a member of senior management of the Organization. JC is incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act.

The purpose of JC is as follows:

- To advance religion by providing ministry and educational resources, conferences, and workshops in relation to doctrine, theological distinctives, teachings, ministry, and best practices in furtherance of the Christian faith; and
- To deepen and extend Christian fellowship, provide counselling, leadership training, mentorship, and consultation to, ministers, lay pastors, Christian workers, religious organizations, missionaries, evangelists, believers, the public and individuals interested in the Christian faith.

JC has not been consolidated in the Organization's financial statements although details regarding JC are included in Note 9.

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.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

Restricted Funds

Externally restricted fund - Go Fund

The Go 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.

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, interest and all other income are recognized as earned.

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.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

2. Summary of significant accounting policies (continued)

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
Paving	10 years straight-line
Leasehold improvements	straight-line over the life of the lease

The Organization tests capital assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its 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, 2021

2. Summary of significant accounting policies (continued)

COVID-19 related lease concessions

In November 2020, the Accounting Standards Board amended Section 3065 Leases to provide relief for both lessees and lessors in accounting for rent concessions as a result of the COVID-19 pandemic. Lessees and lessors that meet certain qualifying criteria are able to elect, on a lease-by-lease basis, to apply a practical expedient to account for waivers and deferrals. The amendments apply to annual financial statements relating to fiscal years ending on or after December 31, 2020.

The Organization has early adopted these amendments for any qualifying lease arrangements that have been modified to provide waivers of rental payments due to the COVID-19 pandemic.

Where the Organization has negotiated waivers of rental payments resulting in a decrease in total payments as compared to the original lease, the Organization continues to account for the lease consistent with the terms of the original lease contract during the concession period and only recognizes the reduction in lease payments as a lessee – gain in the period to which the lease payments relate. During the year, the Organization negotiated lease concessions with its landlord for the rental space as a result of the impact of COVID-19. This resulted in lower total payments required than those previously required by the original lease contract. Total concessions of \$753,767 given during the year has been netted off with the facilities expense in the statement of general fund activity and changes in fund balance.

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 its 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 – Property and equipment reserve 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.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

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

Internally restricted funds – Property Fund – 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 - Go Fund

The objective of the Go 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.

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 2021, was in compliance with these requirements.

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

The Meeting House Church Family Notes to the Financial Statements

June 30, 2021

4. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
General Fund		
Cash	\$ 3,733,860	\$ 1,436,846
Guaranteed investment certificate, matured August 2020 with interest rate of 0.93% per annum	<u>-</u>	<u>750,000</u>
	<u>3,733,860</u>	<u>2,186,846</u>
Restricted Funds		
Go Fund – Cash	768,888	537,062
Go Fund – Guaranteed investment certificate, matured August 2020 with an interest rate of 0.93% per annum	-	250,000
Compassion Fund – Cash	952,143	307,327
Compassion Fund – Guaranteed investment certificate, matured August 2020 with an interest rate of 0.93% per annum	<u>-</u>	<u>250,000</u>
	<u>1,721,031</u>	<u>1,344,389</u>
Property Fund		
Cash	<u>820,898</u>	<u>460,316</u>
	<u>\$ 6,275,789</u>	<u>\$ 3,991,551</u>

5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net</u>	<u>2020 Net</u>
Land	\$ 2,070,000	\$ -	\$ 2,070,000	\$ 2,070,000
Building	12,219,449	4,702,844	7,516,605	7,829,797
Sound and video equipment	2,511,119	2,231,807	279,312	349,140
Furniture and equipment	1,024,590	877,503	147,087	164,645
Computer hardware and software	537,469	521,092	16,377	23,396
Vehicles and trailers	375,680	316,117	59,563	92,009
Paving	147,871	7,394	140,477	-
Leasehold improvements	<u>55,614</u>	<u>41,591</u>	<u>14,023</u>	<u>25,146</u>
	<u>\$ 18,941,792</u>	<u>\$ 8,698,348</u>	<u>\$ 10,243,444</u>	<u>\$ 10,554,133</u>

Additions to property and equipment were as follows:

	<u>2021</u>	<u>2020</u>
Sound and video equipment	\$ -	\$ 47,393
Furniture and equipment	17,078	18,631
Vehicles and trailers	-	59,086
Paving	147,871	-
Leasehold improvements	<u>-</u>	<u>5,614</u>
	<u>\$ 164,949</u>	<u>\$ 130,724</u>

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

6. Long-term debt

	<u>2021</u>	<u>2020</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	\$ 3,803,130	\$ 4,076,562
Current portion	<u>284,019</u>	<u>273,474</u>
	<u>\$ 3,519,111</u>	<u>\$ 3,803,088</u>

Interest incurred on the above loan in the amount of \$149,826 (2020 - \$160,845) was expensed in the statement of General Fund activity and changes in fund balance.

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

2022	\$ 284,020
2023	294,974
2024	<u>3,224,136</u>
	<u>\$ 3,803,130</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.

