



ANNUAL REPORT

2023

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A Message From Our Senior Pastor



Rick Carrol

Senior Pastor

The fiscal year 2022-2023 was a year of rebirth at PORTICO. With pandemic restrictions dropping, our church emerged with a renewed commitment to our mission of helping people find their way back to God, focusing on being a community church centred on God's Kingdom.

In the Fall of 2022, we launched our first series of GROW Nights, shifting our emphasis from event-based programming to a deeper study of theology. Over the course of the year, we witnessed increasing numbers of families developing a passion for understanding Scripture, as kids, youth and adults studied in-depth topics on Thursday nights, learning how the Bible was formed, how the world will end, how the world began, and the significance of Holy Spirit baptism.

Each of these 4-week courses started and ended with a night of worship and prayer, with more people attending in person than we've ever seen before at midweek services. The desire to worship, pray and study together is alive and well in the hearts of PORTICO families.

As you read this year's Annual Report, you'll notice that attendance numbers in programs centred on our CORE value of CONNECT (with Christ and His Family) are growing steadily back to where we were as a church in 2020; whereas we are surpassing numbers of attendees in our CORE value of GROW (together in Christ-likeness). Sunday service attendance is at a point where we are seriously considering options to best accommodate the growth at each campus. In addition, the number of people participating in Growth Groups has reached an all-time high at PORTICO.



A MESSAGE FROM OUR SENIOR PASTOR

Our CORE value of SERVE (Christ's mission in the world) remains a challenge since we are still only at 65% of the number of volunteers involved in ministry teams compared to 2020. While we gained more than 80 new Ministry Partners this year, we will be focusing our efforts on helping people discover their individual gifting, and finding better ways to engage PORTICO families in meaningful serve opportunities in the coming year.

PORTICO's heart for missions was on display again this year as your support of our local community partners was beyond measure. During the Christmas season, we helped the Mississauga Food Bank reach their goal by contributing 6,990 pounds of food, which is equivalent to donating \$22,437.90 towards feeding families in our neighbourhoods.

In February, while we were celebrating the new year mortgage-free, we were able to send a thanksgiving offering to one of our Kingdom Builder church plants in Siberia, led by Ilya and Janet Bantseev. Your continued sacrificial giving allowed us to pay off their \$250,000 mortgage, enabling them to minister to new believers in a poorly evangelized region of the world.

All in all, during the past year at PORTICO, we've seen God's Kingdom grow because God's people submitted themselves to His purposes. My prayer is that in the coming year, we will extend our reach in new ways through our pastoral care team and wellness programs in our local communities. Please be in prayer over the coming months, as we seek God's wisdom and guidance to share the Gospel in meaningful and practical ways with those who have strayed far from God, for the sole purpose of growing His Church.

Thanks for being on mission together,

Rick





Enn Martin



Lileath Claire



Francis Davis



Raymond Armah



Maril Varghese



Zari Gill



Christopher Fredric

A MESSAGE FROM THE BOARD OF ELDERS

Thank you for affirming the Elder Board at last year's Annual Business Meeting, and for your confidence and trust. It has been an honour to serve you.

During this year's Elder Nomination process, we have been asked, "Why do we need a Board, and what does the Board do?"

PORTICO Community Church is incorporated under the Canada Not-For-Profit Corporations Act (CNCA) to preach, teach, promote, disseminate, advance, demonstrate and implement the Gospel of Jesus Christ within the local community, throughout Canada and to people everywhere. This, and registration under the Income Tax Act, permits PORTICO to issue receipts for charitable donations that donors can submit with their income tax return.

The CNCA requires directors to be appointed to manage or supervise the management of the activities and affairs of the corporation. PORTICO's Bylaws align with this, making the Church's faith, practice and governance the responsibility of the Board of Elders.

So, the Board of Elders wears two hats: Elders, for faith and practice, and Board of Directors for governance.

Faith and practice relate to the life of the Body. Elders meet once a month to exercise this Elder role collectively through prayer, seeking God's will and direction to deal with matters of the Body. The role is also individual, providing nurture and discipline as needed.

To supervise the activities and affairs of the corporation, PORTICO leverages the Policy Governance® model. The Board collectively reviews the organization's established goals, direction, limitations and accountability frameworks on behalf of the "Owners" annually so that PORTICO achieves appropriate results for appropriate persons at an appropriate cost, and avoids unacceptable actions and situations.

The Policy sets for this are:

- Ends – the expected outcomes from organizational activity: Disciples who Connect with Christ and His Family, Grow Together in Christ-likeness and Serve Christ's Mission in the world; and
- Executive Limitations – the "guard rails" within which the organization can freely function.

The Board meets once per month, except for July and December, to evaluate Monitoring Reports provided by the Senior Pastor according to a defined schedule, to confirm that PORTICO is achieving expected results while operating within approved Policies for the treatment of members, attendees and staff, financial planning and conditions, asset protection, compensation and communication.

As a Board, we covet your prayers for these two roles, that together we can "Make the most of every opportunity in these evil days" to accomplish the Mission to help people find their way back to God. "not acting thoughtlessly, but understanding what the Lord wants us to do." (Ephesians 5:17).

PORTICO's Bylaws prescribe a minimum of six (6) and a maximum of ten (10) Elders. We also need your help tangibly, as we are currently six (6). Please prayerfully consider Members you know who have demonstrated a heart for PORTICO's Mission, as well as leadership or administrative gifts. The Nominating Committee has been tasked with defining ways to better facilitate an understanding of the Elder role and means for potential candidates to explore the possibilities before next year's formal nomination process. Stay tuned for more on this.

God continues to be faithful to us as individuals, and as the Body of Christ at PORTICO, as we are faithful to Him. Thank you for sharing God's blessings to you to enable PORTICO to continue advancing our Mission, impacting our communities and people around the world.

Your Board of Elders

AGENDA

SUNDAY, OCTOBER 22, 2023

Welcome and Quorum Vote

Call To Order

Approval of Agenda & Secretary

Approval of the Minutes from the 2022 ABM

Affirmation of Elders

Year in Review

Financial Report

Audit Report

Vision Challenge

Motions of Appreciation

Worship & Prayer

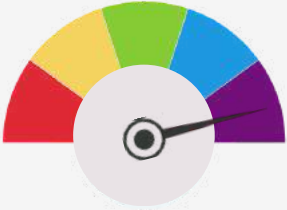
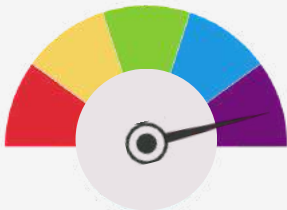
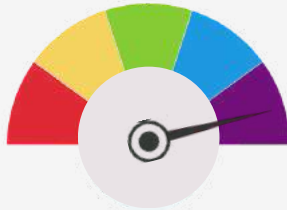
ENDS DIALS

PORTICO Ends consists of 8 metrics based on our Core Values, with the mission of: helping people find their way back to God. Our goal is to achieve a green rating in each dial.



