

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

FINANCIAL STATEMENTS
(Prepared Without Audit)

DECEMBER 31, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Windsor Baptist Refugee Ministries (o/a Matthew House)

We have reviewed the statement of financial position of Windsor Baptist Refugee Ministries (o/a Matthew House) as at December 31, 2020 and the statement of operations, accumulated 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which required us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review engagement are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many charitable organizations, the Organization derives revenue from contributions and other fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions and other fundraising revenues, excess of revenues over expenditures, and accumulated net assets. Our conclusion on the financial statements as at and for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Windsor Baptist Refugee Ministries (o/a Matthew House) as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Windsor, Ontario
May 14, 2021



Chartered Professional Accountants
Licensed Public Accountants

**WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)**

STATEMENT OF FINANCIAL POSITION
(Prepared Without Audit)

	Year Ended December 31	
	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 322,436	\$ 267,363
Investment, GIC, 2.6%, maturing February 1, 2021	76,779	-
HST receivable	8,669	7,039
Rent and wage subsidies receivable	4,100	-
Prepaid expenses and deposits	<u>29,138</u>	<u>44,867</u>
	<u>441,122</u>	<u>319,269</u>
PROPERTY, EQUIPMENT AND LEASEHOLDS--NOTE C		
Furniture and equipment	16,286	11,116
Leasehold improvements - 3185 Forest Glade Dr.	<u>26,375</u>	<u>19,201</u>
	42,661	30,317
Less accumulated amortization	<u>10,855</u>	<u>3,966</u>
	<u>31,806</u>	<u>26,351</u>
	<u>\$ 472,928</u>	<u>\$ 345,620</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 13,140	\$ 29,639
Government remittances payable	-	404
Deferred contributions--Note D	<u>48,838</u>	<u>-</u>
	61,978	30,043
CEBA LOAN, net of forgivable portion	30,000	-
ACCUMULATED NET ASSETS		
Equity in property, equipment and leaseholds	31,806	26,351
Unrestricted	<u>349,144</u>	<u>289,226</u>
	<u>380,950</u>	<u>315,577</u>
	<u>\$ 472,928</u>	<u>\$ 345,620</u>

COMMITMENTS--NOTE G

APPROVED BY THE BOARD

_____ Director

_____ Director

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF ACCUMULATED NET ASSETS
(Prepared Without Audit)

YEAR ENDED DECEMBER 31, 2020

	Invested in Property and Equipment	Unrestricted	Total 2020	Total 2019
Balance at beginning of year	\$ 26,351	\$ 289,226	\$ 315,577	\$ 158,101
Excess of revenues over expenditures	(6,889)	72,262	65,373	157,476
Net additions to capital assets	<u>12,344</u>	<u>(12,344)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 31,806</u>	<u>\$ 349,144</u>	<u>\$ 380,950</u>	<u>\$ 315,577</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF OPERATIONS
(Prepared Without Audit)

	Year Ended December 31	
	<u>2020</u>	<u>2019</u>
Revenues		
Donations		
Individuals	\$ 135,387	\$ 126,052
Churches	61,360	79,409
Associations	15,979	16,252
Corporate	18,838	7,217
Other	6,646	4,864
Rental income	146,997	76,077
Grants--Note E	<u>39,356</u>	<u>10,650</u>
	424,563	320,521
Expenditures		
Wages and benefits	170,774	128,046
Wage subsidy	(9,618)	-
Lease expense--Note G	84,945	35,000
Rent subsidy	(2,103)	-
Property taxes	34,156	23,968
Utilities	47,995	19,296
Repairs and maintenance	15,132	10,273
Refugee food, transportation and services	10,360	8,207
Professional fees	3,450	5,510
Insurance	8,746	4,760
Office supplies and miscellaneous	5,095	5,033
Non-recoverable HST	6,225	3,061
Telephone and internet	3,442	2,906
Travel and mileage	1,169	2,830
Marketing and fundraising	4,365	2,044
Interest on long-term debt	-	1,536
Membership fees and dues	1,424	1,163
Interest and bank charges	902	557
Amortization	<u>6,889</u>	<u>3,966</u>
	<u>393,348</u>	<u>258,156</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	31,215	62,365
Other Income		
Gain on sale of 1822 Drouillard Road	-	94,372
Insurance proceeds	16,494	-
Interest and other income	7,664	739
Forgivable portion of CEBA loan	<u>10,000</u>	<u>-</u>
	34,158	95,111
EXCESS OF REVENUES OVER EXPENDITURES	65,373	157,476
Accumulated net assets at beginning of year	<u>315,577</u>	<u>158,101</u>
ACCUMULATED NET ASSETS AT END OF YEAR	<u>\$ 380,950</u>	<u>\$ 315,577</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF CASH FLOWS

