



# ANNUAL GENERAL MEETING

## Annual General Meeting November 10, 2018

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# ANNUAL GENERAL MEETING

## AGENDA

- 1. Musical Worship**
- 2. Welcome**
  - a. Overseers Chair
  - b. BIC Executive Director

Dave Lees  
Doug Sider
- 3. Land Acknowledgement**
- 4. Overseers Introductions**

David Lees
- 5. Senior Pastor's Address**

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

Mario Ferlanti
- 7. Presentation of 2018-2019 Budget and Year-to-Date**

Rod Tombs
- 8. Treasurer's Report**

Mathew Moore/Rod Tombs

  - a. 2017-2018 Audited Financial Statements
  - b. Motion: Approval of Audited Financial Statements for Fiscal Year Ended June 30, 2018
  - c. Motion: Approval of Appointment of 2018-2019 Auditors
- 9. Closing Prayer and Dismissal**

David Lees



# ANNUAL GENERAL MEETING

## Annual General Meeting Minutes November 11, 2017

- 1. Prayer and Welcome – Dave Lees and Bruxy Cavey**
- 2. Be In Christ Church of Canada welcome and prayer – Doug Sider**
  - Thank you for unity, support, and partnership in ministry.
- 3. Chair's Welcome – Dave Lees**
  - Importance of AGM and Town Halls, for legal reasons and for connecting
  - Thankfulness for staff, facilities, new podcast record, curriculum, network potential because of generosity of our community, unconditional audit report, senior leadership, and Overseers
  - Appreciation for departed/departing Overseers
- 4. Overseers – all Overseers**
  - Personal introduction and area of passion for TMH
  - Prayer by Matt Kerr
- 5. The Meeting House 2020 Vision – Bruxy Cavey & Matt Miles**
  - Vision for seeing the Gospel and a movement of Anabaptist values spread widely
  - Qualitative research and spiritual discernment are affirming this path of giving more visibility to this Jesus-centered movement, focusing on:
    - Creation of multi-directional shared resources hub
    - Leadership development
    - Relational Networking
  - One Church – Many Locations → One Family – Many Expressions
  - Moving from 2 tracks of TMH Proper and TMH Network to Concentric Circles with TMH DNA at the core
    - TMH Immediate Family
    - TMH Extended Family
    - Tracking Expressions
    - Partner Churches / Organizations
- 6. Approval of November 2016 Annual General Meeting minutes**
  - Motion: Moved by Don Corey. Seconded by Russ Skinner. Carried.
- 7. Election of Cody Buchenauer, Magdalene John, and Nathan Piche to a first 3-year term as Overseers.**
  - Motion: Moved by Erin Biggs. Seconded by Heather Sutherland. Carried.
- 8. Review of Income, Expenses, and Audited Statements – Rod Tombs**
  - Summary of Offering Stats at The Meeting House
  - 2016-2017-year end transfer of \$550,000 to property fund

- Additional funds to complete project \$200,000

## **9. First Quarter Review to Budget – Rod Tombs**

- General, Compassion, and Growth Fund Trending last year vs. this year

## **10. Kids and Youth Curriculum Update**

- Blessing to share
- Giving to Curriculum to sustain the project
- Inviting users to join us in funding the project

## **11. Treasurer's Report – Mat Moore**

- Auditors Statements – continue to have unqualified opinion
- Financial Statements

## **12. Financial Motions – Dave Lees**

- Motion: Accept the 2016-2017 Audited Statements
  - Moved by Russ Skinner. Seconded by Jen Denys. Carried
- Motion: Appoint Grant Thornton Chartered Accountants as auditors for the 2017-2018 fiscal year.
  - Moved by Erin Biggs. Seconded by THE Chad. Carried.

## **13. Questions / Feedback / Concluding AGM Comments - David Lees**

- Question/Comment:
  - Rotation of auditors - response by Mat Moore
  - Decline of growth fund income – response by Rod Tombs
  - Exciting to hear about network. What are next steps? – response by Darrell Winger
  - Why is Curriculum in the Growth Fund, vs. General or Compassion? – response by Dave Lees and Mat Moore
  - What are you most excited about? What God can do through TMH with our community and our resources.



# ANNUAL GENERAL MEETING

## NOMINATING COMMITTEE REPORT

Members at this year's Annual General Meeting will be presented with three candidates for election to our Board of Overseers to serve our community in the areas of spiritual oversight, strategic vision and planning, as well as fiduciary governance. Additionally, two returning Overseers will be presented for election to serve for a second three-year term.

