

2020 Annual Report



2020 Annual Meeting
held on
May 16, 2021

MISSION STATEMENT



Highway is committed to building devoted followers of Christ, helping them to connect, grow, serve and reach their world.



CONNECT

We connect with God and others through our weekly worship service and fellowship in our small groups.



GROW

We grow deeper in our faith as we walk through discipleship in our small groups and follow God.



SERVE

We serve people through ministry, because it is the result of being a follower of Jesus.



REACH

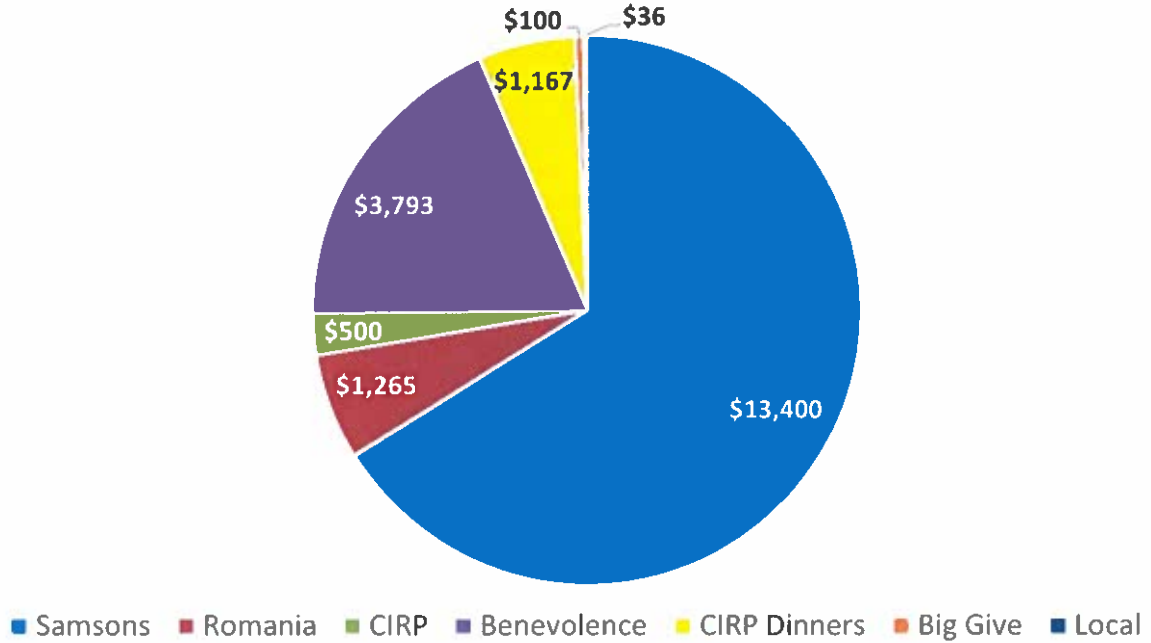
We reach people by serving those in need and supporting others who "go into all the world".

At Highway, we desire...

- ◆ To build devoted followers of Jesus Christ, to help believers mature and be released to fulfill the purposes for which they have been created.
- ◆ To come together in fellowship to celebrate who Jesus is and learn to recognize the presence of God. These gatherings will allow people to receive from God and be changed by the Holy Spirit.
- ◆ To provide various small groups to enable people to connect, grow, be trained, and released into ministry.
- ◆ To impact and reach people through community involvement, relationships, and events. Believers will be encouraged to accomplish this personally and be given opportunity as part of the church family.
- ◆ To see every person actively connected to a ministry that is appropriate to their age, gender or life experience.
- ◆ To reach people for God's kingdom locally, nationally and globally through outreach initiatives, and partnerships with other organizations.

