

# Grant Memorial Baptist Church

Semi-Annual Meeting of the Members

October 24, 2021



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# 1. Meeting Logistics

## 1.1 Meeting Agenda

The proposed agenda for the October 2021 semi-annual meeting of the members of Grant Memorial Church is as follows:

- Welcome & Prayer
- Approval of Agenda
- Approval of Minutes from the Members Meeting held June 21, 2021
- Approval of Minutes from the Special Members Meeting held September 13, 2021
- Elder Activity Update
- New Elder Affirmation
- Presentation of Ministry Report
- Presentation of Operations Report
- Presentation of 2020/2021 Audited Financial Statements
- Appoint Auditors for 2021/2022
- Trustees Activity Update
- By-Law Amendments
- Closing Prayer & Adjournment

## 1.2 Meeting Participation

The Meeting will be held virtually, via video, due to current Coronavirus pandemic.

### **Members**

Members are invited to attend and participate in the meeting via ZOOM video call. Members are eligible to actively participate in all proceedings during the meeting including discussions, motions, resolutions and voting.

### **Non-Members**

Non-members may attend the meeting via a video livestream. According to our by-laws, Non-members shall not participate in any manner whatsoever including any discussions, motions and resolutions arising and are not entitled to any voting rights. Despite those stated restrictions, the Chairman of the meeting may authorize Non-members to participate in discussions, motions and resolutions arising at the meeting.

Further clarification regarding Member and Non-Member rights are found in Articles IV and V of the By-Laws of Grant Memorial Baptist Church Inc. By-Laws enacted on June 21, 2021.

## 2. Ministry Report

### **Isaiah 43:2a & 3a**

*When you go through deep waters, I will be with you...  
...For I am the Lord, your God, the Holy One of Israel, your Savior.*

The above promise of God's presence amid difficulty has proven to be a significant source of encouragement throughout this past year of ministry. While shaping ministry strategy in the midst of constantly changing public health restrictions is difficult, we couldn't have done it without our phenomenal team of staff and volunteers, backed with a caring and supportive congregation. We are honoured to be part of the Grant Memorial Church community, a community filled with an evident love for God and a passion for serving.

The fact that we have transitioned into our new roles alongside a team that we already know and love is a significant blessing. Jeff Job has been a great addition, and we look forward to intentionally discerning Grant's future ministry priorities together as a team.

We want to express our thanks for the faithful service and leadership that Steve Martens gave to the Grant community while serving as our interim CEO.

For this report, we would like to give a quick high-level summary of the ministry priorities over the past season. While we won't include specific numbers/metrics for the different ministry areas in this report, we are available to share metrics with those interested.

While Covid certainly changed the look of our **Sunday morning gatherings**, it did not impact our ability to dig into the Word of God together. Over the past year, we spent 14 weeks in the book of 1 John, 10 weeks in Jonah and 21 weeks in Galatians. God taught us many timely things, including how to live set apart as the family of God, God's sovereign mercy for us in times of trouble, and the freedom we have in Jesus Christ alone. God's Word continues to challenge us, shape us and teach us, and we look forward to beginning a new series this upcoming ministry year in the Gospel of Mark.

Within our age-specific ministry areas, programming has continued! Our **Grant Kids** team has continued to produce high-quality online curriculum available for families to utilize for discipleship at home while also kick-starting Sunday morning in-person programming for kids. Our **Youth** team successfully used Zoom for many discipleship-based events over the past year and now transitioned to in-person events on Wednesdays (Grade 5-7) and Fridays (Grade 8-12). Leading our **Young Adults** are a competent group of volunteers who have continued to provide direction to Canvas after Dom Gibson transitioned to Law school. They continue to host worship and teaching events for young adults monthly.

Several weeks ago, we launched "Grant at 9am," an opportunity for people to view the hymn sing video together each Sunday morning. Many **senior adults** have already participated in this weekly in-person gathering and have found it a source of encouragement and connection.

Hundreds within our congregation meet regularly in **small groups**. Sermon-based small group questions are created every week to enable lively, discipleship-based conversations. The **Men's Class** has been meeting online each Sunday and is potentially planning to begin meeting in-person on Sunday mornings. Women's **Daybreak** meets in person on Tuesday mornings and has fostered an excellent discipleship environment. When public health restrictions have allowed it, our **Worship Ministry** has organized several Sunday evening worship events. We hope to make this a monthly tradition.

**Care Ministry** - Providing support and care for the congregation is a significant ministry priority at Grant. Early in our time as Pastors, we made the difficult decision to revamp the care ministry team. We will no longer be a church that provides a formal "Stephen Ministry." We have made provisions to ensure that care is still available for anyone who should need it while we actively redesign the care ministry. We want to share a sincere thank you to Lynn Stevens for the many years that she provided leadership to our care team. Her example, along with many others, has reinforced how valuable care ministry is to the church community.

**Moving forward**, we are excited to lean on our new vision – Gather, Grow, Go – for the Glory of God to direct our ministry programming. The staff have already been tasked with planning ministry activities and directives around these vision values, and as time goes by, this language will become more and more prevalent. While we do understand that certain ministries will focus more on specific values than others, we are hopeful that all three values (Gather, Grow, Go) will be emphasized in every ministry area. We desire that each ministry is a microcosm of the whole, and this shared vision will unify us around our vision, so that God will be glorified.

We realize that this high-level summary of ministry at Grant doesn't provide an accurate scale to the significant ministry Grant's congregation participates in each day. We regularly hear stories of how those who connect at Grant see God's kingdom moving forward into our dark world! Praise God!

It is an honour to serve alongside each of you as we pursue Jesus together.

Respectfully submitted,

Steve Bock  
Ministry Pastor

Cam Stephens  
Teaching Pastor

### 3. Operations Report

It has been a little over a month since I stepped into the role of Director of Operations here at Grant. This makes drafting a report that looks at the past year a challenging assignment since I experienced it as a member and volunteer and not as a staff member. The ministry and financial reports for 2020-21 are included as part of the meeting documents. For this initial report, my desire is to share some of my thoughts after serving in this newly created leadership role for the past month.

It was a radical and risky decision for me to leave my management position with Honeywell after 21 years to accept this new position at Grant. I walked into my first day full of excitement and trepidation. I was excited as I was going to become part of a team that I knew was passionate about serving our church community and beyond. But I was also full of trepidation because this was such a change from what I had done before, and I knew how important and critical this new assignment was going to be. I was then reminded of my favourite Bible verse found in Joshua 1:9: *"Have I not commanded you? Be strong and courageous. Do not be afraid; do not be discouraged, for the Lord your God will be with you wherever you go."* God had already been at work in my life to prepare me for this next chapter and I needed to simply trust His leading and obey what He was asking me to do.

As I began getting used to my new work environment, I quickly came to realize how amazing our church staff is. My office is situated right in the middle of our staff area and I was immersed in their day-to-day activity. They immediately made me feel like part of the team and I was able to see and hear their passion and commitment for the work they are doing, and my respect and admiration for our staff has grown immensely in this short time. We are very blessed to have each one of them serving our church, knowing that the secular workplace can be a more financially lucrative place to work.

One of the greatest joys of this past month has been working together with Steve and Cam. I have come to appreciate and value their passion for ministry and how God has uniquely gifted them to serve our church for this season. I know that our new leadership structure will be stretched and tested over the next number of months and years, but I am encouraged by the relationship we have already developed and the conversations that we have had. I look forward to working with Cam and Steve in the days ahead as we lead our Church into the future that God has already planned for us.