The Overseers' Nominating Committee, together with the Board, prayerfully reviewed our proposed Overseers' team complement for approval by the members. We want to thank all those who graciously participated in the nomination or discernment process over the past several months. As a church, we are blessed with many gifted individuals. Following a careful process of review, interaction, and prayer, we are very excited to recommend the following gifted group of servant leaders 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 serve and return for three years, the first year of his 1st three-year term; attends the Uptown Toronto site. Yohan has attended The Meeting House for 6 years and has served as a Home Church elder for almost 4 years. Yohan is married with children and is a Banking professional.
- **Angela Rose**, nominated to serve and return for three years, the first year of her 1st three-year term; attends the Newmarket site. Angela has attended The Meeting House for 16 years and has served as a Home Church Elder for 3 years. Angela is single and an Occupational Therapist.
- **Bruce Miller**, nominated to serve and return for three years, the first year of his 1st three-year term; attends the Oakville site. Bruce has attended The Meeting House for over 10 years and has served as a Home Church elder for about 10 years. Bruce is also involved with other ministries both inside and outside of The Meeting House. Bruce is married with adult children and is retired.
- **Mario Ferlanti**, nominated to return for three years, the first year of his 2<sup>nd</sup> and final three-year term; attends the Oakville site. Mario has attended The Meeting House for about 14 years. Mario has served as a Compassion Coach and is a Home Church Elder. Mario is married with children with a background in information Technology Project Management.
- **Vincent John**, nominated to return for three years, the first year of his 2<sup>nd</sup> and final three-year term. Attends the Oakville site. Vince has attended The Meeting House for about 11 years. Vince has served as a Home Church Elder for 5 years. Vince is married and is a HR professional with one of the major banks.

We want to thank Mathew Moore and Dave Lees for their invaluable years of service to the Board. Both Mathew and Dave have completed their second three-year term. Mathew has served as the Finance Committee Chair and Dave Lees has served as the Board Chair. Mathew will continue to serve our Burlington community in meaningful ways. Dave's engagement with The Meeting House Community will also continue, particularly at his Uptown Toronto site.

Respectfully submitted on behalf of the nominating committee,

Carole Ann Stephen  
Vince John  
Darrell Winger

**THE MEETING HOUSE CHURCH FAMILY**  
**Statement of Financial Position**  
**As at June 30, 2018**

<b>ASSETS</b>	<b>General Fund</b>	<b>Growth Fund</b>	<b>Compassion Fund</b>	<b>Property Fund</b>	<b>Total</b>
Current Assets					
Current Bank Accounts	403,793				403,793
RBC Savings Accounts	1,049,824	529,576	797,138	596,020	2,972,558
Accounts Receivable & HST Receivable	103,092				103,092
Prepaid Expenses & Security Deposits	97,976				97,976
Resource Centre Inventory	29,836				29,836
<b>Total Current Assets</b>	<b>1,684,521</b>	<b>529,576</b>	<b>797,138</b>	<b>596,020</b>	<b>3,607,255</b>
Fixed Assets					
Building (net of depreciation)				8,354,059	8,354,059
Land				2,070,000	2,070,000
Leasehold Improvements (net)			40,000	40,000	
Computer Equipment (net)			47,745	47,745	
Furniture & Equipment			215,337	215,337	
Sound/Video (net)			391,597	391,597	
Vehicles & Trailers (net)			73,674	73,674	
<b>Total Fixed Assets</b>				<b>11,192,412</b>	<b>11,192,412</b>
<b>Total Assets</b>	<b>1,684,521</b>	<b>529,576</b>	<b>797,138</b>	<b>11,788,432</b>	<b>14,799,667</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Current Liabilities					
Accounts Payable & Accrued Liabilities	711,450				711,450
Deferred Revenue – Other	40,857				40,857
Current Portion of Mortgage-renews June 2019				4,642,143	4,642,143
<b>Total Current Liabilities</b>	<b>752,307</b>	<b>-</b>	<b>-</b>	<b>4,642,143</b>	<b>5,394,450</b>
Fund Balances					
Fund Balance June 30, 2018	900,252	444,838	813,784	7,013,286	9,172,160
Change in Fund Balance Current Year	31,962	84,738	(16,646)	133,003	233,057
<b>Total Fund Balance</b>	<b>932,214</b>	<b>529,576</b>	<b>797,138</b>	<b>7,146,289</b>	<b>9,405,217</b>
	<b>1,684,521</b>	<b>529,576</b>	<b>797,138</b>	<b>11,788,432</b>	<b>14,799,667</b>

