

2020  
**Annual  
Report**



**The Meeting House**

# The Meeting House

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## Purpose

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

## Vision

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

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## Our Values

### Community

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

### Mission

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

Peace —  
Community  
Simplicity —  
Mission

### Peace

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

### Simplicity

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

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

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**What a ministry year this has been!** When we launched our new vision and Go campaign last year, who would have known that our renewed focus on engaging spiritually curious people would be so seriously challenged by a global pandemic? Without doubt, these past several months have been among the most challenging ones many of us have experienced. These have been days of grieving losses, coping with uncertainty, and continually adapting to changing realities.

Yet we have also experienced God’s faithfulness. We were able to quickly shift to creative approaches of live-streaming Sunday services and virtual Home Church gatherings. Thousands of Meeting Housers reached out to local communities and beyond our borders to lovingly care for others. We have been humbled by the generous giving of our donors. What has always been true — we are the best version of ourselves when we reach beyond ourselves to care for others — has been witnessed repeatedly.

This “new normal” has helped us rediscover two important principles of being the church: the need to care for our community as well as reaching out to love our neighbours well. This is at the heart of our shift to referring to our sites as parishes. This historic term captures the reality that we are much more than a location where we gather on Sundays. Our vision to go means we intentionally take responsibility, as a loving church family, to embrace our local communities with the love of Jesus — to be the church in and for the neighbourhoods in which we find ourselves.

It is such a privilege to be a part of this extended church family. In times like these, we are truly blessed to serve alongside thousands of sisters and brothers committed to following Jesus and living and sharing his irreligious message.

Faith, Hope, and Love,



**Bruxy, Darrell, and Maggie**



# Your generosity makes ministry happen.

Thank you for being part of the 3,500+ people who gave this past year to support our vision.

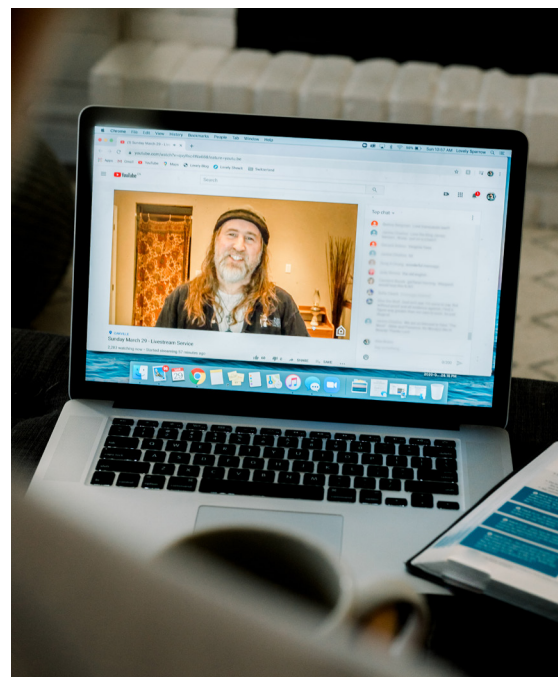
**Together, this looks like:**

## Compassion & Local Agency Support

Supporting people in our own communities and around the world through local initiatives and our partnerships with World Vision, Mennonite Central Committee (MCC), and BIC Canada Global.

## Kids & Youth

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



## Adult Ministries

Funding Home Church, local events, volunteer training and appreciation, plus resourcing and salaries for parish pastors.

## Shared Ministry Expenses

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

## Facilities & Rent

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

## Communications & Weekend Service

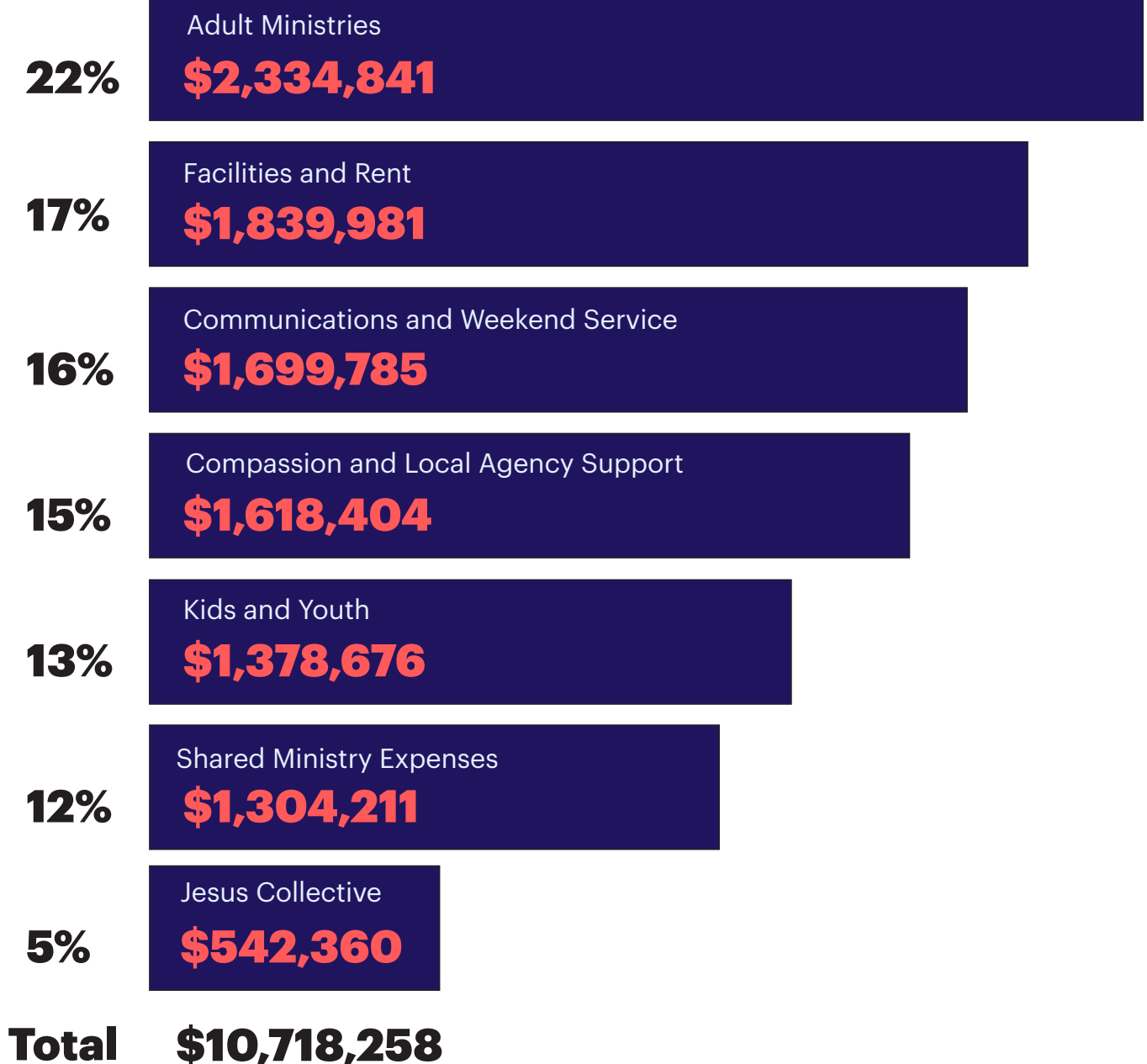
Producing and distributing Sunday teaching to our parish and online community and funding tech, parish support, and communications staff.

