

2015

ANNUAL
REPORT

**the meeting
house**

LETTER FROM THE CHAIR

God has guided us through a year of growing, learning, discerning, serving, and dreaming together. One of the key passages that focused our thoughts as overseers was Paul's exhortation to the Colossians in Chapter 3:12–17:

Therefore, as God's chosen people, holy and dearly loved, clothe yourselves with compassion, kindness, humility, gentleness and patience. Bear with each other and forgive one another if any of you has a grievance against someone. Forgive as the Lord forgave you. And over all these virtues put on love, which binds them all together in perfect unity.

Let the peace of Christ rule in your hearts, since as members of one body you were called to peace. And be thankful. Let the message of Christ dwell among you richly as you teach and admonish one another with all wisdom through psalms, hymns, and songs from the Spirit, singing to God with gratitude in your hearts. And whatever you do, whether in word or deed, do it all in the name of the Lord Jesus, giving thanks to God the Father through him.

On behalf of the overseers, I express our appreciation for the tremendous Meeting House staff, and for our enthusiastic, generous community. In particular, I am grateful for Tim Day's leadership and care for our community.

While we will miss Tim, we celebrate as he shares his gifts and entrepreneurial vision with our larger spiritual family through BIC Canada. I also thank God for the gift of Darrell Winger stepping in as interim senior pastor this past summer, and for Bruxy's point leadership moving forward.

We can be thankful for the privilege of partnering with our Father in sharing the good news in both word and deed in so many ways this last year including:

- Our community's involvement in Southern Africa, with the Africa Learning Trip generating 293,000 impressions on social media;

- The UNDERGROUND's amazing fall kickoff with hundreds of youth attending at all our sites, including 175 in Oakville;
- Our Home Church elders' and other leaders' passion around leading our community well, as evidenced by over 1,000 views of the discipleship training videos;
- More than half our sites are engaged in sponsoring Syrian refugees;
- Compassion donations have exceeded expectations, allowing for additional engagement with First Nations;
- Strong ownership of local compassion initiatives and partnerships at each site, with beautiful big and small stories and relationships formed.

I am also thankful for the things that God has in store for us this coming year including:

- Launching a Downtown Hamilton site this fall;
- Releasing a music CD this fall to support worship beyond Sunday mornings;
- A renewed emphasis on the quality of our disciple-making through Home Churches;
- A focus on Family-Friendly Home Churches as we explore better ways to include all ages in our renewed discipleship emphasis.

Thank you to all the volunteers and those who give their support to The Meeting House in prayer and finances in the name of our Lord Jesus. As we reflect on our past year and what we can accomplish for God together in unity, it reminds me of how awesome it is to be part of a community that desires to clothe itself in compassion, kindness, humility, gentleness and patience, and be bound by love.

Dave Lees
Chair, Overseers Board

A WORD FROM BRUXY

The past few months I've been grooving to a dance song called "Are You With Me?" by Lost Frequencies. The lyrics of the verse about vacationing in Mexico don't grab my attention, but the line that makes up the chorus – "Are you with me?" – really sticks with me. In fact, in my head, this song has become an unofficial theme song of this year. I listen to it often and every time I hear the line "Are you with me?" I feel my heart shouting a resounding "YES!"

If Jesus put his Great Commission to a dance groove, I'm sure it would sound something like this. I also like how this song characterizes The Meeting House because it represents the coming together of very different kinds of people and styles (HOMOTHUMADON!). The song was originally recorded by a country artist named Easton Corbin, then a couple years later Lost Frequencies used a sped up version of his vocal track as the foundation for their dance song. And thus ends the full extent of my country music knowledge.

All that to say, this past year has been a joy and a challenge in many ways. We miss having some key staff with us moving forward, not the least being our beloved senior pastor Tim Day. Looking back, I'm filled with heartfelt gratitude for the amazing love Tim has poured into this community, and the beautiful ways he has cared for and supported me over the past fifteen years.

Looking forward now, I am still convinced that our best years are ahead of us. A renewed passion for the basics of discipleship, worship, fellowship, and outreach is spurring us onward, and our love for Jesus and his Church is growing increasingly deep and wide.

So thank you, to you who serve The Meeting House, who give back into our community through volunteering and financial generosity. And thank you, to you who are taking the time to read this report. The attention and care you give to our church partners beautifully with the Holy Spirit to make this organization a family.

I'm excited to walk arm and arm into our future – TOGETHER.

Are you with me?

Peace,

A handwritten signature in black ink that reads "Bruxy". The signature is stylized with a large, sweeping initial 'B' and a long, horizontal stroke extending to the right.

MEETING MINUTES ANNUAL GENERAL MEETING

SATURDAY, NOVEMBER 15, 2014 – 9:00AM

Welcome & Prayer

The meeting was opened in prayer and with a welcome from Bruxy Cavey. Tim Day welcomed everyone and reviewed how we receive and process feedback and the oversight of our finances. Some highlights for this year included record-breaking attendance in November, the launch of our High Park site, an amazing youth retreat, progress on production of our own kids and youth curriculum, and a strong year planned for compassion. Dave Lees, the Chair of the Overseers, shared some reflections on things we have seen since our May meeting.

