

# PORTICO COMMUNITY CHURCH 2021 **ANNUAL REPORT**







# Table of **CONTENTS**

<b>A NOTE FROM THE SENIOR PASTOR</b>	<b>4</b>
<b>MESSAGE FROM THE ELDER BOARD</b>	<b>6</b>
<b>ANNUAL BUSINESS MEETING AGENDA</b>	<b>9</b>
<b>PORTICO ENDS - ALL CHURCH</b>	<b>10</b>
<b>PORTICO ENDS - STATS</b>	<b>12</b>
<b>ANNUAL SURVEY</b>	<b>14</b>
<b>BALANCE SHEET</b>	<b>16</b>
<b>REVENUES &amp; EXPENSES</b>	<b>18</b>
<b>2021-2022 BUDGET</b>	<b>20</b>
<b>AUDITED FINANCIAL STATEMENTS</b>	<b>22</b>
<b>2020 ANNUAL BUSINESS MEETING MINUTES</b>	<b>36</b>



*“But don’t just listen to God’s word. You must do what it says. Otherwise, you are only fooling yourselves... Pure and genuine religion in the sight of God the Father means caring for orphans and widows in their distress and refusing to let the world corrupt you.”*

*James 1:22, 27*

We don’t go to church; we are the church. It’s truth.

It can become cliché.

It has never been more relevant to the vitality of God’s people than in the past year.

In 2020/2021, those who were the church found ways to re-invigorate their faith like never before. They hosted backyard times of worship in their home when large gatherings were not permitted. They served meals to first responders, raised food and dollars for those facing hunger or homelessness, and wrote letters to seniors locked in long-term care homes. They shared their faith with neighbours through an online church stream, and they discussed scripture together in a Facebook group. While the pandemic has been challenging, being the church has given us the strength to stay on mission going forward.

As you’ll see all through this report, God’s faithfulness and your faithfulness have been on display in the past 12 months. Regardless of the season, we connected in times of worship with each other virtually and in-person. We continued to grow together to be more like Christ, and we went over and above serving His mission in the world.

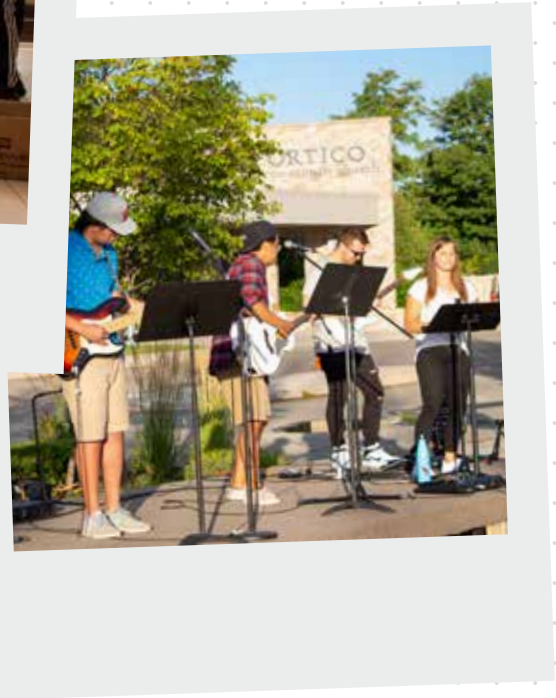
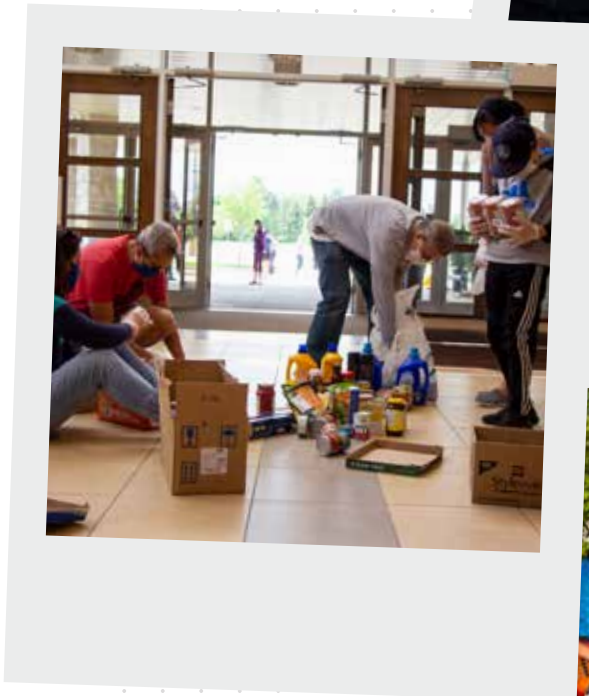
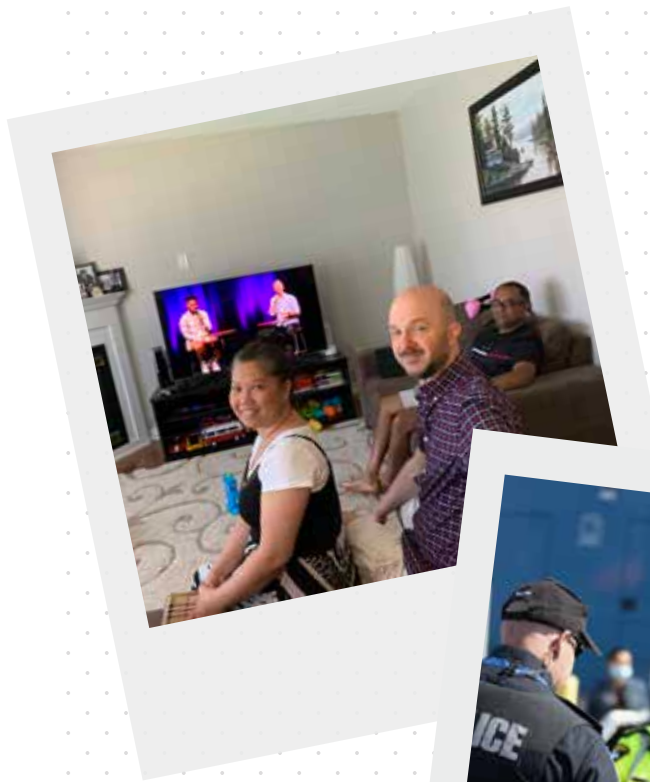
As your pastor, let me encourage us to be both hearers and doers of the word. We continue to encourage you that it

## A note from the **SENIOR PASTOR**

does not matter how you participate; all that matters is that you do indeed participate. Now is a critical time to serve each other and serve our community. If you have not yet found a place to serve in this pandemic, we would love to help you connect to an online or in-person serving opportunity. Every week we have people leading online groups, hosting online services, checking people in for in-person services, creating video content and leading live programs, serving in food banks and more. There is definitely a space for you to get out there and live out the mission of the church.

Don't ever get caught "waiting" for another space to go to church. Get out there and really be the church!

*Pastor Rick*





# Message from the **ELDER BOARD**

*July 2020 to June 2021*

It has been an honour for the Board of Elders to serve as your representatives as members and attendees of PORTICO in the last financial year. During this period, the Board endeavoured to support Pastor Rick as he led the team to progress our mission of *Helping People Find Their Way Back to God*. It has been an extraordinarily difficult year in light of the pandemic. The Board has been conscious of its impact on each one of you as we navigated extended periods of lockdown, friends and relatives battling COVID-19, the financial impacts of the pandemic and the toll on mental health that resulted.

