



SPRINGS  
CHURCH

annual  
2015  
report



# pastor's report

Thank you for your continued prayers and support over this past year. In looking back on 2015, we are reminded of how thankful we are to be part of this incredible team we call Springs Church. So much has taken place this year, and we are excited to share a few of the highlights with you. In the next few pages, we will sum up the journey God has taken us on this year. These are only some of the success stories we have seen as a church, but remember that every victory we report is one that we share as a team.

We know that God has so much more in store for us and it will be exciting to watch as he works through each and every one of us in the future. Together, let's continue to pursue every exciting opportunity God has in store for us. We are making history as we allow Jesus to build his church through us in a Spirit Contemporary way!

*Leon & Sally*



A photograph of two women smiling and posing together. The woman on the left has reddish-brown hair, wears glasses, a black top with white polka dots, and a necklace. The woman on the right has dark brown hair and wears a red sweater. They are both smiling warmly at the camera. In the lower right foreground, a hand is holding a clear tray with several drinks, including one with orange liquid and another with a green lid. The background features a white wall with a wavy, textured pattern. The word "volunteers" is written in a large, teal, cursive font across the bottom half of the image.

# volunteers

Our volunteer teams 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. At our 595 campus alone, over 650 volunteers are needed to run our Sunday services and create an incredible atmosphere. Our volunteer teams give thousands of hours to volunteering each year to help us run our weekly services.



# praise AND worship

Weekly, our Praise & Worship volunteers play an integral part at Springs and speaks to all cultures throughout our church. Worship brings all of us together and focuses our affections on God in a life-giving way. By coming together through music our volunteers create an alive, energetic and vibrant experience in each of our services. Seeing youth and people of all generations serving, loving and giving with their musical skills opens our hearts to God in personal ways. In a historic first time event, Springs worship team took part in a live broadcast on TBN featuring our Worship and Miracles service. Weekly, the Worship team leads people around the globe as a part of our Springs Church Online services. Songwriting for our church is a strong focal point for the team this year and we were excited to recently introduce our church family to "Without You". With full teams of volunteer musicians scheduled at all of our 6 weekly services, we always look to build, create and develop our teams through weekly trainings and rehearsals. Leaders are being built for the future and all that God holds in store for us here at Springs Church.

# service teams

Our Service Teams include many incredible ministries such as Ushers, Greeters, Parking, Security, Bus Drivers Shakers & Movers, Green Thumbs, Helping Hands, and Medical Teams. Your first impressions are important to all of us - from the moment you enter our property (grounds keeping and our parking crew), to entering our well maintained buildings, to the warm friendly smiles on every member of this team. Even at your first glance it is not hard to see the passion of our volunteers. These teams help to create what you have come to expect...Excellence. We have over 850 people making up these incredible teams! It is such an honour volunteering alongside each and every one of them!

From our Men's & Ladies Sports (winter and 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.



# hospitality

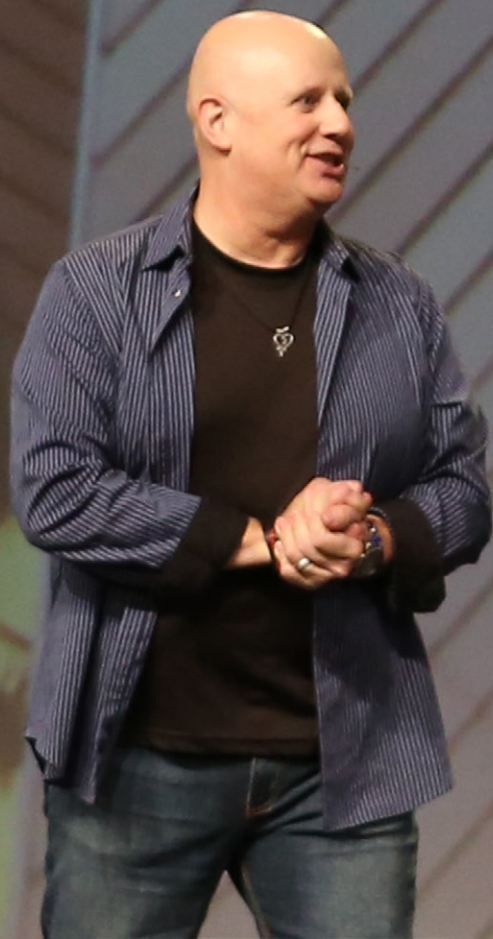
Our hospitality team consisting of over 200 volunteers has had the opportunity to serve at many events across all our locations. Regular events such as 20 Somethings, Kingdom Builders, Friday night Youth, Tuesday and Wednesday evening courses and services, to name just a few. Other larger events we were privileged to be a part of were Men's and Women's events and Family Movie nights in both Winnipeg and Calgary as well as Summer Family events in Inner City, Steinbach, and Selkirk.