Approval of 2014 May Annual Meeting Minutes

The motion to approve the minutes of the May 3, 2014 Annual Meeting Minutes was moved by Timen Jansen and seconded by Russ Skinner. Dave responded to a clarifying question about membership. The motion was carried.

Nominating Committee Report

Dave Lees introduced the slate of Overseers for the coming year. The slate of Overseers is the same as the meeting from last May and are nominated for staggered terms so that we have a good rotation and consistency in learnings. Moved by Russ Skinner and seconded by Timen Jansen. There were no questions and the motion was carried.

Review of Financial Results

Mathew Moore gave a financial report from the audited statements for 2013–2014. The auditors affirmed that our 2013–2014 statements present fairly and meet the guidelines set out by the Canadian Accounting Standards. We have strong finances and are maintaining our expense base in line with revenue which is our commitment to our community. Our facility and rental income during the Oakville build-out was paused and has picked up in the current year. We had a larger Fund balance in 2012–2013

but were still able to transfer over \$200,000 into the Growth Fund. Mat gave an update on our restricted Funds – Growth and Compassion. We have been truly blessed as a community and continue to steward our finances well. In future meetings, we will make comparisons to budget available. We are below our budget for the Oakville build-out and will include an update at a future date.

Financial Motions

Motion to accept the 2013–2014 audited Financial Statements as presented. Motioned by Michael Messenger and seconded by Shelley Tulloch. There were no questions and the motion was carried. Motion to appoint Grant Thornton as auditors for the 2014–2015 Financial Statements by Timen Jansen and seconded by Megan Firth. There were no questions and the motion carried.

2014–2015 Budget Update

Rod Tombs gave an update on our budget for the current fiscal year. Our budget reflects a 12% increase over the previous year's budget. To date we continue to trend at a 1.2% increase in revenue over the previous year. The current budget remains but we have revised a spending plan to 2% over the previous year. We will continue to focus on new donors. Rod gave an overview of a recent Sunday giving survey. About 10% of our families are interested in increasing their giving. In December 2014, we are planning to implement a new "text-to-give" program. Rod replied to some questions from the floor and offered to connect with people personally to process additional questions.

Tim Day and Bruxy Cavey thanked the Overseers for the many hours of service to give wisdom and leadership in our community. Bruxy closed the meeting in prayer.

NOMINATING COMMITTEE REPORT

At this year's Annual Meeting, members of The Meeting House will have the opportunity to elect and/or re-elect seven candidates to the Board of Overseers to serve our community in the areas of spiritual oversight, strategic vision and planning as well as fiduciary governance.

The Overseers' Nominating Committee, together with the Board, prayerfully reviewed our proposed Overseers' team complement for approval by the members. We are very excited to recommend this gifted, diverse 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.

- **Bruce Daccord** nominated to serve and return for three years, the first year of his 1st three-year term; attends Brampton site
- **Mario Ferlanti** nominated to serve and return for three years, the first year of his 1st three-year term; attends Oakville site
- **Vincent John** nominated to serve and return for three years, the first year of his 1st three-year term; attends Oakville site
- **David Lees** nominated to serve and return for three years, the first year of his 2nd three-year term; attends Uptown Toronto site
- **Fiona Miles** nominated to serve and return for three years, the first year of her 1st three-year term; attends Downtown Toronto site

- **Mathew Moore** nominated to serve and return for three years, the first year of his 2nd three-year term; attends Burlington site
- **Darrell Winger** nominated to serve and return for two years, the second year of his 1st three-year term; attends Oakville site

We want to thank Michael Messenger, Anthony DeGazon, and Jenn Carkner for their passionate years of service on the Overseers board. Michael has resigned as an Overseer to focus on his new role as CEO & President, World Vision Canada. We will continue strengthening our ongoing partnership with Michael and World Vision through our commitment to child sponsorship and development projects in Southern Africa. Tony and Jenn have both completed their second three-year term and are looking forward to serving our community in other meaningful ways.

Respectfully submitted on behalf of the Nominating Committee,

Ron Burkholder
Jenn Carkner
Matthew Kerr

FINANCE COMMITTEE REPORT

On behalf of the Finance Team and staff, we would like to thank you for your generous donations which enabled us to continue our ongoing work as well as move forward with our growth and compassion initiatives this year.

During the first few months of the year general fund offerings were trending below expectations. Expense plans were trimmed and we communicated this shortfall to our community throughout the fall. By Christmas the deficit had been eliminated and stronger givings continued through the year. In the spring we received a few larger one time donations that would normally have been given throughout next fiscal year resulting in a healthy surplus for year end.

This surplus allowed the Overseers to approve two inter-fund transfers. One transfer for \$175,000 was made to the property fund to allow for some much needed replacements and upgrades to aging equipment at a number of regional sites, which will happen this year. The other transfer of \$147,000 was made to the growth fund as a one-time transfer to fund special growth initiatives within BIC Canada. The remainder of the surplus was left in the general fund balance to be drawn down in the coming year when those one-time offerings would have normally been made.

