

ANNUAL REPORT

2014

 SPRINGS
CHURCH



PASTORS' REPORT

It's hard to believe that it's been over 20 years since Sally and I first came to Springs Church. So much has happened over the last two decades, and we're excited to share a few of the most recent highlights with you. As you scan through this report, you'll see exciting growth and change in every facet of Springs Church. We are a church that embraces change and is always growing, and it's exciting! We've made the decision to never lose our passion and sense of urgency for reaching those who don't yet know Christ. We'll never stop going after the next generation. We're determined to never become apathetic, complacent, or just content to stay where we are today, as wonderful as that may be. We were called to reach Canada and the nations!

Of course, we're still all about celebrating our wins together too! When you read this year's highlights or you hear stories of people who have been touched by what God is doing here at Springs, you need to know that none of this would be possible without you and the rest of the amazing team of caring people God has brought together. United, we are stronger! When we join as a team, it's absolutely incredible what God can do. God's plans for us are great, and we are so thankful we get to do life with you. Let's maintain a sense of urgency. We have so many more wonderful people to reach. The future is incredibly bright and we can't wait to see what we'll accomplish together over the next twenty years!

Love,

Leon & Sally

VOLUNTEERS

Our volunteers are incredible!

They make up the heartbeat of our church. Without the dedication of these faithful men, women and students, we wouldn't be able to fulfill the call of God on our church.

Our volunteer teams give thousands of hours to volunteering each year to help us run our weekly services.

At our
595 Campus alone, over

600

VOLUNTEERS

are needed to run one service. Our volunteer teams give thousands of hours to volunteering each year to help us run our weekly services.

For years I had every excuse in the book not to volunteer, even though my wife and children are volunteering. Happy to say I'm now volunteering every second Sunday and loving the opportunity to serve. Getting to know people and helping people has been a great blessing.

I missed the boat for many years but now I'm telling my friends to volunteer. I'm far from perfect but this church is perfect for me!

- Tim

SERVICE TEAMS

Our Service Teams are made up of the following awesome areas...Shakers & Movers, Green Thumbs, Helping Hands, Ushers, Greeters, Parking, Security, Bus Drivers and Medical Teams. Even at your first glance it is not hard to see the passion of our volunteers. Your first impressions are important to all of us - from the moment you enter our property (grounds keeping & our parking crew), to entering our well maintained buildings, to the warm friendly smiles on every member of this team. You can see that our volunteers definitely rise to the occasion. We are a huge part that helps create what you have come to expect...our excellence. With over 850 people making up these incredible teams, you don't want to miss getting in on one of their warm smiles or friendly handshakes when you visit us next. From our Men's & Ladies Sports (winter & summer), to our Annual Car Shows, to Drifting Demos, Motorcycle Rallies and even much much more; we the "Service Team" want to make sure boring is not a part of our church's life.

PRAISE & WORSHIP

Music is a universal tool that brings people together and for that purpose, worship plays an integral part at Springs. 2014 saw the launch of Springs Online, giving opportunity for the worship team volunteers to passionately share Jesus with people all around the globe. Singlehandedly, Springs Online has taken our worship music outside the walls of our church. Miracles are evident, while seeing God work through Spirit Contemporary Music each and every Sunday. Songwriting continues to be at the forefront and our volunteers look towards a CD release in the upcoming years.

HOSPITALITY

Our hospitality team consisting of over 200 volunteers has had the opportunity to serve at over 20 events in 2014. Regular events such as 20 Somethings, Kingdom Builders, Friday night Youth, Tuesday and Wednesday evening courses and services, to name just a few. Other larger events we were privileged to be a part of were a weekend with Kevin Leman, the Leadercast, 20th Anniversary weekend activities, and our very special evening with Duck Dynasty's Al and Lisa Robertson.

This past year marked the one year anniversary of our Toronto lounge being open which we celebrated with cupcakes, candles, and of course lattes! All of our coffee shops have seen growth as we've been able to welcome and serve our many new guests alongside those who call Springs home. We love being such a significant part of creating the atmosphere and culture of our church and enjoy seeing more and more people connecting with one another in our lounges. It has been an incredible year and we are looking forward to all the amazing things God continues to have in store for us.

PASTORAL

Our pastoral team is devoted to caring for the many needs of our congregation at all of our sites. Their responsibilities include hospital visits, handling emergency calls, officiating at weddings, funerals and services in general, water baptisms, counseling (in-house only), responding to email, letter and phone call inquiries generated by the website, newspaper articles and other avenues as well as regular day-to-day administration. They also minister to families who have lost loved ones, are dealing with illness or are going through difficult times and our shut-in seniors and those living in Personal Care Homes.





SPRINGS CANADA

At the end of last year, we set out together to raise \$5.5 million toward expanding Springs across our nation so that we can help more people hear about Jesus. Since then, God has continued to open doors of opportunity for us as a church to reach out not only across Canada, but around the world! Through everyone who joined us in this campaign, the finances were raised to start major renovations to transform our building in Calgary. Throughout the year, we have remodeled the sanctuary, replaced all the old windows in the facility to make it more energy efficient and will now be focusing on renovating the kitchen. With all of these renovations, our Calgary family can create the warm, welcoming atmosphere that is found at every Springs location. This is absolutely vital when it comes to helping our guests and church family to build relationships.

Throughout 2014, our Calgary location has become a thriving church home to hundreds of new people. With an average attendance of 500 people per week, our attendance has more than doubled. Expanding to two Sunday services has helped facilitate this growth.



MISSIONS

SPRINGS INNER CITY

This year we saw an average of 528 people impacted every week! We were able to help 375 families bi-weekly with groceries at our food bank program. During our Sunday services alone we had 262 adult salvations. Every August our Annual Community Carnival is attended by over 1500 people from the area. We wanted to use the momentum created by this event to make an even greater and longer lasting impact on our community. The idea was sparked for Summer Fest, which included the addition of two tent worship services after our annual Community Carnival. In total 3,037 people came out to our Summer Fest event this year and 19 people made a decision for Christ. This year we saw over a dozen of our youth graduate high school. We also had a number of our adults go back and complete their grade 12. Many of them are now employed.