8. Commitments

The Organization is committed under operating leases for equipment and premises extending for various periods to January 2025. The future minimum annual payment required are as follows:

2022	\$ 77,541
2023	43,285
2024	44,151
2025	26,270

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

9. Jesus Collective

A financial summary of JC as at June 30, 2021 and for the period from incorporation to June 30, 2021 is as follows:

	<u>2021</u>
Statement of financial position	
Total assets	\$ 89,445
Total liabilities	<u>86,746</u>
Total net assets	<u>\$ 2,699</u>
Statement of revenue and expenses	
Total revenue	\$ 298,936
Total expenses	<u>296,237</u>
Excess of revenue over expenses	<u>\$ 2,699</u>
Statement of cash flows	
Cash flows from operating activities	<u>\$ 74,776</u>

The Organization provides certain management and administration services on behalf of JC under the collective services agreement. Included in missions and partnership support is \$223,935 relating to services provided by the Organization in relation to the services agreement from JC that have been donated to JC.

Included in miscellaneous receivables is \$15,777 due from JC. The receivable is non-interest bearing and due on demand.

In the normal course of business, the Organization enters into transactions with JC. All transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

10. 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 receivables.

The Organization provides for its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at June 30, 2021, the allowance for doubtful accounts is \$Nil (2020 - \$Nil).

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2021

10. Financial instruments (continued)

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 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.

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, 2021.

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. As the Organization does not have variable interest bearing debt or investments, the Organization is not exposed to interest rate cash flow risk.

11. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. While overall revenue has slightly declined, the Organization has adjusted its expenditures significantly to mitigate the significance of its impact. At the board approval date, revenue continues to slightly decline although the Organization remains committed to adjusting its expenditures as necessary to ensure its long-term sustainability.

12. Comparative figures

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation adopted in the current year.

GENERAL OPERATING

BY-LAW NUMBER 1

A by-law relating generally to the transaction of the affairs of

THE MEETING HOUSE CHURCH FAMILY

(A Federal Corporation)

WHEREAS The Meeting House Church Family (hereinafter referred to as the “Church”) has applied for Articles of Continuance to be continued under the *Canada Not-for-Profit Corporations Act*.

NOW THEREFORE BE IT ENACTED as a general operating By-law of the Church to take effect immediately upon the issuance of certificate of continuance by the federal Government under the *Canada Not-for-Profit Corporations Act* as follows:

1 GENERAL

1.01 **Definitions.** In this by-law and all other by-laws of the Church, unless the context otherwise requires:

- (a) **“Act”** means the *Canada Not-For-Profit Corporations Act*, S.C. 2009, c.23 including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
- (b) **“articles”** means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Church;
- (c) **“BIC”** means the Brethren in Christ (BIC) Canada, formerly known as the Canadian Conference of the Brethren in Christ Church;
- (d) **“Board of Overseers”** means the board of directors of the Church;
- (e) **“by-law”** means this general operating by-law number 1 and any other by-law(s) of the Church as amended and which are, from time to time, in force and effect;
- (f) **“designated homechurch”** means a homechurch of the Church that has been identified as an official homechurch in accordance with the criteria established and approved by the Board of Overseers from time to time;
- (g) **“director”** means a member of the Board of Overseers of the Church, who shall also be known as an **“Overseer”**
- (h) **“elder”** means:
 - (i) an Overseer;

- (ii) any individual who is currently leading a designated homechurch of the Church;
 - (iii) any individual who is currently serving in a designated volunteer leadership role within the Church, other than an Overseer, designated homechurch leader or employed pastoral staff of the Church, with such role so designated in accordance with criteria established and approved by the Board of Overseers from time to time; or
 - (iv) any other individual designated by the Board of Overseers as an elder.
- (i) **“meeting of members”** includes an annual meeting of members or a special meeting of members;
 - (j) **“member”** means an individual who has followed the process and met the eligibility criteria for being a member of the Church as set out in Section 1.01;
 - (k) **“ordinary resolution”** means a resolution passed by a majority of not less than 50% plus 1 of the votes cast on that resolution;
 - (l) **“proposal”** means a proposal submitted by a member of the Church that meets the requirements of section 163 (Member Proposals) of the Act;
 - (m) **“Regulations”** means the regulations made under the Act, as amended, restated or in effect from time to time;
 - (n) **“Senior Pastoral Staff”** means the teaching pastor and the senior pastor of the Church;
 - (o) **“special meeting of members”** includes a meeting of any class or classes of members and a special meeting of all members entitled to vote at an annual meeting of members; and
 - (p) **“special resolution”** means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast on that resolution.

1.02 **Interpretation.** In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and **“person”** includes an individual, body corporate, partnership, trust and unincorporated organization. Other than as specified above, words and expressions defined in the Act have the same meanings when used in this by-law.

1.03 **Corporate Seal.** The Church may have a corporate seal in the form approved from time to time by the Board of Overseers. If a corporate seal is approved by the Board of Overseers, the secretary of the Church shall be the custodian of the corporate seal.