## Jesus Collective

Planning, promoting, and organizing the framework for Jesus Collective's pilot phase and inviting other leaders and churches to join.

## Ministry Expenses

While total expenses last year were impacted by COVID-19 restrictions, the allocation and resulting percentages by ministry category are very consistent with previous years.



# Our impact is measured by His hands and feet.

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

## Compassion

# \$100,000

has been given to **World Vision's Raw Hope** initiatives (including their COVID-19 response efforts), providing basic needs and space for children and families to heal

# \$250,000

of our **Local Compassion Fund** was distributed to 23 partner organizations across our parishes in December 2019

# \$207,633

raised for the **Peacemakers Campaign**, in addition to a total of 1,032 Relief Kits on collection day

## Jesus Collective

# 35

partner applications from churches & leaders across 7 different countries

# 45

trained pastoral & ministry leaders in the way of Jesus through Online Learning Collectives

# 500

people from 20 countries attended the live Unite Online conference in May



# \$77,962

raised by 785 unique donations for **MCC Fundraising** in June (the goal was \$24,000)



## Engagement 2019-2020 fiscal year averages

# 878

weekly Home Church attendance (includes an increase of 121 people during the pandemic)

# 1,900

people on a Home Church roster (as of April 14, 2020)

# 3,595

Kids and Youth Curriculum subscribers

# 4,203

Sunday Livestream viewers (Mar 15 - Jun 28)

# 9,800

weekly Livestream viewers

# 146

Jr. high students (Grades 6-8) on a Sunday morning before the pandemic

# 151

students (Grades 6-12) at weekly midweek programs before the pandemic

# 832

children (birth-Grade 5) on a Sunday morning before the pandemic

# 6,730

Easter 2020 Livestream

# 6,738

Christmas Eve 2019 Service

# We choose to be intentional in our areas of focus.

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

## Local Compassion During COVID-19

### “Why do they do this if they don’t know us?”

It was a question posed by one of the young people living at a Matthew House location in Toronto. The young people, who are refugees to Canada, were surprised to get so many delicious meals during the early days of the pandemic lockdown. The Operations Manager, Gisela Guillen, said receiving meals from total strangers was very meaningful for the refugees living in the home.

While compassion is a natural part of how The Meeting House serves its neighbours, doing so in person has been challenging with pandemic restrictions. Matthew House is a local compassion partner of Uptown Toronto, and this meal drop off opportunity provided a way for the parish to love their new neighbours while still keeping physically distant.

The Uptown Toronto Compassion Coordinator, Nour Azziz, organized the online sign-up sheets for Home Churches and individuals to participate in providing a meal. Some made home cooked feasts and others ordered delivery of a wide variety of foods. What started as a small project — just four meals over one month — turned into 38 meals over the span of three months.

Linda Smith was one of the many people who prepared meals for Matthew House. She had already been involved with helping settle two refugee families and serving alongside Matthew House, so this was a natural fit for her. As she said, “COVID provided another opportunity to show God’s care to people who are vulnerable.”







## From Curious to Jesus-follower

**Wehuns Tan grew up** as a cultural Bhuddist but identified mainly as an atheist. He would say he was against the church or anything Christian. In his sights for the future was the checklist of a good life: Get a job. Make a lot of money. Drive fancy cars. Get in good shape. Travel.

Fast forward to high school where Wehuns met his soon-to-be girlfriend (and spoiler alert, later-to-be-wife!). “She was really into church. She was really gentle about it. She said, ‘You probably have a lot of questions. I don’t have all the answers.’” That’s part of what led him to check out The Meeting House.

The first sermon Wehuns recalls was on the topic “God hates religion.” His reaction? “Whoa, God wants a relationship with me, and it’s not just about rituals.” For a self-proclaimed atheist, this was very different from what he’d expected from a church.

“My heart started getting opened up to ask a lot of questions. To run up that ramp of reason before I made the leap of faith.” Part of his journey included being part of a Home Church, where Wehuns spent hours talking with the leader about his faith questions. In 2005, Wehuns became baptized, and he and his family are now connected with others through a Home Church at the Oakville parish.

## One Home Church. Seven Countries.

**It’s 5PM in British Columbia.** 7PM in Texas. And very early the next morning in Indonesia. Which means there’s a group of people logging on to their computers to talk about Jesus and connect with each other.

This online-only Home Church was started by Brenda Rennie, a former Home Church Elder associated with the Mississauga parish who moved to British Columbia in 2018. At the start of the pandemic, Brenda and Oakville Pastor Mike Slack began planning how to make digital Home Church a reality.

“I think this answers the question about whether you can have real community online,”



says Brenda. “Most of us will likely never meet in person, yet I can tell you each of these people has made their way into my life.”

On any given day, someone emails or messages the whole group with a personal update, encouraging word or video, or response to a prayer request. The Home Church now has members from seven countries: Brazil, Canada, Germany, Indonesia, New Zealand, Thailand, and the United States.

The initial connection for some of the individuals happened through a Facebook group connected to The Meeting House in a variety of locations outside Ontario.

Yvonne Oude-Reimerink lives outside Austin, Texas, where she says it’s challenging to find a church that has the same Jesus-centric community. She was so excited to read Brenda’s message in the Facebook group about a regular online Home Church. “It gives me a home. To feel like I can connect with those who are thinking similarly in terms of theology,” says Yvonne.

Both Brenda and Yvonne — who now co-Elders the Home Church — want to see this type of connection multiply. “Yes online, but also that each person in this and other online groups would find ways to reach out and connect in-person in their neighbourhoods too.”



## A Place to Belong

**Josh Patterson is the High School and Young Adult Pastor at Seneca Creek Community Church in Gaithersburg, Maryland.** Earlier this year, he participated in a six-week online learning cohort with Jesus Collective. “One of the things that it did for me professionally,” Josh says, “was it helped restore some of my hope and my trust in the church.”

After working at and then leaving two previous churches where he experienced severe emotional, spiritual, and verbal abuse, Josh felt disoriented and uncertain about continuing his journey in the church. It wasn’t until meeting a new group of pastors and leaders through the learning cohort that he began to find his faith again. “Jesus Collective, through the relationships I met there with other church leaders from around the world, really helped heal some of those broken areas in my life.”

For much of his time in the church, Josh also struggled to identify with a particular leadership community, describing himself as a spiritual orphan. “Jesus Collective gave me a place where I belonged just as I was, and that was deeply, deeply healing.” Among a group of people with Jesus at the centre, Josh began to encounter Christ in a way he hadn’t before. “There was a deeply personal, spiritual transformation and shift that has happened during my time at Jesus Collective.”

The learning cohort offered a space for Josh to form lasting relationships, to engage with thought leaders, and to find a new sense of belonging, healing, and faith. “The relationships that were built in that short amount of time are ones that are going to continue for a lifetime. . . . It was amazing, and it was transformative, and it’s something I will never forget.”