CONNECT WITH CHRIST AND HIS FAMILY

“Come follow me...” - Matthew 4:19

| DIAL 1 | DIAL 2 | DIAL 3 |
|---|--|--|
| <p>“I’m New” or “I Said Yes” Connections</p>  | <p>In-person Sunday Attendance</p>  | <p>Pastoral Care or Counselling Appointments</p>  |
| <p>311 CONNECTIONS</p> | <p>62.9% GROWTH</p> | <p>1161 APPOINTMENTS</p> |
| <ul style="list-style-type: none"> • Purple rating: 200 or more “I’m New” or “I said Yes” connections this year • Blue rating: 150-199 “I’m New” or “I said Yes” connections this year • Green rating: 100-149 “I’m New” or “I said Yes” connections this year • Yellow rating: 50-99 “I’m New” or “I said Yes” connections this year • Red rating: Less than 50 new connections this year | <ul style="list-style-type: none"> • Purple rating: Total In-person Sunday Attendance is growing year over year by more than 31% • Blue rating: Total In-person Sunday Attendance is growing year over year between 21%-30% • Green rating: Total In-person Sunday Attendance is growing year over year between 11%-20% • Yellow rating: Total In-person Sunday Attendance is growing year over year by 0-10% • Red rating: Total In-person Sunday Attendance is declining year over year | <ul style="list-style-type: none"> • Purple rating: 900 or more pastoral care or counselling appointments this year • Blue rating: Between 700-899 pastoral care or counselling appointments this year • Green rating: Between 500-699 pastoral care or counselling appointments this year • Yellow rating: Between 300-499 pastoral care or counselling appointments this year • Red rating: Less than 300 pastoral care or counselling appointments this year |

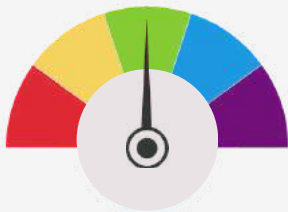


GROWING TOGETHER IN CHRIST-LIKENESS

“...I will make you...” - Matthew 4:19

DIAL 4

Growth Group Participation

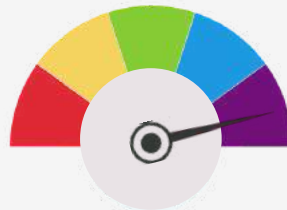


2.4% GROWTH

- Purple rating: Total Growth group participants has grown by 10% or more year over year
- Blue rating: Total Growth group participants has grown by 6-10% year over year
- Green rating: Total Growth group participants is steady, between 5% growth or 5% loss
- Yellow rating: Total Growth group participants has decreased by 6-10% year over year
- Red rating: Total Growth group participants has decreased by more than 10%

DIAL 5

Personal Grow Resource Usage



76.6% USAGE

- Purple rating: 50% or more of Sunday in person attendance using personal grow resources
- Blue rating: 40-49% of Sunday in person attendance using personal grow resources
- Green rating: 30-39% of Sunday in person attendance using personal grow resources
- Yellow rating: 20-29% of Sunday in person attendance using personal grow resources
- Red rating: Less than 20% of Sunday in person attendance using personal grow resources

DIAL 6

Donations greater than \$1200



2.8% DECREASE

- Purple rating: Number of people who donated \$1200 or more per year has grown by 10% or more.
- Blue rating: Number of people who donated \$1200 or more per year has grown by 5-10%.
- Green rating: Number of people who donated \$1200 or more per year is stable, between 5% growth/loss
- Yellow rating: Number of people who donated \$1200 or more per year has decreased between 5%-10%
- Red rating: Number of people who donated \$1200 or more per year has decreased more than 10%





SERVING CHRIST'S MISSION IN THE WORLD

"...fish for people..." - Matthew 4:19

DIAL 7

Kingdom Builders Donations Growth

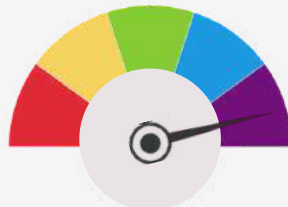


5.49% DECREASE

- Purple rating: total KB donations have grown by 10% or more year over year
- Blue rating: total KB donations have grown by 6-10% year over year
- Green rating: total KB donations are steady, between 5% growth or 5% loss year over year
- Yellow rating: total KB donations have decreased between 6-10% year over year
- Red rating: total KB donations have decreased by greater than 10% year over year

DIAL 8

Ministry Partners Actively Serving



27.7% INCREASE

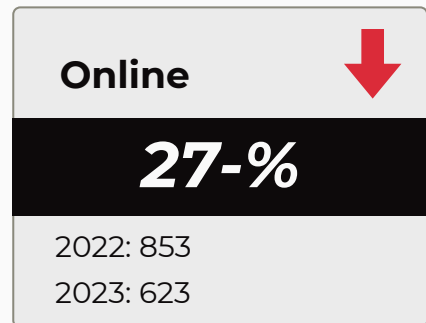
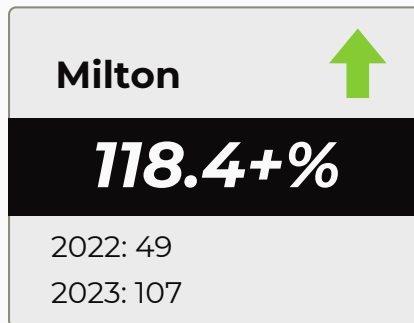
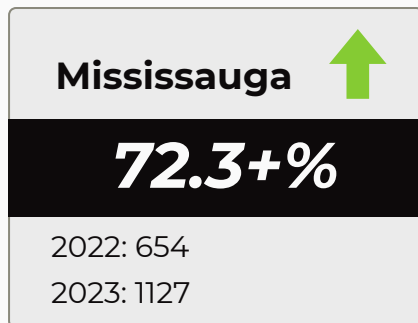
- Purple rating: Total number of active MP's has grown by 25% or more year over year
- Blue rating: Total number of active MP's has grown by 6-25% year over year
- Green rating: Total number of active MP's has grown by 5-15% year over year
- Yellow rating: Total number of active MP's steady, between 5% growth or 5% loss year over year
- Red rating: Total number of active MP's has decreased by more than 5%



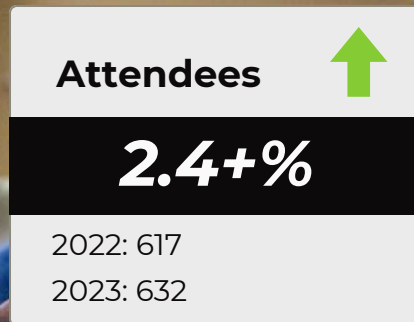
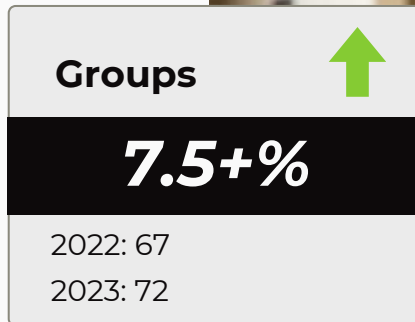
METRICS

This year the people of PORTICO sacrificed well to love others even when they were going through the same challenges themselves. In the past 12 months, more people said “yes” to Jesus, more people were baptized, Growth Groups kept meeting and the Church kept growing.