God has entrusted our church with so many resources. A beautiful facility, committed and dedicated staff and volunteers, a faithful congregation with a rich heritage, programming and ministries for all ages...and the list goes on. It can be easy for us to boast in our blessings as a church. Instead, I think it is helpful that we continually remind ourselves that we are to be good stewards of what God has given us in order to fulfil the mission that Jesus gave in Matthew 28: *"Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you."*

It would be natural to see my area of responsibility as just looking after the practical needs of our church – taking care of our property, looking after HR issues, maintaining the IT infrastructure, and managing our finances - or to see that I am responsible for all the detailed financial reporting for the church. As I have reflected on our current structure, I believe it is unfair to characterize my role in that way. My prime directive as Director of Operations is to collaborate with our staff, leadership, and church community to preach the

Gospel, care for the hurting and help believers to grow in their faith journey. I will accomplish this by managing and directing the areas assigned to me and ensuring that all areas are working well together to accomplish our vision statement: To Gather, Grow & Go for the Glory of God. I am extremely fortunate to have experienced staff to help carry the load while I settle into my role. My chief aim is to provide them with direction and to make decisions utilizing their expertise and recommendations. In addition, I endeavor to collaborate with our leadership and Executive Team to ensure that we are all working in unity to accomplish our vision. I know there will be challenges and complicated decisions ahead. I am grateful that God is working to guide and direct me, and that I am supported by both staff and a church community that desire God's will to be accomplished through our church.

We have all walked through a difficult two years, both individually and as a church community. There have been challenges, life changes and uncertainty that have changed how we live our lives and affected our families. It has affected how we gather as a church, and changed our definition of "normal." We also have some challenges in front of our church right now. Our donations are only at 90% of what we require to meet our budget, and this means we are facing a significant deficit at the end of the year if our giving remains where it is. This is having a huge impact on our ability to fill vacant staff positions and conduct ministry programming as we try to be fiscally responsible with the resources God has provided us.

That being said, I am also very confident and excited about the direction that God is leading us. I have been encouraged to see us start meeting together again – both Sunday mornings and in our smaller communities. We have seen how God has been working to transform lives during this time regardless of what has been happening in our world, and I know He will continue to do so. The best part is that God has invited us to join Him in what He is doing. I invite you to partner together with Grant and see where He might lead you to serve, who you might connect with, and how you might give. As we do this, may we continue to praise and thank God for all He has done and all He will do through us as individuals and as a church family.

In His Service,

Jeff Job  
Director of Operations

## 4. Elder Candidate Presentation for Affirmation

In recognition of the distinction between the spiritual and administrative stewardship of the church, the position of Elders has been developed to serve as the guardians of the theological integrity, and to provide spiritual oversight of the church.

### 4.1 Current Elders

The current list of Elders is as follows:

- Bruce Day
- Allan Dyck
- Paul Meisner
- Richard Quiring
- Dick Stephens
- Kevin Zink

### 4.2 Elder Candidate

The following individual has agreed to allow their name to stand for affirmation. The profile is provided in Appendix 3.

- Keith Robinson

The election will consist of a yes or no vote.

## 5. By-Law Amendment Motion

### 5.1 Proposed By-Law Amendment Motion by a Member

I (Harold Penner) would like to make the following motion seconded by Dave Epp:

#### **Revision of 6.06 Appointment and Terms**

with unlimited number of terms, to:

(a) A Trustee shall be elected by the Membership for a term of three (3) years, ***renewable by election for an additional term of (3) years, after which they must wait a year before serving on the Board again.***

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**The following list of Pros and Cons have been gathered from multiple sources in reference to Term Limits for Board Members of Non-Profit Organizations, including Churches:**

#### **Pros of Term Limits:**

1. Can prevent stagnation, tiredness, boredom, and loss of commitment. Cynicism may creep in.
2. Term limits help prevent burnout.
3. Avoids the potential for perpetual concentration of power within an individual or a small group of people when members stay on the Board for an extended time. This concentration of power can intimidate new members when they join.
4. Provides opportunity for the board and organization to work with talented community members who can devote only a few years to board service. Individuals may be more open to serving on the board knowing there is a term limit.
5. Makes it easier to diversity the board, bringing new ideas and new perspectives to the board and its decision-making process.
6. Staggered terms provide a built-in balance of continuity and turnover.
7. Allows for rotation of committee assignments.
8. Raises awareness of and provides opportunities to change and improve group dynamics.
9. Removes the potential for board member guilt about being burnt out or needing to step off the Board.
10. Provides a respectful and efficient mechanism for the exit of passive, ineffective, or troublesome board members.
11. Enlarges the circle of committed supporters as members rotate off the board.
12. Enables the board to easily adjust its membership to reflect the organization's changing needs.

#### **Cons of Term Limits:**

1. Long term board members have organizational history and understand the context of past decisions.
  - However, information can be retained by an advisory board of past members.
2. Losing even one board member places extra burden on the remaining members; recruiting a new member takes time away from regular board duties.
  - Experts say it takes one full term to become fully acclimated as a board member. Turnover should be mitigated with an effective orientation and board training

program. Note: A 2015 survey by Stanford University found that just half of non-profit board members understand their obligations or feel engaged in their role.

3. As new members join the board, it takes time to build trust and cohesiveness.
4. Board turnover is disruptive to the oversight and running of the association.

## **5.2 Board of Trustees Response Statement**

While we are generally in agreement with the concerns and risks that the lack of a term limit represents, the Board of Trustees is presently unsupportive of this motion. For some context about this, there are currently 10 out of a possible 15 Board Trustees, 15 being the maximum. There is also a minimum requirement of 7 Trustees to meet the mandate of the bylaws and the corporate requirements.

It has consistently been challenging to find eligible, qualified, and willing candidates to fill positions on the Board. And, our primary concern as the Board is that a policy such as this could force the Church into an undesirable situation, potentially causing the Board to be unable to meet its mandate. In a situation where the Board only had 7 members, with some coming to the end of their term and not enough replacements to counterbalance the attrition, this policy would require the Church to release these Board members and thereby not be able to form a proper Board as required by the by-laws. The risk is that this by-law revision would remove the decision making from the congregation in situations where it may not be in the Church's best interests to be forced into that scenario.

We view this proposal in a similar perspective as a Member of Parliament. The Member is not held to a set time limit but still serves at the will of the constituents. Any MP need not be re-elected for a subsequent term and their tenure ended by the vote – in our case by the Membership of GMBC. Ultimately the Board Members are all accountable to, and serve at the will of, the Members of Grant Memorial Church.

This by-law revision would create a hard-line response to a situation which already has a moderate solution to any potential issues that may arise, and creates more risk than it mitigates.

# Schedules and Appendices

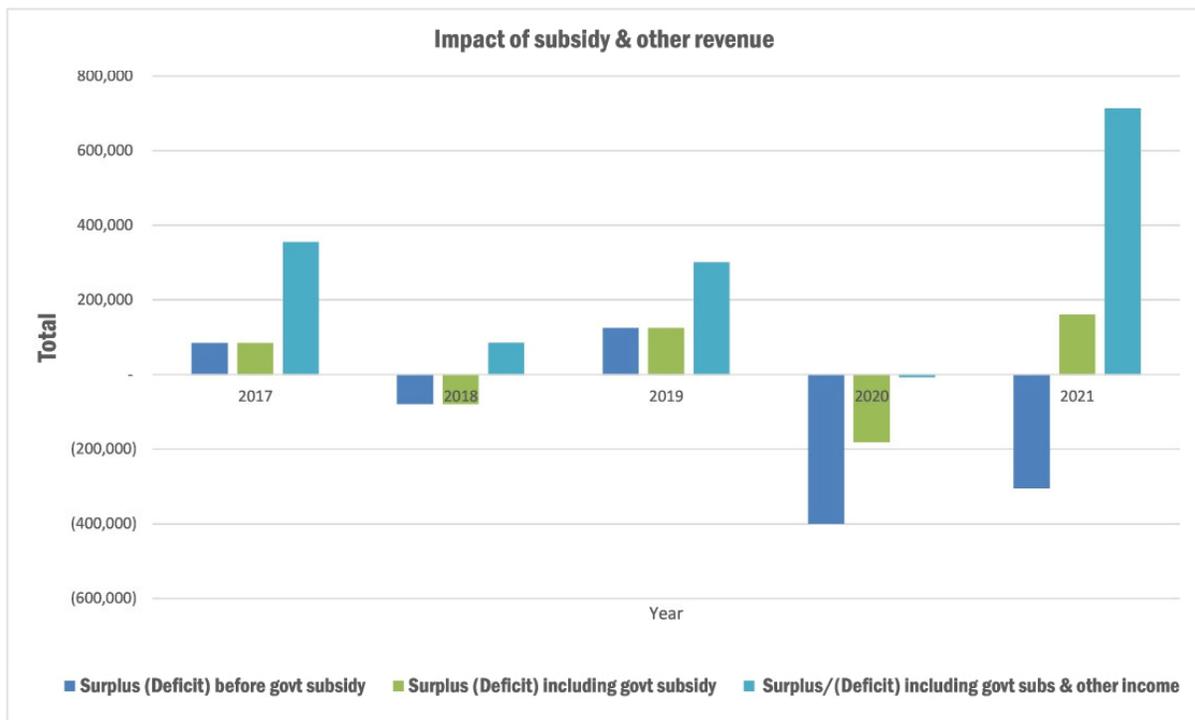
## Schedule A – Statement of Operations – Actual to Budget Comparative