MIRACLE CHANNEL



At Springs, we're excited to support Miracle Channel in its mission to help people all over the world grow closer to Jesus. Broadcasting 24/7, Miracle Channel impacts many who 'happen' across it, often in the middle of a sleepless night that is filled with fear, depression or grief. Miracle Channel is like a light shining in the darkest night, saying "Hope is here!" From the incredible teaching of world-renown guests to the personal encouragement and prayers of awesome call-in centre volunteers, Miracle Channel's LIVE programs are making a huge impact. Miracle Channel is the only television station that provides 24 hour access to Biblical teaching in Canada, and their role in bringing the truth of God's Word to a hurting world is vitally important. For many remote Northern communities, Miracle Channel is the only source of Christian teaching and discipleship.



INTERNATIONAL

WATOTO (Uganda, Africa)

Watoto's mandate, under the leadership of Gary and Marilyn Skinner, is to "Rescue a child, raise a leader and rebuild a nation." Every few months we take up special offerings for this ministry. We are so excited to be able to give our support to them each year.

LOVE INDIA

Dr. Jey and Lizy Jeyaseelan's mission is to take the love of Christ to as many people as possible so that every area of their lives are transformed by His presence and His Word. They seek to achieve this by starting and developing strong local churches around the nation where people can find love, acceptance, training and encouragement to be all that God wants them to be. Once every few months we take up a mission offering for this ministry. We truly support the incredible work they are doing in India.



GENERATIONS KIDS

The journey continues as Springs Kids re-imagines new and creative ways to reach and teach kids. We had an average of 800 kids come to our weekly services to learn life-changing principles in God's Word. This year, with our three Sunday services, our re-designed structures and systems in our classrooms, we saw 758 salvations along with 901 first time guests. That is an increase of 171 first time guests! As we intentionally developed new ways of inspiring kids, 147 new volunteers joined our team. To be relevant, growth and change is a constant goal. In 2014, we saw the creation of exciting new series, the re-development of programs and curriculum, community outreach, analyzing our current systems and new systems in place for volunteer training. All of this works together to help our kids develop a rock solid faith to live a successful Christian life.

YOUTH

In 2014, we welcomed 558 brand new students through our doors as guests at Springs Youth on Friday nights. In total, 315 students made a first-time decision to follow Jesus in our weekly services! For the very first time last year, our youth were introduced to the opportunity to belong to a small group; an environment for them to know and be known. Small Groups with Springs Youth have become a great place for our youth to discover who they are in Jesus, and learn how to practically apply God's word to their lives. We saw over 80 young people choose to plug into a small group in 2014. Our volunteer team grew in 2014, seeing more than 35 new team members become a part of what God is doing in our students. More than just a youth group, we are a movement of young people focused on living for Jesus and committed to loving, accepting and forgiving others. We model lives of respect and honour and we speak words that lift others up. At Springs Youth, we have great self-control and live life full and fun, free from any substance. Because of the incredible support and giving at Springs Church, this ministry is thriving and reaching more and more youth each year.

TWENTY SOMES

Some seasons in life are all about the BIG decisions; decisions that have a lasting and significant impact on us. As young adults, we navigate through the myriad of options centred around education, career, relationships and family. Young adults need a place to hear wisdom, and grow a sense of community. Springs Twenty Somes hosted events about 6 times through the year in 2014. These events are a place for our 18 – 30 year olds to come and be taught about God and the amazing life they can have when they choose to put Him first. Each one of our Twenty Somes events incorporate moments of dynamic worship, relevant and contemporary teaching from Pastor Leon Fontaine, as well as our unforgettable after-parties.



SENIORS (FOREVER YOUNG)

Our seniors are an integral part of our church family. With the experience and wisdom they share, they come alongside us to provide a great sense of family and connection. Forever Young focuses on the powerful dynamic of getting together regularly, providing great atmosphere to discover and build relationships. For those unable to attend church, we have several teams that visit different senior's homes on a weekly basis, holding services and prayer right where they live.

SENIORS DROP-IN

Once again our Springs Seniors Drop-in was such a success. Our average attendance was approx. 25 people with new people joining us on a regular basis. The Drop-In Center was started not only for our awesome and faithful seniors at Springs but also as an outreach into our local community. We have had a variety of events, and special speakers on subjects that relate to seniors of all ages. We are so thankful for the team of volunteers that help to facilitate these events. We are looking forward to serving our seniors in the coming year with excellence, love and respect.

STAY 'N PLAY

Springs Kids loves to connect community and church by hosting a Kids and Parent Drop In Adventure land. Parents bring their kids ages 0 – 5 years to Stay 'N Play to enjoy coffee and meet new people or catch up with friends. This past year we have focused on our first time families. A highlight was our Christmas Party where we had 36 new families step through the doors of Church through Stay 'N Play. Running from September to May, many children and parents from the community enjoyed our inflatable bouncers, new toys, games, slides, crafts and activity tables.





PROGRAMS

SPRINGS COLLEGE LEADERSHIP & MANAGEMENT FULL-TIME

What an exciting and power packed year it has been! The Springs College full-time program is such an exciting program because it does much more than provide our students with the information they need to be successful in life. It provides an incredible environment for them to personally transform their lives to become who God has already said they are. This year the students grabbed a hold of the opportunity to take one year of their lives to see themselves, family, church, community, and the world through God's eyes and to be equipped for the work of the ministry. (Eph 4:12). A passionate group of students graduated from our experiential leadership and management program, a program which combines a biblical, skills-based framework with practical hands-on experience. During our nine month program the students took hold of the opportunity to minister to our community in areas such as Special Olympics, Inner City Food Bank, the Christmas Parade and Habitat for Humanity to name a few. They also served in a number of Springs Church ministry areas and also prepared a number of elementary and high school chapels for Springs Christian Academy. The students capped off the year with a week long Day Camp for elementary students, that they planned and ran, and they also went on a trip to Calgary to visit our Springs Church location and serve in the ministry areas there.