1857 Average Sunday Attendance



632 Growth Group Attendees





22 Baptisms

This year we have seen remarkable moments of faith and transformation, we celebrated 22 baptisms here at PORTICO.

9 Said "Yes" to Jesus

Nine individuals this year, have chosen to embrace Jesus and follow His teachings, marking a significant step in their spiritual journeys.



343 Mississauga Ministry Partners

Our Mississauga campus thrives thanks to the incredible dedication of 343 volunteers who wholeheartedly serve and help build the church.

38 Milton Ministry Partners

At the Milton campus, we're grateful for the dedication of 38 volunteers who selflessly contribute their time and talents to support our community.

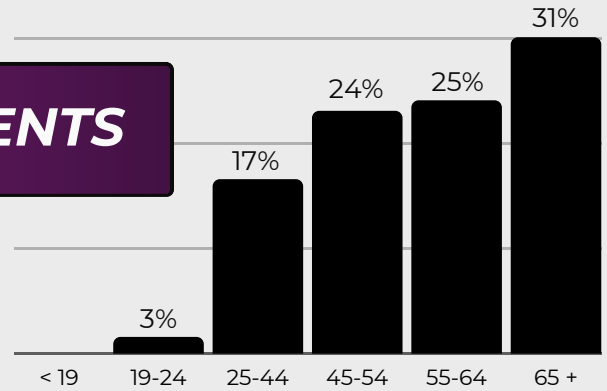


Survey Results

We had 191 responses from our church community, to our annual survey in October 2022. These results are invaluable in guiding our efforts to help people find their way back to God.