**Follow the link to learn more**  
[Online Learning Collective](#)



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## An Impromptu Baptism

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**Back in September**, Beth and Chris Aiken from our Uptown Toronto parish reached out to Jared, the lead pastor. The young couple had a passion to invest in relationship within and beyond their community and offered to restart the Durham Home Church as hosts and elders. They met at a cafe to talk about it, and that's when baptism came up. Beth hadn't been baptized as an adult and had some reservations about it — she felt she would be rejecting her background and family, who had decided to baptize her as an infant, and she was also hesitant to speak about her faith in public.

As they continued to talk and as Beth shared more of her story, things began to click. "I think what shifted for her," Jared says, "was [coming to understand] that it wasn't anything negative toward her family or upbringing, but it was an embracing of what that is and was for her. . . . It wasn't undoing but affirming in preparation for something new, in anticipation of new things that the Holy Spirit might be doing in her life."

Then sitting together, Jared said, "You've just explained your whole story to me, who Jesus is in your life, and that you have a passion to invest your life in Jesus. Honestly, if you want to go get baptized right now, we can do this thing." Beth's response? "Okay, let's do it." So that night at 8:30PM on a beach in Pickering, Jared stood in the water and spoke over Beth while Chris baptized her.

"What a beautiful way to launch a Home Church," Jared reflects, "by actually putting into action what we talk about. It leads with a physical step." Beth and Chris are now in the process of moving into leadership this season, and Jared is thrilled to have two more elders he wasn't even expecting. "It's just so exciting that the Spirit is at work in places beyond what we have any idea. It was such a great reminder in leadership for me to just be patient and recognize that some of the best work isn't my work. Some of the best work that happens is the work of the Holy Spirit."

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## Staying Connected with Youth

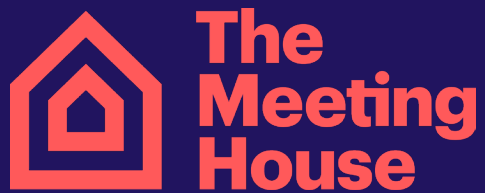
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**Tyler and Riley Lin** are brothers in junior high who connect with other youth and leaders in our Toronto parish every week. It's a fun break from their other online engagements like virtual learning from home.

These weekly Zoom calls aren't your average meetings. One of the activities that Riley, in grade 6, gets excited about is an ongoing points-tally challenge between different small groups. (Think games like creating the best cheer, quiz night, or using chat windows to create the church logo.) Best of all, the winning small group will be rewarded with a pizza party — all at their own homes at the end of the year!

Liz Dale, the Downtown Toronto Youth Coordinator, is part of the team that's making these midweeks happen for students. With ongoing pandemic restrictions, she misses the students she used to see on Sunday mornings, so now she connects with the Lin brothers on Saturday afternoons for virtual games, movies, and laughs.

Tyler says he's grateful to have connections with people he likes outside of regular school hours. And like most pre-teens, Riley loves his older brother and parents but says, "it's nice to have someone other than my family to connect with."



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

(1 Timothy 3:15)

To view our complete 2020 Annual Report, Financial Audit, and Proxy Ballot, go to  
**[themeetinghouse.com/annualreport](https://themeetinghouse.com/annualreport)**

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# The Meeting House

## Annual General Meeting November 14, 2020

### Supporting Documentation Contents

2020 Annual General Meeting Agenda	Page 2
AGM Minutes – November 9, 2019	Page 3/4
Nominating Committee Report	Page 5
Statement of Financial Position as of June 30, 2020	Page 6
General Fund	Page 8/9
Compassion Fund	Page 10/11
Go Fund	Page 11/12
Restricted Funds and Designated Giving Policy	Page 12
2019-2020 Audited Financial Statements	Page 13-30



## **AGENDA**

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

Maggie John  
Charlie Mashinter
- 2. Land Acknowledgement**

Matt Thompson
- 3. Nominating Committee Report**
  - a. Motion: Election of Overseers

Mario Ferlanti
- 4. Presentation of 2020-2021 Budget and Year-to-Date**

Rod Tombs
- 5. Treasurer's Report**
  - a. 2019-2020 Audited Financial Statements
  - b. Motion: Approval of Audited Financial Statements for Fiscal Year Ended June 30, 2020
  - c. Motion: Approval of Appointment of 2020-2021 Auditors

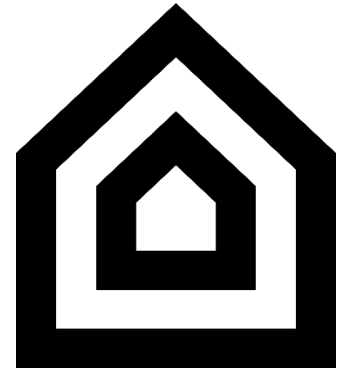
Cody Buchenauer &  
Rod Tombs
- 6. Overseers Introductions**

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

Bruxy Cavey &  
Darrell Winger
- 8. Questions**

Maggie John
- 9. Closing Prayer and Dismissal**

Maggie John



## **Annual General Meeting Minutes November 9, 2019**

### **1. Welcome & Prayer – Maggie John (Overseers chair and Charlie Mashinter (BIC Canada, Interim Executive Director)**

- Celebrating the past year
- Fiscally healthy
- Impactful series
- Global expansion: Jesus Collective
- Go
- Prayer
- Greetings from BIC: Charlie Mashinter

### **2. Land Acknowledgement – Matt Thompson**

### **3. Overseers Introductions – Maggie John**

Mario Ferlanti, Vince John, Yohan Mahimwala, Bruce Miller, Nathan Piche, Angela Rose, Carole Ann Stephen

### **4. Senior Pastor's Address – Bruxy Cavey, Rod Tombs & Darrell Winger**

- Bruxy
  - Branding—vision to go to spiritually curious
  - 2030: Rod the first to hit retirement, January step down from Senior Pastor but still involved in a different capacity
  - going back to a 2 senior pastor configuration
  - prayer for Rod
- Rod
  - retirement plan over next couple of years
  - path for new leadership going forward
- Bruxy
  - Teaching: continuing to develop the teaching team, adding Danielle Strickland for one year
- Rod
  - JC Pilot last year initiated—network digital platform
- Darrell
  - Go Campaign and new Vision—new branding, positioning ourselves to connect well with spiritually curious
  - HC Elder training this Fall
  - Fund released in the past year: local compassion, RAW Hope

- pause and thank the staff for all their hard and diligent work.

**5. Approval of 2018 Annual General Meeting Minutes – Maggie John**

- Motion: Moved – Kathleen Leadley, seconded – Steve Hubley, Carried. One opposed.

**6. Nominating Committee Report – Mario Ferlanti**

- Election of Carole Ann Stephen to her second three-year term as Overseer
- Motion: Moved – Mario Ferlanti, seconded – Steve Robinson, Carried.

**7. Presentation of 2019-2020 Budget and Year-to-Date - Rod Tombs**

**8. Treasurer’s Report - Yohan Mahimwala/Rod Tombs**

- 2018-2019 Audited Financial Statements
- Motion: Approval of Audited Financial Statements for Fiscal Year Ended June 30, 2019. Moved – Russ Skinner, seconded – Stephen Codsi, Carried.
- Motion: Approval of Appointment of 2019-2020 Auditors. Moved – Russ Skinner, seconded – Steven Codsi, Carried.