In the growth fund we purchased the equipment and vehicles for the new High Park site and look forward to launching the Downtown Hamilton site this fall. We also made significant headway in the ongoing creation of new curriculum for the kid**max** and the**UNDERGROUND**. We continue to finish a few smaller projects related to Oakville expansion which will all be completed by the end of fiscal 2016.

Once again our community generously supported the MCC AIDS Care appeal. Offerings to the compassion fund allowed us to support various global ministries including World Vision and other MCC projects as well as distributing \$200,000 to many agencies that our local sites partner with.

Included in this report is an interim financial update on our first quarter actual results to budget and plan as well as the 2014-15 Audited Financial Statements. If you have questions about these reports please feel free to contact us at finance@themeetinghouse.com.

We are truly blessed and thankful for the faithful support and trust of our donors and strive to use these gifts in the most honouring and effective ways we believe God is calling us to.

Motions to Table:

- Motion to accept the 2014–2015 Audited Financial Statements as presented.
- Motion to appoint Grant Thornton Chartered Accountants as auditor for the 2015–16 fiscal year

Respectfully submitted,



Judy Maranta, CPA, CMA
Finance Manager



Mathew Moore, CPA, CA
Treasurer



The Meeting House receives offerings that pay our expenses and enables the ministry of The Meeting House. Our primary fund – the General Fund – covers the majority of these costs. The General Fund is where people typically give their regular offerings (tithe). We have two additional funds related to our mission – the Growth and Compassion Funds – that stretch us to give above and beyond our regular offerings.

General Fund

Provides finances for how we communicate the message of Jesus, care for people, help them grown in their relationship with God and mobilize them to serve within and beyond The Meeting House.

Growth Fund

Provides the capital and start-up funds required to launch and expand our sites, and create new discipleship tools to resource our community.

Compassion Fund

Raises money to give externally to global and local compassion partners.



STATEMENT OF FINANCIAL POSITION (AS AT SEPTEMBER 30, 2015 – FIRST QUARTER)

	General Fund	Growth Fund	Compassion Fund	Property Fund	Total
Assets					
CURRENT ASSETS					
Current Bank Accounts	100,219				100,219
RBC Savings Account	862,335	357,024	1,411,683	534,391	3,165,433
Cash Balances owing between Funds	(169,864)	72,183	97,681		-
Accounts Receivable & HST Receivable	38,427	1,015	8		39,450
Prepaid Expenses & Security Deposits	12,724				12,724
Resource Centre Inventory	5,230				5,230
Current Pledges Receivable to June 2016		828,735	642,599		1,471,334
Total Current Assets	849,071	1,258,957	2,151,971	534,391	4,794,390
FIXED ASSETS					
Building				8,956,274	8,956,274
Land				2,070,000	2,070,000
Computer Equipment (net)				56,785	56,785
Furniture & Equipment (net)				258,414	258,414
Sound/Video (net)				615,885	615,885
Vehicles & Trailers (net)				109,428	109,428
Total Fixed Assets	-	-	-	12,066,786	12,066,786
TOTAL ASSETS	849,071	1,258,957	2,151,971	12,601,177	16,861,176
Liabilities & Fund Balances					
CURRENT LIABILITIES					
Accounts Payable & Accrued Liabilities	240,119	16,466	2,360		258,945
Deferred Revenue - Other	63,996				63,996
Deferred Revenue - Pledges to June 2016		828,735	642,599		1,471,334
Current Portion of Mortgage				303,075	303,075
Total Current Liabilities	304,115	845,201	644,959	303,075	2,097,350
LONG TERM LIABILITIES					
Long Term Portion of Mortgage				5,200,923	5,200,923
TOTAL LIABILITIES	304,115	845,201	644,959	5,503,998	7,298,273
FUND BALANCES					
Fund Balance June 30, 2015	799,337	521,424	1,412,365	7,020,298	9,753,424
Restricted for Future New Sites	50,529				50,529
Change in Fund Balance Current Year	(304,910)	(107,668)	94,647	76,881	(241,050)
Total Fund Balance	544,956	413,756	1,507,012	7,097,179	9,562,903
TOTAL LIABILITIES & FUND BALANCES	849,071	1,258,957	2,151,971	12,601,177	16,861,176

GENERAL FUND REPORT

	Actual Jul to Sep /15	Budget Jul to Sep /15	Variance Jul to Sep /15	Variance to Budget	This Year Budget 2015-16	Last Year Actual 2014-15
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Income

Offerings	1,600,517	1,619,003	-18,486	-1%	7,765,000	7,766,242
Transfer from Deferred Revenue for New Sites	0	0	0	0%	18,000	39,862
Bristol Rental & Lease Income	58,786	64,740	-5,954	-9%	316,520	337,279
Interest & Other Income	2,416	1,500	916	61%	6,000	8,881
TOTAL INCOME	1,661,719	1,685,243	-23,524	-1%	8,105,520	8,152,264