AGE OF RESPONDENTS



STAGES OF LIFE

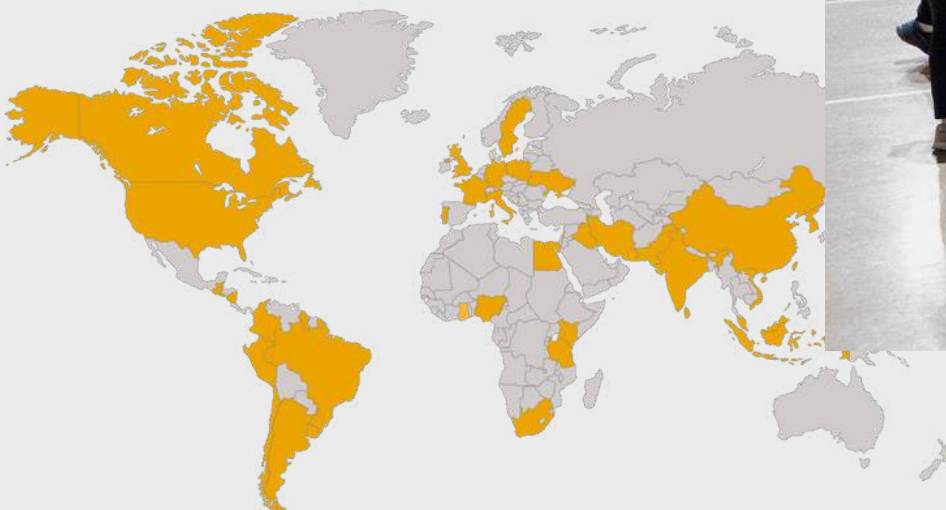
149
Married

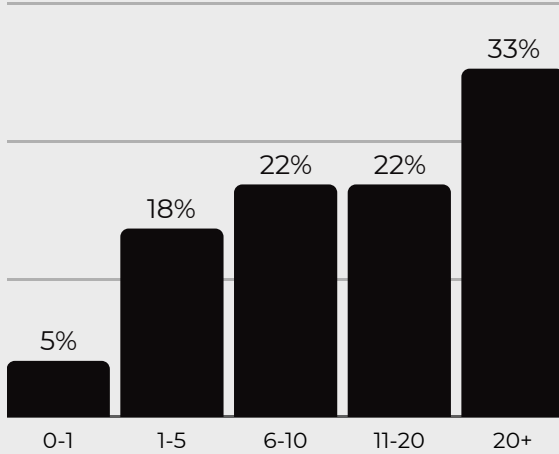
42
Single

55
Families



COUNTRY OF ORIGIN





YEARS ATTENDED



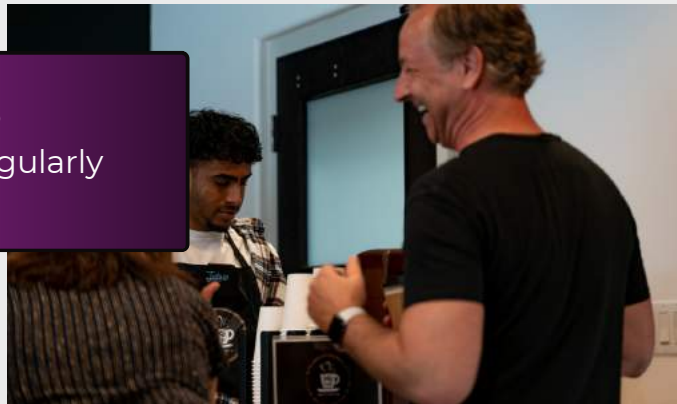
60.7%
Read the Bible on a regular basis



44%
Participated in a Growth Group



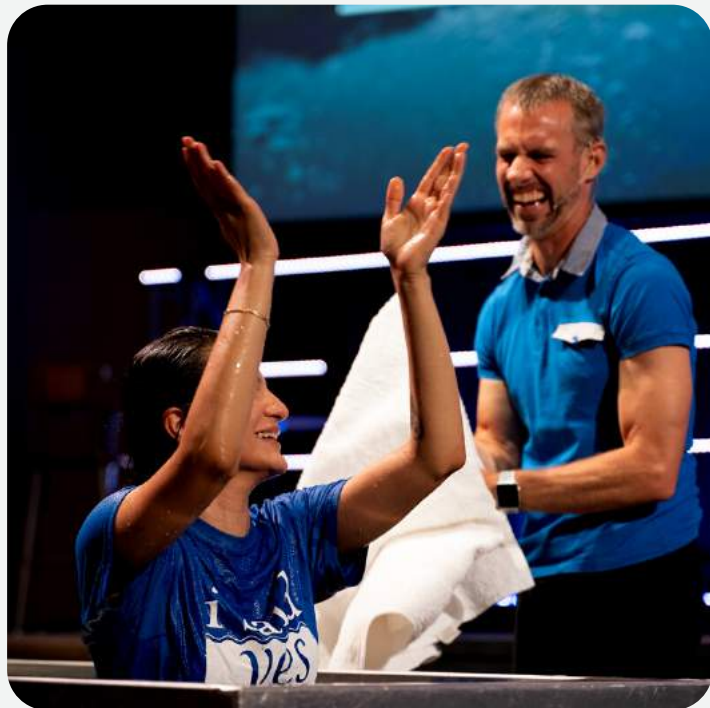
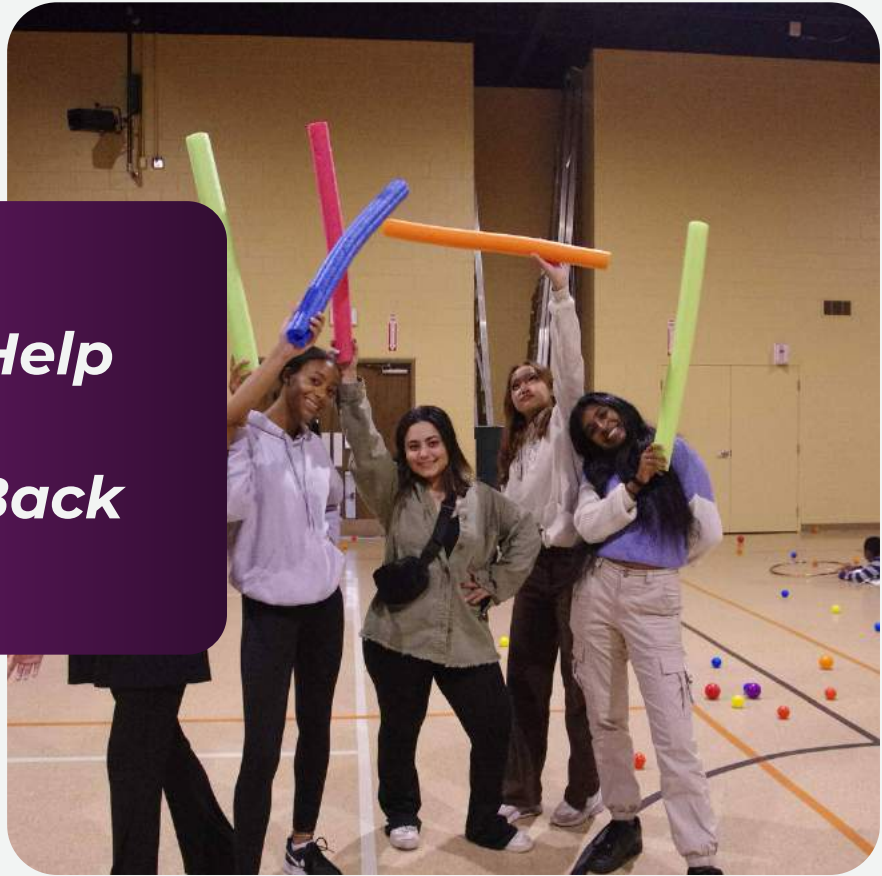
71.7%
Tithed regularly



45% Served at PORTICO
24% Served in the Community



We're On A Mission To Help People Find Their Way Back To God.

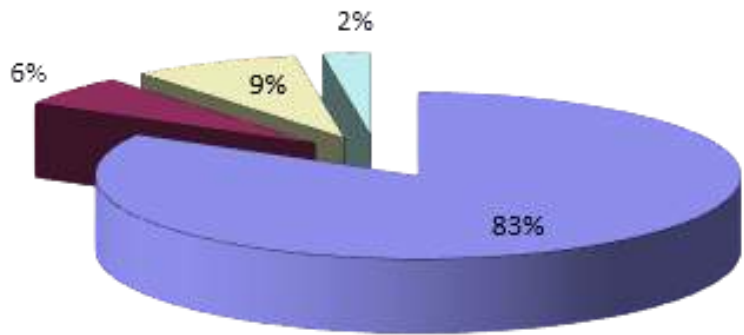


| SUMMARIZED BALANCE SHEET | | | |
|--|-----------|------------------|------------------|
| Assets | | 2023 | 2022 |
| Cash | \$ | 1,051,736 | 742,044 |
| Short-Term Investment | | 752,271 | 752,271 |
| Accounts Receivable and Prepays | | 221,651 | 138,164 |
| Housing Loans | | 40,000 | 20,000 |
| Property & Equipment | | 5,259,383 | 5,575,829 |
| Total Assets | \$ | 7,325,041 | 7,228,308 |
| | | | |
| Liabilities and Fund Balances | | 2023 | 2022 |
| Liabilities | | | |
| Accounts Payable & Accrued Liabilities | \$ | 110,193 | 134,219 |
| Deferred Revenue | | 5,760 | 6,375 |
| Total Liabilities | | 115,953 | 140,594 |
| | | | |
| Fund Balances | | | |
| Unrestricted | | 1,824,162 | 1,511,885 |
| Externally restricted | | | |
| Missions | | 25,543 | 0 |
| Capital | | 100,000 | 0 |
| Invested in property and equipment | | 5,259,383 | 5,575,829 |
| Total Fund Balances | | 7,209,088 | 7,087,714 |
| Total Liabilities and Fund Balances | \$ | 7,325,041 | 7,228,308 |

| SUMMARIZED REVENUES AND EXPENSES | | | |
|---|----|------------------|------------------|
| Revenues | | 2023 | 2022 |
| Offerings & Ministry Revenues | \$ | 3,662,287 | 3,532,558 |
| Designated Revenues | | 446,924 | 365,665 |
| Total Revenues | | 4,109,211 | 3,898,223 |
| | | | |
| Expenses | | 2023 | 2022 |
| General Expenses | | 2,932,603 | 2,673,927 |
| Restricted Expenses | | 1,055,234 | 1,043,354 |
| Total Expenses | | 3,987,837 | 3,717,281 |
| | | | |
| Excess of Revenues Over Expenses | | 2023 | 2022 |
| | \$ | 121,374 | 180,942 |