**9. Questions**

- Kidmax curriculum: reducing environmental footprint—Natalie Frisk: we are continuing to work towards this.
- Where do we find the Annual Report and supporting documents? Typically, that is emailed but questioner said they didn’t receive anything.
- App—when will it be available for Android?
- Children’s curriculum: will we be charging a fee?
- Is there a goal regarding the balance in Compassion? The Fund balance shown is a snapshot of time, actual goes up and down with donation and disbursement.
- Are we ethically investing our funds? We do not directly invest our funds.
- Can the Meeting House provide summer programming for our children?
- How do you become a member?

**10. Closing Prayer and Dismissal - Maggie John**





## **NOMINATING COMMITTEE REPORT**

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

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

- Maggie John, nominated to return for three years, her 2<sup>nd</sup> and final three-year term; Maggie has been attending The Meeting House since 2011. She has served as an Elder; a Welcome Team Member and in 2013 she started a not-for-profit called The Baby Depot which helps babies in need in the Hamilton area by providing a year's worth of clothing. Maggie is also the Anchor/Producer of current affairs show Context Beyond the Headlines. Her career in television began as a journalist covering the 9/11 Terrorist Attacks. She went on to cover Hurricane Katrina in 2005; the 7.0 Earthquake that rocked Haiti in 2010 as well the story of Uganda as it recovers from years of war. Maggie is also the proud mother of Ethan and Joshua and wife to her amazing husband Elton.
- Cody Buchenauer, nominated to return for three years, his 2<sup>nd</sup> and final three-year term; Cody attends the Kitchener site and co-leads the Doon South Home Church with his wife, Andrea. He is a Tax Manager at EY and volunteers on the Board of Directors at a local Family Resource Centre. In their downtime, Cody and Andrea enjoy spending time with family, friends, and their two cats.
- Jennifer Hryniw, nominated to the first of her 1<sup>st</sup> three-year term; Jennifer and her husband Mark have been part of The Meeting House since the doors opened in London. Over the past nine years they've served as home church hosts, elders and on the local tech team. She is thankful to be part of a community that regularly reminds her to keep Jesus at the centre, and that encourages her to "want to want" the way of Jesus when it's difficult. Jennifer works as an operations manager in the biopharmaceutical industry.
- Sandy MacLean, nominated to the first of his 1<sup>st</sup> three-year term; Sandy has been a part of The Meeting House for 15 years and served as a home church elder and coach at the Downtown Toronto parish. He currently works as a business analyst for a pension fund and is passionate about developing discipleship curriculum and teaching spiritual practices.
- Nathan Scott, nominated to the first of his 1<sup>st</sup> three-year term; Nathan and his wife Rachel of 13 years have two sons, Titus and Silas. They have been a part of TMH since 2005 and Nathan has served as the music coordinator for Hamilton Downtown since 2015. He has worked in the Culinary / Hospitality industry for over 20 years and is currently the Chef at Hamilton District Christian High.

We want to thank our outgoing overseer Nathan Piche for his invaluable service to the Board as he completes his first three-year term. Nathan will not be returning to the board for a second three-year term. Nathan has been serving as the Secretary of the Board.

Respectfully submitted on behalf of the nominating committee,

Carole Ann Stephen  
Vince John  
Darrell Winger  
Mario Ferlanti

**MEETING HOUSE CHURCH FAMILY**  
**Statement of Financial Position**  
**As at June 30, 2020**

<b>ASSETS</b>	<b>General Fund</b>	<b>Go Fund</b>	<b>Compassion Fund</b>	<b>Property Fund</b>	<b>Total</b>
Current Assets					
Current Bank Accounts	279,517				279,517
RBC Savings Accounts	1,907,329	787,061	557,327	460,316	3,712,033
Accounts Receivable & HST Receivable	20,580				20,580
Prepaid Expenses & Security Deposits	107,122		3,045		110,167
Resource Centre Inventory	18,986				18,986
<b>Total Current Assets</b>	<b>2,333,534</b>	<b>787,061</b>	<b>560,372</b>	<b>460,316</b>	<b>4,141,283</b>
Fixed Assets					
Building (net of depreciation)				7,829,798	7,829,798
Land				2,070,000	2,070,000
Leasehold Improvements - PRSN (net)				25,146	25,146
Computer Equipment (net)				23,395	23,395
Furniture & Equipment				164,645	164,645
Sound/Video (net)				349,140	349,140
Vehicles & Trailers (net)				92,009	92,009
<b>Total Fixed Assets</b>				<b>10,554,133</b>	<b>10,554,133</b>
<b>Total Assets</b>	<b>2,333,534</b>	<b>787,061</b>	<b>560,372</b>	<b>11,014,448</b>	<b>14,695,416</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Current Liabilities					
Accounts Payable & Accrued Liabilities	356,235				356,235
Deferred Revenue	51,839		40,551		92,390
Current Portion of RBC Mortgage				273,474	273,474
<b>Total Current Liabilities</b>	<b>408,074</b>	<b>-</b>	<b>40,551</b>	<b>273,474</b>	<b>722,098</b>
Long Term Liabilities					
Long Term RBC Mtg – Renews June 2024				3,803,088	3,803,088
<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,803,088</b>	<b>3,803,088</b>
<b>Total Liabilities</b>	<b>408,074</b>	<b>-</b>	<b>40,551</b>	<b>4,076,562</b>	<b>4,525,187</b>
Fund Balances					
Fund Balance June 30, 2020	1,112,115	949,756	720,865	7,076,146	9,858,882
Change in Fund Balance Current Year	813,345	(162,696)	(201,043)	(138,260)	311,346
<b>Total Fund Balance</b>	<b>1,925,460</b>	<b>787,060</b>	<b>519,822</b>	<b>6,937,886</b>	<b>10,170,228</b>
	<b>2,333,534</b>	<b>787,060</b>	<b>560,373</b>	<b>11,014,448</b>	<b>14,695,416</b>

## Finance Update – October 2020

We included the current year's General Fund budget in the July 2020 finance update with last year's forecasted data prior to closing the year. At that time, we indicated that we would adopt some shorter planning/budget time periods for the current year and plan to readjust both the income and expenses every three months — this enables us to remain nimble and react to changes in this odd year with potential volatility. The following report is an update since that time, including adjustments to income and new expense trends looking ahead into the second quarter.

Restrictions due to the coronavirus on ministry activity and resulting finances certainly remain unpredictable and well outside of historical trends, which is what enables us to plan forward. As mentioned in the last report, projecting the direction the virus will take us over the next few weeks, let alone the next eight months, remains difficult, so remaining flexible seems to be a wise approach as we look ahead.

### First quarter review

Our current fiscal year began July 1, 2020. As indicated in the July update, our first quarter General Fund budget accounted for an expected reduction in offerings that seemed to reflect the trending at the end of last year. Throughout July and August, offerings did in fact trend lower although not to the same levels that we anticipated. **Regular offerings** trended down 11% over last year and **special offerings (one-time larger gifts)** were off 51% from last summer.