**Grant Memorial Baptist Church Inc.**  
**Statement of Operations - Actual to Budget Comparative**  
**Fiscal Year Ended June 30, 2021**

**SCHEDULE A**

	<b>2021 Total</b>	<b>Sundry Programs</b>	<b>Operating &amp; Capital Funds Actual</b>	<b>Operating &amp; Capital Funds Budget</b>	<b>Variance Actual to Budget</b>
<b>Revenue</b>					
Donations					
General	1,855,562	-	1,855,562	2,065,000	(209,438)
Special and capital	1,200	-	1,200	-	1,200
Designated	166,408	166,408	-	-	-
	<u>2,023,170</u>	<u>166,408</u>	<u>1,856,762</u>	<u>2,065,000</u>	<u>(208,238)</u>
Programs activities	2,222	2,222	-	-	-
Grants	465,866	-	465,866	8,000	457,866
Other	4,395	-	4,395	3,600	795
	<u>4,395</u>	<u>-</u>	<u>4,395</u>	<u>3,600</u>	<u>795</u>
<b>Revenue</b>	<b>2,495,653</b>	<b>168,630</b>	<b>2,327,023</b>	<b>2,076,600</b>	<b>250,423</b>
<b>General Fund Expenses</b>					
Ministries					
Salaries & benefits	920,187	-	920,187	962,566	(42,379)
Programming	151,637	10,572	141,065	165,734	(24,669)
Supported ministries (Missions)	346,972	167,926	179,046	177,272	1,774
	<u>1,418,796</u>	<u>178,498</u>	<u>1,240,297</u>	<u>1,305,572</u>	<u>(65,275)</u>
Property Costs					
Utilities	270,768	-	270,768	298,300	(27,532)
Maintenance	513,282	-	513,282	644,913	(131,631)
Insurance	19,740	-	19,740	20,038	(298)
Property taxes	11,915	-	11,915	13,428	(1,513)
	<u>815,705</u>	<u>-</u>	<u>815,705</u>	<u>976,679</u>	<u>(160,974)</u>
Less: Cost recovery from LCS	(592,949)	-	(592,949)	(646,160)	53,211
	<u>222,756</u>	<u>-</u>	<u>222,756</u>	<u>330,519</u>	<u>(107,763)</u>
General Administration					
Salaries & benefits	319,710	-	319,710	310,980	8,730
Office & printing	77,753	-	77,753	58,200	19,553
Advertising	-	-	-	-	-
Professional fees	18,936	-	18,936	21,000	(2,064)
	<u>416,399</u>	<u>-</u>	<u>416,399</u>	<u>390,180</u>	<u>26,219</u>
Other Expense					
Interest	63,628	-	63,628	68,400	(4,772)
Financial processing fees	28,295	-	28,295	29,960	(1,665)
Amortization	184,855	-	184,855	179,011	5,844
	<u>276,778</u>	<u>-</u>	<u>276,778</u>	<u>277,371</u>	<u>(593)</u>
<b>Operating Expenses</b>	<b>2,334,729</b>	<b>178,498</b>	<b>2,156,230</b>	<b>2,303,642</b>	<b>(147,412)</b>
<b>Excess of revenue before the following</b>	<b>160,923</b>	<b>(9,868)</b>	<b>170,792</b>	<b>(227,042)</b>	<b>397,834</b>
Auxiliary service operations (net)	153,112	-	153,112	174,610	(21,498)
Recovery from Lindenholt Ministries Inc.	92,802	-	92,802	-	92,802
Easement gain	306,169	-	306,169	-	306,169
<b>Annual Operating Surplus/(Deficit)</b>	<b>\$ 713,007</b>	<b>\$ (9,868)</b>	<b>\$ 722,875</b>	<b>\$ (52,432)</b>	<b>\$ 775,307</b>