As a Board, we have been deeply moved to promote that the level of care increases as a church body to address the rising need to support each other more than ever through this challenging time. We take our individual responsibility seriously as members to care for each other in our church community.

The pandemic created a seismic shift in how the church operates, in ways the world has not experienced for many, many decades. The current pervasive uncertainty has highlighted the urgent need existing in our communities for a deep-rooted faith in Jesus. He knows the future and is far greater than the circumstances around us. The Board is very thankful to Pastor Rick and his team for navigating the constantly changing COVID regulations and

ensuring there is no pause in our mission delivery.

PORTICO has been ahead of the curve in readiness for “online” services, events and SERVE opportunities. The team also excelled at ensuring that all health and government protocols have been in place when re-opening after lockdowns, often with very little notice, taking foresight and careful pre-planning for all possible scenarios. We have been blessed with new opportunities to reach people outside of PORTICO that we may not have reached with “in person” services. However, with this comes heavy demands on our PORTICO staff and volunteer teams. For their dedication and commitment, we are truly grateful.

If it was not enough to navigate a pandemic, we were confronted with significant world events highlighting the tremendous inequality and racism that pervades our society. The Board continues to grapple with how best to support members and attendees through these pervasive challenges and prejudice while caring for the impacted communities represented in the church and standing firm on God’s truth and universal love.

The Elder Board has also been in transition, operating with a new Chairperson, Vice Chairperson, and Board Secretary, supported by our Board mandated Audit Committee and Nominating Committee. Two themes stood out to us as a Board over the year. Firstly, recognizing our total reliance on the Holy Spirit to lead us through these uncertain times. And, secondly, recognizing the greater need to care for each other at the individual and corporate level and the need to reinforce the care mechanisms already in place at PORTICO.

I want to conclude by highlighting God's continued faithfulness to us as individuals and as the Body of Christ at PORTICO. Your sacrificial giving has enabled us to stay on mission despite the financial upheaval we have faced. God does not exempt us from trials, but he promises never to leave us nor forsake us and that absolutely nothing can separate us from the love of God (*Romans 8:35-39*).

*Wade Steyn*  
PORTICO Board Chair



**Enn Martin**



**Karina Santiago**



**Francis Davis**



**Zari Gill**



**Wade Steyn**



**Maril Varghese**



**Raymond Armah**



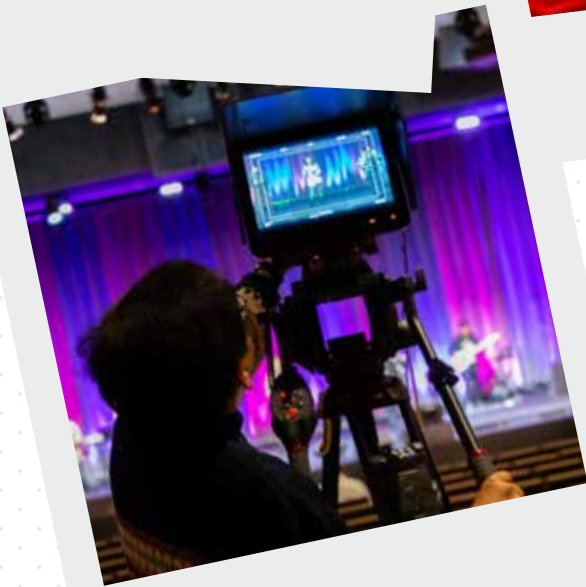
**Lileath Claire**



**Chris Gill**



**Anthony Chininea**







## 2021 Annual Business Meeting

# AGENDA

- CALL TO ORDER
- APPOINTMENT OF RECORDING SECRETARY
- APPROVAL OF THE MINUTES OF THE 2020 ANNUAL BUSINESS MEETING
- AFFIRMATION OF ELDERS
- 2020-2021 YEAR IN REVIEW
- FINANCIAL REPORTS
- ELDER BOARD OWNERSHIP CONNECTION
- VISION CHALLENGE
- MOTIONS OF APPRECIATION
- ADJOURNMENT

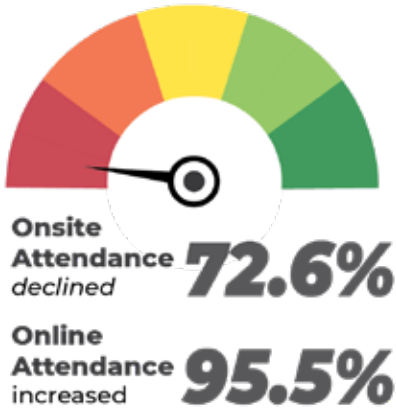
# PORTICO ENDS All Church

PORTICO Organizational ENDS Health Report displays five dials calibrated to reveal the true health of our service, multi-campus and MEANS.

All the dials work together to tell a story and empower us to make better decisions, provide better direction, and help people find their way back to God.

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## Dial One **ATTENDANCE**

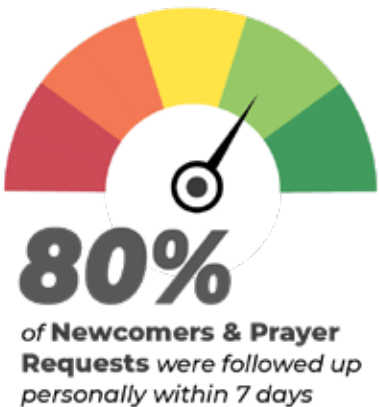


- Rating 1: Decline
- Rating 2: Stagnant
- Rating 3: 5% or less growth annually
- Rating 4: Less than 7% growth annually
- Rating 5: 7% or more growth annually

**Disclaimer:** Due to the impact of Covid-19, typical in person/online attendance numbers are not typical by comparison to previous years.

.....

## Dial Two **PERSONAL FOLLOW UP**



- Rating 1: Less than 50% of newcomers and submitted requests are followed up in less than 7 days.
- Rating 2: 50-65% of newcomers and submitted requests are followed up in less than 7 days.
- Rating 3: 65-80% of newcomers and submitted requests are followed up in less than 7 days.
- Rating 4: 80-95% of newcomers and submitted requests are followed up in less than 7 days.
- Rating 5: 95-100% of newcomers and submitted requests are followed up in less than 7 days.

### Dial Three **GROW**



*Rating 1: Total numbers of participants in growth groups decreases by greater than 15% or more.*

*Rating 2: Total numbers of participants in growth groups decreases by 5-15%.*

*Rating 3: Total numbers of participants in growth groups stays within a 5% variance from the previous year.*

*Rating 4: Total numbers of participants in growth groups increases by 5-15%.*

*Rating 5: Total numbers of participants in growth groups increases by 15% or more.*

.....

### Dial Four **SERVE**



*Rating 1: Less than 20% of Sunday Church attendance serve in the church or community.*

*Rating 2: 20-30% of Sunday Church attendance serve in the church or community.*

*Rating 3: 30-40% of Sunday Church attendance serve in the church or community.*

*Rating 4: 40-50% of Sunday Church attendance serve in the church or community.*

*Rating 5: More than 50% of Sunday Church attendance serve in the church or community.*

**Disclaimer:** Serve number is down as both online and onsite attendance numbers have been considered.

.....