## GENERAL FUND

	<b>Actual 2018</b>	<b>Budget 2018</b>	<b>Budget 2019</b>
<b>INCOME</b>			
Offerings	8,662,299	8,623,132	9,296,200
Transfer from Deferred Revenue for new sites		15,848	
Bristol Rentals Income - Net	464,925	366,520	366,520
Interest, Resource Centre & Other Income	14,643	10,000	7,500
<b>TOTAL INCOME</b>	<b>9,141,867</b>	<b>9,015,500</b>	<b>9,670,220</b>
<b>EXPENSES</b>			
BIC Co-operative, New Ministry, Consulting	326,426	324,280	361,000
<b>kidmax</b>	365,347	415,610	516,425
<b>theUnderground</b>	498,132	501,980	659,745
Adult Ministries	2,403,300	2,445,640	2,601,450
Communications	511,265	539,100	634,630
Weekend Service	993,540	1,020,680	1,041,500
Shared Ministry Expenses	1,380,906	1,365,070	1,319,370
Facilities & Rent	1,763,635	1,846,820	1,862,770
Mortgage Interest	177,466	167,780	170,400
<b>TOTAL EXPENSES</b>	<b>8,420,018</b>	<b>8,626,960</b>	<b>9,167,290</b>
<b>Net Income (Loss)</b>	<b>721,849</b>	<b>388,540</b>	<b>502,930</b>
Equipment Purchases & Building Repairs	69,824	67,350	150,000
Mortgage Principal	320,063	324,150	330,000
Transfer to Property Fund	100,000	100,000	150,000
<b>Total Budgeted Expenditures</b>	<b>8,909,905</b>	<b>9,118,460</b>	<b>9,797,290</b>
<b>Net Budgeted Cash Flow</b>	<b>231,962</b>	<b>(102,960)</b>	<b>(127,070)</b>
<b>Unbudgeted Transfers</b>			
Transfer to Property Fund	200,000		
<b>NET CASH FLOW</b>	<b>31,962</b>	<b>(102,960)</b>	<b>(127,070)</b>
<b>General Fund Balance at Beginning of Year</b>	<b>900,252</b>	<b>818,963</b>	<b>1,033,425</b>
<b>General Fund Balance at End of Year</b>	<b>932,214</b>	<b>716,003</b>	<b>906,355</b>

### General Fund Notes

- Throughout last year, offerings trended just over 6% ahead of budget until the first week of May where we experienced a downturn in giving. This trend continued to the end of the year as well as into the summer months, (which are now part of the current fiscal year). The net effect of the first 3 quarters positive variance plus the last quarter negative variance resulted in year-end offerings being marginally ahead of budget.

During the late winter/early spring months when the current year's budget was being formed, we anticipated the same financial growth continuing. At that time, we planned for a 7% increase over the year-end forecast which was developed before the offerings began to decline. Now, considering the softer year-end results, our anticipated budget increase over last year is closer to 8%.

- Deferred revenue is the transfer of an internal reserve that was set aside to help fund new sites that may not cover their direct costs in their first two years after launch. It was not needed this year.
- Rental of the Bristol Circle, Oakville facility ended the year with a net profit of \$98,400 over budget. Corporate and community groups regularly occupy vacant space throughout each week providing additional income and a unique outreach into our local community. We continue to budget conservatively for next year as booking possibilities differ year over year.
- BIC Co-operative Ministries is a percentage of our offerings we donate to our denomination to help fund their work in Canada and throughout the world.