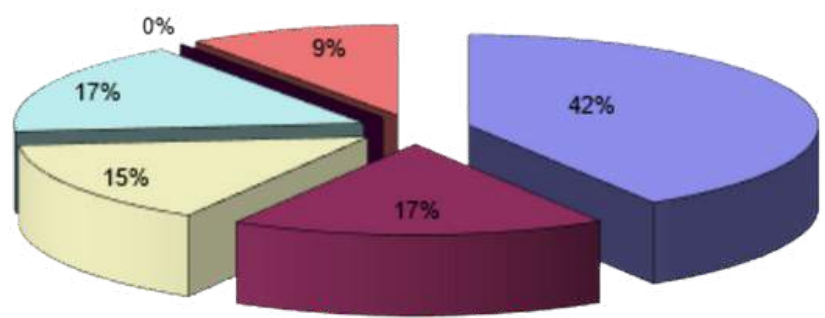
| REVENUES | | | | | |
|-----------------------------|----|------------------|-------------|------------------|-------------|
| | | 2023 | | 2022 | |
| General Revenues: | | | | | |
| Offerings | \$ | 3,415,590 | 83% | 3,396,080 | 86% |
| Other Ministry Revenues | | 246,697 | 6% | 136,478 | 4% |
| | | 3,662,287 | 89% | 3,532,558 | 90% |
| Restricted Revenues: | | | | | |
| Kingdom Builders | | 346,767 | 9% | 339,895 | 9% |
| Capital Fund | | 100,157 | 2% | 25,770 | 1% |
| | | 446,924 | 11% | 365,665 | 10% |
| Total Revenues | \$ | 4,109,211 | 100% | 3,898,223 | 100% |

- Offerings
- Other Ministry Revenues
- Kingdom Builders
- Capital Fund



| EXPENSES | | | | | |
|-----------------------------------|----|------------------|-------------|------------------|-------------|
| | | 2023 | | 2022 | |
| General Expenses | | | | | |
| Ministry & Programs | \$ | 1,641,861 | 42% | 1,426,047 | 39% |
| Administration & Support | | 692,075 | 17% | 686,294 | 18% |
| Facilities & Technical Ministries | | 598,667 | 15% | 561,586 | 15% |
| | | 2,932,603 | 74% | 2,673,927 | 72% |
| Restricted Expenses | | | | | |
| Kingdom Builders | | 664,246 | 17% | 591,268 | 16% |
| Capital Fund | | 0 | 0% | 16,147 | 0% |
| Amortization | | 390,988 | 9% | 435,939 | 12% |
| | | 1,055,234 | 26% | 1,043,354 | 28% |
| Total Expenses | \$ | 3,987,837 | 100% | 3,717,281 | 100% |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

- Ministry & Programs
- Admin & Support
- Facilities & Tech
- Kingdom Builders
- Capital Fund
- Amortization



| BUDGET 2023- 2024 | | |
|--|--|------------------|
| Revenues | | |
| General Offerings | | 3,498,520 |
| Ministry Revenues | | 102,476 |
| Support Services Revenues | | 153,200 |
| Kingdom Builders | | 376,628 |
| Vision Offerings | | 75,000 |
| | Total Revenues | 4,205,824 |
| Expenses | | |
| CONNECT Ministries | | |
| | Mississauga Campus | 607,639 |
| | Milton Campus | 248,421 |
| | Online Campus | 131,032 |
| | Newcomers | 6,000 |
| | Guest Services | 24,355 |
| | Communications | 19,040 |
| | Technical Ministries | 160,683 |
| | Total CONNECT Expenses | 1,197,170 |
| GROW Ministries | | |
| | Grow Operations | 108,993 |
| | Kids Ministries | 135,149 |
| | Youth Ministries | 217,147 |
| | Adult Ministries | 8,050 |
| | Resources | 6,000 |
| | Total GROW Expenses | 475,339 |
| SERVE Ministries | | |
| | Serve Operations | 245,539 |
| | Plan to Protect | 10,154 |
| | Pastoral Care | 6,950 |
| | Total SERVE Expenses | 262,643 |
| Support Ministries | | |
| | Operations & Administration | 901,057 |
| | Facilities | 444,489 |
| | Total Support Expenses | 1,345,546 |
| Kingdom Builders | | |
| | Kingdom Builders Undesignated | 474,600 |
| | Kingdom Builders Designated | 153,754 |
| | Total Kingdom Builders Expenses | 628,354 |
| Capital expenditures (Operations) | | |
| | Capital Expenditures | 760,723 |
| | Total Capital Fund | 760,723 |
| | Total Expenses | 4,669,775 |
| | Revenues Over (Under) Expenses | -463,951 |
| | Revenues Over Expenditures Previous Years | 465,000 |
| | Net Total | 1,049 |



Financial Statements

PORTICO Community Church

June 30, 2023

PORTICO Community Church

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Independent Auditor's Report

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

To the 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, 2023, 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, 2023, 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.



Mississauga, Canada
September 15, 2023

Chartered Professional Accountants
Licensed Public Accountants

PORTICO Community Church Statement of Financial Position

As at June 30

2023

2022

Assets

Current

| | | |
|------------------------|---------------|---------------|
| Cash | \$ 1,051,736 | \$ 742,044 |
| Short-term investments | 752,271 | 752,271 |
| Accounts receivable | 127,637 | 99,746 |
| Prepaid expenses | <u>94,014</u> | <u>38,418</u> |

| | | |
|--|-----------|-----------|
| | 2,025,658 | 1,632,479 |
|--|-----------|-----------|

Housing loans receivable (Note 3)

| | | |
|--|--------|--------|
| | 40,000 | 20,000 |
|--|--------|--------|

Property and equipment (Note 4)

| | | |
|--|------------------|------------------|
| | <u>5,259,383</u> | <u>5,575,829</u> |
|--|------------------|------------------|

| | | |
|--|---------------------|---------------------|
| | <u>\$ 7,325,041</u> | <u>\$ 7,228,308</u> |
|--|---------------------|---------------------|

Liabilities

Current

| | | |
|---|--------------|--------------|
| Accounts payable and accrued liabilities (Note 5) | \$ 110,193 | \$ 134,219 |
| Deferred revenue (Note 6) | <u>5,760</u> | <u>6,375</u> |

| | | |
|--|----------------|----------------|
| | <u>115,953</u> | <u>140,594</u> |
|--|----------------|----------------|

Fund balances

Unrestricted

| | | |
|--|-----------|-----------|
| | 1,824,162 | 1,511,885 |
|--|-----------|-----------|