### Dial Five **GENEROSITY**



*Rating 1: Giving decreases by more than 10% from the board approved budget that is reviewed quarterly.*

*Rating 2: Giving decreases by 5 to 10% from the board approved budget that is reviewed quarter by quarter.*

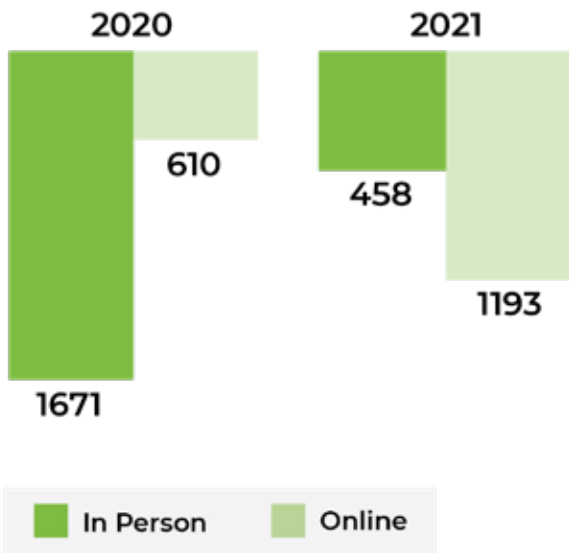
*Rating 3: Giving is within 5% variance from the board approved budget that is reviewed quarterly.*

*Rating 4: Giving increases 5 to 10% over the board approved budget that is reviewed quarter by quarter.*

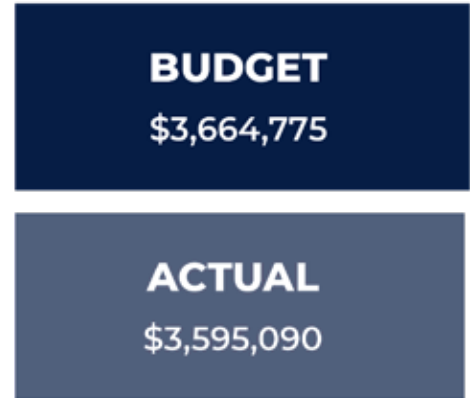
*Rating 5: Giving increases more than 10% over the board approved budget that is reviewed quarter by quarter.*

# PORTICO ENDS Stats

## Sunday ATTENDANCE (Avg Weekly)



## REVENUE Budget vs Actual



## GROWTH GROUPS by Campus

### Mississauga



### Milton



### Brampton





## THANKSGIVING FOOD DRIVE

**6753** lbs of  
food collected

## WATER BAPTISMS

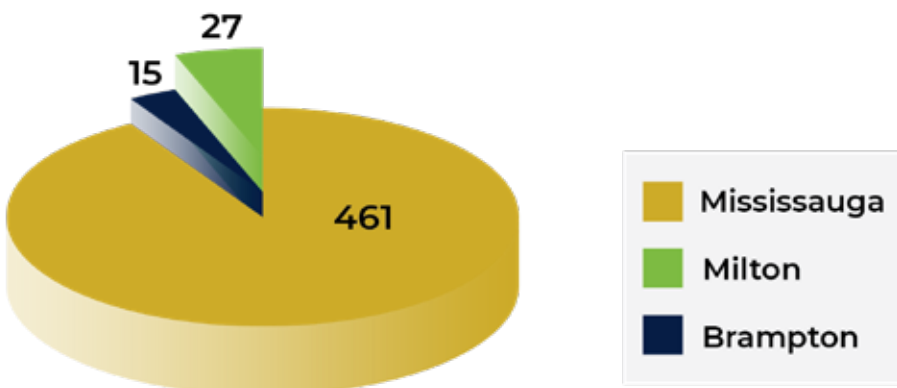
**12**

## I SAID YES

**8**

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## SERVE Ministry Partners by Campus