Expenses

BIC Co-operative & New Ministry Support	92,160	92,160	0	0%	377,075	262,150
kidmax	80,410	89,150	-8,740	-10%	371,330	321,188
theUNDERGROUND	96,329	103,529	-7,200	-7%	473,188	410,780
Adult Ministries	445,088	456,330	-11,242	-2%	1,986,135	1,766,438
Communications	156,022	168,464	-12,442	-7%	697,585	455,099
Weekend Service	210,997	231,039	-20,042	-9%	913,813	983,142
Shared Ministry Expenses	335,872	349,684	-13,812	-4%	1,133,381	1,147,715
Facilities and Site Rent	417,976	426,273	-8,297	-2%	1,756,003	1,729,404
Interest on Mortgage	48,310	48,166	144	0%	188,850	197,290
TOTAL EXPENSES	1,883,164	1,964,795	-81,631	-4%	7,897,360	7,273,206

Net Operating Income (Loss)	-221,445	-279,552	58,107	-21%	208,160	879,058
Principal on Mortgage	74,672	74,816	-144	0%	303,080	294,638
Equipment Purchases & Building Repairs	8,793	8,793	0	0%	50,000	56,759
Transfer to Property Fund/Growth Fund	0	0	0	0%	30,000	352,000
TOTAL CASH FLOW	1,966,629	2,048,404	-81,775	-4%	8,280,440	7,976,603
NET OPERATING CASH FLOW	-304,910	-363,161	58,251	100%	-174,920	175,661

Fund Balance at Beginning of Year	799,337	799,337	0	0%	799,337	623,676
Restricted For Future Sites	50,529	50,529	0	0%	32,530	50,529
Projected Fund Balance at End of Period/Year	544,956	486,705	58,251	12%	656,947	849,866

GENERAL FUND NOTES

1. The Offerings budget for next year has not increased over last year's actual as we received a few larger one-time gifts in the spring of last year that would normally have been received throughout fiscal 2016.
2. Deferred revenue is the transfer of a reserve that was set aside to help fund new sites that may not cover their direct costs in their first two years after launch.
3. Our contribution to the BIC Co-operative Ministries helps to fund our denominational work in Canada. We also contribute to their work in missions and church planting within the Growth and Compassion Funds.
4. **kidmax** and the **UNDERGROUND** expenses include supplies for weekly curriculum, Sunday and midweek programs, staff, and subsidies for retreats and events.
5. Adult Ministries includes all of the costs to serve our adult community including home churches, pastoral care programs, counseling, first and next steps, events, and the salaries of our pastors.
6. Communications includes the costs to promote The Meeting House externally and the internal costs related to Sunday service teaching and graphics and video production.
7. Weekend Service covers the costs of vehicle and equipment maintenance, weekly supplies to service all of our ministries at each location, printing, Sunday coffee, music and support staff.
8. 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.
9. Facilities and Site Rent includes the operating and staffing costs for the Oakville production site and rent at regional sites for Sunday services, midweek youth programs and music rehearsal space.
10. Overall the increases in the 2015-16 Budget to last year's actual result from a full year of operating costs at High Park and part year at Downtown Hamilton. As well there were some unfilled staff positions last year that we hope to hire this year.
11. Interest and principal payments are to service the mortgage of the Oakville production site.
12. Equipment Purchases covers new capital equipment such as computers, projectors and other audio visual equipment at all locations. The transfer to property fund is a value to replace anticipated building and equipment repairs or replacements due to wear and tear.
13. The General Fund Balance is held to allow for fluctuations in cash flow throughout the year and as an emergency fund for unforeseen events. Typically our cash balances are highest around the Christmas season and lowest through the summer so this balance 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*)

GROWTH FUND REPORT

	Actual Jul to Sep /15	This Year Plan 2015-16	Last Year Actual 2014-15
Income			
Offerings	141,035	900,000	882,441
Interest and Other Income	934	2,000	4,114
Transfer from General Fund			147,000
TOTAL INCOME	141,969	902,000	1,033,555

Expenses

Brethren in Christ Church Planting & New Ministry Support	30,545	239,730	75,000
Oakville Production Site Expansion	61,110	130,770	203,273
New Site Development and Site Expansion	22,660	170,350	149,848
Curriculum & Invite Goals	135,322	677,000	544,708
TOTAL EXPENSES	249,637	1,217,850	972,829

Net Cash Flow	-107,668	-315,850	60,726
Fund Balance at Beginning of Year	521,424	521,424	460,697
Fund Balance at End of Period/Year	413,756	205,574	521,423

GROWTH FUND NOTES

- Offerings projections are based on current giving trends and pledges.
- BIC church planting and new ministry support includes a one year gift to support new initiatives.
- Oakville production site expansion includes some final small projects to complete the renovation.
- New Site Development and Site Expansion provides funds for the equipment, promotion and staff needed to start new sites and track with home churches and communities that are exploring the feasibility of becoming full sites. High Park became our 15th full site this year, Downtown Hamilton is planned for this fall and we have allowed funds for one more site in fiscal 2016 but plans have not been finalized.
- The new curriculum for kid**max** and the**UNDERGROUND** programs is an ongoing multi-year project involving video production and written materials. A major focus will continue in this area in the coming year.
- Invite goals include funds to produce adult learning resources such as books, home church and leadership development resources, and worship music. Our sites are encouraged to develop invite events in their communities and funds have been allocated for this use.