There was a shift in giving though in September. While **regular offerings** declined further, down 24% over last year, the number of **special gifts** increased significantly. Last year's **special gifts** in September were \$18,000 whereas this year they were \$90,000. As we experienced in the fourth quarter of last year, it appears that increases from our current and new donors and special one-time gifts (that we had not received before) have made up the difference from the decline in **regular offerings**. The net result of this shift in our donor base activity enabled us to close our first quarter 6.8% ahead of our budget.

Our first quarter expenses ended up being below budgeted spending, primarily from the restrictions to ministry during the summer at a staff level and ministry line. Please see below for further explanations of the current year's provisions for our budget and adjustments after the first quarter.

### Q2 budget adjustments and considerations

1. As communicated previously, given the significant change to ministry over the past months, **we have brought our staff expenses down** to a level where they fit well with current income and ministry needs.
2. Even though our Q1 income is higher than anticipated, we still feel **a more conservative approach to offering expectations would be wise for the unforeseeable future**. For more details around expectations, see note 1 below.
3. The **Ministry Development Reserve** line was introduced in this year's budget as a means to fund ministry development ideas during this season of coronavirus restrictions where normal ministry activity isn't possible. Since the beginning of Q1, **this line has been drawn down by our ministries** and parishes to provide for innovative ways that require funding beyond their initial budget provisions.
4. Changes in current restrictions from the coronavirus still make it difficult to get a clear view of when any larger gatherings will be allowed. This budget revision still has provisions for supporting some Home Church rentals and some limited number of larger gatherings, all as outlined in note 11 below. While our plans include only online services and online gatherings, **we are developing plans to re-engage Sunday morning gathering opportunities when the time is right. This budget allows for some resources to begin.**
5. **Our Compassion and Go Funds have seen a decline in offerings**, and this budget provides for intentional transfers to these funds at year-end, providing the fund balance allows. In this Q2 budget revision, the Go transfer has been added to support innovative plans at the parish and Home Church level for reaching out into local communities beyond historical ways.
6. As mentioned in July's report, due to the uncertainties that we face, **we have purposefully increased our fund balance in the General Fund** and will continue to do so looking ahead in the coming months. This will allow a greater provision for fluctuations in offerings that could come about as the economic impacts force our donors to adjust their financial support.

**2020 - 2021 GENERAL FUND BUDGET with Q2 REVISIONS**

	<b>Actual 2020</b>	<b>Budget 2020</b>	<b>Budget 2021</b>
<b>INCOME</b>			
Regular offerings	8,776,312	8,922,180	6,713,030
Special offerings			568,670
<b>Total general fund offerings</b>	<b>8,776,312</b>	<b>8,922,180</b>	<b>7,281,700</b>
Resource Centres – net	3,220	2,500	0
Interest & Other Income	44,798	12,000	12,000
BIC Lease Income – discounted in 2021 Budget	13,767	16,520	0
Net Rentals Income	250,434	350,000	150,000
<b>Total General Fund Income</b>	<b>9,088,531</b>	<b>9,303,200</b>	<b>7,433,700</b>
<b>EXPENSES</b>			
BIC Co-operative Ministries	332,700	340,720	325,500
Kidmax	439,061	473,760	236,850
Youth	537,163	655,990	374,100
Adult & Young Adult Ministries	2,334,841	2,482,240	2,382,600
Ministry Development Reserve			150,600
Communications	595,314	619,650	741,450
Weekend Service/Music	839,812	1,016,685	496,250
Shared Ministry/Leadership Expense	527,047	546,640	485,200
<b>Total Ministry Costs</b>	<b>5,273,237</b>	<b>5,794,965</b>	<b>4,867,050</b>
Administration & IT	757,378	777,200	752,050
Facilities & Rentals	652,547	742,320	480,850
Parish Rent	751,119	1,075,000	273,230
Sunday Gathering Re-opening			140,000
<b>Mortgage Interest</b>	160,845	159,865	150,195
<b>Mortgage Principal</b>	262,412	268,092	273,065
<b>Equipment Purchases, Building Repairs</b>	22,678	75,000	50,000
<b>Transfer to Property Fund</b>	70,000	70,000	100,000
<b>Transfer to Compassion Fund</b>			100,000
<b>Transfer to Go Fund</b>			50,000
<b>Total General Fund Expenses</b>	<b>8,282,917</b>	<b>9,303,162</b>	<b>7,561,940</b>
<b>NET GENERAL CASH FLOW</b>	<b>805,614</b>	<b>38</b>	<b>(118,240)</b>
<b>General Fund Balance at Beginning of Year</b>	<b>1,119,846</b>	<b>805,144</b>	<b>1,925,460</b>
<b>General Fund Balance at End of Year/Period</b>	<b>1,925,460</b>	<b>805,182</b>	<b>1,807,220</b>

**General Fund Budget Notes:**

1. There was a slight decline to “regular” offerings last year, and we felt that we should be conservative and plan for a lower trend in 2020-2021 as our congregation continues to feel the financial impacts that our economists forecast as we head into the next season of this pandemic. “Special” or larger, one-time donations were more noteworthy last year, but we felt they could decline more significantly this year. Our decision therefore was to plan for a potential 12.4% decline in regular offerings and a 47% reduction of special offerings over last year’s actuals. **The net result is an offering plan for 2020-2021 of \$7,281,700, which represents a decrease of 17% over last year’s year-end.**
2. BIC Lease income will end this year as they have decided to shift their employees to home offices on a permanent basis.
3. Rental of the Bristol Circle facility in Oakville ended the year with a net profit much lower than planned due to no rentals for the last four months of the year. We continue to budget conservatively for this year as booking possibilities will be very slim due to coronavirus restrictions.
4. BIC Co-operative Ministries is a percentage of our offerings that we donate to our denomination to help fund their work in Canada and throughout the world.