## Schedule A – Statement of Operations – Actual to Budget Comparative



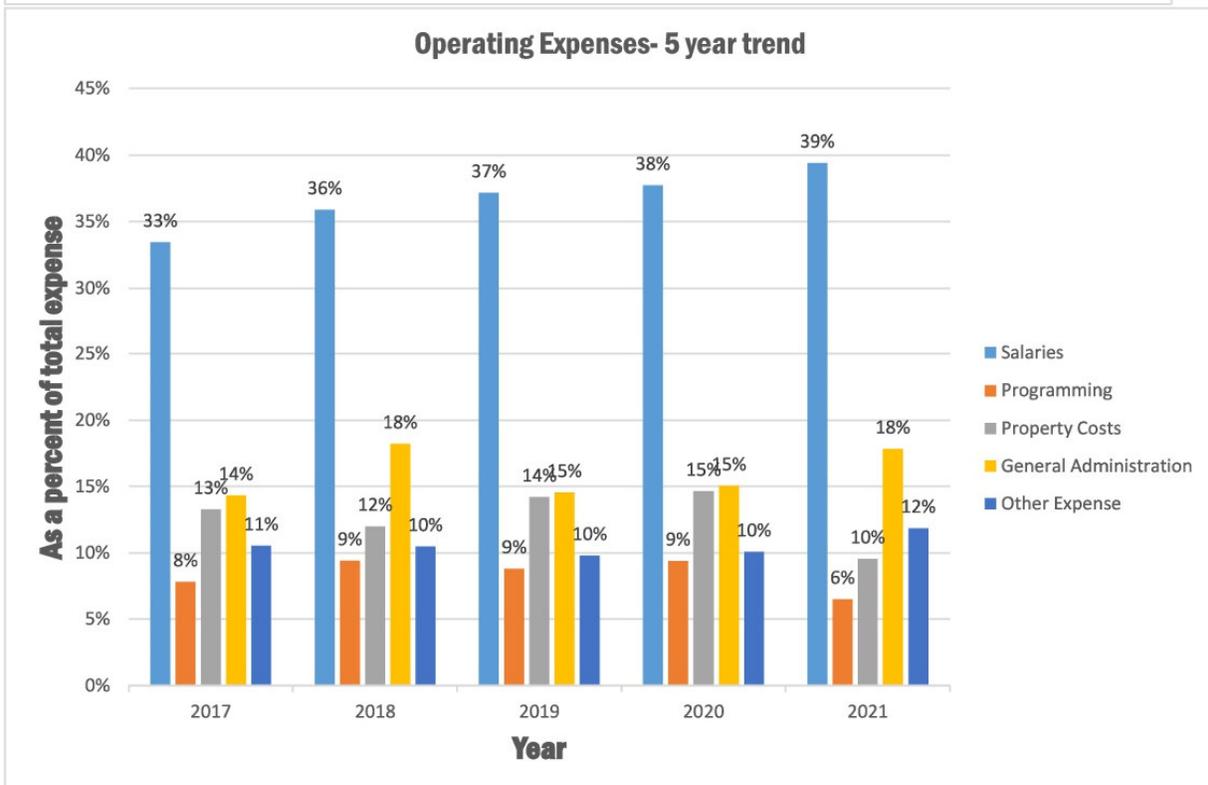
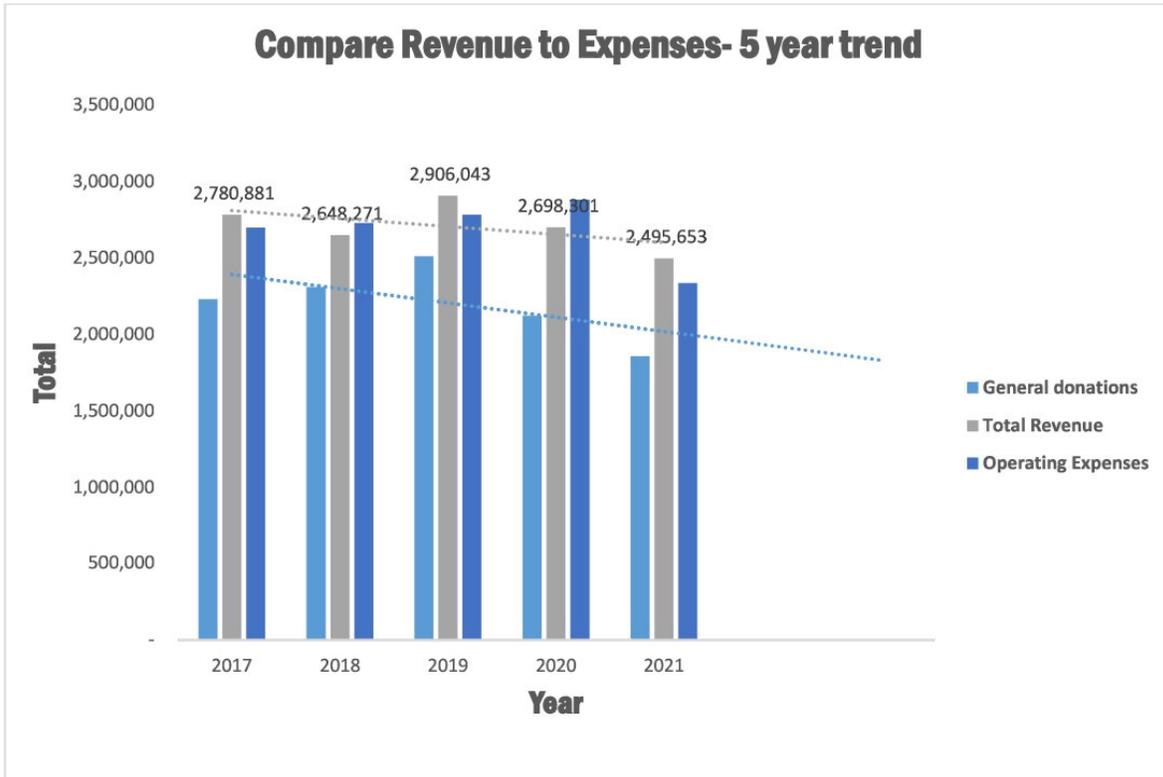
## Schedule B – Comparative Statement of Operations

**Grant Memorial Baptist Church Inc.**  
**Comparative Statement of Operations**  
**Actual Results**

**SCHEDULE B**

	For Fiscal Year Ended				
	2017	2018	2019	2020	2021
<b>Revenue</b>					
Donations					
General	\$ 2,228,857	\$ 2,308,857	\$ 2,511,195	\$ 2,120,137	\$ 1,855,562
Special and capital	13,913	38,515	68,927	22,500	1,200
Designated	378,264	210,592	242,034	189,609	166,408
	<u>2,625,534</u>	<u>2,557,964</u>	<u>2,822,156</u>	<u>2,332,246</u>	<u>2,023,170</u>
Program activities	102,625	61,378	54,403	95,948	2,222
Grants	-	-	-	218,408	465,866
Others	52,722	28,929	29,484	51,699	4,395
<b>Total Revenue</b>	<u><u>2,780,881</u></u>	<u><u>2,648,271</u></u>	<u><u>2,906,043</u></u>	<u><u>2,698,301</u></u>	<u><u>2,495,653</u></u>
<b>General Fund Expenses</b>					
Ministries					
Salaries & benefits	902,380	979,029	1,033,769	1,086,403	920,187
Programming	210,604	256,684	244,913	270,384	151,637
Supported ministries (Missions)	555,677	381,057	431,222	378,104	346,972
	<u>1,668,661</u>	<u>1,616,770</u>	<u>1,709,904</u>	<u>1,734,891</u>	<u>1,418,796</u>
Property Costs					
Utilities	262,986	264,592	301,897	311,802	270,768
Maintenance	912,762	895,968	1,018,128	711,668	513,282
Insurance	18,220	16,586	16,663	19,042	19,740
Property taxes	25,528	19,189	15,189	14,388	11,915
	<u>1,219,496</u>	<u>1,196,335</u>	<u>1,351,877</u>	<u>1,056,900</u>	<u>815,705</u>
Less: Cost recovery from LCS	<u>(861,867)</u>	<u>(869,231)</u>	<u>(956,889)</u>	<u>(635,424)</u>	<u>(592,949)</u>
	357,629	327,104	394,988	421,476	222,756
General Administration					
Salaries & Benefits	303,703	386,293	305,749	347,678	319,710
Office & printing	35,043	30,449	35,026	51,012	77,753
Advertising	13,803	12,244	6,407	9,396	-
Professional fees	33,834	68,169	57,186	25,095	18,936
	<u>386,383</u>	<u>497,155</u>	<u>404,368</u>	<u>433,181</u>	<u>416,399</u>
Other Expense					
Interest	84,960	88,950	76,847	73,969	63,628
Financial processing fees	21,666	18,908	21,734	26,232	28,295
Amortization	177,713	178,002	173,975	189,672	184,855
	<u>284,339</u>	<u>285,860</u>	<u>272,556</u>	<u>289,873</u>	<u>276,778</u>
<b>Operating Expenses</b>	<u><u>2,697,012</u></u>	<u><u>2,726,889</u></u>	<u><u>2,781,816</u></u>	<u><u>2,879,421</u></u>	<u><u>2,334,729</u></u>
<b>Excess of revenue before the following</b>	<b>83,869</b>	<b>(78,618)</b>	<b>124,227</b>	<b>(181,120)</b>	<b>160,924</b>
Auxiliary service operations (net)	171,574	163,140	176,744	174,494	153,112
Recovery from LMI	100,000	-	-	-	92,802
Easement gain	-	-	-	-	306,169
<b>Annual Operating Surplus/(Deficit)</b>	<u><u>\$ 355,443</u></u>	<u><u>\$ 84,522</u></u>	<u><u>\$ 300,971</u></u>	<u><u>\$ (6,626)</u></u>	<u><u>\$ 713,007</u></u>