5. Total expenses ended the year at \$208,555 under budget. Open staff positions and unused rent allowance were the primary drivers. Included was rent provision for one site that was slated to move to a new location due to planned renovations. That was however postponed until this current year. Within the budget were also contingencies for opening additional theatres for Kidmax classrooms at current sites, but not all the funds were required.
6. **Kidmax** and the **Underground** expenses include supplies for Sunday and midweek programs, staff that serve in these ministries, as well as subsidies for retreats and events. These budgets for next year are increasing more significantly as we re-allocate some of the costs of creating our own curriculum from the Growth fund to the General fund.
7. Adult Ministries includes the costs for our Pastors and support staff to serve our adult community. Costs would cover leadership development, training our elders overseeing our home churches, and providing general pastoral care.
8. Communications includes the costs to capture and produce Sunday service teaching, video and other resource development that provides support for all our ministries as well as promoting The Meeting House externally.
9. Weekend Service covers a breadth of costs to provide a Sunday morning service, including weekly supplies for each location and every ministry, all printing, coffee, music, truck/trailer maintenance as well as all our support staff in the Oakville office and our sites on Sunday mornings.
10. Shared Ministry expenses includes administration costs such as insurance, IT, telephone, professional fees and general office expenses as well as the senior leadership and administrative staff that serve all sites and ministries.
11. Facilities and Site Rent costs includes operating and staffing of the Oakville production facility, local site rent costs for Sunday services, midweek youth program locations, music rehearsal space, truck and trailer parking during the week, as well as any special ministry space requirements at all our sites throughout the year.
12. Equipment purchases, covers the costs for minor equipment purchases at all locations as required.
13. The transfer to the property fund is a planned value to cover anticipated costs for repair/replacement of significant building components, major production equipment and trucks/trailers. This spring a good portion of roof repairs needed at the Oakville facility were completed with the remainder to be finished in the 2018-19 fiscal year.
14. The General Fund Balance is held to allow for fluctuations in cash flow throughout the year and as an emergency fund for unforeseen events. Seasonal fluctuation within this fund is normative. Our cash balances are naturally the highest around the Christmas season and lowest through the summer. The balance in these statements would be typical for June and this level ensures we have enough cash on hand for expenses throughout the summer months. (note - the balances in the other funds are restricted and cannot be used for General Fund needs.)
15. The year-end surplus allowed us to transfer an additional \$200,000 to the Property fund. This will be used to complete the repairs to the Oakville production site roof, continue to replace aging equipment and vehicles at all sites, and sets us up well for the future maintenance and replacement needs according to our five-year replacement plans.

## COMPASSION FUND

<b>INCOME</b>	<b>Actual 2018</b>	<b>Plan 2018</b>	<b>Plan 2019</b>
Offerings	851,072	800,000	800,000
MCC Peacemakers Fundraising	245,737	255,000	260,000
Interest & Other Income	21,442		3,000
<b>Total Income</b>	<b>1,118,251</b>	<b>1,055,000</b>	<b>1,063,000</b>
<b>EXPENSES</b>			
Global Compassion			
MCC Peacemakers & Program Support	312,041	256,500	261,500
World Vision Support & Mission Trips	100,000	50,000	100,000
BIC Global Ministry & Compassion Support	85,000	85,000	105,000
Extended Partner Support & Mission Trips	49,435	65,000	112,500
Ministry Oversight & Communication	117,804	120,500	164,800
<b>Total Global Compassion</b>	<b>664,280</b>	<b>577,000</b>	<b>743,800</b>
Local Compassion			
Local Agency Funding	254,722	250,000	250,000
Site Level Partner Support and Benevolence	66,533	104,000	99,000
Extended Partner Support, Peace-work, Designated Donations	20,713	33,500	32,500
Ministry Oversight & Communication	128,649	138,000	118,900
<b>Total Local Compassion</b>	<b>470,617</b>	<b>525,500</b>	<b>500,400</b>
<b>Total Expenses</b>	<b>1,134,897</b>	<b>1,102,500</b>	<b>1,244,200</b>
<b>Net Cash Flow</b>	<b>(16,647)</b>	<b>(47,500)</b>	<b>(181,200)</b>
<b>Fund Balance at Beginning of Year</b>	<b>813,784</b>	<b>867,953</b>	<b>765,453</b>
<b>Fund Balance at End of Year</b>	<b>797,138</b>	<b>820,453</b>	<b>584,253</b>

### Compassion Fund Notes

1. Donations to the Compassion fund were once again higher than planned which allowed us to fully support the Peacemakers initiatives when fundraising was slightly lower than targeted for that campaign.
2. Global Compassion supports partner agencies and mission workers in global relief and development, and evangelistic work. This year we were able to provide funds over and above our plans, specifically special donations of \$50,000 each to World Vision and Mennonite Central Committee.
3. Local Compassion provides funding to the various agencies we partner with at each of our sites. It also provides support for Canadian mission workers, local mission trips, site level compassion initiatives, and benevolence needs in our local communities. This year we were able to distribute over \$250,000 to partner agencies as well as provide funds for a new Peace education initiative. The plan for next year draws down a portion of the surplus fund balance that is not needed for ongoing commitments to other agencies and cash flow.