5. Total expenses ended last year significantly under budget. This was due to immediate cutbacks in March to respond to ministry moving to only online. Site rentals stopped at that time and several staff roles that only supported weekend services were laid off. Overall budget cuts continue into the first part of this year as our ministry remains online. As we move further into the year, we will monitor the trends of provincial restrictions and ministry opportunities in light of offering levels and adjust accordingly.
6. Kidmax and Youth Ministry expenses include staff that serve in these ministries as well as limited supplies that facilitate online ministry only.
7. Adult Ministries allows our pastors and support staff to serve our adult community. Costs would cover leadership development, training our elders, and providing general pastoral care.
8. Communications includes the costs to capture and produce Sunday service teaching, video, and other resource developments that provide support for all our ministries and promote The Meeting House externally.
9. Weekend Service costs for this year have been reduced significantly to only provide for support that facilitates online ministry. Support for meetings (Sundays or otherwise) has been significantly reduced with minor provisions if provincial restrictions are reduced.
10. Administration and IT costs include such things as insurance, our IT infrastructure, telephone, professional fees, and general office expenses, supporting all ministries.
11. Facilities and parish rent costs typically include operating and staffing of the Oakville production facility, local site rental costs for Sunday services, midweek youth program locations, music rehearsal space, truck and trailer parking during the week, as well as any special ministry space requirements at all our parishes throughout the year. The budget provided this year is significantly reduced and only provides for limited regathering spaces should restrictions allow and health experts suggest it is safe to meet indoors. This line will be evaluated regularly and adjusted as the opportunities arise and as finances allow for increased costs.
12. Equipment purchases cover the costs for minor equipment purchases as required.
13. The transfer to the Property Fund is planned to cover anticipated costs for repair/replacement of significant building components, major production equipment, trucks/trailers, etc. The actual value may vary depending on the actual year-end net cash flow to provide a targeted fund balance of \$1,800,000 (see note 15).
14. We are aware that giving to the Compassion Fund has been reduced as some donors have needed to reduce their offerings. We want to increase our ability to provide to those who have increased needs resulting from this pandemic. The transfer to the Compassion Fund is a budgeted allocation to provide further support to this fund at this time.
15. As indicated above, the transfer to the Go Fund had been added to support innovative plans at the parish and Home Church level for reaching out into local communities beyond historical ways.
16. The General Fund balance is held to allow for fluctuations in cash flow throughout the year and as an emergency fund for unforeseen events. Seasonal fluctuation within this fund is normative. Our cash balances are naturally the highest around the Christmas season and lowest through the summer. A balance in this fund on the June statements would typically be around \$900,000 — this level ensures we have enough cash on hand for expenses throughout the summer months. Due to the uncertainty of this time, we have planned to increase the level of this provision to \$1,800,000 to allow for increased uncertainty. (Note: the balances in the other funds are restricted and cannot be used for General Fund needs.)

## 2020 - 2021 COMPASSION FUND PLAN

INCOME	Actual 2020	Plan 2020	Plan 2021
Offerings	788,675	800,000	750,000
Peacemakers Donations	209,131	225,000	225,000
Interest & Other Income	16,932	3,000	3,000
<b>Total Income</b>	<b>1,014,738</b>	<b>1,028,000</b>	<b>978,000</b>
EXPENSES			
Global Compassion			
MCC Peacemakers, Program Support	255,907	270,500	256,500
World Vision Support	100,000	100,000	100,000
BIC Global Ministry & Compassion Support	105,000	105,000	100,000
Extended Partner Support & Learning Teams	35,932	44,000	30,000
Ministry Oversight & Communication	167,889	174,200	127,000
<b>Total Global Compassion</b>	<b>664,728</b>	<b>693,700</b>	<b>613,500</b>
Local Compassion			
Local Agency Funding	317,000	250,000	250,000
Local Extended Partner Support	34,394	44,000	30,000
Parish Level Partner Support & Benevolence	79,971	114,000	121,480
Ministry Oversight & Communication	119,688	124,130	132,000
<b>Total Local Compassion</b>	<b>551,053</b>	<b>532,130</b>	<b>533,480</b>
<b>Total Expenses</b>	<b>1,215,781</b>	<b>1,225,830</b>	<b>1,146,980</b>
<b>Net Cash Flow</b>	<b>(201,043)</b>	<b>(197,830)</b>	<b>(168,980)</b>
<b>Fund Balance at Beginning of Year</b>	720,865	627,937	519,822
<b>Transfer from General Fund</b>			100,000
<b>Fund Balance at End of Year</b>	519,822	430,107	450,842

### Compassion Fund Notes

1. Donations to the Compassion Fund were slightly lower than planned, primarily due to the effects of the coronavirus impact.
2. The Peacemakers donations were just under planned, but we were able to transfer the full amount to Mennonite Central Committee (MCC) and made up the difference from a positive variance within the Compassion Fund balance.
3. Global Compassion supports partner agencies and mission workers in global relief and development and evangelistic work.
4. 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, parish level compassion initiatives, and benevolence needs in our local communities. This year we were able to distribute over \$317,000 to partner agencies by bringing forward spending plans from this fall to last June to support those agencies that experienced more financial pressures due to the coronavirus effects on their ministries.
5. The effects of the coronavirus on overall giving potential remains challenging to foresee ahead. We have intentionally planned to transfer \$100,000 from the General Fund into the Compassion Fund at year-end this year to provide the continued level of support to the agencies that have come to rely on us.

**Note:** It is worthwhile highlighting that while our Compassion goal of donations flow through The Meeting House, in an effort to respond to COVID-19 we partnered with the Mushkegowuk Tribal Council, Windigo First Nations Council, and Mennonite Central Committee (MCC) to reduce the spread of the virus in remote First Nation Communities in Ontario. The initiative launched May 31, 2020 with a goal of raising \$24,000

across all our sites and closed June 14, 2020 with a total of **\$77,962** raised by 785 unique donations. All funds were given directly through MCC.

### 2020 - 2021 GO FUND PLAN

<b>INCOME</b>	<b>Actual 2020</b>	<b>Plan 2020</b>	<b>Plan 2021</b>
Offerings	1,066,109	580,000	941,000
Curriculum Donations/Income	17,146	25,000	48,475
Interest and Other Income	13,343	5,000	5,000
<b>Total Income</b>	<b>1,096,598</b>	<b>610,000</b>	<b>994,475</b>
<b>EXPENSES</b>			
Parish Expansion & Innovation	4,406	40,000	50,000
Jesus Collective	542,360	604,480	435,800
Curriculum	402,452	399,100	527,235
BIC Church Planting	75,000	75,000	0
Livestream & Website, Branding	235,077	140,000	30,600
<b>Total Expenses</b>	<b>1,259,295</b>	<b>1,258,580</b>	<b>1,043,635</b>
<b>Net Cash Flow</b>	<b>(162,697)</b>	<b>(648,580)</b>	<b>(49,160)</b>
<b>Fund Balance at Beginning of Year/Period</b>	949,757	877,196	787,060
<b>Transfer from General Fund</b>			50,000
<b>Fund Balance at End of Year</b>	787,060	228,616	787,900

### Go Fund Notes

1. The original plan for the Growth Fund was formulated in the spring of 2019, prior to the Go vision being developed. The new Go vision was launched in November and the fund name was changed at that time. Donations to the Go Fund last year were well above the original Growth Fund plan due to increased offerings to support our renewed vision for the various elements within and our Go vision and strategy for the future.
2. The Go vision continues to develop and will roll out over the next five years. The above plan only represents anticipated spending on those initiatives which will be moving forward in the current fiscal year. Several other initiatives such as additional Home Church resources, TMHU, and Youth and Young Adult plans continue to form and will be brought into the spending plan when ready.
3. Parish Expansion and Innovation provides resources for birthing fresh expressions of local ministry at both our parishes and Home Churches. In order to support this endeavor early in the vision time period, we are adding support through the General Fund. See note 8 below.
4. Jesus Collective completed the pilot phase last year and is officially launching this year. Until that time, the Go Fund is handling the income and expenses related to the initiatives within. The above expenses are net of the anticipated income next year.
5. The ongoing development of our curriculum for kids and youth teaching will be completed this year and is transitioning over to a subscription model distribution through Jesus Collective, beyond our own internal use. The above difference between the income and related expenses represents contributions needed to make the changes necessary to refresh and make this product available for market.
6. Support for the BIC to assist with new church planting has been moved from Go into the General Fund starting this year.
7. Our new live streaming contributed to spending this allocation earlier in the Go vision to facilitate a quick response due to the coronavirus.