All of our coffee shops and all our outreach events in each location 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.





# kids

The journey continues as Springs Kids re-imagines new and creative ways to reach and teach kids. As we intentionally developed new ways of inspiring kids, 146 new volunteers joined our team. To be relevant, growth and change is a constant goal. In 2015, 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.



# stay 'n play

Springs Kids loves to connect community and church by hosting a Kids and Parent Drop-In Adventureland. 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. Running from September to May, many children and parents from the community enjoyed our inflatable bouncers, new toys, games, slides, crafts and activity tables.







# youth

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, you will find a passionate movement of teenagers committed to a cause! Because of the incredible support and giving at Springs Church, this ministry is thriving and reaching more and more youth each year.

We teach our youth to be a generation of young men and women devoted to raising the bar with their speech, conduct, faith, purity and love. Also, this year, we continued with our small groups. These small groups create an environment for youth to know and be known. Small groups have become a great place for our youth to discover who they are in Jesus, and learn how to apply God's word to their lives in a practical way.



# 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 2015. 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

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. For those unable to attend church, we have several teams that visit different Senior Care Facilities on a weekly basis, holding services and prayer right where they live.

## SENIORS DROP-IN

Once again our Seniors Drop-in was a great success. Running every second week, our average attendance was 28 people each event with new people joining us regularly. 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 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.





# 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 party together quarterly with games and food provided. 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 first 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.







## FULL-TIME

This year was an incredible year of challenge and growth for our Springs College students! Our students were given the opportunity to be a part of a leadership program that not only provided them with the information that they will need to be successful in life but they were also fully immersed in a life giving environment that enabled them to take advantage of the opportunity to personally transform their lives and greatly impact the lives of others. Our leadership program is an experiential leadership and management program that combines a biblical, skill-based framework with practical hands-on experience.

During the nine months our students were in the program they took full advantage of the ministry opportunities that came their way. They ministered to our community in areas such as Inner City Foodbank, Special Olympics, the Christmas Parade, and Habitat for Humanity to name a few. They prepared a number of elementary and high school chapels which they shared passionately with the students at Springs Christian Academy. They capped off their ministry year with a week long day camp called Days in the Sun in which they were expected to plan, organize, and run as a team.

They also participated in two trips this year. The first was a teambuilding and spiritual retreat at Camp Arnes. The students were challenged to grow closer to God, get out of their comfort zone, work together as a team to successfully complete a number of cooperative and initiative tasks, participate as a team in a high ropes course, bond with one another and gel as a team. The second trip was a visit to our Springs Church Calgary Campus where they had the opportunity to serve in the ministry areas at church as well as do some sightseeing in Calgary and Banff.

SPRINGS

College

## INTERNING

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.