INTERNSHIP

After a nine-month full-time program, students looking to continue their training in leadership and ministry can apply for our internship program. This nine-month opportunity gives the student a hands-on approach to learning the ins and outs of ministry at Springs Church. Working closely with various leaders, our students finish the year having learned first-hand how to maintain and grow a volunteer team, handle day-to-day administration and so much more.



CONTINUING EDUCATION

Our Leadership Level 1 and 2 programs, give people from all walks of life the building blocks they need to develop their leadership skills. Being taught in a Spirit Contemporary way, these courses give students a strong foundation in leadership that they can apply both in their local church and in the marketplace. Held one evening a week, the curriculum consists of specially selected courses that build knowledge in finance, management, relationships and biblical studies.

BIBLICAL STUDIES

In 2014, it was so great to celebrate with our graduates from our five-semester Bible School. We continually endeavour to train and equip our church to walk and share in God's abundant life. To assist us in doing this effectively, we offered a video-based Bible School, developed by the International School of Ministry (ISOM). Over 10,000 churches in 84 nations are equipped using the ISOM video Bible School, which contains 160 life messages taught by over 30 renowned ministries.

We believe that Springs College will continue to develop great leaders within the church and equip people to excel in family and career!

CONNECT COURSES

In 2014, we offered 35 different courses, some being offered several times throughout the year. We love that our Connect Courses provide a way to meet new people and invest in their lives. These courses are designed to strengthen and encourage people in every walk of life. At Springs Church we believe in teaching and training people. Jesus came that we could have abundant life and He shows us in His word and how to walk it out in our daily lives.





MEDIA TELEVISION

This year was an exciting one for the Springs TV department! A new show was added to our programming lineup, Leon Fontaine. Leon Fontaine is an international teaching show that alongside Springs TV and The Leon Show (recorded at Springs) is taking the message of Spirit Contemporary around the world! These programs are viewable to 95 percent of the countries of the world through UCB (United Christian Broadcasters), TBN Africa (Trinity Broadcasting Network), Loveworld and ACC (Australian Christian Channel). In Canada, Springs TV currently airs on Miracle Channel, City TV Winnipeg and City TV Calgary. Springs TV is also available online, averaging over 500 views per episode. Also, over 5000 people visited the page that hosts our Powerful Prayer salvation prayer video! Our TV and media department is impacting an increasing number of people each year and we are so excited about what God is doing through this incredible ministry!

SPRINGS ONLINE

In November of 2014 we launched our newest Springs Church location, Springs Online. Springs Online is a global community with an online weekly service for people around the world. Anyone with an internet connection can watch, get prayed for and chat live with members of our volunteer team and other guests around the world. Within the first 2 months of these services we had 4,669 views from countries all over the world including the US, Germany, Kenya, United Kingdom, Mexico, Australia, Italy, Belize, Pakistan, Japan and more! We quickly added more service times and by the end of the year had daily services, 10 times a week. We've seen so many people reached for Jesus, including new salvations almost every week. With the relationships that are being built in the chat and prayer rooms and the lives being saved, we know this will continue to grow and reach more and more people around the world in the months and years to come.