## GROWTH FUND

<b>INCOME</b>	<b>Actual 2018</b>	<b>Plan 2018</b>	<b>Plan 2019</b>
Donations	571,616	600,000	600,000
Network Research Support	246,033	50,000	450,000
Interest and Other Income	4,294	1,200	3,000
<b>Total Income</b>	<b>821,943</b>	<b>651,200</b>	<b>1,053,000</b>
<b>EXPENSES</b>			
Site Development, Expansion & Network	105,966	150,000	664,360
Curriculum	556,239	540,000	377,330
BIC Church Planting	75,000	75,000	75,000
Fundraising & Video Support	0	5,000	2,000
<b>Total Expenses</b>	<b>737,205</b>	<b>770,000</b>	<b>1,118,690</b>
<b>Net Cash Flow</b>	<b>84,738</b>	<b>(118,800)</b>	<b>(65,690)</b>
<b>Fund Balance at Beginning of Year</b>	<b>444,838</b>	<b>406,015</b>	<b>299,598</b>
<b>Fund Balance at End of Year</b>	<b>529,576</b>	<b>287,215</b>	<b>233,908</b>

### Growth Fund Notes

1. Donations to this fund were slightly below plan this past year, except for those we received during our fundraising for development of our Vision (see below). We were encouraged by the increasing support received from other churches using the children and youth curriculum last year. Going forward, planning is underway to fully fund this project by those who use it.
2. In 2018 the BIC provided \$50,000 towards funding the research that explored the opportunity and viability of a “Network” within The Meeting House and the formation of an overall Meeting House Vision for our future. During the last few months of last year, we launched a targeted fundraising campaign to specific donors who might have an interest in supporting the start-up costs of this endeavor. The bulk of the start-up costs are planned for the current year. Note, we are in the process of developing plans for our Vision of our future, which includes branding a “Network” and a new name to describe this component of our future structure.
3. While we are not currently exploring any new Meeting House sites, the Site Development Expansion provides funds for equipment, promotion and staff needed to start new sites as well as expand existing sites that are growing. In year ending 2018 we did not start any new sites which provided more resources to focus on the Network research.
4. We have expanded the use of the growth fund to include income and expenses related to our strategy of our Vision for our future. The plan for next year is to continue this work and launch a Pilot program to test expansion ideas which includes the “Network” component.
5. The curriculum for kids and youth teaching is an ongoing multi-year project involving video production and written materials. Some of the continuing costs of production have been moved to the General fund next year.
6. We support our BIC denomination that provide ministry support throughout the denomination and assist with new church planting.

## **Restricted Funds**

The Growth and Compassion Funds are considered externally restricted funds meaning donations to these funds should be used for their stated purposes and not for General Fund needs. The General Fund is not restricted and therefore surplus funds at year end can be transferred from it to the Growth or Compassion 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 as designated 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 such program or project will be used where needed most.



## **Proxy Form for Annual Meeting**

I, \_\_\_\_\_  
(name of member)

have reviewed the 2018 Annual Report and 2017-2018 Audited Statements and appoint

\_\_\_\_\_  
(name of proxy)

to attend and to speak and vote on my behalf at the Annual Meeting of the Members of THE MEETING HOUSE CHURCH FAMILY to be held on the 10th day of November 2018 and at any adjournment of such meeting.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
(signature of member)

**The Meeting House**  
2700 Bristol Circle | Oakville | Ontario | L6H 6E1  
905.287.7000 | Fax 905.287.7099





## Financial Statements

The Meeting House Church Family

June 30, 2018

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# Independent Auditor's Report

To the Overseers of  
The Meeting House Church Family

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We have audited the accompanying financial statements of The Meeting House Church Family, which comprise the statement of financial position as at June 30, 2018 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 a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Meeting House Church Family as at June 30, 2018, 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.



Mississauga, Canada  
October 2, 2018

Chartered Professional Accountants  
Licensed Public Accountants

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## The Meeting House Church Family Statement of General Fund Activity and Changes in Fund Balance

Year ended June 30

	<b>2018</b>	<b>2017</b>
Revenue		
Offerings	\$ 8,679,593	\$ 8,572,103
Rental and sales income	715,680	589,064
Ministry reimbursements	184,631	177,621
Interest and other	<u>50,788</u>	<u>48,984</u>
	<b><u>9,630,692</u></b>	<b><u>9,387,772</u></b>
Expenditures		
Adult ministries	2,435,341	2,101,752
Facilities	1,763,785	1,686,946
Weekend services	1,011,021	944,253
Administration	767,719	846,506
Youth	685,147	595,006
Shared staff expense	618,811	533,555
Communications	532,816	520,623
Kidmax	365,840	375,631
Missions and partnership support	326,426	320,900
Rent and sales expense	248,628	237,235
Interest on long-term debt (Note 6)	<u>177,466</u>	<u>178,509</u>
	<b><u>8,933,000</u></b>	<b><u>8,340,916</u></b>
Excess of revenue over expenditures	<b><u>697,692</u></b>	<b><u>1,046,856</u></b>
Fund balance, beginning of year	<b><u>900,254</u></b>	<b><u>1,053,553</u></b>
Interfund transfers		
Purchase of property and equipment	(45,668)	(86,736)
Repayment of loan principal	(320,063)	(313,419)
Funding of property and equipment reserve fund	(300,000)	(550,000)
Support to the Growth Fund	<u>-</u>	<u>(250,000)</u>
Fund balance, end of year	<b><u>\$ 932,215</u></b>	<b><u>\$ 900,254</u></b>