## Schedule B – Comparative Statement of Operations

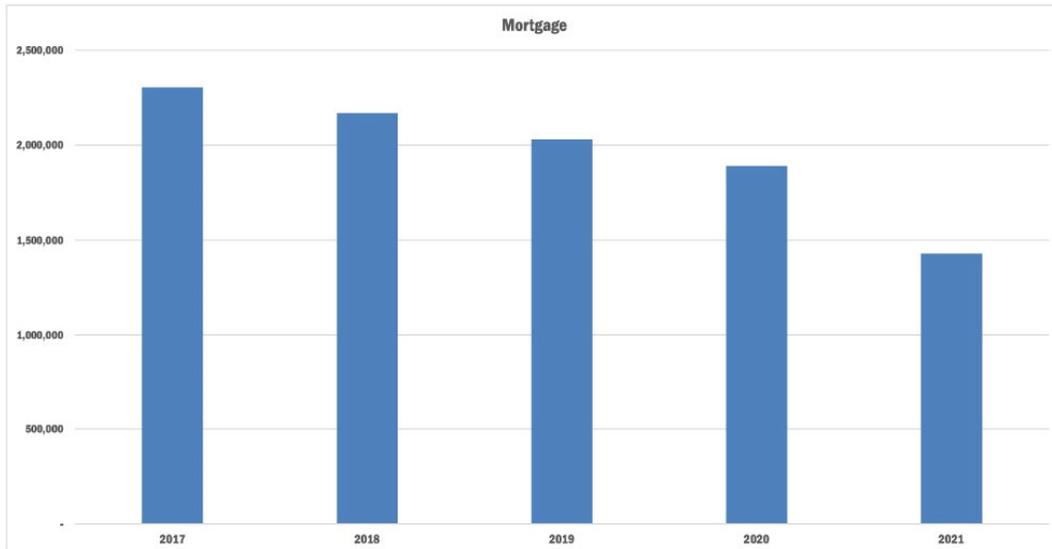


## Schedule C – Comparative Statement of Financial Position

**Grant Memorial Baptist Church Inc.  
Comparative Statement of Financial Position  
Actual Results**

**SCHEDULE C**

	At Fiscal Year ended June 30				
	2017	2018	2019	2020	2021
<b>Assets</b>					
Current					
Cash & short term investments	673,548	599,015	720,258	469,113	<b>713,970</b>
Accounts receivable	73,006	217,109	34,069	74,042	<b>70,349</b>
Due from related parties	-	-	137,497	47,260	<b>124,715</b>
Prepaid expenses	8,917	11,342	15,255	11,283	<b>9,606</b>
	<u>755,471</u>	<u>827,466</u>	<u>907,079</u>	<u>601,698</u>	<b><u>918,640</u></b>
Capital Assets	<u>9,343,431</u>	<u>9,346,310</u>	<u>9,273,350</u>	<u>9,435,686</u>	<b><u>9,403,215</u></b>
<b>TOTAL ASSET</b>	<b><u>\$ 10,098,902</u></b>	<b><u>\$ 10,173,776</u></b>	<b><u>\$ 10,180,429</u></b>	<b><u>\$ 10,037,384</u></b>	<b><u>\$ 10,321,855</u></b>
<b>Liabilities &amp; Equity</b>					
Current liabilities					
Accounts payable & accrued liabilities	215,412	341,046	184,825	189,381	<b>221,119</b>
Long-term debt					
Mortgage	<u>2,303,216</u>	<u>2,167,935</u>	<u>2,029,838</u>	<u>1,888,863</u>	<b><u>1,428,589</u></b>
	<u>2,518,628</u>	<u>2,508,981</u>	<u>2,214,663</u>	<u>2,078,244</u>	<b><u>1,649,708</u></b>
Members Equity	<u>7,580,274</u>	<u>7,664,795</u>	<u>7,965,766</u>	<u>7,959,140</u>	<b><u>8,672,147</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$ 10,098,902</u></b>	<b><u>\$ 10,173,776</u></b>	<b><u>\$ 10,180,429</u></b>	<b><u>\$ 10,037,384</u></b>	<b><u>\$ 10,321,855</u></b>



**GMBC Spring Members Meeting – June 21, 2021  
7:30 PM - Zoom**

- Welcome & Prayer
  - Danny welcomed everyone at 7:32.
  - Kevin Zink opened in prayer for this meeting
  - Quorum was reached with 176 members
- Approval of Agenda
- Approval of Minutes from the Members Meeting held October 28, 2020
- Approval of Minutes from the Special Members meeting held May 31, 2021

**Danny Serhal made a motion to approve the agenda and the Minutes of the previous meetings.**

**Justin Fast seconded motion to approve the agenda for this evening.**

**Dino Silvestri October Meeting minutes seconded**

**Gerry Bettig May Meeting minutes seconded**

**All 3 motions carried by 99% approval.**

- CEO Report & Ministry Plan
- Budget & Budget Approval
- Steve has attached a summary and CEO report in the package. He highlighted some items from that report regarding the past year. Steve made particular notes about staff that have left or joined this year. He also highlighted the additional opportunities for the church to reach out to the community around us during the pandemic like the meals program for example.
- The ministry plan going forward is difficult to determine based on how the reopening will occur in the pandemic. There are still some major unknowns for the fall.
- Steve discussed the finances from the past year and addressed some of the key assumptions for this upcoming year budget. GMBC is in a very strong cash position due to the wage subsidies and the underpass easement initial lump sum payment. Steve highlighted at a high level the rationale for the budget with projected increase in costs as well as revenue due to the reopening and returning to in person services and programs over the coming months.

Questions for Steve on the budget:

What is the total debt owing for the church? – 1.45 million at the end of May.

**Steve Martens made a motion to accept the 2021/2022 budget as presented:**

**Motion seconded by Danny Serhal**

**Motion Carried – 99% approval**

## Appendix 1 – Draft Minutes from Members Meeting held June 21, 2021

- Deacon Candidate Presentation & Vote
- **Danny presented the 4 deacon candidates. The package had the bios presenting Gerry Bettig, Justin Fast, Mark Dupuis and Brock Carson.**

**Motion to approve the 4 candidates made by Danny Serhal.**

**Seconded by Kevin Zink.**

**All 4 Candidates were approved by overwhelming support.**

- Elder Activity Update
- **Paul Meisner presented on behalf of the Elders for the Elder update. He shared a quick introduction and bio for himself. The Elders will continue to make themselves available to get to know better. Paul highlighted the major activities of the Elders over the past year.**
- Deacon Board Activity Update
- **Danny walked through the process over the past year that the Deacons worked through. The process began with the vote to approve multiple senior leader positions that could report to the Deacon Board. Then a survey was conducted of the membership to determine strengths and weaknesses of our church and organization. That lead to the larger Leadership Collaboration Meetings to take on the plan towards a new Why, What and How of our whole organization. Then a more focused approach was taken to make changes to the structure for GMBC specifically. That new proposed structure for the church is reflected in the package.**

Questions:

Del Duffield asked where LCS fits into the new org structure. That will be in the next phase of evaluation.

- Proposed Organizational Structure Presentation & Vote

**Vote to approve the new organizational structure for GMBC as presented: (Motion was made on May 31, 2021 and seconded)**

**Motion Carried – 94% approval**

- Proposed By-Law Revisions Presentation & Vote
- **Danny described the purpose of our bylaws. He also walked through the proposed changes made on May 31, 2021. There were a few nonmaterial changes to provide clarity based on the comments and questions since the proposal in May.**

Questions:

Debra Thiessen - accountability section in the bylaws removed

Del Duffield – question about getting a seconder for a motion

## **Appendix 1 – Draft Minutes from Members Meeting held June 21, 2021**

- Continuance of Deacons to Trustees of GMBC Vote

**The 2 votes were taken to approve motions made on May 31 for approval the bylaw revisions and approve the continuance of Deacons to Trustees.**

**Bylaw amendment motion carried – 165 Yes, 17 No**

**Deacons to Trustees motion carried – 164 Yes, 14 No**

- Affirmation of Senior Leadership Candidates Vote
- **Ted Hull interviewed Cam and Steve with some questions to help everyone in the congregation hear more from them about their proposed rolls.**

Questions:

Steve Martens – asked about the conflict of interest of Dick Stephens in Elder leadership with Cam in the proposed Teaching Pastor position?

Del Duffield – Will Steve provide the congregation with more interviews from endorsed missionaries?