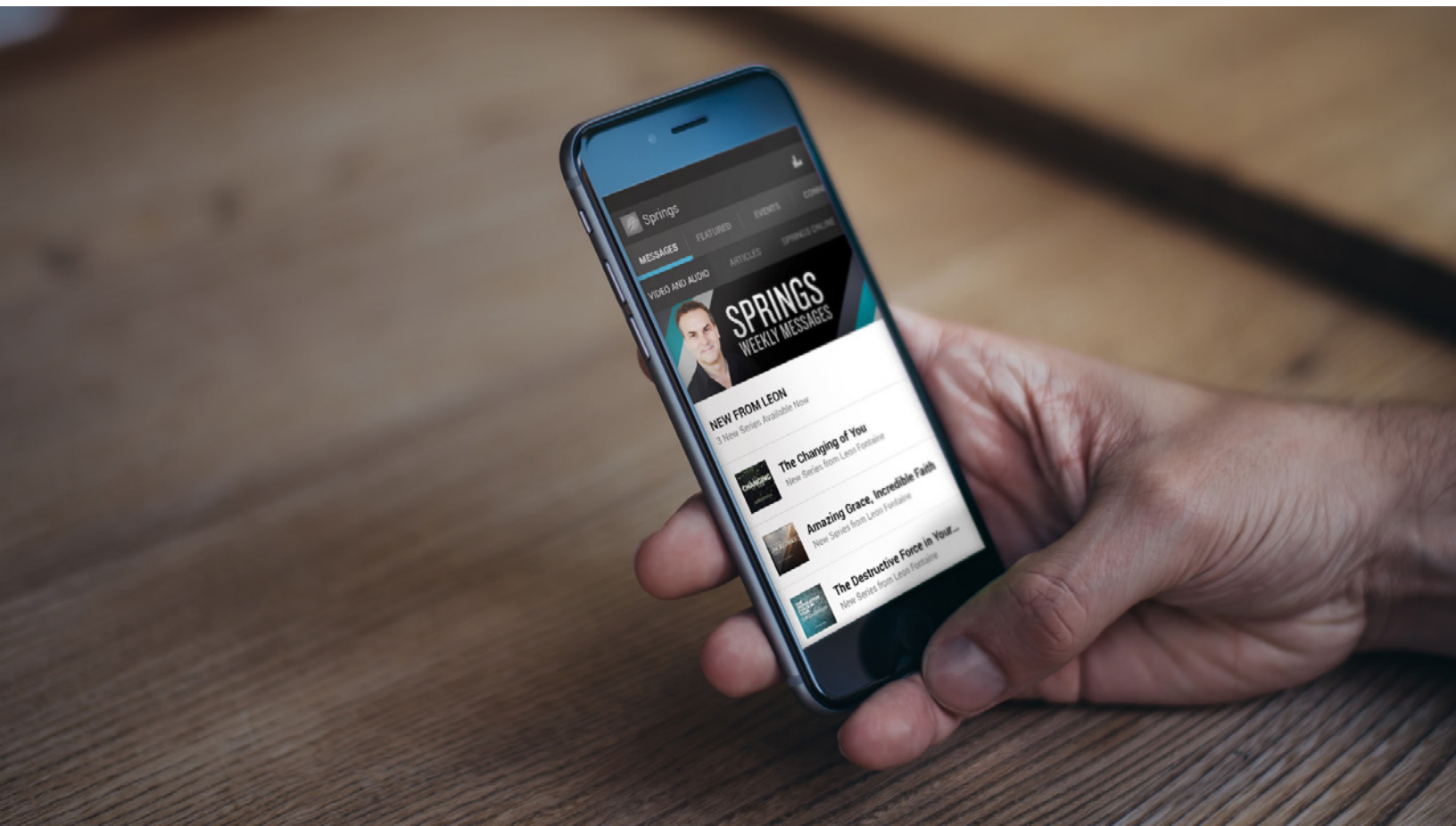


NEWSPAPER

Every weekend we continue to run a newspaper column in both the Winnipeg and Calgary Sun. The Winnipeg article (Life's Issues) is designed for Christian living while the Calgary one (Leadership at Work) is geared towards the business community. Throughout the year, many readers let us know of the huge impact we are making through these columns. These articles are also available on the springschurch.com website, the church app and leonfontaine.com, making them accessible to people all over the world.

CHURCH APP

The Springs App continues to be a great place for people to find up-to-date event info, articles, video and podcasts from Springs Church and Leon Fontaine. In 2014 the app was downloaded to an additional 3,154 mobile devices and was used 44,698 times.





CULTURE NATIONS CONNECT

Springs Church has always been about people. What makes us unique as a church is the amazing amount of people we have from various cultures and backgrounds—people coming together to celebrate God and build community. Nations Connect is a regular gathering for people of any race, culture or background who desire to make friends, build relationships and celebrate their heritage. We come together quarterly to party and enjoy great ethnic cuisines from the nations represented. These parties provide a great opportunity for people to meet others with their same ethnic backgrounds as well as provide a fun venue to bring out family and friends for their 1st introduction to our Springs family.

LADIES BIBLE STUDY

Through Ladies Bible Study, many women have made lasting friendships as every Tuesday morning they gather to study the Word of God. These studies have become a great time for the women to come together, recharge, relax and grow their relationship with God. Many say that these times have helped them through different seasons of life as they learned practical truths from the Bible.





CONFERENCES

LEADERCAST

We had another great year. This one-day leadership event is held at our conference centre each year. It was so great to have over 250 of our local business executives come out for this day of training and connecting. Thousands of professionals from around the world take part in this incredible leadership simulcast—gaining insight and wisdom from some of today's most successful business professionals.

MR. & MRS. MARRIAGE EVENT

We were so excited to have Dr. Willard and Joyce Harley, join us as our guest speakers for this event in both our Winnipeg and Calgary locations. Dr. Willard is the author of the book “His Needs, Her Needs” and together with his wife Joyce, they host a daily one-hour call-in show, Marriage Builders Radio. It was such an incredible opportunity for couples to take much needed time to learn and grow stronger in their marriage.





COMMUNITY SPECIAL DAYS

We make it a priority to celebrate special days such as Easter, Christmas, Mother's Day and Father's Day throughout the year. These celebrations give us an amazing opportunity to invite friends and family who don't know Jesus and they allow us to celebrate each of them in a very special way. It is all about Jesus and we celebrate Him in a big way at all our locations.

SPRINGS CHURCH 20th ANNIVERSARY

July 17, 2014 marked 20 years of Leon and Sally Fontaine at Springs Church. From the first service at 479 St. Mary's until now, we've seen incredible growth and blessings. We know that God has even more phenomenal things planned for us ahead, so we are not slowing down. This is only the beginning!

SPECIAL SPEAKERS

Throughout 2014, we were honoured to welcome several guest speakers who joined us for our Sunday services and special events. At Springs, we love to bring in phenomenal world-class speakers to train and equip us in every area of life. A few of the speakers we hosted this year included Dr. Kevin Leman, a world-renown Christian author and speaker, Dr. Caroline Leaf, a Christian cognitive neuroscientist, and Max Lucado, a preacher with a pastor's heart and a poet's pen. Once again we had a fantastic year of fun and life-changing messages.

FAMILY FUN DAY

On Monday, February 17 (Louis Riel Day), we once again hosted a Family Fun Day! The inside of our 595 building was filled with inflatable bouncers, yummy food and tons of fun activities for the kids. We had face painting, story time, reptile gardens, mini donuts, balloon animals and a baby & toddler corner. Kids even met some of their favourite movie and tv characters! Outside was a fun time too as many enjoyed the great weather and played boot hockey, went tobogganing and enjoyed a sleigh ride!

LOVE MONTH

Love is a powerful force. We often think of it as a feeling, but it is actually an action. And love is nothing if it not expressed. Once again this year, we dedicated February as “Love Month” here at Springs. Throughout the month, we focus on helping people to focus on building the skills they need to take their relationships to the next level. We want to make a difference every day.