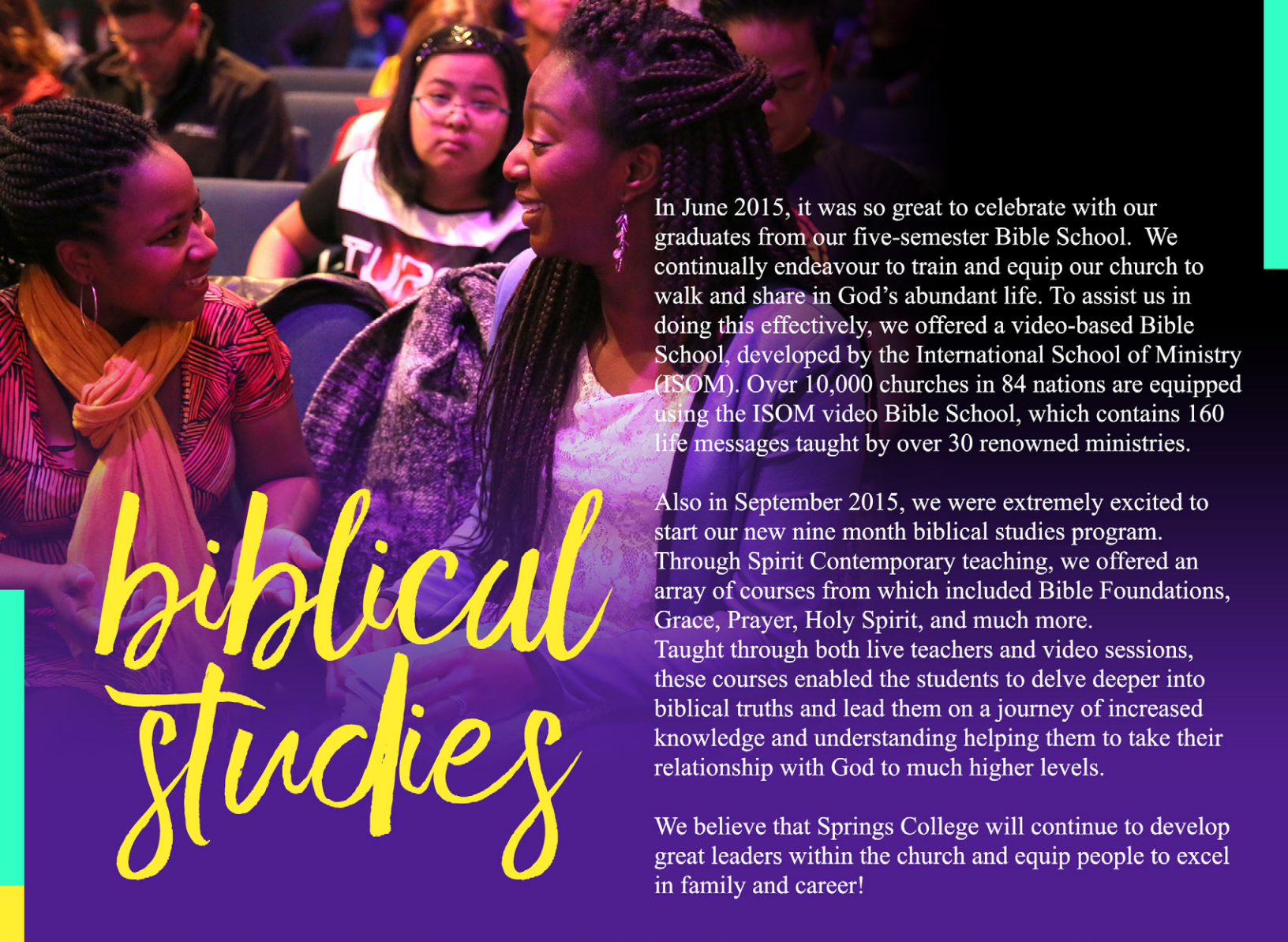


# continuing education

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 June 2015, 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.

Also in September 2015, we were extremely excited to start our new nine month biblical studies program. Through Spirit Contemporary teaching, we offered an array of courses from which included Bible Foundations, Grace, Prayer, Holy Spirit, and much more. Taught through both live teachers and video sessions, these courses enabled the students to delve deeper into biblical truths and lead them on a journey of increased knowledge and understanding helping them to take their relationship with God to much higher levels.

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



# life courses

In 2015, we offered 38 different courses, some being offered several times throughout the year. We love that our Life 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 how to walk it out in our daily lives.





Springs Christian Academy (SCA) is our Preschool through Grade 12 school. Our Mission Statement is to Pursue Christ, and Pursue Excellence through education. Our graduates 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 grow into incredible men and women of God.







# special speakers

Throughout 2015, 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 Al & Lisa Robertson, Pastor Kevin Gerald, Senior Pastor of Champion Centre, Tacoma Washington; Dr. Dave Martin, Inspirational Speaker and Business Leader, Orlando, Florida; Lee Strobel, Author, Apologist and Evangelist, Woodlands Texas, Dr. Jim Richards, Huntsville, Alabama; and many more! We had such a fantastic year of fun and life-changing messages.





# family fun day

On Monday, February 16 (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, Jedi training, reptile gardens, mini donuts, balloon animals as well as a baby & toddler corner. Kids even met some of their favourite Disney characters! Outside was a fun time too as many enjoyed the great weather and played boot hockey, went tobogganing and enjoyed a sleigh ride!