8. The effects of the coronavirus on overall giving potential remains challenging to foresee ahead. We have intentionally planned to transfer \$50,000 from the General Fund into the Go Fund at year-end to provide the continued level of support for all aspects of our vision and particularly the renewed focus on creative innovation endeavors.

### **Restricted Funds**

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

### **Designated Giving Policy**

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





# Financial Statements

The Meeting House Church Family

June 30, 2020

# Contents

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

# Independent Auditor's Report

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**Grant Thornton LLP**

Suite 501  
201 City Centre Drive  
Mississauga, ON  
L5B 2T4

T +1 416 366 0100  
F +1 905 804 0509

To the Overseers of  
The Meeting House Church Family

## Opinion

We have audited the financial statements of The Meeting House Church Family (the "Church"), which comprise the statement of financial position as at June 30, 2020, and the statements of General Fund activity and changes in fund balance, Restricted Funds activity and changes in fund balances, Property Fund activity and changes in fund balance, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

## Basis for opinion

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

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

We also:

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

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

*Grant Thornton LLP*

Mississauga, Canada  
September 25, 2020

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	2020	2019
Revenue		
Offerings	\$ 8,778,637	\$ 9,012,406
Rental and sales income	436,383	644,613
Ministry reimbursements	53,101	200,033
Interest and other	<u>67,494</u>	<u>33,399</u>
	<u>9,335,615</u>	<u>9,890,451</u>
Expenditures		
Adult ministries	2,364,489	2,464,381
Facilities	1,403,696	1,745,450
Weekend services	854,112	978,589
Administration	766,998	829,680
Youth	565,627	793,945
Communications	602,101	649,686
Shared staff expense	529,046	503,986
Kidmax	443,430	499,552
Missions and partnership support	332,700	343,583
Rent and sales expense	168,931	237,916
Interest on long-term debt (Note 6)	<u>160,845</u>	<u>170,041</u>
	<u>8,191,975</u>	<u>9,216,809</u>
Excess of revenue over expenditures	<u>1,143,640</u>	<u>673,642</u>
Fund balance, beginning of year	<u>1,119,847</u>	<u>932,215</u>
Interfund transfers		
Repayment of loan principal	(262,412)	(310,233)
Funding of property and equipment reserve fund	(70,000)	(150,000)
Purchase of property and equipment	<u>(5,614)</u>	<u>(25,777)</u>
	<u>(338,026)</u>	<u>(486,010)</u>
Fund balance, end of year	<u>\$ 1,925,461</u>	<u>\$ 1,119,847</u>

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## The Meeting House Church Family

### Statement of Restricted Funds Activity and Changes in Fund Balances

Year ended June 30	Go Fund	Compassion Fund	Total 2020	Total 2019
<b>Revenue</b>				
Offerings	\$ 1,089,004	\$ 1,033,485	<b>\$ 2,122,489</b>	\$ 2,378,417
Other income	26,529	5,030	<b>31,559</b>	3,588
Investment income	<u>13,343</u>	<u>11,902</u>	<b><u>25,245</u></b>	<u>23,868</u>
	<u>1,128,876</u>	<u>1,050,417</u>	<b><u>2,179,293</u></b>	<u>2,405,873</u>
<b>Expenditures</b>				
Compassion - local and global	75,000	963,883	<b>1,038,883</b>	972,668
Expansion - new and current sites	567,189	-	<b>567,189</b>	410,470
Curriculum and growth and invite goals	402,614	-	<b>402,614</b>	379,807
Ministry oversight and communication	<u>214,611</u>	<u>287,577</u>	<b><u>502,188</u></b>	<u>299,020</u>
	<u>1,259,414</u>	<u>1,251,460</u>	<b><u>2,510,874</u></b>	<u>2,061,965</u>
(Deficiency) excess of revenue over expenditures	(130,538)	(201,043)	<b>(331,581)</b>	343,908
Fund balances, beginning of year	<u>949,756</u>	<u>720,865</u>	<b><u>1,670,621</u></b>	<u>1,326,713</u>
<b>Interfund transfers</b>				
Purchase of property and equipment	<u>(32,158)</u>	<u>-</u>	<b><u>(32,158)</u></b>	<u>-</u>
Fund balances, end of year	<b><u>\$ 787,060</u></b>	<b><u>\$ 519,822</u></b>	<b><u>\$ 1,306,882</u></b>	<b><u>\$ 1,670,621</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	2020	2019
<b>Revenue</b>		
Interest income	\$ 7,484	\$ 10,973
Gain on disposal of property and equipment	<u>8,283</u>	<u>2,868</u>
	<u>15,767</u>	<u>13,841</u>
<b>Expenditures</b>		
Amortization of property and equipment	493,945	515,588
Property repairs and replacement equipment	<u>30,266</u>	<u>54,407</u>
	<u>524,211</u>	<u>569,995</u>
Deficiency of revenue over expenditures	<u>(508,444)</u>	<u>(556,154)</u>
Fund balance, beginning of year	<u>7,076,146</u>	<u>7,146,290</u>
<b>Interfund transfers</b>		
Repayment of loan principal	262,412	310,233
Support from the General Fund	70,000	150,000
Purchase of property and equipment	<u>37,772</u>	<u>25,777</u>
	<u>370,184</u>	<u>486,010</u>
Fund balance, end of year	<u>\$ 6,937,886</u>	<u>\$ 7,076,146</u>

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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	<b>Total 2020</b>	Total 2019
Fund balances, beginning of year	\$ 1,119,847	\$ 1,670,621	\$ 7,076,146	<b>\$ 9,866,614</b>	\$ 9,405,218
Excess (deficiency) of revenue over expenditures	1,143,640	(331,581)	(508,444)	<b>303,615</b>	461,396
Interfund transfers					
Loan principal repayments	(262,412)	-	262,412	-	-
Support from the General Fund	(70,000)	-	70,000	-	-
Purchase of property and equipment	(5,614)	(32,158)	37,772	-	-
Fund balances, end of year	<u>\$ 1,925,461</u>	<u>\$ 1,306,882</u>	<u>\$ 6,937,886</u>	<u><b>\$ 10,170,229</b></u>	<u>\$ 9,866,614</u>

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# The Meeting House Church Family Statement of Financial Position

As at June 30

2020

2019

## Assets

### Current

Cash and cash equivalents (Note 4)	\$ 3,991,551	\$ 3,938,774
Taxes recoverable	16,524	66,817
Miscellaneous receivables	4,055	7,610
Prepaid expenses and deposits	110,167	11,726
Resource Centre inventory	<u>18,986</u>	<u>24,455</u>

**4,141,283**      4,049,382

Property and equipment (Note 5)      **10,554,133**      10,918,498

**\$ 14,695,416**      \$ 14,967,880

## Liabilities

### Current

Accounts payable and accrued liabilities	\$ 356,235	\$ 668,819
Deferred revenue	92,390	93,473
Long-term debt (Note 6)	<u>273,474</u>	<u>263,081</u>

**722,099**      1,025,373

Long-term debt (Note 6)      **3,803,088**      4,075,893

**4,525,187**      5,101,266

## Fund balances


Working capital reserve	1,925,461	1,119,847
Internally restricted		
Property Fund	460,315	496,622
Invested in property and equipment	6,477,571	6,579,524
Externally restricted		
Go Fund (formerly Growth Fund)	787,060	949,756
Compassion Fund	<u>519,822</u>	<u>720,865</u>

**10,170,229**      9,866,614

**\$ 14,695,416**      \$ 14,967,880

Commitments (Note 8)

On behalf of the Overseers Board

  
\_\_\_\_\_  
Yohan Mahimwala      Director

\_\_\_\_\_  
Cody Buchenauer      Director

See accompanying notes to the financial statements.