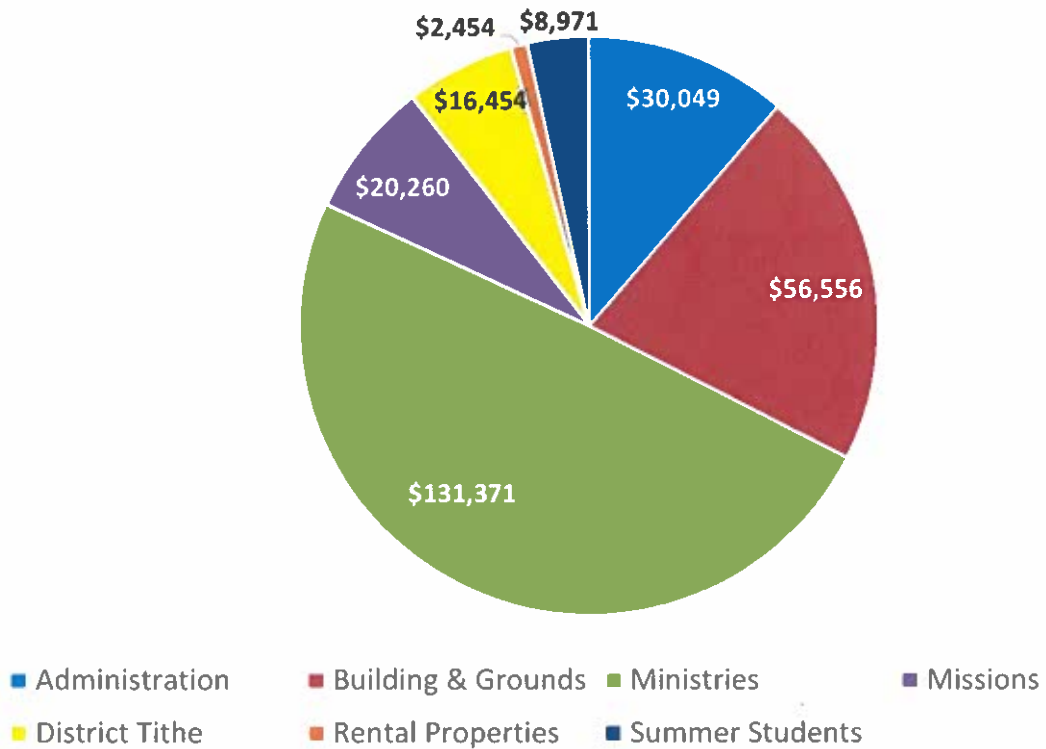
Don't allow what we cannot do, to stop us from what we can do.

MISSIONS SUPPORT 2020 - \$20,260



EXPENSES BREAKDOWN 2020

(includes salaries in respective categories)



HIGHWAY GOSPEL CHURCH
2020 Annual Business Meeting
May 16, 2021

AGENDA

1. CALL TO ORDER
 - Establish Quorum
 - Establish Voting Bar

2. REVIEW OF MINUTES FROM 2019 ANNUAL MEETING

3. ELECTION OF BOARD MEMBERS

4. TREASURER'S REPORT

5. LEAD PASTOR'S REPORT

6. ADJOURNMENT

Highway Gospel Church
2019 Annual Business Meeting Minutes
Held September 13, 2020 at 12 pm

Call to Order

Pastor Dan welcomed everyone to the HGC Annual Business Meeting and opened the meeting in prayer. Pastor Dan called the Business Meeting to order.

Reporting of Roster

Quorum was established as 68% of the members were present Pastor Dan established the main floor to be the voting bar.

Review of Minutes from 2019 Annual Meeting and Congregational Minutes

Motion: William Burtch moved that the two sets of minutes of the Annual Business Meeting 2019 and the congregational meetings held on June 23rd, 2019 & June 30, 2019 be approved as printed and distributed. There was no new business arising out of these minutes.
Motion was seconded and carried.

Election of New Board Members

Joe Evans, Vita Ferguson-Wiltshire were appointed as scrutineers for the meeting with Joe Evans as head scrutineer. Ballots were distributed.

Pastor Dan explained the voting procedure. According to our Church Policy, we have two nominees and (2) vacancies. Pastor Dan presented two (2) nominees for the Board vacancies: William Burtch and Ken Tilson

Pastor Dan also mentioned that Lorne Pike's term has ended. Pastor Dan honoured Lorne for his years of service as a Board Member.

Pastor Dan prayed for God's guidance and blessing over the election. The ballots were received and Pastor Dan declared the election ballot closed.