# PORTICO ANNUAL SURVEY

**482**  
**Responses**

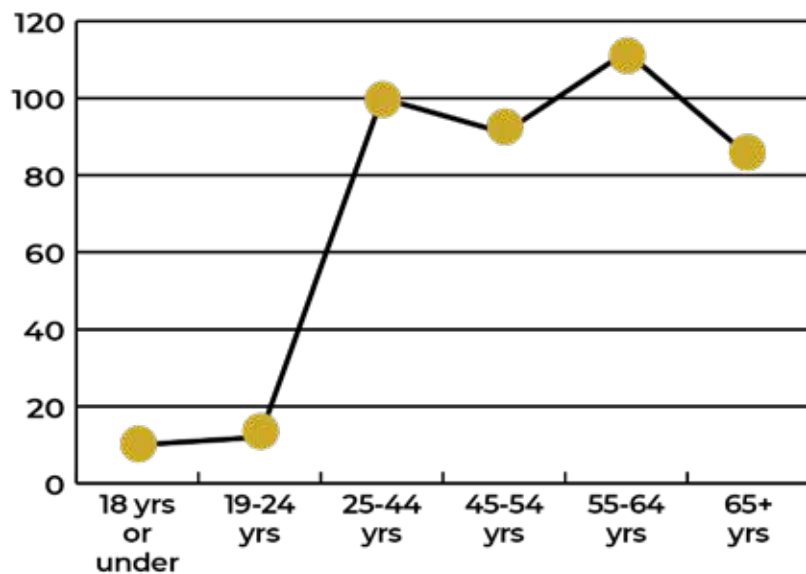
## STAGES OF LIFE



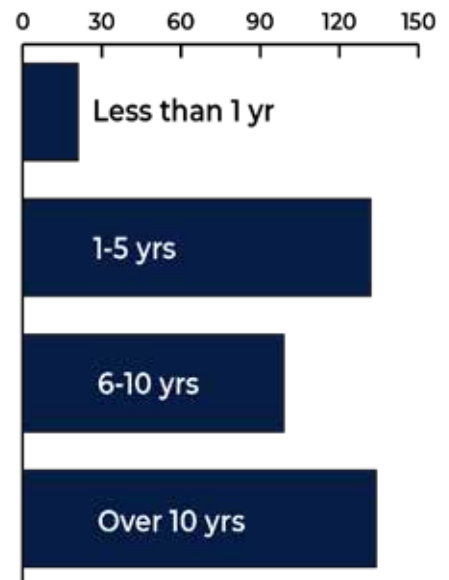
## COUNTRY OF BIRTH



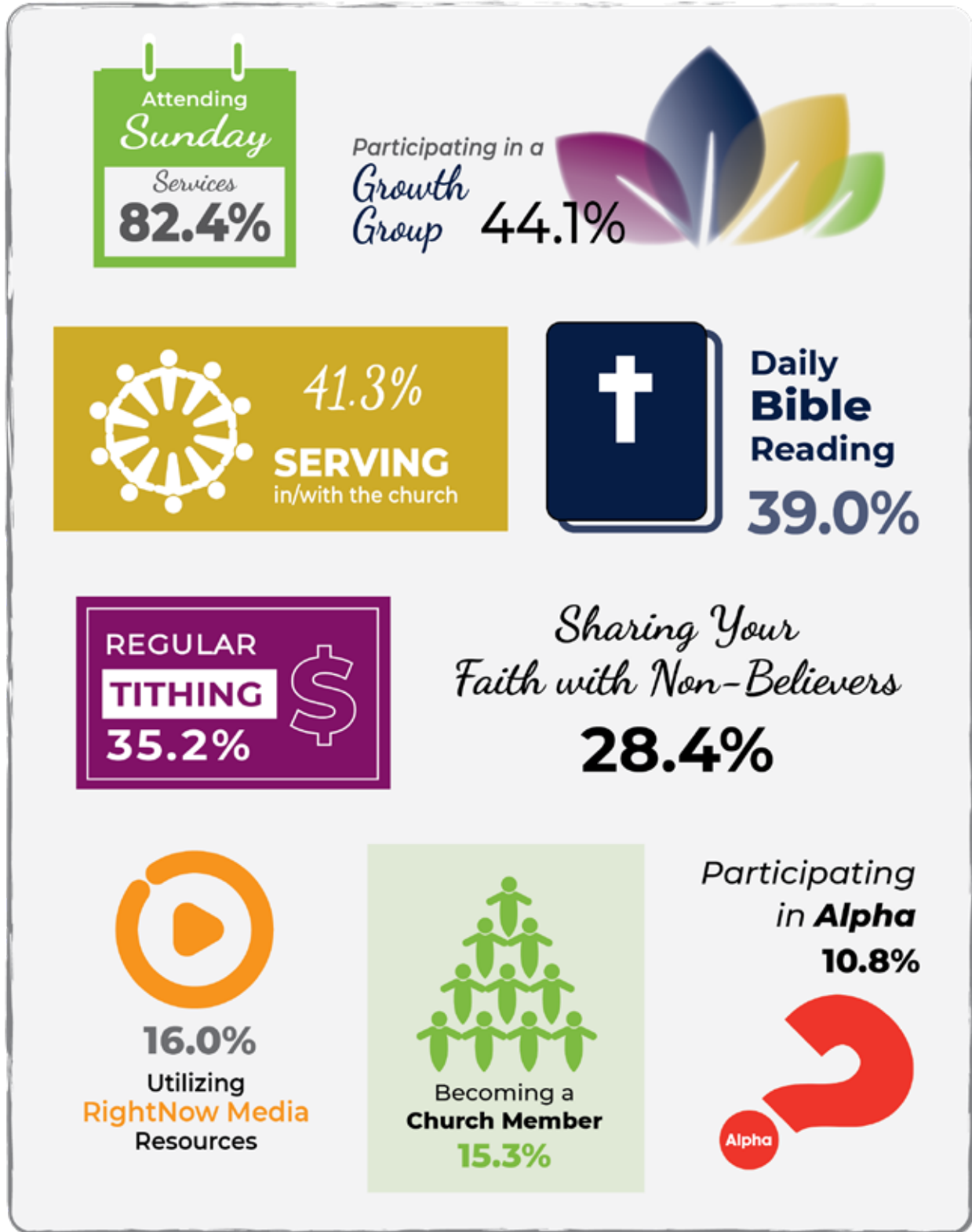
## AGE DEMOGRAPHICS



## YEARS ATTENDING



Most significant impact on  
**PERSONAL SPIRITUAL HEALTH**



# SUMMARIZED BALANCE SHEET

	2021	2020
<b>ASSETS</b>		
Cash	\$ 1,234,614	875,932
Short-Term Investment	752,271	752,271
Accounts Receivable and Prepaids	147,295	49,120
Housing Loans	40,000	60,000
Property & Equipment	<u>5,777,676</u>	<u>5,865,408</u>
<b>Total Assets</b>	<b><u>\$ 7,951,856</u></b>	<b><u>7,602,731</u></b>
<b>LIABILITIES &amp; FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable & Accrued Liabilities	\$ 186,252	274,652
Deferred Revenue	78,184	10,350
Long-Term Debt	<u>780,648</u>	<u>939,519</u>
<b>Total Liabilities</b>	<b><u>\$ 1,045,084</u></b>	<b><u>1,224,521</u></b>
<b>Fund Balances</b>		
Unrestricted	1,914,919	1,462,671
Invested in Property & Equipment	<u>4,991,853</u>	<u>4,915,539</u>
<b>Total Fund Balances</b>	<b><u>6,906,772</u></b>	<b><u>6,378,210</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 7,951,856</u></b>	<b><u>7,602,731</u></b>

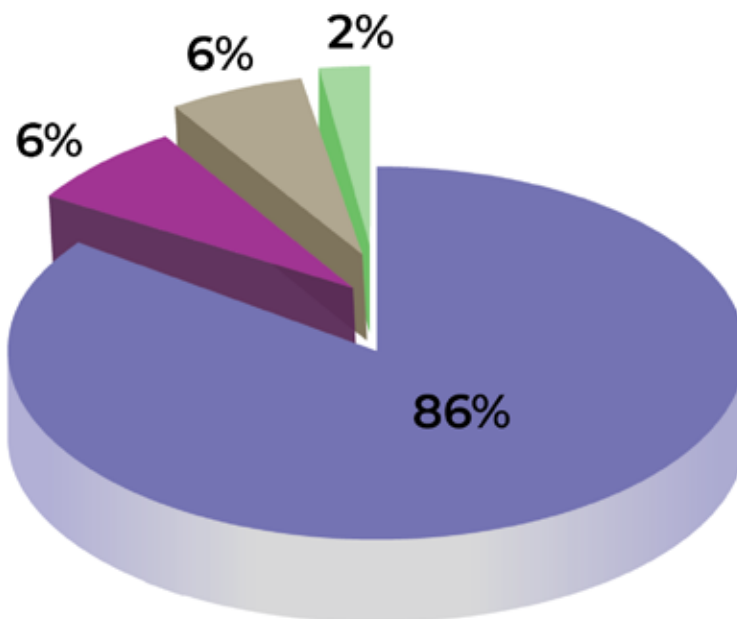


# SUMMARIZED REVENUES & EXPENSES

	2021	2020
<b>REVENUES</b>		
Offerings & Ministry Revenues	\$ 3,595,090	3,880,385
Designated Revenues	<u>297,480</u>	<u>322,906</u>
<b>Total Revenues</b>	<b><u>3,892,570</u></b>	<b><u>4,203,291</u></b>
<b>EXPENSES</b>		
General Expenses	2,489,071	2,631,324
Restricted Expenses	<u>874,936</u>	<u>949,986</u>
<b>Total Expenses</b>	<b><u>3,364,007</u></b>	<b><u>3,581,310</u></b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ <u>528,563</u></b>	<b><u>621,981</u></b>

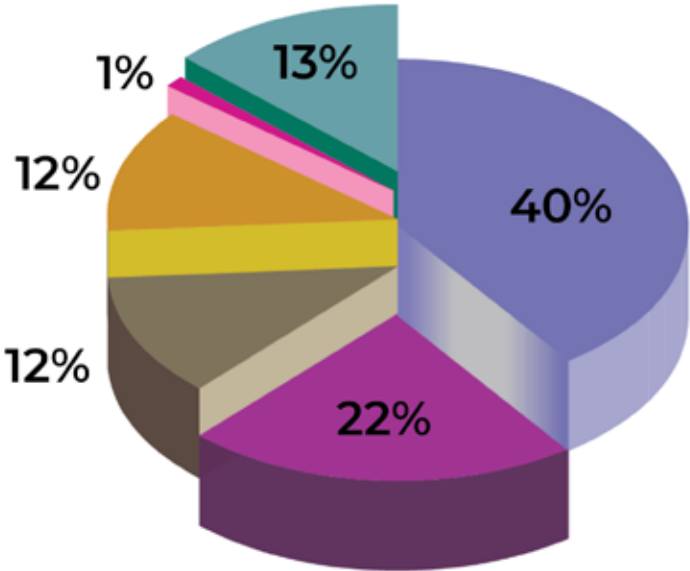
# REVENUES

	2021		2020	
<b>GENERAL REVENUES</b>				
Offerings	\$ 3,339,109	86%	3,556,121	84%
Other Ministry Revenues	255,981	6%	324,264	8%
	<b>3,595,090</b>	<b>92%</b>	<b>3,880,385</b>	<b>92%</b>
<b>RESTRICTED REVENUES</b>				
Kingdom Builders	225,694	6%	302,931	7%
Capital	71,786	2%	19,975	1%
	<b>297,480</b>	<b>8%</b>	<b>322,906</b>	<b>8%</b>
<b>Total Revenues</b>	<b>\$ 3,892,570</b>	<b>100%</b>	<b>4,203,291</b>	<b>100%</b>