MEN’S GOLF CLASSIC

In September of 2014 we once again hosted our charity men’s golf tournament, the 17th annual “Springs Golf Classic,” held at Bridges Golf Course. Our 152 tickets sold quickly and all golfers left again with some amazing prizes (even blown away by them). All funds raised were donated to our Springs Inner City Youth Programs. This has been a very successful community event for our church over the years where many new people join in the fun for a relaxing day of golf / dinner and at the same time supporting a very worth-while cause.

DAYS IN THE SUN

Spring Break Kids Daycamp

Our Springs College student’s were given the opportunity to apply all the leadership training they gained during the year by being placed in charge of a week-long day camp for students in grades 1-6. This year’s camp was NASA themed and we had 55 energetic kids sign up as cadets for the incredible adventure. The week long camp was a huge success and the kids had a blast growing in their relationship with Jesus and participating in a wide range of fun activities.



SPRINGS CHRISTIAN ACADEMY

Springs Christian Academy (SCA) is our Preschool through Grade 12 school. With approximately 516 Kindergarten to Grade 12 students and 39 Preschool students, our Mission Statement is to Pursue Christ. Pursue Excellence. through education. In 2014, we graduated 38 young men and women who are well equipped to enter post-secondary studies. Strong academic foundations in the Elementary campus, lead to the culmination of academic excellence. SCA Grade 12 students consistently score higher than the provincial average for provincial standards exams – this year was no exception. Along with a strong focus on academics, we once again purposed to involve our students in many special events throughout the year such as Youth Parliament, Grandparents Day, craft show, Christmas concerts, band concerts, trip to Memphis, Europe trip and Camp Cedarwood which are only a few of the many activities that make up the full life of a student at Springs. We truly look forward to the years to come as we watch our students learn and grown into incredible men and women of God.



GRADS OF 2014



LOCATIONS

WINNIPEG - 595 LAGIMODIERE BLVD

Our main campus is located at 595 Lagimodiere Blvd. in Winnipeg, Canada. This campus includes a 2,500 seat auditorium and is also home to our elementary campus of Springs Christian Academy. In this location we were able to minister to thousands of people during our Sunday and Wednesday services. Our facility is buzzing with activity on a daily basis. With school throughout the day, Sunday services, Connect Courses, training and other special events held evenings and weekends, there is rarely a time that our building is empty.

WINNIPEG - 725 LAGIMODIERE BLVD

Our 725 location is our conference centre and youth facility which also houses our administration offices. It seats 1,100 people and is used every Friday to welcome hundreds of teens that come out for Springs Youth. This facility is also used for many of our special events such as our Leadercast, our men's and women's events, Ministry parties and BBQ's, plus much, much more!

WINNIPEG - INNER CITY

Our Springs Inner City campus is located at 648 Burrows Ave. Throughout the week we host many different services and events that people from our inner city can join us for. Through our Sunday Services, kids classes, Friday night kids programs, Friday night youth, Food Bank, Breakfast and a Movie and many more we know that God is impacting our inner city in a huge way!



725 LAGIMODIERE BLVD



INNER CITY



595 LAGIMODIERE BLVD



CALGARY



SELKIRK



STEINBACH

CALGARY - 924 HERITAGE DR SW

We have now completed our first full year in our new building! With over 500 people joining us each Sunday for our two Sunday morning services, the excitement in the building is phenomenal! Our attendance has doubled in this location alone. As well, over 330 people gave their life to Christ! God is making such a great impact on Calgary and we are expecting big things to happen in the years to come.

SELKIRK - 479 EVELINE ST

Every Sunday, we have a service with amazing worship, inspiring performances, live music and a practical and relevant message from the Word of God. Each week the message helps people develop their life for success and significance. It is such a joy to reach out to the Selkirk Community! This year we had Movie Matinee's, a fishing Derby and a Family Carnival where many people from around the area joined us in the fun and festivities. It is so incredible to be able to reach out to so many people in so many different locations. We can't wait to see what God has in store for us next!

STEINBACH - 179 CHAPEL DR

At our Steinbach location, through lively, Spirit Contemporary services each Sunday morning, we have live worship and host the 9am Winnipeg service larger than life on the big screens! We also have our awesome Springs Kids programs running at the same time as our main service each week. Wednesday evenings, the fun continues. These evenings are all about growing with God. We go through one Course at a time that offers solutions in your everyday life. We also enjoy many special events throughout the year such as Movie Nights, joining in with the Steinbach Parade, Steinbach Fun Days and Hockey Nights. This year, was incredible. On average we minister to 175 adults and over 90 kids each Sunday morning. God is working in each of our locations in a very special way!



FINANCIAL REPORT

2014

Springs Church – A Commitment to Maintain Trust (2014)