# 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.





# carfest

This event is solely a community outreach event with a focus on making our community aware of our Inner-city Youth outreach programs. Cars, cars and more cars is what the day is all about; from the Corvette Club doing there slalom runs (driving skills competition) to drag cars starting their 1800 hp engines (you can feel this throughout your entire body). There was something for the whole family to do; from bouncers to pet zoo / reptile zoo and don't forget mini car town.

# golf classic

In September of 2015 we once again hosted our charity men's golf tournament, the 18th annual "Springs Golf Classic," held at Bridges Golf Course. Our 152 tickets sold out and all golfers left once again with some amazing prizes (some even walked away with 2). Over \$10,000 was raised and 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 each year for a relaxing day of golf / dinner and at the same time supporting a very worth-while cause.







# 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.



# days in the sun

This is our Spring Break kids day camp for elementary school aged children. Our Springs College students took all the leadership training and experience they gained throughout the year and applied it by taking charge of the week-long day camp. The theme of the camp this year was medieval. The week-long camp was a resounding success according to the feedback the students received back from both parents and kids. The kids had a fantastic time growing in their relationship with God while participating in a wide range of fun and educational activities.



# Television 2015 update

There's no denying that our team would not be effective without the Media Volunteers. This past year they helped take our team to new levels in all areas. We continued to take the Spirit Contemporary message, we hear every week, to the world through our various TV programs; Leon Fontaine, Springs TV and The Leon Show. We also hosted TBN's Praise the Lord with Matt & Laurie Crouch at our 595 studios. As well 2015 marked the first full year of Springs Online. Our online site is an interactive online experience for people all over the world to experience Spirit Contemporary Church. Springs Online is a wonderful example of how our teams work together to create a digital service.

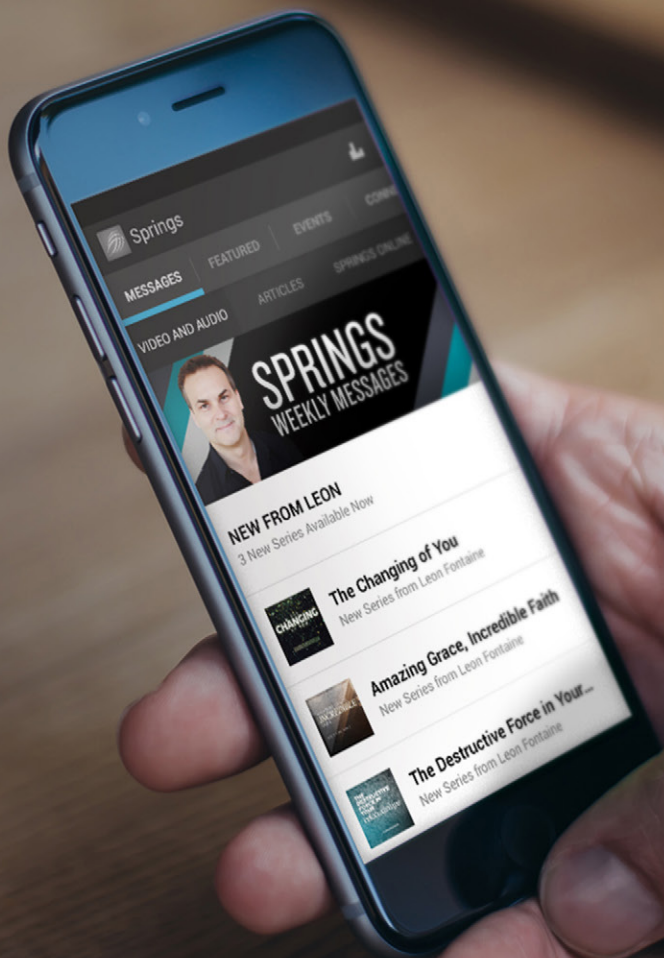
Online includes Praise & Worship, hosts, the message and stories of lives changed, and to date has viewers from over 100 different countries! The viewing audience of Springs Online is different than any of our other programs or services and our volunteers have risen to the occasion to help change how we capture our services and edit the different programs. The Volunteer Edit Team is another exciting area that was developed further this year, coming in to volunteer countless hours to edit, script, and create many different videos that are used throughout the church. We are excited to see this side of the volunteer team expand further in the 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 app and leonfontaine.com, making them accessible to people all over the world.