1.04 **Execution of Documents.** Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Church may be signed by any two (2) of its officers or Overseers. In addition, the Board of Overseers may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may

affix the corporate seal (if any) to the document. Any signing officer may certify a copy of any instrument, resolution, by-law or other document of the Church to be a true copy thereof.

- 1.05 **Financial Year End.** The financial year end of the Church shall be June 30 in each year or such other date that the Board of Overseers fix by resolution.
- 1.06 **Banking Arrangements.** The banking business of the Church shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board of Overseers may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Church and/or other persons as the Board of Overseers may by resolution from time to time designate, direct or authorize.
- 1.07 **Annual Financial Statements.** The Church may, instead of sending copies of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act to the members, publish a notice to its members stating that the annual financial statements and documents provided in subsection 172(1) are available at the registered office of the Church and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail or electronic delivery if requested.

2 MEMBERSHIP

- 2.01 **Membership Class.** There shall be one class of members in the Church.
- 2.02 **Members' Rights.** Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Church.
- 2.03 **Membership Eligibility.** Subject to Article 3, membership in the Church shall consist of those individuals who satisfy at least one of the following criteria:
 - (a) before the enactment of the bylaw have been recognized as members of the Church;
 - (b) are currently an elder specifically in respect of Sections 1.01(h)(i), 1.01(h)(iii), and 1.01(h)(iv) of the definition of “**elder**”;
 - (c) are currently, or have been within the last fiscal year, an elder specifically in respect of Section 1.01(h)(ii) of the definition of “**elder**”; or
 - (d) are actively employed pastoral staff of the Church.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendments to this section of the by-laws if those amendments affect membership rights and/or conditions described in paragraphs 197(1)(e), (h), (l) or (m).

2.04 **Notice of Meeting of Members.** Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Pursuant to subsection 197(1) (Fundamental Change) of the Act, a special resolution of the members is required to make any amendment to the by-laws of the Church to change the manner of giving notice to members entitled to vote at a meeting of members.

2.05 **Absentee Voting at Members' Meetings.** Pursuant to Section 171(1) of the Act, a member entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxyholder, and one or more alternate proxyholders, who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- (a) a proxy is valid only at the meeting in respect of which it is given or at a continuation of that meeting after an adjournment;
- (b) a member may revoke a proxy by depositing an instrument or act in writing executed or, in Quebec, signed by the member or by their agent or mandatory:
 - (i) at the registered office of the Church no later than the last business day preceding the day of the meeting, or the day of the continuation of that meeting after an adjournment of that meeting, at which the proxy is to be used; or
 - (ii) with the chairperson of the meeting on the day of the meeting or the day of the continuation of that meeting after an adjournment of that meeting;
- (c) a proxyholder or an alternate proxyholder has the same rights as the member by whom they were appointed, including the right to speak at a meeting of members in respect of any matter, to vote by way of ballot at the meeting, to demand a ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one member, to vote at the meeting by way of a show of hands;
- (d) if a form of proxy is created by a person other than the member, the form of proxy shall:
 - (i) indicate, in bold-face type:
 - (A) the meeting at which it is to be used;

- (B) that the member may appoint a proxyholder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and
 - (C) instructions on the manner in which the member may appoint the proxyholder,
 - (ii) contain a designated blank space for the date of the signature;
 - (iii) provide a means for the member to designate some other person as proxyholder, if the form of proxy designates a person as proxyholder;
 - (iv) provide a means for the member to specify that the membership registered in their name is to be voted for or against each matter, or group of related matters, identified in the notice of meeting, other than the appointment of a public accountant and the election of overseers,
 - (v) provide a means for the member to specify that the membership registered in their name is to be voted or withheld from voting in respect of the appointment of a public accountant or the election of overseers, and
 - (vi) state that the membership represented by the proxy is to be voted or withheld from voting, in accordance with the instructions of the member, on any ballot that may be called for and that, if the member specifies a choice under Section 2.05(d)(iv) or 2.05(d)(v) with respect to any matter to be acted on, the membership is to be voted accordingly;
- (e) a form of proxy may include a statement that, when the proxy is signed, the member confers authority with respect to matters for which a choice is not provided in accordance with Section 2.05(d)(iv) only if the form of proxy states, in bold-face type, how the proxyholder is to vote the membership in respect of each matter or group of related matters;
 - (f) if a form of proxy is sent in electronic form, the requirements that certain information be set out in bold-face type are satisfied if the information in question is set out in some other manner so as to draw the addressee's attention to the information; and
 - (g) a form of proxy that, if signed, has the effect of conferring a discretionary authority in respect of amendments to matters identified in the notice of meeting or other matters that may properly come before the meeting must contain a specific statement to that effect.

Pursuant to Section 197(1) of the Act, a special resolution of the members is required to make any amendment to the articles or by-laws of the Church to change this method of voting by members not in attendance at a meeting of members.