# EXPENSES

	2021		2020	
<b>GENERAL EXPENSES</b>				
Ministry & Programs	\$ 1,330,173	40%	1,501,482	42%
Administration & Support	746,542	22%	686,669	19%
Facilities & Technical Ministries	412,356	12%	443,173	12%
	<u>2,489,071</u>	<u>74%</u>	<u>2,631,324</u>	<u>73%</u>
<b>RESTRICTED EXPENSES</b>				
Kingdom Builders	395,549	12%	487,114	14%
Capital	35,657	1%	49,583	1%
Amortization	443,730	13%	413,289	13%
	<u>874,936</u>	<u>26%</u>	<u>949,986</u>	<u>27%</u>
<b>Total Expenses</b>	<b>\$ <u>3,364,007</u></b>	<b>100%</b>	<b><u>3,581,310</u></b>	<b>100%</b>



# 2021-2022 BUDGET

## REVENUE & EXPENSES

### REVENUES

General Offerings	3,525,582
Ministry Revenues	82,000
Support Services Revenues	14,250
Kingdom Builders	249,895
Vision Offerings	1,781
Capital	20,000
<b>Total Revenues</b>	<b>3,893,508</b>

### EXPENSES

#### CONNECT Ministries

Mississauga Campus	651,431
Milton Campus	156,171
Brampton Campus	106,645
Online Campus	92,242
Newcomers	1,250
Guest Services	4,500
Communications	18,350
Technical Ministries	124,761
<b>Total CONNECT Expenses</b>	<b>1,155,350</b>

#### GROW Ministries

Grow Operations	83,691
Kids Ministries	87,324
Youth Ministries	142,766
Adult Ministries	3,700
Resources	5,000
<b>Total GROW Expenses</b>	<b>322,481</b>



# 2021-2022 BUDGET REVENUE & EXPENSES

## **SERVE Ministries**

Serve Operations	167,855
Benevolence	3,500
Plan to Protect	15,011
Pastoral Care	4,150
<b>Total SERVE Expenses</b>	<b>190,516</b>

## **Support Ministries**

Operations & Administration	718,158
Facilities	376,908
<b>Total Support Expenses</b>	<b>1,095,066</b>

## **Kingdom Builders**

Kingdom Builders Undesignated	514,895
Kingdom Builders Designated	108,750
<b>Total Kingdom Builders Expenses</b>	<b>623,645</b>

## **Capital Expenditures (Operations)**

Mortgage Interest & Principal	262,000
Capital Expenditures	230,000
<b>Total Capital</b>	<b>492,000</b>

**Total Expenses** **3,879,058**

**Revenues Over (Under) Expenses** **14,450**

# AUDITED FINANCIAL STATEMENTS



Financial Statements

PORTICO Community Church

June 30, 2021

## Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Revenue and Expenses	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

## Independent Auditor's Report

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

To the Members of  
PORTICO Community Church

### Opinion

We have audited the financial statements of PORTICO Community Church (the "Church"), which comprise the statement of financial position as at June 30, 2021, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Church as at June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### Basis for Opinion

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

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

*Grant Thornton LLP*

Mississauga, Canada  
September 16, 2021

Chartered Professional Accountants  
Licensed Public Accountants



# PORTICO Community Church

## Statement of Financial Position

As at June 30

2021

2020

### Assets

#### Current

Cash	\$ 1,234,614	\$ 875,932
Short-term investments	752,271	752,271
Accounts receivable	113,550	39,548
Prepaid expenses	<u>33,745</u>	<u>9,572</u>
	2,134,180	1,677,323
Housing loans receivable (Note 3)	40,000	60,000
Property and equipment (Note 4)	<u>5,777,676</u>	<u>5,865,408</u>
	<u>\$ 7,951,856</u>	<u>\$ 7,602,731</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 5)	\$ 186,252	\$ 274,652
Deferred revenue – grants and contributions (Note 6)	73,009	-
Current portion of long-term debt (Note 7)	<u>780,648</u>	<u>158,511</u>
	1,039,909	433,163
Deferred revenue – equipment (Note 6)	5,175	10,350
Long-term debt (Note 7)	<u>-</u>	<u>781,008</u>
	<u>1,045,084</u>	<u>1,224,521</u>

### Fund balances

Unrestricted	1,914,919	1,462,671
Invested in property and equipment (Note 8)	<u>4,991,853</u>	<u>4,915,539</u>
	<u>6,906,772</u>	<u>6,378,210</u>
	<u>\$ 7,951,856</u>	<u>\$ 7,602,731</u>

Commitment (Note 10)

On behalf of the Board of Elders

Em H Martin Elder

[Signature] Elder

See accompanying notes to the financial statements.

3

# PORTICO Community Church

## Statement of Revenue and Expenses

Year ended June 30

	General Fund	Missions Fund	Capital Fund	Total 2021	Total 2020
<b>Revenue</b>					
Ministry	\$ 3,339,109	\$ -	\$ -	\$ 3,339,109	\$ 3,556,121
Canada Emergency Wage Subsidy ("CEWS")	166,781	-	-	166,781	150,201
Grants	44,544	-	-	44,544	39,680
Capital fund	-	-	31,786	31,786	19,975
Other ministry revenue	31,426	-	-	31,426	103,528
Support services revenue	13,230	-	-	13,230	30,855
<b>Restricted</b>					
<b>Missions</b>					
Missions undesignated	-	176,199	-	176,199	179,521
Missions designated offerings	-	47,485	40,000	87,485	89,480
Short-term missions offerings	-	2,010	-	2,010	33,930
	<u>3,595,090</u>	<u>225,694</u>	<u>71,786</u>	<u>3,892,570</u>	<u>4,203,291</u>
<b>Expenses</b>					
<b>Connecting ministries</b>					
Church life	530,077	-	-	530,077	563,456
Campuses	208,523	-	-	208,523	318,741
Technical	92,976	-	-	92,976	69,970
Arts	80,020	-	-	80,020	94,698
Communications	14,139	-	-	14,139	29,174
Other connecting ministries	7,371	-	-	7,371	62,934
<b>Grow ministries</b>					
Student	109,015	-	-	109,015	136,001
Other grow ministries	76,046	-	-	76,046	74,279
Children	70,207	-	-	70,207	71,783
Adult	93	-	-	93	9,049
Alpha	-	-	-	-	9,650
Serve ministries	234,682	-	-	234,682	91,236
<b>Support ministries</b>					
Operations and administration	693,305	-	-	693,305	608,998
Facilities	319,381	-	-	319,381	373,203
Other support ministries	30,656	-	-	30,656	47,774
Information technology	22,581	-	-	22,581	29,896
<b>Missions</b>					
Missions support	169,855	173,574	-	343,429	362,450
Missions designated	-	50,110	-	50,110	90,733
Short-term missions	-	2,010	-	2,010	74,413
<b>Capital fund expenses</b>					
Interest on debt (Note 7)	-	-	35,657	35,657	49,583
	<u>2,658,927</u>	<u>225,694</u>	<u>35,657</u>	<u>2,920,278</u>	<u>3,168,021</u>
Excess of revenue over expenses before undernoted item	936,163	-	36,129	972,292	1,035,270
Amortization of property and equipment	-	-	(443,730)	(443,730)	(413,289)
Excess (deficiency) of revenue over expenses	<u>\$ 936,163</u>	<u>\$ -</u>	<u>\$ (407,601)</u>	<u>\$ 528,562</u>	<u>\$ 621,981</u>

See accompanying notes to the financial statements.