**The 2 votes were taken to approve Cam Stephens as the Teaching Pastor and to approve Steve Bock as the Ministry Pastor. Motions were made on May 31, 2021.**

**In our bylaws the candidate and the Deacon board need to agree upon an established percentage of approval prior to the vote.**

**Cam Stephens was approved.**

**Steve Bock was approved.**

- Closing Prayer & Adjournment
- **Paul Meisner closed the meeting in Prayer.**
- **Adjourned**

## Appendix 2 – Draft Minutes from Special Members Meeting held September 13, 2021

### Monday September 13, 2021 GMBC Special Members Meeting

#### 7:30 PM Zoom Meeting

##### Meeting Minutes:

Danny Serhal Opened the meeting at 7:30 with a welcome.

Kevin Zink opened in prayer for the evening.

Danny mentioned the materials were provided ahead of time. He also mentioned the structure for this evenings meeting. How to submit questions in the chat box etc.

Quorum was confirmed by GMBC Staff.

Danny motioned to approve the agenda, Bill Sherk seconded the motion. Vote to approve the agenda – Carried.

Danny gave a quick overview of the organizational structure as a recap. Gerry provided an overview of the process that was undertaken to be able to bring forward a candidate for the Director of Operations position at GMBC.

Jeff Job was introduced as the candidate for the Director of Operations Position.

Ted Hull had a number of questions for Jeff to discuss his connection to Grant and history in our community. Ted asked Jeff how his past work experience qualifies him to work at a church.

Time provided for questions from members (submitted through the chat box):

- Jeff shared how the church can pray for him in this new role.
- The job can be all consuming. How will you balance work/life?
- Strong affirmations of Jeff were sent as well.
- Question was asked on how Jeff feels about the priority to reduce the debt at Grant.
- Do you have a mentor and would you be open to taking courses for further training in this role.

**Danny made a motion to vote to affirm the Board of Trustees recommendation of Jeff Job for the Director of Operations roll at Grant. Motion Seconded by Stefan Dirks.**

**Vote was taken in Zoom.**

**Results of the vote: Jeff Job Was affirmed as the Director of Operations.**

Paul Meisner prayed for Jeff to close the meeting.

Meeting Adjourned at 8:24pm.

## Appendix 3 – Elder Candidate Profile



### ELDER CANDIDATE

The Elders are pleased to present the following candidate for affirmation at the October 24, 2021 Fall Members Meeting.



Keith Robinson

Elder

### PRESENTING KEITH ROBINSON

I was honored when asked if I wanted to submit my name for the Council of Elders. During the summer, I prayed and discussed the opportunity with my wife, Rose. I would love to serve God and the Grant Community on the Council of Elders.

Rose and I started attending Grant in 2012 and quickly fell in love with Jesus while taking the Christianity Explored course. Within six months, we made Grant Memorial our home church as we felt it was essential to give back to God's church. Then in June of 2014, we were baptized and became members a month later. Our family and friends needed to understand God's importance in our lives and we wanted to show our commitment to God.

It took us too long to accept God into our lives and commit to serving Him at Grant. Therefore, we started serving at Grant as Hosts wherever we were needed and started attending a Small Group. We then became Table Leaders for Christianity Explored, which has been the most rewarding experience of our lives. We have developed many deep and rewarding friendships and have seen what the Holy Spirit can do when we allow Him in our hearts. This spring, we became the Leaders of Christianity Explored, and brought in some new table leaders, and we loved every moment.

We are blessed to be Small Group Leaders that started with new believers like ourselves and mixed in some more mature believers over the years. We have grown together, and every week is a blessing when we get to share God's Word and grow.

I love where God is leading Grant and would take the responsibility of following the Statement of Faith, Role of the Elder position, and most important the Word of God.

Rose and I have been married for 18 years, and we are blessed to have three children, six grandchildren, and one great-grandchild. The gift of His Son Jesus and Rose have been the greatest gifts that God has provided in my life. We love our family and enjoy studying and sharing God's Word with each other and our family. Being part of Christianity Explored and our Small Group is such a rewarding experience, and we are blessed that God has allowed us the opportunity to share His Word.



**Appendix 4 – 2020/2021 Audited Financial Statements**

**Grant Memorial Baptist  
Church Inc.**

Non-consolidated Financial Statements  
**June 30, 2021**



### Independent auditor's report

To the Board of Trustees of Grant Memorial Baptist Church Inc.

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#### Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Grant Memorial Baptist Church Inc. (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.

#### What we have audited

The Church's non-consolidated financial statements comprise:

- the non-consolidated statement of financial position as at June 30, 2021;
- the non-consolidated statement of changes in fund balances for the year then ended;
- the non-consolidated statement of operations for the year then ended;
- the non-consolidated statement of cash flows for the year then ended; and
- the notes to the non-consolidated financial statements, which include significant accounting policies and other explanatory information.

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#### Basis for qualified opinion

In common with many not-for-profit organizations, the Church derived revenues from cash donations, the completeness of which was not susceptible to satisfactory audit verification. Accordingly, verification of these revenues were limited to the amounts recorded in the records of the Church. Therefore, we were not able to determine whether any adjustments might be necessary to operating fund general donations revenue, excess of revenue (expenses) and cash flows from operating activities for the year ended June 30, 2020, current assets as at June 30, 2021 and 2020 and fund balances as at the beginning and the end of the years ended June 30, 2021 and 2020. Our audit opinion on the non-consolidated financial statements for the year ended June 30, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 non-consolidated financial statements* section of our report.

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

PricewaterhouseCoopers LLP  
One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6  
T: +1 204 926 2400, F: +1 204 944 1020

\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



### **Independence**

We are independent of the Church in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Responsibilities of management and those charged with governance for the non-consolidated financial statements**

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

In preparing the non-consolidated financial statements, management is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

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### **Auditor's responsibilities for the audit of the non-consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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.

## Appendix 4 – 2020/2021 Audited Financial Statements



- 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Church to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
September 20, 2021



## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Non-consolidated Statement of Changes in Fund Balances

For the year ended June 30, 2021

				2021	2020
	Operating Fund \$	Capital Fund \$	Sundry Programs Fund \$ (note 14)	Total \$	Total \$
<b>Fund balance – Beginning of year</b>	275,345	7,554,823	128,972	7,959,140	7,965,766
<b>Excess of revenue (expenses) for the year</b>	663,989	58,886	(9,868)	713,007	(6,626)
<b>Interfund transfers (note 12)</b>	(368,917)	368,917	-	-	-
<b>Fund balance – End of year</b>	570,417	7,982,626	119,104	8,672,147	7,959,140

The accompanying notes are an integral part of these non-consolidated financial statements.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

#### Non-consolidated Statement of Operations

For the year ended June 30, 2021

	2021			2020	
	Operating Fund \$	Capital Fund \$	Sundry Programs Fund \$	Total \$	Total \$
<b>Revenue</b>					
Donations					
General	1,855,562	-	-	1,855,562	2,120,137
Capital	-	1,200	-	1,200	22,500
Designated	-	-	166,408	166,408	189,609
	1,855,562	1,200	166,408	2,023,170	2,332,246
Program activities	-	-	2,222	2,222	95,948
Grants (note 13)	465,866	-	-	465,866	218,408
Other	4,395	-	-	4,395	51,699
	2,325,823	1,200	168,630	2,495,653	2,698,301
<b>Expenses</b>					
Ministries					
Salaries and benefits	920,187	-	-	920,187	1,096,403
Programming	141,065	-	10,572	151,637	270,384
Supported ministries (missions)	179,046	-	167,926	346,972	378,104
	1,240,298	-	178,498	1,418,796	1,734,891
Property costs					
Utilities	270,768	-	-	270,768	311,802
Maintenance	513,282	-	-	513,282	711,668
Insurance	19,740	-	-	19,740	19,042
Property taxes	11,915	-	-	11,915	14,388
	815,705	-	-	815,705	1,056,900
Less: Cost recovery from Linden Christian School Inc. (note 10)	(592,949)	-	-	(592,949)	(635,424)
	222,756	-	-	222,756	421,476
General administration					
Salaries and benefits	319,710	-	-	319,710	347,678
Office and printing	77,753	-	-	77,753	51,012
Advertising	-	-	-	-	9,396
Professional fees	18,936	-	-	18,936	25,095
	416,399	-	-	416,399	433,181
Other expenses					
Interest	-	63,628	-	63,628	73,969
Financial processing fees	28,295	-	-	28,295	26,232
Amortization	-	184,855	-	184,855	185,672
	28,295	248,483	-	276,778	289,873
	1,907,748	248,483	178,498	2,334,729	2,879,421
<b>Excess of revenue (expenses) before the following</b>	418,075	(247,283)	(9,868)	160,924	(181,120)
<b>Auxiliary service operations – net (note 15)</b>	153,112	-	-	153,112	174,494
<b>Recovery from Lindholm Ministries Inc. (note 10)</b>	92,802	-	-	92,802	-
<b>Easement gain (note 5)</b>	-	306,169	-	306,169	-
<b>Excess of revenue (expenses) for the year</b>	663,989	58,886	(9,868)	713,007	(6,626)