- Springs Church recognizes that our finances originate as donations by people committed to the work of the local church known as Springs Church. Our obligation, therefore, is to spend that money conservatively and wisely in continuing the ministry.
- Springs Church employs qualified, accredited financial accounting staff that are trained and equipped to keep the financial records of the church.
- Springs Church voluntarily submits to an annual audit by an independent public accounting firm. All financial statements are presented in accordance with generally accepted accounting principles.
- Springs Church believes in compliance with all federal, provincial, and municipal laws and regularly receives legal advice to ensure that the ministry is staying current with applicable laws and regulations as they change.
- Springs Church requires all board members and employees to abide by a policy regarding conflicts of interest that encourages high standards of ethics and integrity.
- During 2014, Springs Church expensed 86.1% of total revenues on programs, services, and outreach directed at reaching people with the Gospel of Jesus Christ and meeting the physical needs of the less fortunate. In addition to expenses, Springs Church also invests in capital assets (lands, buildings, and equipment). These are recorded on the balance sheet as assets and are written down over their useful lives through amortization. If amortization were included in the figure above, Springs Church would have expensed 96.6% of total expenditures on our programs and services.
- During 2014, Springs Church spent about 4.6% of revenues on administration.
- Any cash reserves that Springs Church accumulates are solely for the purposes of fiscal responsibility, savings, future growth, and expansion (buildings, lands, and equipment).
- During 2014, Springs Church salaries accounted for 38.8% of total revenue (\$4.0 million in wages and benefits to 57 full-time and 40 part-time staff). Springs Church believes in paying its employees fairly. As such, Springs Church pays employee salaries in line with the market place. Executive salaries are determined through independent salary surveys and market conditions. Benefits for all Springs Church employees are in line with market place practices. Pastor Leon Fontaine's salary is determined solely by the Board of Springs Church based on recommendations from independent salary surveys.
- Springs Church strives to ensure that all fundraising efforts clearly portray the purpose of the funds to be raised and that all contributions received are used for those specific purposes. If funds cannot be used for the designated purpose, the donor will be contacted and asked for direction.
- Springs Church believes in dealing fairly with vendors. We make every effort to pay our vendors within their payment terms thus not taking advantage of them by using their money. Although we need to be fiscally responsible, we also recognize that vendors need to earn a fair profit and as such, make every effort to create win-win scenarios in pricing negotiations.
- Springs Church commits to posting our consolidated audited financial statements on our website and updating the information annually.
- Springs Church protects the privacy of our members and donors by not marketing our mailing list. Information collected in our database is used only for the internal purposes of communicating with our members, mobilizing and utilizing our volunteers, and for income tax receipting purposes.

SPRINGS OF LIVING WATER CENTRE INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of:
Springs of Living Water Centre Inc.

I have audited the accompanying financial statements of Springs of Living Water Centre Inc., which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Springs of Living Water Centre Inc. as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Winnipeg, Manitoba
March 12, 2015




Chartered Accountant

SPRINGS OF LIVING WATER CENTRE INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Current assets		
Cash	\$ 3,099,548	\$ 2,107,040
Due from related party (note 3)	41,344	37,120
GST and other receivables	118,565	131,968
Inventory	75,848	90,896
Prepaid expenses and deposits	<u>82,083</u>	<u>150,953</u>
	<u>3,417,388</u>	<u>2,517,977</u>
Due from related party (note 3)	<u>92,276</u>	<u>92,276</u>
Charitable remainder trust (note 4)	<u>40,000</u>	<u>39,130</u>
Capital assets (note 5)	<u>22,093,138</u>	<u>21,958,667</u>
	<u>\$ 25,642,802</u>	<u>\$ 24,608,050</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 530,381	\$ 421,879
Current portion of long-term debt (note 6)	<u>863,943</u>	<u>811,557</u>
	<u>1,394,324</u>	<u>1,233,436</u>
Long-term debt (note 6)	<u>8,131,785</u>	<u>9,015,752</u>
Deferred contributions related to capital assets (note 7)	<u>5,040,316</u>	<u>3,627,348</u>
	<u>14,566,425</u>	<u>13,876,536</u>
Net assets		
Net assets invested in capital assets	8,057,094	8,504,010
Unrestricted net assets	<u>3,019,283</u>	<u>2,227,504</u>
	<u>11,076,377</u>	<u>10,731,514</u>
	<u>\$ 25,642,802</u>	<u>\$ 24,608,050</u>

Approved on Behalf of the Board

 Director

 Director

Roy Parker

Chartered Accountant Inc.

SPRINGS OF LIVING WATER CENTRE INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
Revenue		
General offerings	\$ 8,684,812	\$ 8,758,991
In-house ministries	286,171	289,895
Building revenue	655,205	566,257
Interest income	24,996	22,132
Books, tapes and other revenue	268,838	285,063
Amortization of deferred contributions	<u>365,188</u>	<u>445,851</u>
	<u>10,285,210</u>	<u>10,368,189</u>
Expense		
Administration (schedule 1)	2,201,190	1,970,452
Buildings (schedule 1)	1,416,859	1,316,963
Missions	832,233	859,458
In-house ministries	4,207,272	4,136,269
Books, tapes and other expenses	<u>196,141</u>	<u>180,918</u>
	<u>8,853,695</u>	<u>8,464,060</u>
Excess of revenue over expense before amortization of capital assets	1,431,515	1,904,129
Amortization of capital assets (note 5)	<u>(1,086,652)</u>	<u>(1,566,448)</u>
Excess of revenue over expense for the year	\$ <u><u>344,863</u></u>	\$ <u><u>337,681</u></u>

SPRINGS OF LIVING WATER CENTRE INC.
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Invested In Capital <u>Assets</u>	<u>Unrestricted</u>	2014 <u>Total</u>	2013 <u>Total</u>
Balance, beginning of year	\$ 8,504,010	\$ 2,227,504	\$ 10,731,514	\$ 10,393,833
Excess of revenue over expense	(721,464)	1,066,327	344,863	337,681
Investment in capital assets	2,052,704	(2,052,704)	-	-
Restricted contributions related to capital assets	(1,778,156)	<u>1,778,156</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>8,057,094</u>	\$ <u>3,019,283</u>	\$ <u>11,076,377</u>	\$ <u>10,731,514</u>

SPRINGS OF LIVING WATER CENTRE INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash receipts from members and other	\$ 9,908,429	\$ 9,850,153
Cash paid for operating expenses	(8,159,242)	(8,379,582)
Interest received	24,996	22,132
Interest paid	<u>(502,033)</u>	<u>(375,359)</u>
	<u>1,272,150</u>	<u>1,117,344</u>
Cash flows from investing activities		
Purchase of capital assets	(1,221,123)	(5,618,677)
Advances to related parties	(4,224)	(14,203)
Increase in Charitable Remainder Trust	<u>(870)</u>	<u>(2,210)</u>
	<u>(1,226,217)</u>	<u>(5,635,090)</u>
Cash flows from financing activities		
Increase (decrease) in long-term debt	(831,581)	3,610,548
Building fund contributions	<u>1,778,156</u>	<u>1,015,198</u>
	<u>946,575</u>	<u>4,625,746</u>
Increase in cash	992,508	108,000
Cash, beginning of year	<u>2,107,040</u>	<u>1,999,040</u>
Cash, end of year	\$ <u>3,099,548</u>	\$ <u>2,107,040</u>

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. Purpose of the Organization

Springs of Living Water Centre Inc. (the "Church") is incorporated under The Corporations Act of Manitoba as a not-for-profit organization and is a registered charitable organization under the Income Tax Act.