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## The Meeting House Church Family Statement of Restricted Funds Activity and Changes in Fund Balances

Year ended June 30	Growth Fund	Compassion Fund	Total 2018	Total 2017
<b>Revenue</b>				
Offerings	\$ 767,649	\$ 1,116,136	<b>\$ 1,883,785</b>	\$ 1,690,592
Other income	50,133	1,227	<b>51,360</b>	5,579
Investment income	<u>4,294</u>	<u>9,920</u>	<b><u>14,214</u></b>	<u>9,090</u>
	<u>822,076</u>	<u>1,127,283</u>	<b><u>1,949,359</u></b>	<u>1,705,261</u>
<b>Expenditures</b>				
Compassion - local and global	75,000	897,413	<b>972,413</b>	1,071,306
Curriculum and growth and invite goals	556,358	-	<b>556,358</b>	491,980
Ministry oversight and communication	-	246,516	<b>246,516</b>	200,940
Expansion - new and current sites	<u>105,980</u>	<u>-</u>	<b><u>105,980</u></b>	<u>129,978</u>
	<u>737,338</u>	<u>1,143,929</u>	<b><u>1,881,267</u></b>	<u>1,894,204</u>
Excess (deficiency) of revenue over expenditures	84,738	(16,646)	<b>68,092</b>	(188,943)
Fund balance, beginning of year	<u>444,837</u>	<u>813,784</u>	<b><u>1,258,621</u></b>	<u>1,231,777</u>
<b>Interfund transfers</b>				
Purchase of property and equipment	-	-	-	(34,213)
Support from the General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Fund balance, end of year	<b><u>\$ 529,575</u></b>	<b><u>\$ 797,138</u></b>	<b><u>\$ 1,326,713</u></b>	<b><u>\$ 1,258,621</u></b>

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## The Meeting House Church Family Statement of Property Fund Activity and Changes in Fund Balance

Year ended June 30	<b>2018</b>	<b>2017</b>
Revenue		
Donations	\$ 72,890	\$ -
Gain on disposal of property and equipment	16,383	22,555
Interest income	7,764	2,490
Other income	-	3,416
	<b>97,037</b>	<b>28,461</b>
Expenditures		
Amortization of property and equipment	544,669	553,585
Property repairs and replacement equipment	85,094	138,074
	<b>629,763</b>	<b>691,659</b>
Deficiency of revenue over expenditures	<b>(532,726)</b>	<b>(663,198)</b>
Fund balance, beginning of year	<b>7,013,285</b>	<b>6,692,115</b>
Interfund transfers		
Purchase of property and equipment	45,668	120,949
Repayment of loan principal	320,063	313,419
Support from the General Fund	300,000	550,000
Fund balance, end of year	<b>\$ 7,146,290</b>	<b>\$ 7,013,285</b>

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## The Meeting House Church Family Statement of Changes in Fund Balances

Year ended June 30	General Fund	Restricted Funds	Property Fund	Total 2018	Total 2017
Fund balances, beginning of year	\$ 900,254	\$ 1,258,621	\$ 7,013,285	\$ 9,172,160	\$ 8,977,445
Excess (deficiency) of revenue over expenditures	697,692	68,092	(532,726)	233,058	194,715
Interfund transfers					
Purchase of property and equipment	(45,668)	-	45,668	-	-
Loan principal repayments	(320,063)	-	320,063	-	-
Support from the General Fund	(300,000)	-	300,000	-	-
Fund balances, end of year	<u>\$ 932,215</u>	<u>\$ 1,326,713</u>	<u>\$ 7,146,290</u>	<u>\$ 9,405,218</u>	<u>\$ 9,172,160</u>

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## The Meeting House Church Family Statement of Financial Position