# church app



Helping people know God is our ultimate goal at Springs Church. We strive to reach out to people who don't know Jesus as their Saviour and introduce Him to them. Our Springs App continues to be a great place to do just that. Giving people the tools to turn their lives around and bring hope to the places of despair is our most important mission. Our app is also a great way for all of us to stay connected. More and more people are downloading the app to find up-to-date event info, video and podcasts from Springs and Leon Fontaine.



# 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.

In 2015, we had viewers from countries all over the world including the US, Kenya, United Kingdom, Australia, Germany, Paraguay, Mexico, Belize, Qatar, Brazil, Colombia and more! We added more daily service times and now have 32 services 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.







# Spring inner city

Many people we see at Springs Inner City, have been told lies about who they really are. Our job as a church is to show God's unconditional love and teach people how God sees them. Throughout 2015, each Sunday morning we had a service filled with live music and a practical, relevant message from the Word of God. Every Friday we host Kids Klub and Youth Nights where we get to tell the next generation that God loves them and they can make a difference in their world! Wednesday mornings we offer a free breakfast with a life-giving message which is designed to strengthen and encourage those attending. Thursday mornings, alongside Winnipeg Harvest, we have our food bank, which helps to feed and nourish many of our inner city people. We also organize and host special events during the year, such as our Annual Community Carnival and our Kids and Youth Christmas parties. These special events are a fantastic opportunity to show our community that we're here and we care.



**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.





# Watoto

Based in 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.





# locations

## WINNIPEG - 595 LAGIMODIERE BLVD

Our main campus is located at 595 Lagimodiere Blvd. in Winnipeg, Canada. This campus is our main church building as well as 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, Life 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 is used every Friday to welcome our young teens that come out for Springs Youth. This facility is also used for many of our special events such as 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!



#### CALGARY - 924 HERITAGE DR SW

We have two Sunday morning services and the excitement in the building is phenomenal! 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. God is working in each of our locations in a very special way!





## Springs Church – A Commitment to Maintain Trust (2015)

- 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 2015, Springs Church expensed 89.5% 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 100% of total expenditures on our programs and services.
- During 2015, 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 2015, Springs Church salaries accounted for 41.0% of total revenue (\$4.2 million in wages and benefits for 63 full-time and 38 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, 2015**



**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, 2015, 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, 2015, 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 23, 2016


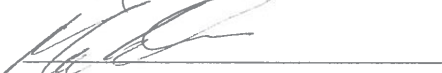
  
Chartered Professional Accountant



**SPRINGS OF LIVING WATER CENTRE INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets		
Cash	\$ 3,282,185	\$ 3,099,548
Due from related party (note 3)	48,231	41,344
GST and other receivables	50,879	118,565
Inventory	72,699	75,848
Prepaid expenses and deposits	<u>52,613</u>	<u>82,083</u>
	<u>3,506,607</u>	<u>3,417,388</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>40,000</u>
Capital assets (note 5)	<u>22,421,262</u>	<u>22,093,138</u>
	<u>\$ 26,060,145</u>	<u>\$ 25,642,802</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 542,265	\$ 530,381
Current portion of long-term debt (note 6)	<u>905,260</u>	<u>863,943</u>
	<u>1,447,525</u>	<u>1,394,324</u>
Long-term debt (note 6)	<u>7,234,937</u>	<u>8,131,785</u>
Deferred contributions related to capital assets (note 7)	<u>6,356,528</u>	<u>5,040,316</u>
	<u>15,038,990</u>	<u>14,566,425</u>
Net assets		
Net assets invested in capital assets	7,924,537	8,057,094
Unrestricted net assets	<u>3,096,618</u>	<u>3,019,283</u>
	<u>11,021,155</u>	<u>11,076,377</u>
	<u>\$ 26,060,145</u>	<u>\$ 25,642,802</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, 2015**