3 MEMBERSHIP TERMINATION AND DISCIPLINE

3.01 **Termination of Membership.** A membership in the Church is terminated when:

- (a) the member dies,
- (b) the member fails to maintain any qualifications for membership described in Section 2.03 of these by-laws;
- (c) the member resigns by delivering a written resignation to the Chair in which case such resignation shall be effective on the date specified in the resignation;
- (d) the member is expelled in accordance with Section 3.02 below or is otherwise terminated in accordance with the articles or by-laws; or
- (e) the Church is liquidated or dissolved under the Act.

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Church, automatically cease to exist.

3.02 **Discipline of Members.** The Board of Overseers shall have authority to suspend or expel any member (including any Overseer) from the Church for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Church;
- (b) carrying out any conduct which may be detrimental to the Church as determined by the Board of Overseers in its sole discretion; or
- (c) for any other reason that the Board of Overseers in its sole and absolute discretion considers to be reasonable, having regard to the purpose of the Church.

In the event that the Board of Overseers determines that a member should be expelled or suspended from membership in the Church, the Chair, or such other officer as may be designated by the Board of Overseers, shall provide twenty (20) days notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the Chair, or such other officer as may be designated by the Board of Overseers, in response to the notice received within such twenty (20) day period. In the event that no written submissions are received by the Chair, the Chair, or such other officer as may be designated by the Board of Overseers, may proceed to notify the member that the member is suspended or expelled from membership in the Church. If written submissions are received in accordance with this section, the Board of Overseers will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further twenty (20) days from the date of receipt of the submissions. The Board of Overseers' decision shall be final and binding on the member, without any further right of appeal.

4 MEETINGS OF MEMBERS

- 4.01 **Persons Entitled to be Present at Members' Meetings.** The only persons entitled to be present at a meeting of members shall be those entitled to vote at the meeting, and the public accountant of the Church and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Church to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or by resolution of the members.
- 4.02 **Chair of Members' Meetings.** In the event that the Chair of the Board of Overseers and the Vice-Chair of the Board of Overseers are absent, the members who are present and entitled to vote at the meeting shall choose one of their number to chair the meeting.
- 4.03 **Quorum at Members' Meetings.** A quorum at any meeting of the members (unless a greater number of members are required to be present by the Act) shall be twenty percent (20%) of the members entitled to vote at the meeting. If a quorum is present at the opening of a meeting of members, the members present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.
- 4.04 **Votes to Govern at Members' Meetings.** At any meeting of members every question shall, unless otherwise provided by the articles or by-laws or by the Act, be determined by a majority of the votes cast on the questions. In case of an equality of votes either on a show of hands or on a ballot or on the results of electronic voting, the chair of the meeting in addition to an original vote shall have a second or casting vote.
- 4.05 **Participation by Electronic Means at Members' Meetings.** If the Church chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility in the manner provided by the Act. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this by-law, any person participating in a meeting of members pursuant to this section who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Church has made available for that purpose.
- 4.06 **Members' Meeting Held Entirely by Electronic Means.** If the Overseers or members of the Church call a meeting of members pursuant to the Act, those Overseers or members, as the case may be, may determine that the meeting shall be held, in accordance with the Act and the Regulations, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

5 BOARD OF OVERSEERS

- 5.01 **Number of Overseers.** The Board of Overseers shall consist of the number of Overseers fixed by resolution of the Board of Overseers within the minimum and maximum number of Overseers set out in the Articles of Continuation.
- 5.02 **Qualifications for Board of Overseers.** An individual may be considered for election to the Board of Overseers if he or she fulfils all of the following qualifications:

- (a) the person must be a member of the Church in good standing, excluding any members by operation of Section 2.03(d) of this by-law;
- (b) the person may be either male or female but must be over the age of twenty-one (21);
- (c) the person must be personally committed to Jesus Christ as Lord and Saviour and given evidence thereof;
- (d) the person must fulfil the spiritual qualifications of leadership listed in 1 Timothy 3:1-15; Titus 1:5-10, and 1 Peter 5:1-5;
- (e) the person must recognize that membership on the Board of Overseers is a commitment to humble service, not a position of honour or status, nor a reward for past service;
- (f) the person must recognize that membership on the Board of Overseers is not only an administrative role but shall involve active participation in, and leadership of, ministries of the Church as they are needed; and
- (g) the person and his or her spouse, father, mother, child, brother, sister, or spouse of any of such individual, shall not be an employee, agent or individual that is receiving remuneration either directly or indirectly from the Church.

5.03 **Election of the Board of Overseers.** The Board of Overseers shall be elected by a resolution of the members of the Church at the annual meeting.

5.04 **Term of Office of an Overseer.** A member elected to the Board of Overseers shall hold office for a term of three (3) years and shall be eligible for re-election as an Overseer following the expiry of such term, subject to the following:

- (a) no overseer on the Board of Overseers shall hold his or her office for more than two (2) full three-year terms;
- (b) upon the completion of the maximum term on the Board of Overseers as specified in Section 5.04(a), a minimum one-year absence is required before such individual becomes eligible for re-election; and
- (c) at the first annual meeting only:
 - (i) one-third (1/3) of the Board of Overseers shall be elected to hold office until the end of the third full fiscal year after that date;
 - (ii) one-third (1/3) of the Board of Overseers shall be elected to hold office until the end of the second full fiscal year after that date; and
 - (iii) one third (1/3) of the Board of Overseers shall be elected to hold office until the end of the first full fiscal year after that date.