# PORTICO Community Church

## Statement of Changes in Fund Balances

Year ended June 30

	General Fund	Missions Fund	Capital Fund	2021 Total	2020 Total
Fund balances, beginning of year	\$ 1,462,671	\$ -	\$ 4,915,539	\$ 6,378,210	\$ 5,756,229
Excess (deficiency) of revenue over expenses	936,163	-	(407,601)	528,562	621,981
Transfer to fund purchases of property and equipment and to pay interest and debt	<u>(483,915)</u>	<u>-</u>	<u>483,915</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,914,919</u>	<u>\$ -</u>	<u>\$ 4,991,853</u>	<u>\$ 6,906,772</u>	<u>\$ 6,378,210</u>

Fund balances are classified as:

Unrestricted	\$ 1,914,919	\$ -	\$ -	\$ 1,914,919	\$ 1,462,671
Invested in property and equipment	<u>-</u>	<u>-</u>	<u>4,991,853</u>	<u>4,991,853</u>	<u>4,915,539</u>
	<u>\$ 1,914,919</u>	<u>\$ -</u>	<u>\$ 4,991,853</u>	<u>\$ 6,906,772</u>	<u>\$ 6,378,210</u>

See accompanying notes to the financial statements.

# PORTICO Community Church

## Statement of Cash Flows

Year ended June 30

2021

2020

Increase (decrease) in cash

### Operating

Excess of revenue over expenses	\$ 528,562	\$ 621,981
Items not affecting cash		
Amortization of property and equipment	443,730	413,289
Deferred revenue – grants and contributions recognized	(11,991)	(8,520)
Deferred revenue – equipment recognized	<u>(5,175)</u>	<u>(5,175)</u>
	<u>955,126</u>	<u>1,021,575</u>

Change in non-cash working capital items

Accounts receivable	(74,002)	26,993
Prepaid expenses	(24,173)	38,706
Accounts payable and accrued liabilities	<u>(88,400)</u>	<u>102,929</u>
	<u>(186,575)</u>	<u>168,628</u>

Deferred revenue – grants and contributions received

<u>85,000</u>	<u>-</u>
<u>853,551</u>	<u>1,190,203</u>

### Financing

Repayment of long-term debt	<u>(158,871)</u>	<u>(610,259)</u>
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### Investing

Investment in short-term investments (net)	-	(142)
Receipt of housing loan payment	20,000	-
Property and equipment purchases	<u>(355,998)</u>	<u>(106,717)</u>
	<u>(335,998)</u>	<u>(106,859)</u>

Net change in cash during the year

358,682	473,085
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Cash

Beginning of year	<u>875,932</u>	<u>402,847</u>
End of year	<u>\$ 1,234,614</u>	<u>\$ 875,932</u>

See accompanying notes to the financial statements.

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# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

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### 1. Mission and governing statutes

The mission of PORTICO Community Church (the "Church") is to help people find their way back to God.

The Church is a Christian church affiliated with the Pentecostal Assemblies of Canada. It is a not-for-profit organization subject to the Charities Accounting Act and the Charitable Gifts Act. The Church was incorporated under the Canada Corporations Act as a not-for-profit organization without share capital and continued under the Canada Not-for-profit Corporations Act in fiscal 2014. The Church is a registered charity within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

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### 2. Summary of significant accounting policies

#### Basis of presentation

Church management has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant of which are outlined below.

#### Fund accounting

The accounts are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

##### *General Fund*

The General Fund reflects the assets, liabilities, revenue and expenses generated from the Church's operating activities.

##### *Missions Fund*

The Missions Fund consists of offerings, related disbursements, assets and liabilities, which are recorded in accordance with mission designations made by donors.

##### *Capital Fund*

The Capital Fund consists of offerings, related disbursements, assets and liabilities, which are recorded in accordance with designations made by donors or the Board of Elders related to the property and equipment of the Church. The fund was renamed from the Building Fund to the Capital Fund to better reflect that the fund includes all property and equipment and not just the land and building.

#### Interfund transfers

Transfers between funds are made when resources of one fund have been authorized by the Board of Elders to finance activities in another fund.



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# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

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

#### Financial instruments

The Church considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Church's financial instruments are comprised of cash, short-term investments, accounts receivable, housing loans receivable, accounts payable and long-term debt.

The Church's financial instruments are measured at fair value when issued or acquired. The Church subsequently measures its financial instruments at amortized cost.

#### Short-term investments

Short-term investments consist of cashable guaranteed investment certificates that mature between August 2021 and March 2022 (2020 – August 2020 and March 2021) and bear interest between 0.55% and 0.60% per annum (2020 – 1.70% and 2.10%).

#### Property and equipment

Purchased property and equipment are recorded at cost. Amortization is provided over the estimated useful life of the assets on a straight-line basis as follows:

Building	40 years
Parking lot, grounds and exterior	20 years
Furniture and equipment	5 years

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

#### Revenue recognition

The Church follows the restricted fund method of accounting for contributions. Contributions and grants which are externally restricted by the donor are recorded as revenue of the appropriate designated fund when received. Contributions and grants which are externally restricted for which there is no related designated fund are deferred and recognized as revenue in the General Fund in the fiscal year in which the related expenditures are incurred. Unrestricted revenue is recognized as revenue in the General Fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Canada Emergency Wage Subsidy ("CEWS") is government assistance and is recognized in the statement of operations when received or receivable in the year to which it relates.

Gifts-in-kind are recorded at their fair market value as at the date of contribution. The Church recognizes other revenue when they are earned and collectible.

#### Contributed services

The work of the Church is dependent on the voluntary services of many members. Since these services are not normally purchased by the Church and due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

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# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

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

#### 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 excess of revenue over expenses as appropriate in the fiscal year they become known.

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### 3. Housing loans receivable

Housing loans are extended to pastoral employees for relocation purposes. These loans become interest bearing on the fifth anniversary at the current prime rate plus 1.00%. As of June 30, 2021, neither of the two outstanding housing loans receivable are interest bearing. Loans, including any associated interest, become repayable to the Church immediately upon termination of employment with PORTICO. The housing loans are intended to be held for the long-term, hence its classification as long-term.