COMPASSION FUND REPORT

	Actual Jul to Sep /15	This Year Plan 2015-16	Last Year Actual 2014-15
Income			
Offerings	173,774	900,000	900,320
MCC Fundraising HIV/AIDS Care Kits & Cards	1,761	300,000	318,102
Interest and Other Income	3,025	10,000	13,879
TOTAL INCOME	178,560	1,210,000	1,033,555

Expenses

GLOBAL COMPASSION

MCC AIDS Care, Project Support & Learning Teams	1,311	407,250	355,538
BIC Global Ministry & Compassion Support	18,750	75,000	79,000
World Vision Program Support and Costs		1,000	102,077
Extended Partner Support & Mission Trips	15,713	33,000	24,187
Total Global Compassion	35,774	516,250	560,802

LOCAL COMPASSION

Local Agency Funding		200,000	200,000
Local Extended Partner Support, Mission Trips, Site Level Events	5,249	74,325	45,320
Total Global Compassion	5,249	274,325	245,320

Shared Costs – Communication, Staff and Administration	42,890	220,000	190,654
TOTAL EXPENSES	83,913	1,010,575	996,776

Net Cash Flow	94,647	199,425	235,525
Fund Balance at Beginning of Year	1,412,365	1,412,366	1,176,840
Fund Balance at End of Year to Disburse in Following Year	1,507,012	1,611,791	1,412,365

COMPASSION FUND NOTES

- Offerings projections are based on current giving trends and pledges.
- Global Compassion continues our ongoing support of MCC's work in Southern Africa, developing initiatives with World Vision and the BIC's work in world missions. Extended partner support covers long and short term missionaries serving globally and the Africa Learning and Exchange Teams.
- Local Compassion provides funding to the various agencies we partner with at each of our sites. It also provides support for long and short term missionaries, local mission trips, site level compassion initiatives, and benevolence needs in our local communities.

OAKVILLE PRODUCTION SITE EXPANSION

	Total Actual Jul /12 to Sep /15	Total Budget	Variance	Overseer Funding Approval
Income/ Financing				
Offerings	1,775,643	1,800,000	24,357	1,800,000
Special Designated Offering	22,000	0	-22,000	22,000
Interest and Other Income	25,353	0	-25,353	
Transfer From General Fund	200,000	200,000	0	200,000
Mortgage	2,430,000	2,482,490	52,490	2,500,000
Fund Balance at Beginning of Project	900,000	900,000	0	900,000
TOTAL INCOME/ FINANCING	5,352,996	5,382,490	29,494	5,422,000
Expenses				
Architect Fees, Permits, Insurance	75,210	75,000	-210	
HST on taking over tenant portion	62,215	62,215	0	
Existing Office Renovations	138,088	197,147	59,059	
Maple Construction Contract & Change Orders	3,986,718	3,996,542	9,824	
*Other Equipment & Supplies	576,380	600,000	23,620	
Audio/Visual/Lighting	404,333	368,586	-35,747	
Construction Loan Interest	10,120	83,000	72,880	
TOTAL EXPENSES	5,253,064	5,382,490	129,426	5,422,000
FUND BALANCE AT END OF YEAR/ PROJECT	99,932	0	-99,932	0
TOTAL COST OF PROJECT	5,352,996	5,382,490	29,494	5,422,000

Notes: At the end of the construction project there are no liens or outstanding claims on any contracts.

* Other Equipment and Supplies includes expenditures that were not part of the construction contract such as: flooring and accoustical treatments to the Commons, outdoor lighting improvements, storage racking, and outfitting the new space with furniture and supplies.

OAKVILLE PRODUCTION SITE EXPANSION NOTES

The Transform Mission launched in the fall of 2012 but donations to the growth fund were accepted starting July 2012. Imbedded within the Transform Mission was the plan to complete the Oakville Production Site expansion. In the details of the Transform Mission plan was the goal to raise \$5.0M over 4 years in the growth fund but regardless of the level of funds raised, we would allocate up to \$1.8M towards the expansion project. The balance of the funds required to complete the project were to come from a second mortgage from the Royal Bank, which preapproved a loan of \$2,500,000.

After plans were completed in March 2013, the Overseers approved the project going forward with expenses up to \$5,422,000. Throughout the duration of the project, costs remained on track and we completed the expansion within the preapproved budget as shown in the financial summary. The resulting mortgage from RBC was \$2,430,000.

The remaining funds available for the project of \$99,932 will be used this year to complete some outstanding projects such as: outfitting of the Rec Room, emergency lighting replacements with LED lights, completion of office renovations, and technical equipment upgrades.

In Summary:

- Total income expected to come from Transform Mission was up to \$1,800,000; total income used from Transform Mission was \$1,797,643
- Total expenses approved by the Overseers was \$5,422,000; total expenses realized was \$5,253,064
- Total mortgage approved by RBC and Overseers was up to \$2,500,000; total resulting mortgage by RBC was \$2,430,000



Financial Statements

The Meeting House Church Family

June 30, 2015

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Independent Auditor's Report

To the Directors 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, 2015 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.

Independent Auditor's Report (continued)

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, 2015, 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.