The Church's purpose is to carry on the ministry of a Christian church of which some of the activities would be conducting services of worship, carrying out cooperative activities with other Christian organizations, ministering to the needs of the poor, the underprivileged and other groups and spreading the Gospel of Jesus Christ both locally and world-wide.

2. Summary of significant accounting policies

a) Basis of consolidation

The consolidated financial statements for the year ended December 31, 2014 include the accounts of the Church and its wholly-owned subsidiary, SC Holdings Ltd.

b) Revenue recognition

The Church follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

c) Inventory

The inventory is recorded at the lower of cost (FIFO method) and net realizable value.

d) Capital assets

Capital assets purchased are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization of capital assets has been provided for using the following rates and methods which will amortize the cost of the assets over their estimated useful lives:

Buildings	-	4% declining balance
Traffic signals	-	4% declining balance
Parking lots and grounds	-	8% declining balance
Furniture and equipment	-	straight line over 5 years
Computer equipment	-	straight line over 5 years
Vehicle	-	30% declining balance

SPRINGS OF LIVING WATER CENTRE INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D
DECEMBER 31, 2014

2. Summary of significant accounting policies, cont'd

e) Deferred contributions related to capital assets

Deferred contributions related to capital assets represent capital fund contributions received by the Church to assist with the development and purchase of Church buildings and equipment. Amortization of the deferred contributions has been provided for using the following rates and methods which will amortize the credits to income over the estimated useful life of the related capital asset.

Buildings	-	4% declining balance
Equipment	-	straight line over 5 years

f) Foreign currency translation

Foreign currency denominated monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign currency denominated non monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect on the transaction date. Revenue and expense items are translated at the exchange rate in effect at the time of the transaction. Foreign exchange gains or losses are included in the determination of the excess of revenue over expense for the year.

g) Contributed services

Volunteers contribute numerous hours per year to assist the Church in carrying out its purpose. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted auditing standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

i) Financial instruments

The Church's financial instruments consist of cash, amounts due from related parties, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the church is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

3. Controlled and related organization

Due from Springs of Living Water Christian Academy Incorporated

The Church controls Springs of Living Water Christian Academy Incorporated (the School), a private Christian school. The Corporate Board of Directors of the School have been appointed by the Board of Directors of the Church. The School is incorporated under the Corporations Act of Manitoba as a not-for-profit organization and is a registered charitable organization under the Income Tax Act.

The School has not been consolidated in the Church's financial statements.

The School's condensed audited financial statements for the years ended June 30 are as follows:

	<u>2014</u>	<u>2013</u>
Total assets	\$ <u>2,805,160</u>	\$ <u>2,657,847</u>
Total liabilities	\$ 1,188,249	\$ 1,167,887
Deferred contributions related to capital assets	207,297	276,397
Net assets	<u>1,409,614</u>	<u>1,213,563</u>
	\$ <u>2,805,160</u>	\$ <u>2,657,847</u>
Total revenues	\$ 5,434,033	\$ 5,332,950
Total expenses	<u>5,237,982</u>	<u>5,106,963</u>
Excess of revenue over expense	\$ <u>196,051</u>	\$ <u>225,987</u>

The amounts due from the School are as follows:

	<u>2014</u>	<u>2013</u>
Current amount	\$ 41,344	\$ 37,120
Long-term amount	<u>92,276</u>	<u>92,276</u>
	\$ <u>133,620</u>	\$ <u>129,396</u>

During the year, the Church paid \$4,224 to the School (2013 paid \$14,203). The amounts due from the School are unsecured, non-interest bearing and have no specified terms of repayment.

Roy Parker

Chartered Accountant Inc.

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

4. Charitable remainder trust

A donor entered into an agreement to place \$40,000 into an irrevocable Trust, with the Church appointed as the beneficiary of the Trust. The income from the Trust is paid to the donor for life and upon the donor's death the Trust assets are transferred to the Church.

The present value of the donation (initially \$20,706) has been recorded as an amount receivable and general offering revenue. The annual increase in the amount receivable is recorded as interest income in the current year.

5. Capital assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 6,044,557	\$ -	\$ 6,044,557	\$ -
Buildings	21,084,725	7,476,285	20,391,809	6,935,535
Traffic signals	154,824	74,491	154,824	71,207
Parking lots and grounds	2,608,301	1,601,737	2,535,391	1,522,377
Furniture and equipment	6,962,672	5,773,903	6,531,686	5,363,460
Computer equipment	509,505	486,130	509,505	477,187
Vehicle	519,488	378,388	495,177	334,516
	<u>\$ 37,884,072</u>	<u>\$ 15,790,934</u>	<u>\$ 36,662,949</u>	<u>\$ 14,704,282</u>
Cost less accumulated amortization		<u>\$ 22,093,138</u>		<u>\$ 21,958,667</u>