Treasurer's Report

Margaret Knight presented HGC 2019 financials as prepared by our accountant – Patrick Marshall CPA CMA, via Zoom.

Update on our 2019 Budget

- The total for Revenue - \$308,667
- The total for expenses - \$316,632
- Deficit of (- \$ 7,965)
- Tithes are down from 2018 - \$173,654
- Salaries and benefits are up this year due to the summer students grant

- MK mentioned that we put money into the reserve fund
- MK also mentioned that overall Highway is managing good

There were no questions from the report.

PDC thanked Margaret for coming and joining us online.

Pastor's Report

Pastor Dan handed the chair to William Burtch while he presented his report and made special note of the following:

- PDC gave a brief overview of his report
- PDC thanked the Board for their hard work during these past 6 months of the pandemic
- PDC also thanked the church for their cooperation during these past 6 months

Pastor said that it is his honour to be Pastor here at Highway. He went on to thank his children, Sarah, Ester, and David, as well as his wife Sylvie.

William Burtch handed the chair back to Pastor Dan.

Update of the Capital Improvement Projects

Motion: Will Burtch moved to remove this item from the agenda due to the pandemic and no work able to be done or any update being necessary.
Motion was seconded and carried.

Pastor's Comments and Adjournment:

Pastor Dan thanked everyone for their attendance and for their faithfulness during these times that we are in.

Motioned to adjourn the Annual Meeting.

Motion was seconded and carried.

Pastor Dan closed in prayer.

The meeting was adjourned at 12:36 p.m.

Pastor Dan Colantonio
Lead Pastor, HGC

William Burtch
HGC Board Secretary

LEAD PASTORS REPORT 2020

“The building is closed, but the church is open” became our theme when we were hit with the pandemic shutdown in March of 2020. This was an unprecedented event in our lifetime. We have lived through a time unlike anything the world has seen in 100 years. I want to start this report by saying that I am so proud of the way the Highway family came together during this time.

The pandemic gave us the opportunity to really see how we could be a church –a family of faith— without the ability to gather physically. It gave us the opportunity to see what can really make a difference and what we only thought could make a difference. We learned that helping people connect became our priority, and that we could connect without gathering together physically. We learned how to use technology, and to use it in a way that advances the mission of the church – to reach people and help them connect and grow with God.

We were able to move to an online service format. This allowed us to reach new people with the message of the gospel and the hope of Jesus. We have watched as people in places outside of Toronto, even outside of our province, have connected with Highway. Of the 52 Sundays in the year, we were only able to gather in-person for 26 weeks (13 of those weeks were before the pandemic).

A special thanks goes out to all of our small group leaders. They were able to quickly move from in-person meetings to virtual gatherings. There were some hiccups at the beginning, but everyone worked hard, and all were patient with the new learning curves.

Here is how small group participation looked this year:

- January – mid-March (pre-covid) we had seven groups with an average attendance of 48 people per week.
- Mid-Mach – June, we had to switch to online groups and we had 69 small group members in 8 groups, with an average attendance of 52 people per week.
- During the summer, many groups kept meeting together to allow people to connect and be encouraged. We have not traditionally kept our groups meeting through the summer, but we did this to help people stay connected during these unprecedented times.
- Our Fall campaign was *“The Red Letter Challenge.”* We studied the words of Jesus and learned how they fall into five main categories: Being, Forgiving, Serving, Giving, and Going. During the campaign we had 9 small groups with 79 people participating, with an average attendance of 66 people.

We have continued to have monthly prayer meetings using the Zoom platform. This has resulted in more people participating via Zoom than when we were gathering in the building. We had a couple of different prayer emphasis this year. In January, we had our annual 8 Days of Prayer (pre-pandemic) and in the Fall we had 3 Days of Prayer and Fasting, holding a Zoom prayer meeting on each of those nights.

The pandemic has allowed us to reach people in a new way. Through digital ministry, we are touching the lives of people who have never been part of our in-person gatherings in the past. As a result, we have had to redesign certain parts of our ministry for the digital world, and we sense that this revamp will need to continue into the future.