5.05 **General Authority.** The Board of Overseers shall be responsible for the overall spiritual, administrative and temporal affairs of the Church and shall make or cause to be made for

the Church in its name any kind of contract which the Church may lawfully enter into, save as hereinafter provided, and generally may exercise such other powers and do such other acts and things as the Church is by its Articles, the Act, or otherwise authorized to do.

5.06 **Specific Authority of the Board of Overseers.** Without limiting the generality of the foregoing, the Board of Overseers shall be authorized to carry out the following duties and responsibilities:

- (a) to exercise overall responsibility for the administration and operations of the Church and to oversee the expenditure of Church funds in general accordance with the approved annual budget;
- (b) to formulate and recommend Policy Statements as defined in Section 6.09 to the members of the Church and to provide spiritual leadership for the Church;
- (c) to review on a regular basis the structure and key leadership positions, especially of pastoral staff, of the Church;
- (d) to hire and terminate Senior Pastoral Staff, provided that:
 - (i) any candidate for a position on the Senior Pastoral Staff must have current credentials and training suitable to and accepted by the BIC; and
 - (ii) the Board of Overseers consult with the Executive Director of the BIC prior to any decision relating to such hiring or termination;
- (e) to take such steps as are necessary to enable the Church to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Church;
- (f) to appoint such agents and engage such employees as it deems necessary from time to time; and
- (g) to establish other offices and/or agencies elsewhere in Canada or internationally on behalf of the Church.

5.07 **Board of Overseers Report.** The Board of Overseers shall, through the Chair of the Board of Overseers report to the members at each annual meeting of members and be available to answer any questions by members and to entertain any motion arising from the floor concerning the proceedings of the Board of Overseers.

5.08 **No Remuneration of Overseers.** The members of the Board of Overseers shall serve as such without remuneration and no member of the Board of Overseers shall directly or indirectly receive any profit from his or her position as such, nor shall any member of the Board of Overseers receive any direct or indirect remuneration from the Church, provided that an Overseer may be paid for reasonable expenses incurred by him or her in the performance of his or her duties.

5.09 **Conflict of Interest.** No member of the Board of Overseers shall place himself or herself in a position where there is a conflict of interest between his or her duties as an Overseer

and his or her other personal interest. Every Overseer who is in any way directly or indirectly interested in or may become interested in a material way in an existing or proposed contract, transaction or arrangement with the Church or who otherwise has a conflict of interest by virtue of involvement with his or her:

- (a) spouse, father, mother, child, brother, sister, or spouse of any of such individual; or
- (b) partner, business associate or church that the Overseer is involved with as either a director, shareholder, officer, employee or agent, then

such Overseer shall declare his or her conflict of interest fully at a meeting of the Board of Overseers and shall withdraw from any discussion or vote thereon and if such proposed contract, transaction or arrangement is approved by the Board of Overseers, such Overseer shall immediately resign from membership on the Board of Overseers.

5.10 **Resignation from the Board of Overseers.** If the personal circumstances of any member of the Board of Overseers make it difficult for that member to devote the necessary time or energy to the work of the Board of Overseers, then that member of the Board of Overseers shall be free to resign from the Board of Overseers without embarrassment or stigma regardless of the remainder of the term of that Overseer. If for any reason an Overseer chooses to resign, then that Overseer shall give thirty (30) days written notice, if possible, to the Chair of the Board of Overseers who in turn shall call it to the attention of the Board of Overseers who shall then have the power to accept such resignation between annual meetings. Such letter of resignation shall set out the reasons for the departure of the Overseer.

5.11 **Vacancy on the Board of Overseers.** The office of Overseer shall be automatically vacated if, in respect of any Overseer, he or she:

- (a) resigns his or her position as a member on the Board of Overseers by delivery of the written resignation of the Chair of the Board of Overseers;
- (b) no longer fulfils all of the qualifications of an Overseer set out in Section 5.02;
- (c) is found to be mentally incompetent or of unsound mind;
- (d) becomes bankrupt;
- (e) in accordance with Section 130(1) of the Act, is determined by a majority vote of the members present in person or represented by proxy at a membership Meeting called for that purpose to be unfit to hold office as a member of the Board of Overseers for any reason; or
- (f) dies.

5.12 **Appointment to Fill Vacancy.** If any vacancy on the Board of Overseers should occur for any reason as set out in Section 5.11 above, the Board of Overseers may, by a majority vote, appoint a member fulfilling all the qualifications of an Overseer set out in Section 5.02 to fill the vacancy until the next annual meeting of members. Upon any appointment

in accordance with this section, the Board of Overseers shall notify the members of the Church.