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

6. Long-term debt

	<u>2014</u>	<u>2013</u>
The long-term debt consists of the following:		
Demand commercial mortgage, secured by first charge debenture on land and building and a variable rate demand promissory note, bearing interest at 3.20%, repayable in blended weekly payments of \$6,000, due January 15, 2015.	\$ 4,050,418	\$ 4,229,562
Demand commercial mortgage, secured by first charge debenture on land and building, bearing interest at prime plus ¼ %, repayable in blended weekly payments of \$3,815.	1,509,261	1,710,166
Demand commercial mortgage, secured by first charge debenture on land and building, bearing interest at 5.43 %, repayable in blended weekly payments of \$4,831, due December 15, 2015.	1,251,370	1,429,868
Demand commercial mortgage, secured by first charge debenture on land and building, bearing interest at 3.95 %, repayable in blended weekly payments of \$8,040, due January 9, 2017.	2,184,679	-
Demand commercial mortgage, repaid in the year.	-	1,407,658
Demand commercial mortgage, repaid in the year.	<u>-</u>	<u>1,050,055</u>
	8,995,728	9,827,309
Less: Current portion	<u>863,943</u>	<u>811,557</u>
	<u>\$ 8,131,785</u>	<u>\$ 9,015,752</u>

Future principal repayments, based on current interest rates and loan conditions are estimated as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 863,943
2016	899,067
2017	935,681
2018	973,855
2019	1,013,655
Thereafter	<u>4,309,527</u>
	<u>\$ 8,995,728</u>

Roy Parker

Chartered Accountant Inc.

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

7. Deferred contributions related to capital assets

	2014			2013
	Building	Equipment	Total	Total
Balance, beginning of year	\$ 2,986,742	\$ 640,606	\$ 3,627,348	\$ 3,058,001
Add: capital fund contributions	<u>1,487,712</u>	<u>290,444</u>	<u>1,778,156</u>	<u>1,015,198</u>
	4,474,454	931,050	5,405,504	4,073,199
Less: amounts amortized to revenue	<u>(178,978)</u>	<u>(186,210)</u>	<u>(365,188)</u>	<u>(445,851)</u>
Balance, end of year	\$ <u>4,295,476</u>	\$ <u>744,840</u>	\$ <u>5,040,316</u>	\$ <u>3,627,348</u>

8. Commitments

The Church has annual lease commitments for equipment and vehicles as follows:

<u>Year</u>	<u>Lease Commitment</u>
2015	\$ 42,018
2016	28,283
2017	6,845

9. Related party transactions

- a) Included in building revenue in the statement of operations is \$624,000 (2013 - \$547,282) of rental revenue received from a related organization, Springs of Living Water Christian Academy Incorporated (the School). Missions expense includes a donation of \$240,000 (2013 - \$240,000) that the Church donated back to the School.
- b) Included in the Church's books, tapes and other expenses in the statement of operations are royalty fees of \$66,589 (2013 - \$108,699) paid to a company controlled by the Chief Executive Officer of the Church. The royalty fees are in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Roy Parker

Chartered Accountant Inc.

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

9. Related party transactions, continued

- c) Springs of Living Water Centre Inc. is related to The Miracle Channel by virtue of common Chief Executive Officers. During the year, the Church engaged in related party transactions with The Miracle Channel. These transactions were in the normal course of business and are reported at fair market value as follows:

	<u>2014</u>	<u>2013</u>
Related party transactions billed to The Miracle Channel for expenses incurred by the Church		
Management consulting	\$ 89,288	\$ 130,835
Rent	15,309	28,163
Travel	41,300	33,610
TV production costs	<u>258,230</u>	<u>308,435</u>
	<u>\$ 404,127</u>	<u>\$ 501,043</u>
Related party transactions paid to The Miracle Channel and recorded as expenses by the Church		
Airtime and closed captioning	\$ 97,180	\$ 113,000
Donations to The Miracle Channel	40,541	70,222
The Miracle Channel expenses reimbursed by the Church	<u>28,195</u>	<u>36,323</u>
	<u>\$ 165,916</u>	<u>\$ 219,545</u>

10. Financial instruments risk

Liquidity risk

Liquidity risk is the risk that the Church will not be able to meet its obligations associated with its financial liabilities. The Church actively manages its cash, adjusts spending as needed and maintains a healthy level of cash to meet its current obligations and mitigate liquidity risk.

SPRINGS OF LIVING WATER CENTRE INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2014

10. Financial instruments risk, continued

Credit risk

Credit risk is the risk that a third party to a financial instrument fails to meet its obligations under terms of the financial instrument. The Church's financial assets consist primarily of cash and some receivables. The Church's cash is held with a large, provincially and federally regulated financial institution in Canada and the Church's receivables are actively reviewed and turned over regularly, mitigating credit risk.

Interest rate risk

Interest rate risk is the risk that a change in interest rates will affect the Church's ability to meet its obligations. The Church locks in portions of its long term debt over varying terms to mitigate short-term interest rate risk. The Church is exposed to long-term interest-rate risk by the nature of its long-term debt.

Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that changes in foreign exchange rates will affect the organization's ability to meet its obligations. The Church's revenues and expenditures are incurred almost entirely in Canadian dollars and are subject to minimal foreign currency exchange rate risk. Though the Church makes some purchases in foreign currencies it does so on an as-needed basis, limiting its exposure foreign currency exchange rate risk.

SPRINGS OF LIVING WATER CENTRE INC.**ADMINISTRATION EXPENSE****FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
Advertising and promotion	\$ 6,431	\$ 4,893
Interest and bank charges	154,462	112,247
Interest on long-term debt	347,571	263,112
Office, printing and postage	501,024	363,048
Professional fees	71,785	95,934
Telecommunications	156,891	173,704
Vehicle and travel expenses	523,600	445,532
Wages and benefits	<u>439,426</u>	<u>511,982</u>
	<u>\$ 2,201,190</u>	<u>\$ 1,970,452</u>

BUILDING EXPENSE**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
Grounds and storage	\$ 157,017	\$ 317,694
Insurance	51,055	44,149
Property taxes	164,517	127,562
Repairs and maintenance	582,155	453,936
Utilities	<u>462,115</u>	<u>373,622</u>
	<u>\$ 1,416,859</u>	<u>\$ 1,316,963</u>