	<u>2015</u>	<u>2014</u>
Revenue		
General offerings	\$ 8,678,903	\$ 8,684,812
In-house ministries	209,902	286,171
Building revenue	700,527	655,205
Interest income	24,217	24,996
Books, tapes and other revenue	219,882	268,838
Amortization of deferred contributions	<u>436,756</u>	<u>365,188</u>
	<u>10,270,187</u>	<u>10,285,210</u>
Expense		
Administration (schedule 1)	2,178,727	2,201,190
Buildings (schedule 1)	1,344,857	1,416,859
Missions	963,241	832,233
In-house ministries	4,562,704	4,207,272
Books, tapes and other expenses	<u>145,060</u>	<u>196,141</u>
	<u>9,194,589</u>	<u>8,853,695</u>
Excess of revenue over expense before amortization of capital assets	1,075,598	1,431,515
Amortization of capital assets (note 5)	<u>(1,130,820)</u>	<u>(1,086,652)</u>
Excess of revenue over expense (expense over revenue) for the year	\$ <u><u>(55,222)</u></u>	\$ <u><u>344,863</u></u>



**SPRINGS OF LIVING WATER CENTRE INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Invested In Capital <u>Assets</u>	<u>Unrestricted</u>	2015 <u>Total</u>	2014 <u>Total</u>
Balance, beginning of year	\$ 8,057,094	\$ 3,019,283	\$ 11,076,377	\$ 10,731,514
Excess of revenue over expense (expense over revenue)	(694,064)	638,842	(55,222)	344,863
Investment in capital assets	2,314,475	(2,314,475)	-	-
Restricted contributions related to capital assets	(1,752,968)	1,752,968	-	-
Balance, end of year	\$ <u>7,924,537</u>	\$ <u>3,096,618</u>	\$ <u>11,021,155</u>	\$ <u>11,076,377</u>



**SPRINGS OF LIVING WATER CENTRE INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Cash receipts from members and other	\$ 9,876,900	\$ 9,908,429
Cash paid for operating expenses	(8,690,944)	(8,159,242)
Interest received	24,217	24,996
Interest paid	<u>(459,142)</u>	<u>(502,033)</u>
	<u>751,031</u>	<u>1,272,150</u>
Cash flows from investing activities		
Purchase of capital assets	(1,458,944)	(1,221,123)
Advances to related parties	(6,887)	(4,224)
Increase in Charitable Remainder Trust	<u>-</u>	<u>(870)</u>
	<u>(1,465,831)</u>	<u>(1,226,217)</u>
Cash flows from financing activities		
Decrease in long-term debt	(855,531)	(831,581)
Building fund contributions	<u>1,752,968</u>	<u>1,778,156</u>
	<u>897,437</u>	<u>946,575</u>
Increase in cash	182,637	992,508
Cash, beginning of year	<u>3,099,548</u>	<u>2,107,040</u>
Cash, end of year	\$ <u>3,282,185</u>	\$ <u>3,099,548</u>



# SPRINGS OF LIVING WATER CENTRE INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

### 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, 2015 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

The cost and related accumulated amortization of furniture and equipment, and computer equipment, that is fully amortized for at least one fiscal year, are removed from the statement of financial position.

**Roy Parker**

Chartered Accountant Inc.



**SPRINGS OF LIVING WATER CENTRE INC.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D**

**DECEMBER 31, 2015**

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, 2015

## 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>2015</u>	<u>2014</u>
Total assets	\$ <u>2,665,763</u>	\$ <u>2,805,160</u>
Total liabilities	\$ 1,206,045	\$ 1,188,249
Deferred contributions related to capital assets	138,198	207,297
Net assets	<u>1,321,520</u>	<u>1,409,614</u>
	\$ <u>2,665,763</u>	\$ <u>2,805,160</u>
Total revenues	\$ 5,218,799	\$ 5,434,033
Total expenses	<u>5,306,893</u>	<u>5,237,982</u>
Excess of revenue over expense (expense over revenue)	\$ <u>(88,094)</u>	\$ <u>196,051</u>

The amounts due from the School are as follows:

	<u>2015</u>	<u>2014</u>
Current amount	\$ 48,231	\$ 41,344
Long-term amount	<u>92,276</u>	<u>92,276</u>
	\$ <u>140,507</u>	\$ <u>133,620</u>

During the year, the Church paid \$6,887 to the School (2014 paid \$4,224). 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, 2015