# The Meeting House Church Family

## Statement of Cash Flows

Year ended June 30	2020	2019
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenue over expenditures	\$ 303,615	\$ 461,396
Items not affecting cash		
Amortization of property and equipment	493,945	515,588
Gain on disposal of property and equipment	<u>(8,283)</u>	<u>(2,868)</u>
	<u>789,277</u>	<u>974,116</u>
Change in non-cash working capital items		
Taxes recoverable	50,293	(23,492)
Miscellaneous receivables	3,555	52,157
Prepaid expenses and deposits	(98,441)	86,250
Resource Centre inventory	5,469	5,381
Accounts payable and accrued liabilities	(312,584)	(42,630)
Deferred revenue	<u>(1,083)</u>	<u>52,616</u>
	<u>(352,791)</u>	<u>130,282</u>
	<u>436,486</u>	<u>1,104,398</u>
<b>Financing</b>		
Long-term debt principal repayments	<u>(262,412)</u>	<u>(303,169)</u>
<b>Investing</b>		
Proceeds from sale of property and equipment	9,427	2,868
Purchase of property and equipment	<u>(130,724)</u>	<u>(241,673)</u>
	<u>(121,297)</u>	<u>(238,805)</u>
Increase in cash and cash equivalents	52,777	562,424
Cash and cash equivalents (Note 4)		
Beginning of year	<u>3,938,774</u>	<u>3,376,350</u>
End of year	<u>\$ 3,991,551</u>	<u>\$ 3,938,774</u>

See accompanying notes to the financial statements.

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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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 - Go Fund (formerly Growth Fund)*

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

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

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

#### Property Fund

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

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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

#### Interfund transfers

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

#### Revenue recognition

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

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

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

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

#### Resource Centre inventory

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

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

#### Property and equipment

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

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

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

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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

#### Contributed goods and services

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

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

#### Financial instruments

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

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

#### Use of estimates

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

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

#### Adoption of new accounting standard

On July 1, 2019, the organization adopted new accounting standard Section 4433 *Tangible capital assets held by not-for-profit organizations* (the "standard"). The most significant requirements include:

- tangible capital assets must be separated into their component parts, when practicable, and when estimates can be made of the lives of the separate components;
- tangible capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts; and
- additional disclosures when an impairment has occurred.

The adoption of the new accounting standard was applied prospectively, except the Organization was permitted to recognize an adjustment to opening net assets at July 1, 2019 to reflect partial impairments of tangible assets existing at that date. The adoption of this standard did not have any impact on the statement of financial position as at July 1, 2019 and the changes in financial position for the current period.

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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

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

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 - Go Fund (formerly Growth Fund)**

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

# The Meeting House Church Family Notes to the Financial Statements

June 30, 2020

### 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 2020, 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>2020</u>	<u>2019</u>
General Fund		
Cash	\$ 1,436,846	\$ 1,746,656
Guaranteed investment certificate, maturing August 2020 with interest rate of 0.93% per annum	<u>750,000</u>	<u>-</u>
	<u>2,186,846</u>	<u>1,746,656</u>
Restricted Funds		
Go Fund (formerly Growth Fund) – Cash	537,062	948,428
Go Fund (formerly Growth Fund) – Guaranteed investment certificate, maturing August 2020 with an interest rate of 0.93% per annum	250,000	-
Compassion Fund – Cash	307,327	747,067
Compassion Fund – Guaranteed investment certificate, maturing August 2020 with an interest rate of 0.93% per annum	<u>250,000</u>	<u>-</u>
	<u>1,344,389</u>	<u>1,695,495</u>
Property Fund		
Cash	<u>460,316</u>	<u>496,623</u>
	<u>\$ 3,991,551</u>	<u>\$ 3,938,774</u>

# The Meeting House Church Family Notes to the Financial Statements

June 30, 2020

## 5. Property and equipment

	Cost	Accumulated Amortization	2020 Net	2019 Net
Land	\$ 2,070,000	\$ -	<b>\$ 2,070,000</b>	\$ 2,070,000
Building	12,219,449	4,389,652	<b>7,829,797</b>	8,156,039
Sound and video equipment	2,511,119	2,161,979	<b>349,140</b>	383,108
Furniture and equipment	1,007,511	842,866	<b>164,645</b>	184,846
Computer hardware and software	537,469	514,073	<b>23,396</b>	33,422
Vehicles and trailers	398,120	306,111	<b>92,009</b>	61,083
Leasehold improvements	55,614	30,468	<b>25,146</b>	30,000
	<u>\$ 18,799,282</u>	<u>\$ 8,245,149</u>	<u><b>\$ 10,554,133</b></u>	<u>\$ 10,918,498</u>

Additions to property and equipment were as follows:

	2020	2019
Building	\$ -	\$ 138,920
Sound and video equipment	<b>47,393</b>	77,589
Furniture and equipment	<b>18,631</b>	13,974
Vehicles and trailers	<b>59,086</b>	11,190
Leasehold improvements	<b>5,614</b>	-
	<u><b>\$ 130,724</b></u>	<u>\$ 241,673</u>

## 6. Long-term debt

	2020	2019
Mortgage with the Royal Bank of Canada, bearing interest at 3.79%, due June 24, 2024, payable by monthly instalments of principal plus interest of \$35,271 and secured by the Bristol Circle property and a general security agreement	<b>\$ 4,076,562</b>	\$ 4,338,974
Current portion	<u><b>273,474</b></u>	<u>263,081</u>
	<u><b>\$ 3,803,088</b></u>	<u>\$ 4,075,893</u>

Interest incurred on the above loan in the amount of \$160,845 (2019 - \$170,041) 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:

2021	\$ 273,474
2022	284,020
2023	294,974
2024	<u>3,224,094</u>
	<u><b>\$ 4,076,562</b></u>

The Church intends to refinance the mortgage upon maturity.



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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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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 in the same manner as long-term debt as indicated in Note 6. 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 January 2025. The future minimum annual payment required over the next five years are as follows:

2021	\$	95,282
2022		77,541
2023		43,285
2024		44,151
2025		26,270

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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, 2020, the allowance for doubtful accounts is \$Nil (2019 - \$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, 2020.

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.

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# The Meeting House Church Family

## Notes to the Financial Statements

June 30, 2020

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### 9. 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 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.

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### 10. COVID-19

Since January 1, 2020, the spread of Covid-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. At the board approval date, the Church continues to operate services online, looking to open in-person services in the near future. Donations have declined slightly but the Organization remains committed to adjusting its expenditures as necessary to ensure the sustainability of the Organization.

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### 11. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2020 financial statements.