Our Children's Ministry worked hard to provide meaningful ministry to kids during the pandemic. With no ability to gather children together, Pastor Sarah had to be creative and design new functions for our Kids Min. Here is a rundown of the ministry that took place:

- Easter In A Box – Kits were made for kids to learn about and celebrate Easter at home with an online teaching component.
- Family Devotionals - Posted on our website (weekly).
- If My People Pray – Online prayer guide for kids.
- Tucked-In-Thursdays – During the Spring, Pastor Sarah read stories to the kids once a week on Facebook.
- Virtual Pizza Party – Children received a free pizza and gathered online for a live, virtual party.
- Door Dash Balloons – Kids nominated friends to receive balloons and a card.
- Virtual Dance Party – A professional dance teacher interacted with the kids live.
- Zoom Camp Online – Zoom camp took place virtually with a pre-recorded session and a live, interactive component each day. Every camper received a box of supplies (object lesson, crafts, devotionals, etc.) needed for camp week.
- Halloween Treat Bags - A goodie bag of candies and prizes were delivered to their homes.
- Red Letter Challenge for Kids – A digital guide and challenges for the kids to do and report on.
- Dream Big, Trust God – Kids teaching series on YouTube.
- Monthly Challenges for the kids to participate in via Social Media.

Our Youth Ministry provided the following:

- Pizza Party & Movie Night – All youth were provided a pizza and watched a movie together virtually.
- Online video devotionals – Placed on Instagram twice a week.
- Daily scripture encouragement – Provided through Instagram.
- Youth Convention Online – Gathered with other youth across Eastern Ontario digitally.
- Virtual Movie & Snack – A snack box was provided and they watched a movie together virtually.
- Christmas Treat Boxes – Provided to all the youth.

Our food bank was busier this year than ever before. It remained open during the pandemic and served 473 people (up from 326 people in 2019). Our Christmas Drive received one of the biggest responses to date, and we were able to provide Christmas baskets to 50 families. These baskets contained food for a Christmas meal (and some extra supplies) as well as gifts for the kids and teens in each home. A huge thanks to our Highway family who continued to support the food bank through financial giving, and the use of both an Easter and Christmas Food Drive. We were also blessed to have organizations like CHUM Christmas Wish and Durham Food (through Southside Worship Centre) assist us as well.

Because of your generosity we were able to keep our missions support on target this year. We continue to partner with: Prasad & Dawn Samson in Chennai, India; Jen & Raz Iacob in Romania; and through World Vision sponsorships, support the ongoing work in the community of Simba in the Republic of Congo. We continue to support Church In Regent Park by supplying dessert for some of their

Community Dinners. While we are unable to send teams down to do the work, due to the pandemic, our ongoing partnership has allowed us to drop off the dessert for the volunteers that are working there.

2020 saw the departure of Nicole Pike as our Worship Director. She served Highway faithfully for over seven years. We are so thankful for her dedication and loyalty to serving the Highway family. Thank you, Nicole! We appreciate you and all that you have done for us.

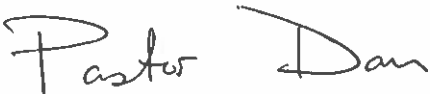
I want to thank the Board Members who served this past year. You served during an unprecedented time, where virtual board meetings could run until 10 p.m.. You have helped to navigate uncharted territory, serving admirably. The Board members are William Burtch, Vita Ferguson-Wiltshire, Margaret Knight, Lorne Pike, Ken Tilson, and Mike Walker.

We have a wonderful staff. Pastor Paul, Pastor Sarah and Pastor David, thank you for all of your hard work and for demonstrating flexibility and commitment over the course of the year. Our staff has done a wonderful job learning and transitioning ministry to a digital experience. They were challenged to hold onto the phrase, "the building is closed but the church is open." We all had to learn new things, think in new ways, provide ministry through new avenues, all while continuing to minister to people in meaningful ways. Thanks for your hard work and for persevering through difficult and disorienting days. You are a gift to the Highway family.

I want to thank all of you who make up the Highway Family. You are a great community of faith that I am privileged to be a part of, and who I am honoured to be the Lead Pastor of. You have shown resilience and commitment despite the challenges of the past year. Many of you had to learn to navigate technology and transition to attending church from your couch. You have learned to give digitally and have attended groups through a screen. Let me emphatically state: well done!