The accompanying notes are an integral part of these non-consolidated financial statements.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Non-consolidated Statement of Cash Flows

For the year ended June 30, 2021

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	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue (expenses) for the year	713,007	(6,626)
Item not affecting cash		
Amortization	184,855	189,672
Easement gain (note 5)	(306,169)	
	591,693	183,046
Change in non-cash working capital items	(40,347)	58,792
	551,346	241,838
<b>Financing activities</b>		
Repayment of long-term debt – net	(460,274)	(140,975)
<b>Investing activities</b>		
Easement gain (note 5)	306,169	-
Purchase of capital assets	(152,384)	(352,008)
<b>Increase (decrease) in cash during the year</b>	244,857	(251,145)
<b>Cash – Beginning of year</b>	469,113	720,258
<b>Cash – End of year</b>	713,970	469,113

The accompanying notes are an integral part of these non-consolidated financial statements.

### **Grant Memorial Baptist Church Inc.**

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### **1 Incorporation and purpose**

Grant Memorial Baptist Church Inc. (the Church) is a Bible-centred church known for its emphasis on teaching the Scriptures, its choice of traditional and contemporary worship, its strong sense of community and its commitment to reach beyond its walls. The Church is a not-for-profit organization and is a registered charity under the Income Tax Act. It was incorporated without share capital under Articles of Continuance in The Corporations Act of Manitoba on June 3, 2009.

#### **2 Basis of presentation**

These non-consolidated financial statements are prepared in accordance with accounting standards for not-for-profit organizations (ASNPO).

#### **3 Summary of significant accounting policies**

##### **Fund accounting**

The accounts of the Church are maintained in accordance with the principles of fund accounting. Fund accounting is a procedure whereby a self-balancing group of accounts is provided for each accounting fund established by the Church.

For financial reporting purposes, the accounts have been classified into three funds. The activities carried out by each fund are as follows:

- Operating Fund – reports the assets, liabilities, revenue and expenses related to general and auxiliary operations.
- Capital Fund – reports the acquisition, disposition, amortization and liabilities related to capital assets.
- Sundry Programs Fund – reports the assets, liabilities, revenue and expenses related to special ministry events, groups and programs, which are largely self-funded through designated donations and program revenues.

##### **Revenue recognition**

The Church follows the restricted fund method of accounting for contributions. Unrestricted amounts are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted amounts related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted amounts are recognized as revenue in the appropriate restricted fund.

Sundry program activities and auxiliary services revenue are recognized in the fiscal year to which they relate.

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### Capital assets

Capital assets are recorded at cost and are amortized, after adjusting for estimated residual value, over their estimated useful lives using the declining balance method with the half-year rule applied to acquisitions, at the following rates:

Site improvements	5%
Furnishings and equipment	10%
Computer equipment	33%
Computer software	50%

The building is amortized on a straight-line basis over 40 years with certain building renovations amortized on a declining balance basis at the rate of 7.5% per year.

Contributed capital assets are recorded at fair value on the date of contribution.

#### Non-consolidation of controlled organizations

The Church controls three not-for-profit organizations as detailed in note 11. These non-consolidated financial statements have been prepared on a non-consolidated basis.

#### Contributed services

Volunteers are an integral part of carrying out the activities of the Church. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

#### Financial instruments

##### *Measurement of financial instruments*

The Church initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The Church subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, accrued vacation pay, due to (from) related parties and long-term debt.

##### *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the non-consolidated statement of operations. When events occurring after the impairment confirm a reversal is necessary, the reversal is recognized in the non-consolidated statement of operations.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

#### 4 Capital assets

			2021	2020
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	676,152	-	676,152	676,152
Site improvements	591,952	375,341	216,611	228,012
Building	9,051,660	1,364,976	7,686,684	7,771,449
Furnishings and equipment	2,504,855	1,709,616	795,239	738,348
Computer equipment and software	153,886	125,357	28,529	21,725
	<u>12,978,505</u>	<u>3,575,290</u>	<u>9,403,215</u>	<u>9,435,686</u>

In addition to the capital assets listed above, the Church has legal title to classroom buildings that have been added since 1993 by Linden Christian School Inc. (the School) onto the property owned by the Church. The cost of these additions made over the years total \$11.8 million. As the School has financed and operates these capital assets for its own beneficial interest, these assets have been recorded on the financial statements of the School and are not reflected above.

#### 5 Easement gain

In November 2020, the Church signed a settlement agreement with the City of Winnipeg related to the Waverley underpass project which was completed in fall 2019. The Church received a \$288,460 land easement payment, which included payment for the loss of the use of the land during construction and \$17,709 for interest, for a total payment of \$306,169.

#### 6 Credit facility

The Church has a \$200,000 line of credit facility available bearing interest at bank prime plus 1.5%, secured by a line of credit agreement. As at June 30, 2021 and 2020, the Church had not utilized any portion of the line of credit.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

#### 7 Long-term debt

	2021 \$	2020 \$
Mortgage, due January 1, 2022, bearing interest at 3.9%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$10,890	491,297	614,517
Mortgage, due April 1, 2026, bearing interest at 3.15%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$3,800	410,404	637,364
Mortgage, due May 31, 2023, bearing interest at 3.65%, secured by a demand promissory note, repayable in monthly principal and interest payments of \$6,208	526,888	636,982
	1,428,589	1,888,863
Less: Current portion	(580,721)	(736,060)
	847,868	1,152,803

A general security agreement over all of the assets of the School and the Church, an assignment of fire insurance and an assignment of the lease agreement between the School and the Church have been given as collateral for the mortgages payable.

Interest on long-term debt, which is being expensed in the Capital Fund, for the year ended June 30, 2021 amounted to \$63,628 (2020 – \$73,969).

Based on current terms, the aggregate of principal payments required and mortgage balances coming due in each of the next five years is:

	\$
2022	580,721
2023	504,882
2024	35,272
2025	36,427
2026	271,287
	1,428,589

During the year, in accordance with the terms of its mortgage agreement, the Church made principal repayments in excess of monthly requirements for the mortgages. Based on the assumption that the mortgages are renewed when they come due at similar terms and rates, the estimated aggregate principal payments to be made in the year ending June 30, 2022 would be \$203,146.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### 8 Group RRSP

The Church sponsors a voluntary defined contribution group RRSP for eligible employees. The Church currently matches participants' contributions up to a maximum of 5% of participants' earnings depending on length of service with the Church. Matching contributions of \$32,497 (2020 – \$31,023) have been expensed during the year and are included in salaries and benefits.