Externally restricted (Note 7)

| | | |
|----------|---------|---|
| Missions | 25,543 | - |
| Capital | 100,000 | - |

Invested in property and equipment

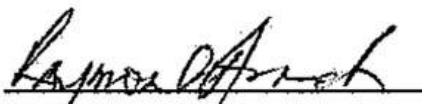
| | | |
|--|------------------|------------------|
| | <u>5,259,383</u> | <u>5,575,829</u> |
|--|------------------|------------------|

| | | |
|--|------------------|------------------|
| | <u>7,209,088</u> | <u>7,087,714</u> |
|--|------------------|------------------|

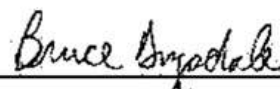
| | | |
|--|---------------------|---------------------|
| | <u>\$ 7,325,041</u> | <u>\$ 7,228,308</u> |
|--|---------------------|---------------------|

Commitments and other projects (Note 7)

On behalf of



Elder



Chair of the Audit Committee

PORTICO Community Church Statement of Revenue and Expenses

Year ended June 30

| | General Fund | Missions Fund | Capital Fund | Total 2023 | Total 2022 |
|---|-------------------|------------------|---------------------|-------------------|-------------------|
| Revenue | | | | | |
| Ministry | \$ 3,415,433 | \$ - | \$ 157 | \$ 3,415,590 | \$ 3,396,080 |
| Grants | 81,475 | - | 100,000 | 181,475 | 90,635 |
| Other ministry revenue | 96,588 | - | - | 96,588 | 56,370 |
| Support services revenue | 68,791 | - | - | 68,791 | 15,243 |
| Missions | | | | | |
| Missions undesignated | - | 247,250 | - | 247,250 | 211,214 |
| Missions designated offerings | - | 67,570 | - | 67,570 | 128,681 |
| Short-term missions offerings | - | 31,947 | - | 31,947 | - |
| | <u>3,662,287</u> | <u>346,767</u> | <u>100,157</u> | <u>4,109,211</u> | <u>3,898,223</u> |
| Expenses | | | | | |
| Connecting ministries | | | | | |
| Church life | 662,199 | - | - | 662,199 | 547,417 |
| Campuses | 274,106 | - | - | 274,106 | 323,447 |
| Technical | 126,495 | - | - | 126,495 | 141,280 |
| Arts | 101,247 | - | - | 101,247 | 86,692 |
| Other connecting ministries | 45,377 | - | - | 45,377 | 27,174 |
| Communications | 10,434 | - | - | 10,434 | 15,281 |
| Grow ministries | | | | | |
| Student | 167,035 | - | - | 167,035 | 88,014 |
| Other grow ministries | 103,254 | - | - | 103,254 | 76,888 |
| Children | 92,017 | - | - | 92,017 | 65,976 |
| Adult | 2,936 | - | - | 2,936 | 3,486 |
| Serve ministries | | | | | |
| | 183,256 | - | - | 183,256 | 191,673 |
| Support ministries | | | | | |
| Operations and administration | 664,143 | - | - | 664,143 | 625,244 |
| Facilities | 472,172 | - | - | 472,172 | 420,306 |
| Other support ministries | 16,701 | - | - | 16,701 | 10,993 |
| Information technology | 11,231 | - | - | 11,231 | 50,057 |
| Missions | | | | | |
| Missions support | 343,022 | 211,416 | - | 554,438 | 457,699 |
| Missions designated | - | 103,404 | - | 103,404 | 133,568 |
| Short-term missions | - | 6,404 | - | 6,404 | - |
| Capital fund expenses | | | | | |
| Interest on debt | - | - | - | - | 16,147 |
| | <u>3,275,625</u> | <u>321,224</u> | <u>-</u> | <u>3,596,849</u> | <u>3,281,342</u> |
| Excess of revenue over expenses before undernoted item | | | | | |
| | 386,662 | 25,543 | 100,157 | 512,362 | 616,881 |
| Amortization of property and equipment | | | | | |
| | - | - | (390,988) | (390,988) | (435,939) |
| Excess (deficiency) of revenue over expenses | | | | | |
| | <u>\$ 386,662</u> | <u>\$ 25,543</u> | <u>\$ (290,831)</u> | <u>\$ 121,374</u> | <u>\$ 180,942</u> |

PORTICO Community Church

Statement of Changes in Fund Balances

Year ended June 30

| | General Fund | Missions Fund | Capital Fund | Total 2023 | Total 2022 |
|--|---------------------|------------------|---------------------|---------------------|---------------------|
| Fund balances, beginning of year | \$ 1,511,885 | \$ - | \$ 5,575,829 | \$ 7,087,714 | \$ 6,906,772 |
| Excess (deficiency) of revenue over expenses | 386,662 | 25,543 | (290,831) | 121,374 | 180,942 |
| Transfer to fund purchases of property and equipment | (74,385) | - | 74,385 | - | - |
| Fund balances, end of year | <u>\$ 1,824,162</u> | <u>\$ 25,543</u> | <u>\$ 5,359,383</u> | <u>\$ 7,209,088</u> | <u>\$ 7,087,714</u> |

Fund balances are classified as:

| | | | | | |
|------------------------------------|---------------------|------------------|---------------------|---------------------|---------------------|
| Unrestricted | \$ 1,824,162 | \$ - | \$ - | \$ 1,824,162 | \$ 1,511,885 |
| Externally restricted | - | 25,543 | 100,000 | 125,543 | - |
| Invested in property and equipment | - | - | 5,259,383 | 5,259,383 | 5,575,829 |
| | <u>\$ 1,824,162</u> | <u>\$ 25,543</u> | <u>\$ 5,359,383</u> | <u>\$ 7,209,088</u> | <u>\$ 7,087,714</u> |

PORTICO Community Church Statement of Cash Flows

Year ended June 30

2023

2022

Increase (decrease) in cash

Operating

| | | |
|---|----------------|----------------|
| Excess of revenue over expenses | \$ 121,374 | \$ 180,942 |
| Items not affecting cash | | |
| Amortization of property and equipment | 390,988 | 435,939 |
| Deferred revenue recognized | (6,375) | (69,213) |
| Deferred revenue – equipment recognized | <u>-</u> | <u>(5,175)</u> |
| | <u>505,987</u> | <u>542,493</u> |

Change in non-cash working capital items

| | | |
|--|-----------------|-----------------|
| Accounts receivable | (27,891) | 13,804 |
| Prepaid expenses | (55,596) | (4,673) |
| Accounts payable and accrued liabilities | <u>(24,026)</u> | <u>(52,033)</u> |

(107,513) (42,902)

Deferred revenue received

5,760 2,579404,234 502,170**Financing**

| | | |
|-----------------------------|----------|------------------|
| Repayment of long-term debt | <u>-</u> | <u>(780,648)</u> |
|-----------------------------|----------|------------------|

Investing

| | | |
|--------------------------------------|-----------------|------------------|
| Increase in housing loans receivable | (20,000) | - |
| Receipt of housing loan payment | - | 20,000 |
| Property and equipment purchases | <u>(74,542)</u> | <u>(234,092)</u> |

(94,542) (214,092)

Net change in cash during the year

309,692 (492,570)

Cash

Beginning of year 742,044 1,234,614End of year \$ 1,051,736 \$ 742,044

PORTICO Community Church

Notes to the Financial Statements

June 30, 2023

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.