A big thank you to my wife Sylvie and children David, Sarah and Esther. During this extremely hectic year, with all the challenges and changes, you were always there to encourage me. You called me out when I was spending too many hours in my home office and forced me to take breaks (which I now see that I needed). You helped me to figure out new technology and have leant a helping hand many, many, many times. I see all that you have done, and I appreciate it. Thanks for being on board. I love you.

Respectfully Submitted,

A handwritten signature in black ink that reads "Pastor Dan". The word "Pastor" is written in a cursive script, and "Dan" is written in a more stylized, bold cursive.

Pastor Dan Colantonio

HIGHWAY GOSPEL CHURCH
Notice To Readers and
Financial Statements
(Unaudited - See notice to Reader)
AS AT DECEMBER 31, 2020

Patrick Marshall Accounting Services
38 Strickland Drive, Ajax, ON, L1T 4A2, Tele: 416-275-3969

P Marshall Accounting Services

38 Strickland Drive, Ajax, ON, L1T 4A2, Tele: 416-275-3969

NOTICE TO READERS

On the basis of information provided by management, I have compiled the Statement of Financial Position of **Highway Gospel Church** as at December 31, 2020 and the Statement of Revenue and Expenses and Changes in Net Income for the year end

I have not performed an audit or a review engagement in respect of these financial statements and accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Patrick Marshall CPA CMA, MBA

Ajax, Ontario

18-Mar-21

HIGHWAY GOSPEL CHURCH

Table of Contents

Topic	Page No.
Notice to Reader	3
Statement of Financial Position	4
Statement of Revenue and Expenses	5
Statement of Change in Net Assets	6
Statement of Change	7
Notes to the Financial Statements	8 - 9

HIGHWAY GOSPEL CHURCH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020
(Unaudited - See notice to Reader)

ASSETS

	2020	2019
Current Assets	\$	\$
Cash and Bank balance	86,589	31,510
Accounts Receivables	4,570	12,388
Total Current Assets	91,160	43,898
Fixed Assets		
Property and Equipment	Note 3 1,280,911	1,285,172
Total Assets	1,372,071	1,329,071

LIABILITIES

Current Liabilities		
Accounts Payable	31,809	1,375
Source Deductions	1,783	1,409
Current portion of Long Term Loan	18,740	3,205
Total Current Liabilities	52,333	5,989
Long Term Liabilities		
Mortgage - PAOC	Note 4 279,468	297,958
Total Liabilities	331,801	303,947

NET ASSETS

Designated Funds	21,572	20,145
Reserve Funds	14,685	5,665
General Operating Fund	1,004,013	999,313
Balance, end of year	1,040,270	1,025,124
Total Liabilities & Net Assets	1,372,071	1,329,071

Approved on behalf of the Board

_____ Lead Pastor

_____ Treasurer

HIGHWAY GOSPEL CHURCH
STATEMENT OF REVENUE AND EXPENSES
AS AT DECEMBER 31, 2020
(Unaudited - See notice to Reader)

	2020	2019
	\$	\$
REVENUE		
Tithes & Offering	179,056	173,654
Rental Income	55,384	67,800
Mission Income	20,415	19,034
Ministry Income	5,420	6,073
Designated Income	589	11,342
Government Grant	18,971	30,765
Total Revenue	279,835	308,667
EXPENSES		
General & Admin		
Salaries and Benefits	137,401	169,726
Professional fees	8,200	8,400
Advertising and Gifts	806	749
Office supplies and expenses	9,352	8,673
Bank charges	791	7,544
Amortization	5,282	6,603
	161,832	201,694
Occupancy		
Mortgage Interest	15,786	9,692
Utilities	10,280	11,285
Insurance	5,746	4,950
Property Maintenance	21,347	27,092
	53,158	52,927
Ministry		
Ministry	7,741	20,433
Honorarium	400	3,025
Seminars & Conference	429	593
Church Supplies & Hospitality	3,387	582
	11,956	24,632
Other		
District Tithes	16,454	15,917
Missions	20,260	19,074
Rental Property Exp	2,454	2,296
	39,169	37,287
Total Expenses	266,115	316,632
Excess Revenue/(Deficit)	13,720	(7,965)