#### 9 Commitments and contingencies

The Church is committed under operating leases for office equipment, with minimum lease payments over the next three years as follows:

	\$
2022	15,295
2023	15,295
2024	15,295

During the year, the Church was released from its previous commitment to guarantee the mortgages held by the School. In the previous year the Church had provided an unlimited guarantee against the mortgages held by the School, which as at June 30, 2020 was \$2,442,877.

#### 10 Related party transactions

Related party transactions with subsidiary organizations of the Church are included in the non-consolidated financial statements at the exchange amounts as follows:

	2021 \$	2020 \$
Current assets		
Due from related parties	124,715	47,260
Current liabilities		
Due to related parties	70	6,576
Auxiliary services revenue		
Rent	183,048	183,048
Cost recovery		
Property costs	592,949	635,424
Café recovery	11,000	5,738
Expenses		
Contract services	-	1,375

In addition, during the year the Church recovered \$92,802 from Lindenholt Ministries Inc. for a loan that had previously been written off as it was deemed uncollectible. The recovery has been recorded as other income in the statement of operations.

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### 11 Non-consolidation of controlled organizations

The Church controls Linden Christian School Inc., Lindenholt Ministries Inc. and Lindenlake Terrace Inc. by virtue of the fact that the members of the Board of Trustees of the Church are the only members of these organizations.

Linden Christian School Inc. operates an independent school for early years through senior years school-aged children on property owned by and in facilities attached to the Church. It is a not-for-profit organization, incorporated without share capital under The Corporations Act of Manitoba and is a tax-exempt registered charity under the Income Tax Act.

Lindenholt Ministries Inc. owns, manages and maintains residential housing properties for seniors on property adjacent to the Church, which was formerly owned by the Church. It is a not-for-profit organization, incorporated without share capital under The Corporations Act of Manitoba and is tax exempt under the Income Tax Act.

Lindenlake Terrace Inc. manages and maintains residential housing properties for seniors through the acquisition of leasehold interests in a housing complex owned by Lindenholt Ministries Inc. It is a not-for-profit organization, incorporated without share capital under The Corporations Act of Manitoba and is tax exempt under the Income Tax Act.

Linden Christian School Inc., Lindenholt Ministries Inc. and Lindenlake Terrace Inc. have not been consolidated in the Church's non-consolidated financial statements. Financial statements of these organizations have been prepared and issued to their members. Financial summaries of these organizations as at their respective year-ends are as follows.

#### Linden Christian School Inc.

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Financial position – as at June 30</b>		
Total assets	14,534,035	14,213,026
Total liabilities	5,363,679	6,081,911
Total fund balances	9,170,356	8,131,115
<b>Results of operations – for the year ended June 30</b>		
Total revenue	12,488,997	12,150,395
Total expenses	11,449,756	10,969,409
Excess of revenue for the year	1,039,241	1,180,986
<b>Cash flows – for the year ended June 30</b>		
Cash from operating activities	1,431,187	1,659,453
Cash used in financing and investing activities	(1,388,188)	(887,671)
Increase in cash	42,999	771,782

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

#### Lindenhalm Ministries Inc.

	2020 \$	2019 \$
<b>Financial position – as at December 31</b>		
Total assets	1,537,011	1,370,526
Total liabilities	540,022	512,694
Fund balances	996,989	857,832
<b>Results of operations – for the year ended December 31</b>		
Total revenue	1,262,916	978,191
Total expenses	1,123,759	892,577
Excess of revenue for the year	139,157	85,614
<b>Cash flows – for the year ended December 31</b>		
Cash from (used in) operating activities	(105,560)	115,124
Cash from financing and investing activities	252,842	-
Increase in cash	147,282	115,124

#### Lindenlake Terrace Inc.

	2020 \$	2019 \$
<b>Financial position – as at December 31</b>		
Total assets	1,471,750	1,698,390
Total liabilities	1,347,228	1,584,801
Fund balances	124,522	113,589
<b>Results of operations – for the year ended December 31</b>		
Total revenue	381,781	370,036
Total expenses	370,848	425,891
Excess (deficiency) of revenue for the year	10,933	(55,855)
<b>Cash flows – for the year ended December 31</b>		
Cash from (used in) operating activities	56,793	(43,976)
Cash from (used in) financing and investing activities	35,449	(12,130)
Increase (decrease) in cash	92,242	(56,106)

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

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#### 12 Interfund transfer

The interfund transfer is comprised of the following:

	2021	2020
	\$	\$
Repayment of long-term debt	460,274	140,975
Purchase of capital assets	152,384	352,008
Interest on long-term debt	63,628	73,969
Less: easement gain (note 5)	(306,169)	-
Less: capital fund revenue	(1,200)	(14,500)
	<u>368,917</u>	<u>552,452</u>

#### 13 Financial instruments

##### Credit risk

Credit risk is the risk one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. It is management's opinion that the Church is not exposed to significant credit risk from financial instruments.

##### Liquidity risk

Liquidity risk is the risk the Church will not be able to meet its financial obligations associated with financial liabilities. The global economy has been negatively impacted by a novel coronavirus (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The continued spread of COVID-19 and the actions being taken to limit its spread, which include self imposed quarantine periods and social distancing, have and may continue to have an impact on the Church's operations. While the Church is addressing the current challenges and has applied for government subsidies in the amount of \$465,866 (2020 – \$208,000) during the year (of which \$31,130 was receivable at June 30, 2021 (2020 – \$63,000) and received subsequent to year end), it is not possible to reliably estimate the length and severity of these developments and the impact on the liquidity, financial results and condition of the Church in future periods. Management expects the Church to be able to meet its financial obligations in the foreseeable future.

##### Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes in the Church's cash flow. The Church is exposed to interest rate risk as its mortgages and line of credit facility bear interest at fixed rates.

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

#### 14 Sundry programs fund

Activity includes the following:

	Balance – June 30, 2020 \$	Donation revenue \$	Program revenue \$	Expenses \$	Balance – June 30, 2021 \$
<b>Program activities</b>					
CD and resources	39	-	-	-	39
Choirs and music groups	6,635	-	-	-	6,635
Chinese ministries	3,890	-	-	-	3,890
Fellowship fund	16,938	5,576	1,390	10,547	13,357
Library	106	-	-	-	106
Men's ministries	-	-	-	-	-
Seniors' ministries	493	-	32	-	525
Spring lectureship	754	-	-	-	754
Women's ministries	3,130	-	-	25	3,105
Young adults	2,133	-	-	-	2,133
Youth	-	150	-	-	150
	<u>34,118</u>	<u>5,726</u>	<u>1,422</u>	<u>10,572</u>	<u>30,694</u>
<b>Mission activities</b>					
Supported missionaries	14,840	137,996	-	152,836	-
Mission projects	58,221	17,766	800	15,045	61,742
World missions	21,626	4,920	-	45	26,501
Youth trip	167	-	-	-	167
	<u>94,854</u>	<u>160,682</u>	<u>800</u>	<u>167,926</u>	<u>88,410</u>
	<u>128,972</u>	<u>166,408</u>	<u>2,222</u>	<u>178,498</u>	<u>119,104</u>

## Appendix 4 – 2020/2021 Audited Financial Statements

### Grant Memorial Baptist Church Inc.

Notes to Non-consolidated Financial Statements

June 30, 2021

#### 15 Auxiliary service operations

Activity includes the following:

	<b>2021</b>		<b>2020</b>	
	<b>Café</b>	<b>Property</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>rentals</b>	<b>\$</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Sales and services	-	-	-	101,266
Internal rentals	-	183,048	183,048	183,048
External rentals	-	11,040	11,040	1,740
	-	194,088	194,088	286,054
<b>Direct expenses</b>				
Purchased services and supplies	46,533	4,712	51,245	113,283
Office and promotion	731	-	731	4,015
Café recovery (note 10)	(11,000)	-	(11,000)	(5,738)
	36,264	4,712	40,976	111,560
<b>Excess of revenue (expenses)</b>	(36,264)	189,376	153,112	174,494