6 BOARD OF OVERSEERS MEETINGS

6.01 **Calling of Meetings.** Meetings of the Board of Overseers may be called by the Chair of the Board of Overseers, the Vice-Chair of the Board of Overseers or any two (2) Overseers at any time.

6.02 **Notice of Meeting of Overseers.** Notice of the time and place for the holding of a meeting of the Board of Overseers shall be given to every Overseer not less than seven (7) days before the time when the meeting is to be held by one of the following methods:

- (a) delivered personally to the latest address as shown in the last notice that was sent by the Church in accordance with section 128 or 134 of the Act;
- (b) mailed by prepaid ordinary mail to the overseer's address as set out in 6.02(a);
- (c) by telephonic, electronic or other communication facility at the overseer's recorded address for that purpose; or
- (d) by an electronic document in accordance with Part 17 of the Act.

Notice of a meeting shall not be necessary if all of the Overseers are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of Overseers shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting.

6.03 **Regular Meetings.** The Board of Overseers may appoint a day or days in any month or months for regular meetings of the Board of Overseers at a place and hour to be named. A copy of any resolution of the Board of Overseers fixing the place and time of such regular meetings of the Board of Overseers shall be sent to each Overseer forthwith after being passed, but no other notice shall be required for any such regular meeting except if subsection 136(3)(Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

6.04 **Votes to Govern.** At all meetings of the Board of Overseers, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting in addition to an original vote shall have a second or casting vote.

6.05 **Quorum.** A quorum for a meeting of the Board of Overseers shall be a majority of the members of the Board of Overseers.

6.06 **Meetings by Teleconference.** If all of the Overseers consent thereto generally or in respect of a particular meeting, an Overseer may participate in a meeting of the Board of

Overseers by means of a conference telephone or other such communication facility as permits all persons participating in the meeting to hear each other. An Overseer participating in such meeting by such means is deemed to be present at the meeting.

- 6.07 **Minutes.** The Board of Overseers shall keep written minutes of each meeting. The Secretary shall prepare and maintain such minutes. Due to the potentially confidential nature of matters discussed at the Board of Overseers, the minutes shall not be made public or available for review by members with the exception of matters dealing with financial considerations which shall be disclosed to a member upon written request or such other matters upon the unanimous consent of the Board of Overseers.
- 6.08 **Committees.** The Board of Overseers may from time to time appoint any committee or other advisory body, as it deems necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board of Overseers shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Board of Overseers may from time to time make. Any committee member may be removed by resolution of the Board of Overseers.
- 6.09 **Policy Statements of the Church.** In consideration of the ongoing need for the Church to provide guidelines and directions to its members and adherents on practical applications of biblical teachings and Christian conduct, the Church may adopt policy statements on such matters as are deemed necessary from time to time by the Board of Overseers. For greater certainty, every policy statement adopted by the Church shall be consistent with the Articles of Faith and Doctrine adopted by the BIC.
- 6.10 **Proposition of New and Amendment of Existing Policy Statements.** The Senior Pastoral Staff or the Board of Overseers may propose a new or amend an existing policy statement, provided that no such policy statement shall become operative until first approved by a ninety percent (90%) vote of the Board of Overseers.
- 6.11 **Senior Pastoral Staff.** The senior pastor and teaching pastor of the Church shall have the right to receive notification and minutes of all meetings of the Board of Overseers, to be present and fully participate at all such meetings, provided that the senior pastor and teaching pastor of the Church shall not be Overseers on the Board of Overseers, nor shall they have a vote thereon and shall not be present when the Board of Overseers is discussing his or her position, salary or benefits.

7 OFFICERS

- 7.01 **Officers of the Church.** Unless otherwise specified by the Board of Overseers (which may, subject to the Act modify, restrict or supplement such duties and powers), the officers of the Church, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:
 - (a) **Chair** – the Chair of the Board of Overseers shall be appointed by the Board of Overseers from amongst the Overseers at the first Overseers' meeting of each fiscal year. The Chair shall serve for a term of one (1) year and shall be an officer of the Church. The duties of the Chair of the Board of Overseers shall be as follows:

- (i) call all meetings of the Board of Overseers;
 - (ii) call all meetings of the members of the Church in accordance with the procedures set out in the Articles, by-laws and policies;
 - (iii) preside at all such meetings as the Chair;
 - (iv) ensure the fairness, objectivity and completeness occurring at such meetings;
 - (v) prayerfully seek the guidance of Jesus Christ in all matters of the Church;
 - (vi) be permitted to express an opinion on any matter discussed at the Board of Overseers;
 - (vii) ensure that all directives and resolutions of the Board of Overseers are carried into effect; and
 - (viii) carry out such other duties as are directed from time to time by the members of the Church or by the Board of Overseers.
- (b) **Vice-Chair** – the Vice-Chair of the Board of Overseers shall be appointed by the Board of Overseers from amongst the Overseers at the first Overseers' meeting of each fiscal year. The Vice-Chair shall serve for a term of one (1) year and shall be an officer of the Church. In the event that the Chair of the Board of Overseers is not able to function in his or her position, then the Chair shall be replaced by the Vice-Chair of the Board of Overseers who shall exercise all of the authority and comply with all of the obligations of the Chair.
- (c) **Secretary** – the Secretary of the Board of Overseers shall be appointed by the Board of Overseers from amongst the Overseers at the first Overseers' meeting of each fiscal year. The Secretary shall serve for a term of one (1) year and shall be an officer of the Church. The duties of the Secretary shall be as follows:
- (i) keep or cause to be kept accurate notes and record all of the business of members of the Church and meetings of the Board of Overseers;
 - (ii) conduct or cause to be conducted all correspondence on behalf of the Church arising out of such meetings;
 - (iii) publish or cause to be published the time and place for all members of the Church and meetings of the Board of Overseers with due notice, as applicable;
 - (iv) be the custodian of the seal of the Church which he or she shall deliver only when authorized by resolution of the Board of Overseers to do so and to such person or persons as may be named in the said resolution;
 - (v) be the custodian of all papers and documents of the Church; and

- (vi) carry out such other duties as directed from time to time by members of the Church or the Board of Overseers;

In his or her absence, the duties of the Secretary shall be temporarily performed by such other member of the Church appointed by resolution of the Board of Overseers.

- (d) **Treasurer** – the Treasurer of the Board of Overseers shall be appointed by the Board of Overseers from amongst the Overseers at the first Overseers' meeting of each fiscal year. The Treasurer shall serve for a term of one (1) year and shall be an officer of the Church. The duties of the Treasurer shall be as follows:
 - (i) be responsible for the disbursing of monies on behalf of the Church, provided that the Treasurer may not receive any funds, keep any accounting records or keep any envelope records;
 - (ii) keep or cause to be kept an accurate cheque register;
 - (iii) issue and sign cheques on behalf of the Church;
 - (iv) maintain payroll records;
 - (v) maintain accounts payable records;
 - (vi) pay all accounts and authorized expenses by cheque whenever practical and possible;
 - (vii) invest funds belonging to the Church as directed by the Board of Overseers;
 - (viii) be responsible for the collection of monies received by the Church;
 - (ix) deposit the monies received by the Church into the proper bank accounts;
 - (x) keep or cause to be kept account of all monies received by the Church and keep a full and accurate account of all assets, liabilities, receipts and disbursements of the Church including recording the Church income and receipts, recording the Church fund disbursements, preparation of monthly bank reconciliations and preparation of monthly financial statements;
 - (xi) keep or cause to be kept an accurate record of all contributions made through envelopes to the general and other funds of the Church as exist from time to time;
 - (xii) ensure that no member of the Board of Overseers receives any remuneration from the Church unless such monies are for purposes of reimbursing such Person for legitimate expenses incurred on behalf of the Church; and
 - (xiii) carry out such other duties as directed from time to time by the Board of Overseers or the Membership.

In his or her absence, the duties of the Treasurer shall be temporarily performed by such other member of the Church appointed by resolution of the Board of Overseers.

- 7.02 **Term limit for an officer.** An officer shall not hold his or her office for more than three (3) consecutive one-year terms;
- 7.03 **Vacancy in Office.** In the absence of a written agreement to the contrary, the Board of Overseers may remove, whether for cause or without cause, any officer of the Church. Unless so removed, an officer shall hold office until the earlier of such officer's:
- (a) successor being appointed;
 - (b) resignation;
 - (c) ceasing to be an Overseer (if a necessary qualification of appointment); or
 - (d) death.

If the office of any officer of the Church shall be or become vacant, the Overseers may, by resolution, appoint a person to fill such vacancy.

8 PROTECTION OF INDEMNITY

- 8.01 **Protection of Overseers, Senior Pastoral Staff, Officers and Employees.** Except as otherwise provide in the Act, no Overseer, Senior Pastoral Staff, officer or employee of the Church shall be liable for the acts, receipts, neglects or defaults of any other Overseer, Senior Pastoral Staff, officer or employee or for any loss, damage or expense happening to the Church through the insufficiency or deficiency of title to any property acquired by the Church or for or on behalf of the Church or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Church shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Church or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of the Overseer, Senior Pastoral Staff, officer or employee's respective office or trust or in relation thereto unless the same shall happen by or through such person's willful neglect or default. The Overseers, Senior Pastoral Staff, officers and employees of the Church shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Church, except such as shall have been submitted to and authorized or approved by the Board of Overseers.
- 8.02 **Indemnity to Overseers, Senior Pastoral Staff, Officers and Employees.** To the extent permitted by the Act, every Overseer, Senior Pastoral Staff, officer or any member of the Church, or person (which for the purposes of this section includes any corporation, partnership, joint venture, sole proprietorship, unincorporated association, or other form of business organization) who has undertaken or is about to undertake any liability on

behalf of the Church, its heirs and assigns (each, an "Indemnified Party") will respectively be indemnified and saved harmless out of the funds of the Church from and against:

- (a) all costs, charges and expenses which such Indemnified Party sustains or incurs as a consequence of or in relation to any action, suit or proceeding which is brought, commenced or prosecuted against such Indemnified Party in respect of any act, deed, matter or thing whatsoever, made, done or permitted by the Indemnified Party, in or about the execution of such Indemnified Party's office or in respect of any such liability, except such costs, charges or expenses as are occasioned by their own willful negligence, willful misconduct or fraudulent activity;
- (b) all other costs, charges and expenses which such Indemnified Party sustains or incurs as a consequence of or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own negligence, misconduct or fraud.