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 Church's 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.

**PORTICO Community Church
Notes to the Financial Statements**

June 30, 2023

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 and accounts payable.

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 2023 and April 2024 (2022 – August 2022 and April 2023) and bear interest between 4.10% and 4.55% per annum (2022 – 0.75% and 2.40%).

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 revenue and expenses. 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.

Gifts-in-kind are recorded at their fair market value as at the date of contribution if the fair market value is reasonably determinable. The Church recognizes other revenue when they are earned and collectible. Other revenue received in advance of service are included in deferred revenue and recognized when services are rendered.

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.

PORTICO Community Church Notes to the Financial Statements

June 30, 2023

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 (deficiency) of revenue over expenses as appropriate in the fiscal year they become known.

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, 2023, PORTICO has two (2022 – one) outstanding housing loans receivable, which are not 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.

4. Property and equipment

| | <u>2023</u> | | | <u>2022</u> |
|-----------------------------------|----------------------|-------------------------------------|---------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Land | \$ 768,781 | \$ - | \$ 768,781 | \$ 768,781 |
| Building | 7,369,006 | 3,748,922 | 3,620,084 | 3,761,459 |
| Parking lot, grounds and exterior | 1,544,071 | 1,024,132 | 519,939 | 597,143 |
| Furniture and equipment | 3,519,204 | 3,168,625 | 350,579 | 448,446 |
| | <u>\$ 13,201,062</u> | <u>\$ 7,941,679</u> | <u>\$ 5,259,383</u> | <u>\$ 5,575,829</u> |

During the fiscal year, property and equipment additions totalled \$74,542 (2022 - \$234,092).

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances owing of \$7,846 (2022 - \$6,855).

PORTICO Community Church
Notes to the Financial Statements

June 30, 2023

6. Deferred revenue

| | June 30, 2022 | Amount Received | Amounts Recognized | June 30, 2023 |
|------------------|------------------|--------------------|-----------------------|------------------|
| Summer camp fees | \$ 6,375 | \$ 5,760 | \$ (6,375) | \$ 5,760 |

7. Commitments and other projects

The Church is committed under an operating lease for the rental of a campus in Milton expiring in August 2024. Future minimum lease payments are as follows:

| | |
|---------------------------------|-----------|
| July 1, 2023 to June 30, 2024 | \$ 89,000 |
| July 1, 2024 to August 31, 2024 | 15,000 |

The Church has signed a contract for replacing the roof of \$432,371 and signed a letter of intent for parking lot patching and repaving of \$128,764 that are expected to be completed during fiscal 2024.

During the year, the Church received a \$100,000 grant through the Community Services Recovery Fund to support a capital project that will be spent in fiscal 2024 on gym renovations. In addition, \$25,543 was received prior to year end for a short-term mission that was spent in July 2023.

8. 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 contractual 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, 2023, the allowance for doubtful accounts is \$Nil (2022 - \$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.

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.

PORTICO Community Church Notes to the Financial Statements

June 30, 2023

8. 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. 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.



Annual Business Meeting Minutes

Sunday, October 23, 2022

(MSC–Moved, Seconded, Carried)

Membership: 447

Quorum Needed: 90

117 members present; we have a quorum.

Members attending In-Person: 102

(In-Person: 102; Non-Members: Not Available)

Members attending Online: 15*

(15 of 24 eligible registrants, as verified on Simply Voting results)

(Online Non-Members: Not Available)

Enn Martin, 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 Agenda for 2022 Annual Business Meeting.

MSC that Sharon Ramadeen, from the Central Support team, to be recording secretary.

MSC the acceptance of the 2021 Annual Business Meeting minutes as included and distributed in the Annual Report.

AFFIRMATION OF ELDERS

Pastor Rick Carrol, presented the 2022–2023 Elder Board candidates.

MSC the acceptance of the Elder Board as presented for 2022–2023. Raymond Armah, Francis Davis, Zari Gill, Enn Martin, Maril Varghese, Lileath Claire, Christopher Fredric.

117 members present.

Members Affirming In-Person: 102

(102 Ayes, 0 Noes)

Members Affirming Online: 15*

(15 of 24 members attending online, as verified on Simply Voting results)

ELDER BOARD ELDER REPORT Presented by Enn Martin, PORTICO Elder Board.

1. PORTICO Governance Framework:

- Governance is about how PORTICO organizes to carry out our mission and vision, in harmony with our values.
- PORTICO's Policy Governance® model is an integrated model that separates what we exist to accomplish (ENDS), from how we operate (MEANS).

2. Board Job Description:

- Specify written governance policies for Ends, Executive Limitations, Governance Process, Board – Pastor Linkage
- Collectively review and monitor these to assure performance.

3. Executive Limitations

- The Monitoring Compliance reports are due from the Senior Pastor on a pre-determined schedule determined at the beginning of the year.

4. PORTICO's Bylaw #5

- Require a minimum of six (6) and a maximum of ten (10) Elders. We are currently seven (7), one above the minimum.
- Please prayerfully consider Members you know who have demonstrated a heart for PORTICO's Mission, as well as leadership or administrative gifts.

ELDER BOARD OWNERSHIP CONNECTION Presented by Enn Martin, PORTICO Elder Board

Data from surveys in 2020, 2021, and 2022 were used.

- **CONNECT: Attendance** - Year-over-year attendance seems to be bouncing back to pre-pandemic levels.
- **GROW: Growth Group Attendance** - Growth Groups have not recovered.
- **GROW: Spiritual Disciplines** - Personal spiritual disciplines is down.
- **SERVE: Where We Serve** - SERVE levels are down.
- **SERVE: Tithing & Giving Trends** - Giving and Tithing are up.

There were two new questions this on this year's survey:

- **GROW:** This Fall, I will make intentional steps to embrace God's plan for my life to.
- **GROW:** I need PORTICO to help me with.