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### 4. Property and equipment

	2021		2020
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 768,781	\$ -	\$ 768,781
Building	7,369,006	3,444,753	3,924,253
Parking lot, grounds and exterior	1,524,375	869,725	654,650
Furniture and equipment	<u>3,230,268</u>	<u>2,800,276</u>	<u>429,992</u>
	<u>\$ 12,892,430</u>	<u>\$ 7,114,754</u>	<u>\$ 5,777,676</u>
			<u>\$ 5,865,408</u>

During the fiscal year, property and equipment additions totalled \$355,998 (2020 - \$106,717).

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### 5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances owing of \$5,080 (2020 - \$18,364).

# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

### 6. Deferred revenue

#### Deferred revenue – grants and contributions

	<u>June 30, 2020</u>	<u>Amount Received</u>	<u>Amounts Recognized</u>	<u>June 30, 2021</u>
Grants and contributions	\$ -	\$ 85,000	\$ (11,991)	\$ 73,009

#### Deferred revenue – equipment

	<u>June 30, 2020</u>	<u>Amount Received</u>	<u>Amounts Recognized</u>	<u>June 30, 2021</u>
Acoustical and IMPACT projects	\$ 10,350	\$ -	\$ (5,175)	\$ 5,175

### 7. Long-term debt

	<u>2021</u>	<u>2020</u>
Long-term debt repayable in bi-weekly installments of \$7,400, bearing interest at a fixed annual rate of 3.93% maturing on February 4, 2022	\$ 780,648	\$ 939,519
Less current portion	<u>(780,648)</u>	<u>(158,511)</u>
	<u>\$ -</u>	<u>\$ 781,008</u>

The debt is secured by a general security agreement that includes a first charge on the Church's property and an assignment of insurance. While the debt is to mature on February 4, 2022, it is expected to be renewed at that time.

During the year there was no lump-sum repayment of the mortgage. In the prior year, a lump-sum repayment of \$460,000 was made.

### 8. Invested in property and equipment

	<u>2021</u>	<u>2020</u>
Property and equipment	\$ 5,777,676	\$ 5,865,408
Less: current portion of long-term debt	(780,648)	(158,511)
Less: deferred revenue – equipment	(5,175)	(10,350)
Less: long-term portion of long-term debt	<u>-</u>	<u>(781,008)</u>
	<u>\$ 4,991,853</u>	<u>\$ 4,915,539</u>

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# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

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### 9. Operating loan

The Church has access to an operating loan facility bearing interest at bank prime rate plus 1.00% per annum, to a maximum of \$75,000. The facility was not drawn upon during the last eight fiscal years.

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### 10. Commitment

The Church is committed under an operating lease for the rental of a campus in Milton expiring in August 2022. Future minimum lease payments are as follows:

July 1, 2021 to June 30, 2022	\$	83,000
July 1, 2022 to June 30, 2023		14,000

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### 11. 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.

#### Credit risk

Credit risk arises as a result of the potential non-performance by counterparties of contract obligations which could lead to a financial loss to the Church. The Church's credit risk relates to its accounts receivable and housing loans receivable.

The Church reduces its exposure to credit risk by assessing credit on a regular basis and providing an allowance for doubtful accounts when appropriate. At June 30, 2021, the allowance for doubtful accounts is \$Nil (2020 - \$Nil). In the opinion of management, the credit risk exposure to the Church is not significant due to the nature of its receivables.

#### Liquidity risk

Liquidity risk is the risk that the Church will encounter difficulty in meeting its obligations. The Church is exposed to this risk mainly in respect of its accounts payable and long-term debt.

The Church reduces exposure to liquidity risk by ensuring that adequate cash reserves are maintained and holding investments that can be readily converted into cash.

The Church is subject to a financial covenant related to the long-term debt (Note 7), which is a minimum debt service coverage ratio of 1.00. As at June 30, 2021, the Church is compliant with this covenant.



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# PORTICO Community Church

## Notes to the Financial Statements

June 30, 2021

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### 11. 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.

The Church's exposure to interest rate price risk is limited to its fixed interest bearing investments and long-term debt. The Church mitigates its exposure by investing in accordance with the investment strategy of the Church.

#### Other risks

It is management's opinion that the Church is not exposed to significant currency or market risks arising from its financial instruments. There have been no changes to the risk assessment from prior fiscal years.

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### 12. COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, organizations were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility. 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 Church for future periods. Based on the nature of its operations and fund balances, the Church has determined that these events did not have a significant financial impact on its financial position or operations at June 30, 2021. The Church has continued to operate during COVID-19 but has significantly modified its operations and the assistance of government subsidies of which \$18,244 is included in accounts receivable at year end. As at the audit report date, the Church has experienced a decline in donations relative to historical trends. However, the Church anticipates that available liquid assets and ongoing cost mitigation efforts will provide the necessary support to sustain the Church.

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### 13. Comparative figures

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2021 financial statements.



## Annual Business Meeting Minutes

Sunday, October 25, 2020

*(MSC–Moved, Seconded, Carried)*

**Membership: 512**

**Quorum Needed: 103**

**125 members present; we have a quorum.**

**Members attending In-Person: 49**

*(In-Person Non-Members: 3)*

**Members attending Online: 76\***

*(Online Non-Members: Not Available)*

*\*Due to COVID–19 restrictions, members pre-registered to attend the annual business meeting in-person at the Mississauga campus, or online via PORTICO Online.*

- *PORTICO Online allowed online attendees to view meeting; the platform’s chatroom allowed members to ask questions and to affirm Yes/No to certain motions.*
- *Pre-verified members were provided a link to Simply Voting (a secure and independently managed service) to account for online member attendance and for affirmation of the new Elder Board.*

Wade Steyn, Chair of PORTICO Board of Elders, called the meeting to order and appointed Pastor Rick Carrol, Senior Pastor, to chair the meeting.

### **ADMINISTRATIVE ITEMS**

**MSC** that Joan Stoddart, Executive Assistant for Pastor Rick Carrol and the Board, be recording secretary.

**MSC** the acceptance of the 2019 Annual Business Meeting minutes as included and distributed in the Annual Report.

**MSC** the acceptance of the 2020 Special Business Meeting minutes as included and distributed in the Annual Report.

### **AFFIRMATION OF ELDERS**

Mark Pingal, Chair of the Elder Nominating Committee, presented the 2020–2021 Elder Board candidates.

**MSC** the acceptance of the Elder Board as presented for 2020–2021. Raymond Armah, Francis Davis, Chris Gill, Zari Gill, Enn Martin, Karina Santiago, Wade Steyn, Maril Varghese, Lileath Claire, Anthony Chininea.

125 members present.

**Members In-Person: 49**

*(49 Ayes, 0 Noes)*

**Members attending Online: 76\***

*(70 Ayes, 6 Noes)*

*\*Due to COVID-19 restrictions, members pre-registered to attend the annual business meeting in-person at the Mississauga campus, or online via PORTICO Online.*

- PORTICO Online allowed online attendees to view meeting; the platform's chatroom allowed members to ask questions and to affirm Yes/No to certain motions.*
- Pre-verified members were provided a link to Simply Voting (a secure and independently managed service) to account for online member attendance and for affirmation of the new Elder Board.*
- The Online system used did not auto-generate a transcript of the ABM validating the Ayes and Noes. As such this document is not available to be included in the minutes.*

Pastor Rick Carrol prayed for the new Elder Board.