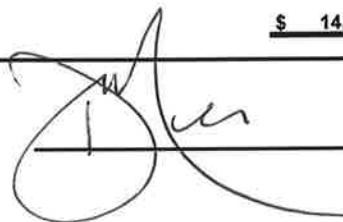
	Total 2018	Total 2017
As at June 30		
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 4)		
General Fund	\$ 1,453,617	\$ 1,283,944
Restricted Fund	1,326,713	1,267,751
Property Fund	596,020	764,612
Taxes recoverable	43,325	64,846
Miscellaneous receivables	59,767	28,447
Prepaid expenses and deposits	97,976	15,548
Resource Centre inventory	29,836	29,071
	<u>3,607,254</u>	<u>3,454,219</u>
Property and equipment (Note 5)	<u>11,192,413</u>	<u>11,210,879</u>
	<u><u>\$ 14,799,667</u></u>	<u><u>\$ 14,665,098</u></u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities		
\$ 711,449	\$ 452,303	
Deferred revenue	40,857	78,429
Long-term debt (Note 6)	<u>4,642,143</u>	<u>2,882,112</u>
	<u>5,394,449</u>	<u>3,412,844</u>
Long-term debt (Note 6)	<u>-</u>	<u>2,080,094</u>
	<u><u>5,394,449</u></u>	<u><u>5,492,938</u></u>
<b>Fund balances</b>		
Working capital reserve	932,215	900,254
Internally restricted		
Property Fund	596,020	764,612
Invested in property and equipment	6,550,270	6,248,673
Externally restricted		
Growth Fund	529,575	444,837
Compassion Fund	797,138	813,784
	<u>9,405,218</u>	<u>9,172,160</u>
	<u><u>\$ 14,799,667</u></u>	<u><u>\$ 14,665,098</u></u>

On behalf of the Overseers Board



Director

Director



See accompanying notes to the financial statements.

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## The Meeting House Church Family Statement of Cash Flows

Year ended June 30	2018	2017
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenue over expenditures	\$ 233,058	\$ 194,715
Items not affecting cash		
Amortization of property and equipment	544,669	553,585
Gain on disposal of property and equipment	(16,383)	(22,555)
	<u>761,344</u>	<u>725,745</u>
Change in non-cash working capital items		
Taxes recoverable	21,521	(34,419)
Miscellaneous receivables	(31,320)	(10,622)
Prepaid expenses and deposits	(82,428)	36,706
Resource Centre inventory	(765)	(23,394)
Accounts payable and accrued liabilities	259,146	(57,639)
Deferred revenue	(37,572)	37,380
	<u>128,582</u>	<u>(51,988)</u>
	<u>889,925</u>	<u>673,757</u>
<b>Financing</b>		
Long-term debt principal repayments	<u>(320,063)</u>	<u>(313,419)</u>
<b>Investing</b>		
Proceeds from sale of property and equipment	18,760	31,902
Purchase of property and equipment	<u>(528,579)</u>	<u>(255,508)</u>
	<u>(509,819)</u>	<u>(223,606)</u>
Increase in cash and cash equivalents	60,043	136,732
Cash and cash equivalents (Note 4)		
Beginning of year	<u>3,316,307</u>	<u>3,179,575</u>
End of year	<u>\$ 3,376,350</u>	<u>\$ 3,316,307</u>

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See accompanying notes to the financial statements.

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2018

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### 1. Purpose of the Organization

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

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### 2. Summary of significant accounting policies

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

#### Fund accounting

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

#### General Fund

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

#### Restricted Funds

##### *Externally restricted fund - Growth Fund*

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

##### *Externally restricted fund - Compassion Fund*

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

##### *Internally restricted fund - Church Start-up Fund*

The Church Start-up Fund consists of amounts designated by the Overseers to be used to fund initial costs incurred in the establishment of regional sites.

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# **The Meeting House Church Family**

## **Notes to the Financial Statements**

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June 30, 2018

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### **2. Summary of significant accounting policies (continued)**

#### **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 to the General Fund are recorded as deferred revenue and subsequently recognized as revenue as the related expenses are incurred.

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

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

#### **Resource Centre inventory**

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

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

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# **The Meeting House Church Family**

## **Notes to the Financial Statements**

June 30, 2018

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### **2. Summary of significant accounting policies (continued)**

#### **Property and equipment**

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

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

#### **Contributed goods and services**

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

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

#### **Financial instruments**

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

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and financial assets and liabilities obtained in related party transactions are initially measured at their exchange amount. The Organization subsequently measures all of its financial assets and liabilities at amortized cost with the exception of cash and cash equivalents, which are subsequently measured at fair value.