Grant Thornton LLP

Mississauga, Canada
October 3, 2015

Chartered Accountants
Licensed Public Accountants

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

Year ended June 30	2015	2014
Revenue		
Offerings	\$ 7,788,617	\$ 7,373,251
Rental and sales income	492,780	305,533
Ministry reimbursements	136,484	158,673
Interest and other	<u>65,760</u>	<u>68,331</u>
	<u>8,483,641</u>	<u>7,905,788</u>
Expenditures		
Adult ministries	1,795,672	1,782,407
Facilities	1,731,982	1,647,601
Weekend services	1,013,888	968,643
Administration	896,121	798,203
Youth	570,756	632,597
Communications	456,099	701,872
Kidmax	323,607	383,233
Shared staff expense	288,096	308,620
Missions and partnership support	262,150	267,240
Interest on long-term debt (Note 7)	197,290	127,016
Rent and sales expense	<u>158,641</u>	<u>98,725</u>
	<u>7,694,302</u>	<u>7,716,157</u>
Excess of revenue over expenditures	<u>789,339</u>	<u>189,631</u>
Fund balance, beginning of year	<u>623,676</u>	<u>666,997</u>
Interfund transfers		
Purchase of property and equipment	(6,903)	(7,546)
Repayment of loan principal	(294,638)	(205,015)
Funding of property and equipment reserve fund	(205,000)	(30,000)
Support to the Growth Fund	(147,000)	-
Support of church start-up expenses	<u>39,862</u>	<u>9,609</u>
	<u>(613,679)</u>	<u>(232,952)</u>
Fund balance, end of year	<u>\$ 799,336</u>	<u>\$ 623,676</u>

See accompanying notes to the financial statements.

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

Year ended June 30	Growth Fund	Compassion Fund	Church Start-up Fund	Total 2015	Total 2014
Revenue					
Capital campaign offerings	\$ 884,421	\$ 1,206,322	\$ -	\$ 2,090,743	\$ 2,440,301
Investment income	4,114	13,879	-	17,993	21,822
Other income	3,203	10,775	-	13,978	22,246
	<u>891,738</u>	<u>1,230,976</u>	<u>-</u>	<u>2,122,714</u>	<u>2,484,369</u>
Expenditures					
Compassion - local and global	90,000	804,022	-	894,022	879,514
Curriculum and growth and invite goals	524,885	-	-	524,885	573,137
Expansion - new and current sites	261,137	-	-	261,137	577,395
Administration	-	191,429	-	191,429	135,010
Promotion and web site	-	-	-	-	13,759
	<u>876,022</u>	<u>995,451</u>	<u>-</u>	<u>1,871,473</u>	<u>2,178,815</u>
Excess of revenue over expenditures	15,716	235,525	-	251,241	305,554
Fund balance, beginning of year	<u>460,696</u>	<u>1,176,840</u>	<u>90,391</u>	<u>1,727,927</u>	<u>3,101,463</u>
Interfund transfers					
Purchase of property and equipment	(101,989)	-	-	(101,989)	(4,099,481)
Support from the General Fund	147,000	-	-	147,000	-
Support of church start-up expenses	-	-	(39,862)	(39,862)	(9,609)
Proceeds of mortgage	-	-	-	-	2,430,000
Fund balance, end of year	<u>\$ 521,423</u>	<u>\$ 1,412,365</u>	<u>\$ 50,529</u>	<u>\$ 1,984,317</u>	<u>\$ 1,727,927</u>

See accompanying notes to the financial statements.

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

Year ended June 30	2015	2014
Revenue		
Gain on disposal of property and equipment	\$ 13,518	\$ 18,361
Interest income	<u>3,786</u>	<u>4,706</u>
	<u>17,304</u>	<u>23,067</u>
Expenditures		
Amortization of property and equipment	650,119	601,086
Property repairs and replacement equipment	<u>41,128</u>	<u>52,618</u>
	<u>691,247</u>	<u>653,704</u>
Deficiency of revenue over expenditures	<u>(673,943)</u>	<u>(630,637)</u>
Fund balance, beginning of year	<u>7,085,709</u>	<u>5,804,304</u>
Interfund transfers		
Purchase of property and equipment	108,892	4,107,027
Repayment of loan principal	294,638	205,015
Funding of property and equipment reserve fund	205,000	30,000
Proceeds of mortgage	<u>-</u>	<u>(2,430,000)</u>
	<u>608,530</u>	<u>1,912,042</u>
Fund balance, end of year	<u>\$ 7,020,296</u>	<u>\$ 7,085,709</u>

The Meeting House Church Family Statement of Changes in Fund Balances

Year ended June 30	General Fund	Restricted Funds	Property Fund	Total 2015	Total 2014
Fund balances, beginning of year	\$ 623,676	\$ 1,727,927	\$ 7,085,709	\$ 9,437,312	\$ 9,572,764
Excess (deficiency) of revenue over expenditures	789,339	251,241	(673,943)	366,637	(135,452)
Interfund transfers					
Purchase of property and equipment	(6,903)	(101,989)	108,892	-	-
Loan principal repayments	(294,638)	-	294,638	-	-
Property and equipment reserve fund	(205,000)	-	205,000	-	-
Support to the Growth Fund	(147,000)	147,000	-	-	-
Transfer from Church Start-up Fund	<u>39,862</u>	<u>(39,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 799,336</u>	<u>\$ 1,984,317</u>	<u>\$ 7,020,296</u>	<u>\$ 9,803,949</u>	<u>\$ 9,437,312</u>

See accompanying notes to the financial statements.