## **2019–2020 YEAR IN REVIEW**

Pastor Rick Carrol provided highlights from the 2020 Annual Report:

- 2020 began with a leadership transition from Pastor Doug Rhind to Pastor Rick Carrol; March followed with the COVID-19 global pandemic. Pastor Rick questioned why God had sent PORTICO into transition during a year of world crisis and found himself continually reminded that God's timing is perfect. It has been a time of challenge, and a time to strengthen and create new ways of ministry.
- Ends Dials. Six dial indicators used to measure PORTICO's church health: *Attendance, Personal Follow-Up, Grow, Serve, Generosity, and Sustainability*. The COVID-19 pandemic impacted our attendance, serve, and generosity dials from March 8, 2020 onwards as PORTICO dramatically curtailed operations to limit the virus's exposure. Data provided between March 8-June 30 reflects the temporary closure of all church campuses.
- Infographics for the Mississauga, Milton, and Brampton campuses reveals Ends Dial data that people are highly connected through growth groups and serving opportunities. Generosity shows only a slight drop and speaks to the faithfulness of the body of believers. Attendance numbers are reflective of the pandemic restrictions.
- PORTICO Annual Survey: *Age demographics, Stages of Life, Years Attending, Spiritual Growth*. Ages 45-54 years and 55-64 years remain the highest trending based on the survey results. Ages 25-44, young adults and young families, follow closely and are areas on which to focus. Attending Sunday services was noted as having the most significant impact on spiritual growth for survey respondents.
- The number of growth groups, water baptisms, and ministry partners are numbers to be proud of and reflect a healthy church.

MSC the acceptance of PORTICO's 2020 Annual Report.

## FINANCIAL REPORTS

### Financial Report 2019–2020

Elroy Campbell, Treasurer, presented the Financial Statements on behalf of the Finance and Audit Committees.

### Audit Committee Report

Chris Gill, Elder Representative to Audit Committee, advised that our Auditors, Grant Thornton, as it relates to PORTICO's year end of June 30, 2020, has successfully completed the audit of the Financial Statements. It is concluded that PORTICO's Financial Statements present fairly the financial position of the church and are in line with Accounting Standards for Not-for-Profit Organizations.

MSC the acceptance of the 2019–2020 Financial Statements as presented.

MSC that PORTICO retain Grant Thornton LLP as our auditors for the coming year.

### Budget Report 2020–2021

Elroy Campbell, Treasurer, presented the 2020–2021 budget.

## ELDER BOARD OWNERSHIP CONNECTION

Wade Steyn, Chair of the PORTICO Elder Board, commented that this had been a year of massive change globally, and for PORTICO with the leadership transition from Pastor Doug Rhind to Pastor Rick Carrol, along with role changes within the Board as noted below:

- Elder Enn Martin was recognized as having served as Chair of the Board of Elders for the past 13 years.
- Elder Francis Davis was recognized as having served as Secretary for the Board of Elders for the past 12 years.
- New Elder roles: Wade Steyn, Chair; Lileath Claire, Vice Chair; Maril Varghese, Secretary.

### ENDS Metrics Presentation

PORTICO Mission, Vision, and Ends (*expected goals and outcomes*)

*Mission:* Helping people find their way back to God.

*Vision:* One Church, One Message, Many Expressions.

*Ends:* Because of PORTICO, people will be disciples who CONNECT with Christ and His family; GROW together in Christlikeness, and; SERVE Christ's mission in the world. And, there will be healthy, self-sustaining expressions of disciple-making communities that have capacity to reproduce themselves and are fully aligned with PORTICO's Mission.

### Seven Metrics to Monitor Ends

1. CONNECT: "*Connecting with Christ...*" - Participation in PORTICO ministries.
2. CONNECT: "*...and His family*" - Connection with identified newcomers and submitted prayer requests.
3. GROW: "*Grow together...*" - Participation in growth groups.
4. GROW: "*...in Christ-likeness*" - Personal spiritual formation.



5. SERVE: “*Serving Christ’s Mission in the World*” - Serving in the church and/or community.
6. GENEROSITY - Giving to ministry.
7. SUSTAINABILITY - Organizational and financial health of venues.

To monitor fulfillment of PORTICO Ends, metrics will be used to help focus ministry teams on the Ends and will be monitored throughout the year. As a church, and as individuals, we all have a role to play. God gave us each our own roles. We need to ask, “how am I doing in the areas of CONNECT, GROW & SERVE?”

### **Healthy Church Survey**

Pastor Rick Carrol invited members to participate in an online PORTICO ABM Pulse survey containing the following questions:

- How often do you attend a PORTICO service (online, in person, or Church at Home)?
- Do you participate in a PORTICO small group?
- How often do you read your Bible?
- Do you serve at PORTICO, mission’s opportunities or in your community because of your faith in Jesus?
- Do you tithe or contribute financially to PORTICO?
- Do you contribute financially or through donations to community charities or mission’s organizations because of your faith in Jesus?

### **VISION CHALLENGE**

Pastor Rick Carrol presented “*What We’ve Learned So Far*”

- *My church family plays an important role in my worship experience, but I don’t need to gather with 1,000 people every seven days.*
- *My church facilitates my spiritual growth but is not responsible for my growth.*
- *Our world has acknowledged that the church is important.*

Going forward, we will invest in people outside the church by investing in the community, and will reorient ourselves to be fully on mission to reach the community in the way God wants us to function in 2021.

Pastor Rick Carrol prayed that the posture of our hearts shift and change us, not to mourn, but to celebrate the new roles and focus, to step into fullness and function as the body.

### **MOTIONS OF APPRECIATIONS**

Lileath Claire, Vice Chair of the PORTICO Elder Board presented Motions of Appreciation on behalf of the Elder Board:

- PORTICO’s Pastoral staff and Central Support Team for their diligent and persistent dedication in setting up and maintaining online services environment during this season of social distancing.
- Elder Francis Davis for 12 years of enduring service as Secretary of the Board of Elders.
- Elder Enn Martin for 13 years of devoted service as Chair of the Board of Elders.
- Pastor Doug Rhind for years of pastoral, insightful, and shepherding leadership.

MSC that we appreciate all of the above.

Elder Wade Steyn closed the meeting.

MSC the adjournment of our 2020 Annual Business Meeting.



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Wade Steyn  
Board of Elders, Chairperson



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Lileath Claire  
Board of Elders, Vice Chairperson

Dated: 24 September 2021

Dated: 6 October 2021







# OUR MISSION

Helping people find their way back to God

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## CAMPUSES

### Brampton

253 Queen Street E  
(inside Regeneration Thrift Store)  
Brampton, ON L6W 2B8

### Milton

45 Bruce Street  
(inside Milton Christian School)  
Milton, ON L9T 2L5

### Mississauga

1814 Barbertown Road  
Mississauga, ON L5M 2M5

### Online

Sundays: [PORTICO.cc/livestream](http://PORTICO.cc/livestream)  
OnDemand: [PORTICO.cc/ondemand](http://PORTICO.cc/ondemand)

## SOCIAL MEDIA



Follow us on Instagram  
[@PORTICOcc](https://www.instagram.com/PORTICOcc)



Like us on Facebook  
PORTICO Community Church



Follow us on Twitter  
[@PORTICOcc](https://twitter.com/PORTICOcc)

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## GET CONNECTED

Download the PORTICO App on Google Play or in the iTunes App Store.

## CONTACT US

905.826.9612  
[info@porticocanada.ca](mailto:info@porticocanada.ca)  
[porticocanada.ca](http://porticocanada.ca)



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