## 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

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 6,044,557	\$ -	\$ 6,044,557	\$ -
Buildings	22,186,870	8,029,449	21,084,725	7,476,285
Traffic signals	154,824	77,646	154,824	74,491
Parking lots and grounds	2,651,848	1,681,188	2,608,301	1,601,737
Furniture and equipment	2,709,879	1,682,923	6,962,672	5,773,903
Computer equipment	45,612	29,991	509,505	486,130
Vehicle	546,177	417,308	519,488	378,388
	<u>\$ 34,339,767</u>	<u>\$ 11,918,505</u>	<u>\$ 37,884,072</u>	<u>\$ 15,790,934</u>
Cost less accumulated amortization		<u>\$ 22,421,262</u>		<u>\$ 22,093,138</u>



## SPRINGS OF LIVING WATER CENTRE INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2015

## 6. Long-term debt

	<u>2015</u>	<u>2014</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 3.60%, repayable in blended weekly payments of \$6,000, due March 9, 2018.	\$ 3,877,354	\$ 4,050,418
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.	1,354,495	1,509,261
Demand commercial mortgage, secured by first charge debenture on land and building, bearing interest at 3.60%, repayable in blended weekly payments of \$4,831, due December 14, 2018.	1,062,947	1,251,370
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.	<u>1,845,401</u>	<u>2,184,679</u>
	8,140,197	8,995,728
Less: Current portion	<u>905,260</u>	<u>863,943</u>
	<u>\$ 7,234,937</u>	<u>\$ 8,131,785</u>

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

<u>Year</u>	<u>Amount</u>
2016	\$ 905,260
2017	939,144
2018	973,776
2019	1,009,697
2020	879,534
Thereafter	<u>3,432,786</u>
	<u>\$ 8,140,197</u>



## SPRINGS OF LIVING WATER CENTRE INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, CONT'D

DECEMBER 31, 2015

## 7. Deferred contributions related to capital assets

	2015			2014
	<u>Building</u>	<u>Equipment</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 4,295,476	\$ 744,840	\$ 5,040,316	\$ 3,627,348
Add: capital fund contributions	<u>1,466,405</u>	<u>286,563</u>	<u>1,752,968</u>	<u>1,778,156</u>
	5,761,881	1,031,403	6,793,284	5,405,504
Less: amounts amortized to revenue	<u>(230,475)</u>	<u>(206,281)</u>	<u>(436,756)</u>	<u>(365,188)</u>
Balance, end of year	\$ <u>5,531,406</u>	\$ <u>825,122</u>	\$ <u>6,356,528</u>	\$ <u>5,040,316</u>

## 8. Commitments

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

<u>Year</u>	<u>Lease Commitment</u>
2016	\$ 29,278
2017	10,190

## 9. Related party transactions

- a) Included in building revenue in the statement of operations is \$664,000 (2014 - \$624,000) 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 (2014 - \$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 \$9,213 (2014 - \$66,589) 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, 2015

## 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>2015</u>	<u>2014</u>
Related party transactions billed to The Miracle Channel for expenses incurred by the Church		
Management consulting	\$ 39,745	\$ 89,288
Rent	35,000	15,309
Travel	118,777	41,300
TV production costs	<u>217,500</u>	<u>258,230</u>
	<u>\$ 411,022</u>	<u>\$ 404,127</u>
Related party transactions paid to The Miracle Channel and recorded as expenses by the Church		
Airtime and closed captioning	\$ 95,300	\$ 97,180
Donations to The Miracle Channel	41,186	40,541
The Miracle Channel expenses reimbursed by the Church	<u>39,506</u>	<u>28,195</u>
	<u>\$ 175,992</u>	<u>\$ 165,916</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, 2015**

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, 2015**

	<u>2015</u>	<u>2014</u>
Advertising and promotion	\$ 4,859	\$ 6,431
Interest and bank charges	132,001	154,462
Interest on long-term debt	327,141	347,571
Office, printing and postage	450,155	501,024
Professional and consultant fees	139,063	71,785
Telecommunications	163,532	156,891
Vehicle and travel expenses	594,421	523,600
Wages and benefits	<u>367,555</u>	<u>439,426</u>
	\$ <u>2,178,727</u>	\$ <u>2,201,190</u>

**BUILDING EXPENSE**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
Grounds and storage	\$ 145,146	\$ 157,017
Insurance	55,807	51,055
Property taxes	172,718	164,517
Repairs and maintenance	521,770	582,155
Utilities	<u>449,416</u>	<u>462,115</u>
	\$ <u>1,344,857</u>	\$ <u>1,416,859</u>