The Church shall also indemnify any such Indemnified Party in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any Indemnified Party entitled to indemnity to choose indemnity apart from the provision of this by-law to the extent permitted by the Act or law.

9 AFFILIATION

- 9.01 **Affiliation with the Brethren in Christ.** The Church shall be affiliated with and subject to the supervisory, legislative and policy-making authority of the BIC and shall abide at all times by the terms of the Articles of Government of the BIC.
- 9.02 **Other Affiliations.** The Church may affiliate itself with such associations and organizations as are recommended by the Board of Overseers, as approved by the authorized representative of the BIC and affirmed by the members of the Church by special resolution at a meeting of the members duly called for such purpose.

10 NOTICES

- 10.01 **Method of Giving Any Notice.** Any notice (which term includes any communication or document), other than notice of a meeting of members or a notice of meeting of the Board of Overseers, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, Overseer, officer or member of a committee of the Board of Overseers or to the public accountant shall be sufficiently given:
 - (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Church or in the case of notice to an Overseer to the latest address as shown in the last notice that was sent by the Church in accordance with section 128 or 134 of the Act;
 - (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;

- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with Part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any member, Overseer, officer, public accountant or member of a committee of the Board of Overseers in accordance with any information believed by the Secretary to be reliable. The declaration by the Secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Overseer or officer of the Church to any notice or other document to be given by the Church may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

- 10.02 **Omissions and Errors.** The accidental omission to give any notice to any member, Overseer, officer, member of a committee of the Board of Overseers or public accountant, or the non-receipt of any notice by any such person where the Church has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

11 DISPUTE RESOLUTION

- 11.01 **Mediation and Arbitration.** Disputes or controversies among members, Overseers, officers, committee members, or volunteers of the Church are as much as possible to be resolved in accordance with mediation and/or arbitration as provided in the section on dispute resolution mechanism of this by-law.
- 11.02 **Dispute Resolution Mechanism.** In the event that a dispute or controversy among members, Overseers, officers, committee members or volunteers of the Church arising out of or related to the articles or by-laws, or out of any aspect of the operations of the Church is not resolved in private meetings between the parties then without prejudice to or in any other way derogating from the rights of the members, Overseers, officers, committee members, employees or volunteers of the Church as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

The dispute or controversy shall first be submitted to a panel of mediators whereby the one party appoints one mediator, the other party (or if applicable the Board of Overseers of the Church) appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.

The number of mediators may be reduced from three to one or two upon agreement of the parties.

In instances of congregational distress, which may include serious conflict or dispute among the membership, the Board of Overseers or the Senior Staff, the Board of Overseers shall seek the involvement of the BIC to resolve such conflict.

If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the *Ontario Arbitrations Act, 1991* or as otherwise agreed upon by the parties to the dispute. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

All costs of the mediators appointed in accordance with this section shall be borne equally by the parties to the dispute or the controversy. All costs of the arbitrators appointed in accordance with this section shall be borne by such parties as may be determined by the arbitrators.

12 MISCELLANEOUS

12.01 Invalidity of any Provisions of this By-law. The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

12.02 Amendments and Effective Date. Subject to the articles, the Board of Overseers may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the Church, provided that such repeal or amendment has been reviewed and approved by the Executive Director of the BIC before any vote of the Board of Overseers. Any such by-law, amendment or repeal shall be effective from the date of the resolution of Overseers until the next meeting of members where it may be confirmed, rejected or amended by the members by ordinary resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the members at the next meeting of members or if it is rejected by the members at the meeting.

This section does not apply to a by-law that requires a special resolution of the members according to subsection 197(1) (fundamental change) of the Act because such by-law amendments or repeals are only effective when confirmed by members.

13 IDENTIFICATION AND REPEAL OF FORMER BY-LAWS

13.01 Repeal of Former General Operating By-law.

- (a) The Church's current by-law as general operating by-law is hereby repealed and replaced by General Operating By-law 1 herein effective immediately upon the issuance of certificate of continuance by the federal Government under the Act.
- (b) The said repeal of the Church's prior by-law shall not affect the previous operations of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under such by-law so repealed shall continue to act as if appointed under the provisions of this General Operating By-law 1. All Board of Overseers and members' resolutions, with continuing effect, passed under such repealed by-law shall continue to be valid, except to the extent inconsistent with this General Operating By-law 1, and until amended or repealed.