The Meeting House Church Family Statement of Financial Position

As at June 30	General Fund	Restricted Funds	Property Fund	Total 2015	Total 2014
Assets					
Current					
Cash and cash equivalents (Note 4)	\$ 1,278,592	\$ 1,765,148	\$ 532,180	\$ 3,575,920	\$ 2,992,882
Pledges receivable (Note 2)	-	1,580,477	-	1,580,477	968,094
Taxes recoverable	56,233	-	-	56,233	47,569
Miscellaneous receivables	2,094	-	-	2,094	26,955
Prepaid expenses and deposits	25,794	1,500	-	27,294	91,708
Resource Centre inventory	5,384	-	-	5,384	10,785
Interfund loan	(260,154)	260,154	-	-	-
	1,107,943	3,607,279	532,180	5,247,402	4,137,993
Pledges receivable (Note 2)	-	-	-	-	1,971,442
Property and equipment (Note 5)	-	-	12,066,786	12,066,786	12,593,993
	<u>\$ 1,107,943</u>	<u>\$ 3,607,279</u>	<u>\$ 12,598,966</u>	<u>\$ 17,314,188</u>	<u>\$ 18,703,428</u>
Liabilities					
Current					
Accounts payable and accrued liabilities (Note 6)	\$ 292,312	\$ 42,485	\$ -	\$ 334,797	\$ 437,862
Deferred revenue	16,295	-	-	16,295	15,410
Deferred pledge revenue (Note 2)	-	1,580,477	-	1,580,477	968,094
Long-term debt (Note 7)	-	-	303,075	303,075	294,704
	308,607	1,622,962	303,075	2,234,644	1,716,070
Deferred pledge revenue (Note 2)	-	-	-	-	1,971,442
Long-term debt (Note 7)	-	-	5,275,595	5,275,595	5,578,604
	<u>308,607</u>	<u>1,622,962</u>	<u>5,578,670</u>	<u>7,510,239</u>	<u>9,266,116</u>
Fund balances					
Working capital reserve	799,336	-	-	799,336	623,676
Internally restricted					
Church Start-up Fund	-	50,529	-	50,529	90,391
Property Fund	-	-	532,180	532,180	370,727
Invested in property and equipment	-	-	6,488,116	6,488,116	6,714,982
Externally restricted					
Growth Fund	-	521,423	-	521,423	460,696
Compassion Fund	-	1,412,365	-	1,412,365	1,176,840
	799,336	1,984,317	7,020,296	9,803,949	9,437,312
	<u>\$ 1,107,943</u>	<u>\$ 3,607,279</u>	<u>\$ 12,598,966</u>	<u>\$ 17,314,188</u>	<u>\$ 18,703,428</u>

On behalf of the Overseers Committee

Director

Director

See accompanying notes to the financial statements.

The Meeting House Church Family Statement of Cash Flows

Year ended June 30	2015	2014
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (deficiency) of revenue over expenditures	\$ 366,637	\$ (135,452)
Items not affecting cash		
Amortization of property and equipment	650,119	601,086
Gain on disposal of property and equipment	<u>(13,518)</u>	<u>(18,361)</u>
	<u>1,003,238</u>	<u>447,273</u>
Change in non-cash working capital items		
Pledges receivable	1,359,059	1,471,772
Taxes recoverable	(8,664)	11,537
Miscellaneous receivables	24,861	14,657
Prepaid expenses and deposits	64,414	(26,876)
Resource Centre inventory	5,401	1,285
Accounts payable and accrued liabilities	(103,065)	(75,924)
Deferred revenue	885	(19,066)
Deferred pledge revenue	<u>(1,359,059)</u>	<u>(1,471,772)</u>
	<u>(16,168)</u>	<u>(94,387)</u>
	<u>987,070</u>	<u>352,886</u>
Financing		
Loan principal repayments	(294,638)	(205,015)
Proceeds on long-term debt	<u>-</u>	<u>2,430,000</u>
	<u>(294,638)</u>	<u>2,224,985</u>
Investing		
Proceeds from sale of property and equipment	19,336	27,751
Purchase of property and equipment	<u>(128,730)</u>	<u>(4,107,027)</u>
	<u>(109,394)</u>	<u>(4,079,276)</u>
Increase (decrease) in cash and cash equivalents	583,038	(1,501,405)
Cash and cash equivalents (Note 4)		
Beginning of year	<u>2,992,882</u>	<u>4,494,287</u>
End of year	<u>\$ 3,575,920</u>	<u>\$ 2,992,882</u>

See accompanying notes to the financial statements.

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

1. Purpose of the Organization

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

2. Summary of significant accounting policies

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

Fund accounting

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

General Fund

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

Restricted Funds

Externally restricted fund - Growth Fund

The Growth Fund consists of amounts designated by donors to assist in church growth and other programs as established by the Overseers Committee (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.