HIGHWAY GOSPEL CHURCH
STATEMENT OF CHANGE IN NET ASSETS
AS AT DECEMBER 31, 2020
(Unaudited - See notice to Reader)

Fund Balances	Designated	Reserves	General Operating	2020 Total	2019 Total
Balance, Beginning of the year	\$ 20,145	\$ 5,665	\$ 999,313	\$ 1,025,124	\$ 1,023,886
Activities during the year	1,427	9,020	4,700	15,147	1,238
Balance, end of year	\$ 21,572	\$ 14,685	\$ 1,004,013	\$ 1,040,270	\$ 1,025,124

**HIGHWAY GOSPEL CHURCH
STATEMENT OF CHANGE
AS AT DECEMBER 31, 2020
(Unaudited - See notice to Reader)**

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Net Surplus (deficit)	13,720	(7,965)
Adjusted none cash item:		
Amortization	5,282	6,603
Adjusted Net Surplus (deficit)	19,002	(1,362)
CHANGES IN WORKING CAPITAL		
Accounts Receivables	7,818	(9,490)
Accounts Payable	30,434	(5,312)
Source Deduction	375	(286)
	38,626	(15,088)
CASH FLOWS FROM OPERATING ACTIVITIES	57,628	(16,450)
FINANCIAL ACTIVITIES		
Mortgage Payments	15,535	(195,043)
Mortgage Loan Received	(18,084)	185,672
	(2,549)	(9,371)
INCREASE (DECREASE) IN CASH	55,080	(25,821)
CASH AT BEGINNING OF YEAR	31,510	57,331
CASH AT END OF YEAR	86,589	31,510

4. MORTGAGE

a) The mortgage with PAOC is at a fixed interest rate of 5.25% and loan matured April 1, 2034

	2020	2019
	\$	\$
	279,468	297,958
Less Current portion	18,740	3,205
	<u>298,208</u>	<u>301,163</u>

HIGHWAY GOSPEL CHURCH

Notes to the financial statements

5. FINANCIAL INSTRUMENTS

The financial instruments consist of cash, HST, receivable, accounts payable, and source deductions payable. These are all liquidity risk and church is only exposed to this risk mainly in respect to its current liabilities and can be mitigated by sound management of its cash flows derived from offering, grants and gifts.

6. REVENUE RECOGNITION

The main source of income is the tithes and offering received from the congregation. The Church follows the deferral method of accounting for contributions. Restricted contributions are deferred and are recognised as revenue in the year in which related expenses occurred.

7. CASH

The cash balance includes Cash Reserves for the following

	2020	2019
	\$	\$
Building	757	1,206
Mortgage	1,000	-
Rental properties	527	527
Store House	13,402	3,933
CEBA Loan	30,000	-
	<u>45,685</u>	<u>5,665</u>

HIGHWAY GOSPEL CHURCH

Notes to the financial statements

5. FINANCIAL INSTRUMENTS

The financial instruments consist of cash, HST, receivable, accounts payable, and source deductions payable. These are all liquidity risk and church is only exposed to this risk mainly in respect to its current liabilities and can be mitigated by sound management of its cash flows derived from offering, grants and gifts.

6. REVENUE RECOGNITION

The main source of income is the tithes and offering received from the congregation. The Church follows the deferral method of accounting for contributions. Restricted contributions are deferred and are recognised as revenue in the year in which related expenses occurred.

7. CASH

The cash balance includes Cash Reserves for the following

	2020	2019
	\$	\$
Building	757	1,206
Mortgage	1,000	-
Rental properties	527	527
Store House	13,402	3,933
CEBA Loan	30,000	-
	45,685	5,665

The Church successfully applied for the CEBA loan and received \$40,000. Only \$30,000 is required to be repaid, if payment is made the latest December 31, 2022.

8. OBLIGATIONS UNDER EQUIPMENT LEASE

There is an operating lease agreement with Xerox for the colour copier and printer which expires June 2025 as follows:

	\$
2021	1,763
2022	1,763
2023	1,763
2024	1,763
2025	1,763
	8,815