The Board will spend time analyzing this data as input into our annual Policy review cycle, as well as Body Life conversations.

2022–2023 YEAR IN REVIEW

PORTICO ENDS

Pastor Rick Carrol provided highlights from the 2022 Annual Report:

- **Dial One: Attendance** - 6% increase in campus attendance.
- **Dial Two: Personal Follow Up** - 70.5% of Newcomers and prayer requests were followed-up personally within 7 days. Our goal is that every person that submits a prayer request online gets a personalized follow up.
- **Dial Three: GROW** - 10.32% decrease of participants in a Growth Group or approximately 5-6 groups.
- **Dial Four: Spiritual Formation** - 3 out of 4 areas achieved. Expected to increase with the addition of Grow Nights and the Learning Hub.
- **Dial Five: SERVE** - 39% of attendees serve in the church or community.
- **Dial Five: Generosity** - 0.12% giving increase from budget.

Other Metrics include:

Average Sunday Attendance

- In-person: 2021=458; 2022=737
- Online: 2021=1193; 2022= 863
- This Fall we're getting close to pre-covid numbers.

Water Baptism

- There were 21 water baptisms.

I said "Yes"

- 13 people said 'YES' to Jesus.

SERVE by Campus

- Mississauga: Volunteers=293; Attendees=654

- Milton: Volunteers=27; Attendees=49
- Brampton: Volunteers=40; Attendees=34
 - In Brampton, volunteers are greater than attendees because some Mississauga volunteers also volunteer in Brampton.

Brampton Campus Update

- Pause meeting weekly on Sundays.
- Service and Serve will take place once a month to continue to support the 76 families who receive food hampers.
- In the spring 2023, there will be a meeting to pray over and discuss a west Brampton re-launch.

FINANCIAL REPORTS

Financial Report 2021–2022

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

Highlights:

- The long-term debt, the mortgage, is paid off.
- 2021 PORTICO participated in the wage subsidy program, this was not available in 2022.

MSC the acceptance of the 2021–2022 Financial Statements as presented.

Budget Report 2022–2023

Elroy Campbell, Treasurer, presented the 2022–2023 budget.

Pastor Rick Carrol stated that the first mortgage payment will be offered as a first fruits offering to a Kingdom Builder partner. The team will prayer and come back with an announcement on where the money will go.

AUDIT COMMITTEE REPORTS

Raymond Armah, Elder Representative to Audit Committee, and Bruce Drysdale, Chair of the Audit Committee

- Our auditors, Grant Thornton, have successfully completed the audit of the Financial Statements for PORTICO's year end of June 30, 2022.
- They 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.
- PORTICO has an Unqualified Audit Report, meaning that the auditors have no reservations and the report is very good with good cash monitoring.
 - This is a very good standard.

MSC that PORTICO retain Grant Thornton LLP as our auditors for the coming year, 2023.

VISION CHALLENGE Presented by Pastor Rick Carrol

- The last 3 years have been a whirlwind with the Covid pandemic and responding to changing needs as required
- There will be a restructure of the staff team which includes the development of an Implementer/Executive role, cohesively combining ministry and administration functions.
- Doug will serve in this role in the interim until someone can be hired next year.

I believe that every PORTICO campus/expression needs to have a robust expression of all three values. This requires a couple intentional shifts and additions:

CONNECT

- Worship expression is not limited by time.
- Prayer during services.
- We need to create leaders, build disciples.

GROW

- Thursday is Grow Nights (this has begun) will start with prayer and worship
- Learning Hub is launching in 2023.

SERVE

- 10% of every dollar received goes into Kingdom Builders.
- End of November, 3 short term missions trips will be presented.
- Community ministries at each campus – Wellness Night.

Challenges

- We need to pray together to find opportunities for people who are not ready to come to Bible Study or Sunday service.

A time of Prayer.

MOTIONS OF APPRECIATIONS

Zari Gill, of the PORTICO Elder Board presented Motions of Appreciation on behalf of the Elder Board:

We, the Board of Elders, for year 2021 - 2022 continue to praise God for this past year in which we could meet once again in the service of supporting our mission of HELPING PEOPLE FIND THEIR WAY BACK TO GOD.

We are thankful for our extended PORTICO family of members, non-members, pastors, staff, and ministry partners. We appreciate each one of you for your work, personal sacrifice, and contribution. Your service to PORTICO and the community is valued and underlies our collective call to serve and care for each other. At this time, we would like to express our heartfelt gratefulness by the making of a motion.

Mr. Chairman, I move that we offer this special note of appreciation to the following groups and individuals:

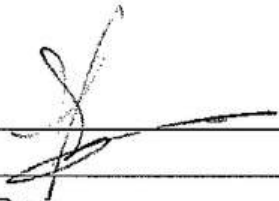
- PORTICO's Pastoral staff and Central Support Team for their excellence and service as we fully opened our doors to our congregation this past year. This year, book-ended a unique period in our history. Our sincere appreciation for your work and service this year to continue making the message available to many around the world.
- Chris Gill for ten (10) years of service on the Board of Elders from 2012 to 2022
- All our volunteers, members, ministry partners and non-members for continued support of the various PORTICO ministries. And a special recognition to members who continue to participate in the Annual Business Meeting, whether in person or online.

We appreciate you and your families for your commitment to PORTICO and His Kingdom.

MSC acceptance of the Motions of Appreciations

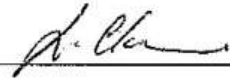
Pastor Rick Carrol closed the meeting.

MSC the adjournment of our 2022 Annual Business Meeting at 7:52 pm.



Francis Davis
Board of Elders, Chairperson

Dated: Sept 13, 2023



Lileath Claire
Board of Elders, Vice Chairperson

Dated: Sept 13, 2023

**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.*



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

CAMPUSES

Milton Campus

45 Bruce St
(Inside Milton Christian School)

Mississauga Campus

1814 Barbertown Rd

CONTACT US

905.826.9612
info@porticocanada.ca
porticocanada.ca

OFFICE HOURS

Tuesday - Friday
8:30 am - 4:30 pm



CHURCH • MESSAGE
many expressions

I AM NEW

PORTICO.cc/new

I SAID YES

PORTICO.cc/yes

CONNECT

For more info or to sign up, or visit
PORTICO.cc/connect

GROW

For more info or to sign up, or visit
PORTICO.cc/grow

SERVE

For more info or to sign up, or visit
PORTICO.cc/serve

WAYS TO DONATE

Onsite during services, at the Info Centre or
at a kiosk; online on our website or app or by
texting 'PORTICO' to 77977

SOCIAL MEDIA



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@portico.cc



Subscribe to our
Youtube Channel



Like us on Facebook
PORTICO Community Church