#### **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.

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# **The Meeting House Church Family**

## **Notes to the Financial Statements**

June 30, 2018

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### **3. Objectives, policies and processes for managing capital**

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

#### **Working capital reserve fund - General Fund**

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

#### **Internally restricted funds - Church Start-up Fund**

The objective of the Church Start-up Fund is to provide a reserve to fund initial costs incurred in the establishment of regional sites as determined by the Overseers.

#### **Internally restricted funds - Property Fund**

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

#### **Invested in property and equipment**

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

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

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

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

#### **Externally restricted funds - Growth Fund**

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

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2018

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

#### Externally restricted funds - Compassion Fund

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

#### Other restrictions

The Organization is subject to the disbursement requirements set by the Canada Revenue Agency for Canadian charities and as at the end of fiscal 2018, was in compliance with these requirements.

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

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### 4. Cash and cash equivalents

	2018	2017
General Fund		
Cash	\$ 403,793	\$ 236,251
High interest savings account	<u>1,049,824</u>	<u>1,047,693</u>
	<u><b>1,453,617</b></u>	<u><b>1,283,944</b></u>
Restricted Funds		
Growth Fund - High interest savings account	529,576	447,674
Compassion Fund - High interest savings account	<u>797,137</u>	<u>820,077</u>
	<u><b>1,326,713</b></u>	<u><b>1,267,751</b></u>
Property Fund		
High interest savings account	<u>596,020</u>	<u>764,612</u>
	<u><b>\$ 3,376,350</b></u>	<u><b>\$ 3,316,307</b></u>

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## The Meeting House Church Family Notes to the Financial Statements

June 30, 2018

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### 5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net</u>	<u>2017 Net</u>
Land	\$ 2,070,000	\$ -	\$ 2,070,000	\$ 2,070,000
Building	12,080,528	3,726,469	8,354,059	8,260,214
Sound and video equipment	2,386,138	1,994,540	391,598	475,533
Furniture and equipment	974,906	759,569	215,337	269,172
Computer hardware and software	537,469	489,724	47,745	27,825
Vehicles and trailers	365,307	291,633	73,674	108,135
Leasehold improvements	<u>50,000</u>	<u>10,000</u>	<u>40,000</u>	<u>-</u>
	<b>\$ 18,464,348</b>	<b>\$ 7,271,935</b>	<b>\$ 11,192,413</b>	<b>\$ 11,210,879</b>

Additions to property and equipment during the year were as follows:

	<u>2018</u>	<u>2017</u>
Building	\$ 432,911	\$ 6,236
Sound and video equipment	12,412	75,469
Furniture and equipment	33,256	109,415
Vehicles and trailers	-	64,388
Leasehold improvements	<u>50,000</u>	<u>-</u>
	<b>\$ 528,579</b>	<b>\$ 255,508</b>

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# The Meeting House Church Family Notes to the Financial Statements

June 30, 2018

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## 6. Long-term debt

	2018	2017
Mortgage with the Royal Bank of Canada, bearing interest at 3.72%, due May 29, 2019, payable by monthly instalments of principal plus interest of \$27,121 and secured by the Bristol Circle property and a general security agreement	<b>\$ 2,562,046</b>	\$ 2,789,902
Mortgage with the Royal Bank of Canada, bearing interest at 3.88%, due on June 20, 2019, payable by monthly installments plus interest of \$14,573 and secured by a general security agreement	<b>2,080,097</b>	2,172,304
	<b>4,642,143</b>	4,962,206
Current portion	<b>4,642,143</b>	2,882,112
	<b>\$ -</b>	<b>\$ 2,080,094</b>

Interest incurred on the above loans in the amount of \$177,466 (2017 - \$178,509) was expensed in the statement of General Fund activity and changes in fund balance.

The Church intends to refinance the mortgages upon maturity.

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## 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 by a general security agreement on all assets except real property. At year end, there was no amount drawn on this line.

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## 8. Commitments

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

2019	\$ 58,762
2020	59,424
2021	53,678
2022	35,104

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# **The Meeting House Church Family**

## **Notes to the Financial Statements**

June 30, 2018

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### **9. Financial instruments**

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

#### **Credit risk**

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

The Organization provides for its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at June 30, 2018, the allowance for doubtful accounts is \$Nil (2017 - \$Nil).

#### **Liquidity risk**

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

The Organization's financing facilities include a requirement to maintain a minimum of \$500,000 of unrestricted funds at all times. The Organization is in compliance with this requirement as at June 30, 2018.

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

#### **Interest rate risk**

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

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