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

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.

Pledge receivable and deferred pledge revenue

Periodically, the Organization raises funds for special growth or compassionate initiatives. These initiatives occur over multi-year periods, and donors commit to multi-year pledges. Because of the material amounts involved in these campaigns, the Organization recognizes the pledges as receivable when made. However as the related expenditure will not occur until the funds are received and the final amount that will be received on the pledges is uncertain, the Organization records the corresponding revenue as deferred pledge revenue.

On payment of a pledge, the related deferred revenue and receivable are reversed, and the actual revenue and cash received are recorded.

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 from Resource Centre inventory 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.

The Meeting House Church Family

Notes to the Financial Statements

June 30, 2015

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

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.

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, 2015

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 (less \$150,000 of the available line of credit). 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. The Treasurer 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 Directors 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.

The teams develop the annual capital budget which is submitted to the Overseers for examination. The Overseers authorize the funds for the budget, with revisions throughout the year as required. The budget is executed by the Finance and Directors teams 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 Directors team is responsible for carrying out the objectives of this fund as set out in the plan. The Treasurer monitors the status of the fund and reports to the Overseers on its usage.

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

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 Directors 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 2015, was in compliance with these requirements.

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

4. Cash and cash equivalents

	<u>2015</u>	<u>2014</u>
General Fund		
Cash	\$ 167,373	\$ 141,599
High interest savings account	<u>1,111,219</u>	<u>801,180</u>
	<u>1,278,592</u>	<u>942,779</u>
Restricted Funds		
Growth Fund - High interest savings account	356,338	495,473
Compassion Fund - High interest savings account	<u>1,408,810</u>	<u>1,183,903</u>
	<u>1,765,148</u>	<u>1,679,376</u>
Property Fund		
High interest savings account	<u>532,180</u>	<u>370,727</u>
	<u>\$ 3,575,920</u>	<u>\$ 2,992,882</u>

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net</u>	<u>2014 Net</u>
Land	\$ 2,070,000	\$ -	\$ 2,070,000	\$ 2,070,000
Building	11,641,380	2,685,106	8,956,274	9,279,684
Sound and video equipment	2,279,583	1,663,698	615,885	734,673
Furniture and equipment	858,112	599,698	258,414	323,018
Computer hardware and software	504,212	447,427	56,785	81,121
Vehicles and trailers	431,254	321,826	109,428	105,497
	<u>\$ 17,784,541</u>	<u>\$ 5,717,755</u>	<u>\$ 12,066,786</u>	<u>\$ 12,593,993</u>

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

	<u>2015</u>	<u>2014</u>
Building	\$ 48,753	\$ 3,677,620
Sound and video equipment	31,274	237,837
Furniture and equipment	-	168,896
Computer hardware and software	-	7,546
Vehicles and trailers	48,703	15,128
	<u>\$ 128,730</u>	<u>\$ 4,107,027</u>

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$Nil (2014 - \$52,652).

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

7. Long-term debt

	<u>2015</u>	<u>2014</u>
Mortgage with the Royal Bank of Canada, bearing interest at 3.17%, due October 29, 2017, payable by monthly instalments of principal plus interest of \$26,421 and secured by the Bristol Circle property and a general security agreement	\$ 3,232,071	\$ 3,443,308
Mortgage with the Royal Bank of Canada, bearing interest at 3.88%, due on June 20, 2019, payable by monthly installments plus interest of \$14,573 and secured by a general security agreement	<u>2,346,599</u>	<u>2,430,000</u>
	5,578,670	5,873,308
Current portion	<u>303,075</u>	<u>294,704</u>
	\$ 5,275,595	\$ 5,578,604

Interest incurred on the above loans in the amount of \$197,290 (2014 - \$127,016) was expensed in the statement of General Fund activity and changes in fund balance.

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

2016	\$ 303,080
2017	313,455
2018	2,882,122
2019	<u>2,080,013</u>
	\$ 5,578,670

The Church intends to refinance the mortgages upon maturity.

8. 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.

The Meeting House Church Family Notes to the Financial Statements

June 30, 2015

9. Commitments

The Organization is committed under operating leases for equipment extending for various periods to March 2017. Future minimum annual payments required over the next two years are as follows:

2016	\$	35,160
2017		17,580

The Organization entered into an agreement with the Mennonite Central Committee (MCC) to enable the Organization to support MCC's compassionate ministries. Future commitments over the next two years are as follows:

2016	\$	434,950
2017		484,100

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.

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, 2015, the allowance for doubtful accounts is \$Nil (2014 - \$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 debt service coverage ratio not less than 1.30:1 that is to be assessed at the end of each fiscal year. The Organization is in compliance with this covenant as at June 30, 2015.

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 Meeting House Church Family Notes to the Financial Statements

June 30, 2015

10. Financial instruments (continued)

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.



**Proxy Form for
Annual Meeting**

I, _____
(name of member)

have reviewed the 2015 Annual Report and 2014-2015 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 14th day of November, 2015 and at any adjournment of such meeting.

DATED this _____ day of _____, 2015.

(signature of member)

The Meeting House
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