(Prepared Without Audit)

	Year Ended December 31	
	<u>2020</u>	<u>2019</u>
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 65,373	\$ 157,476
Charges to income not affecting cash		
Amortization	6,889	3,966
Gain on sale of 1822 Drouillard Road	-	(94,372)
Changes in non-cash components of working capital		
Rent and wage subsidies receivable	(4,100)	-
HST receivable	(1,630)	(5,769)
Prepaid expenses and deposits	15,729	(44,867)
Accounts payable and accrued liabilities	(16,499)	29,639
Government remittances payable	(404)	404
Deferred contributions	<u>48,838</u>	<u>-</u>
	114,196	46,477
FINANCING ACTIVITIES		
Increase in CEBA loan payable	30,000	-
Decrease in mortgage payable	<u>-</u>	<u>(51,483)</u>
	30,000	(51,483)
INVESTMENT ACTIVITIES		
Proceeds on sale of 1822 Drouillard Road	-	206,120
Purchase of investment	(76,779)	-
Additions to property, equipment and leaseholds	<u>(12,344)</u>	<u>(20,970)</u>
	<u>(89,123)</u>	<u>185,150</u>
INCREASE IN CASH	55,073	180,144
Cash at beginning of year	<u>267,363</u>	<u>87,219</u>
CASH AT END OF YEAR	<u>\$ 322,436</u>	<u>\$ 267,363</u>

See notes to financial statements

**WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)**

NOTES TO FINANCIAL STATEMENTS

(Prepared Without Audit)

DECEMBER 31, 2020

A. GENERAL

Windsor Baptist Refugee Ministries is a not-for-profit religious organization whose mission is to:

- (1) provide temporary homes and settlement support for refugee claimants;
- (2) orientating refugee claimants to Canadian life

The Organization is incorporated without share capital in the Province of Ontario and is a registered charity under the Income Tax Act.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING: These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

REVENUE RECOGNITION: The Organization follows the deferral method of accounting for contributions. Under the deferral method, amounts received in the year for expenses to be incurred in the following year are recorded as deferred revenue.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions to the various initiatives which have been internally designated as restricted are recognized as revenue in the year in which the related expenses are incurred.

USE OF ACCOUNTING ESTIMATES: The preparation of financial statements requires management and the Board of Directors to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

CONTRIBUTED SERVICES: The operation of the Organization relies upon the many hours of service provided by its members. Because of the difficulties of determining their fair value, contributed services are not recognized in these financial statements. Directors are not remunerated for their services.

FINANCIAL INSTRUMENTS: The Organization's financial instruments consist of cash, HST receivable, prepaid expenses and deposits, accounts payable and accruals and government remittances payable. The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

PROPERTY, EQUIPMENT AND LEASEHOLDS: Property, equipment and leaseholds are recorded at cost. Amortization is calculated by using the following methods and annual rates:

Leasehold improvements	20 % straight-line
Furniture and equipment	20 % declining balance

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NOTES TO FINANCIAL STATEMENTS (Continued)
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C. PROPERTY, EQUIPMENT AND LEASEHOLDS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net</u>	<u>2019 Net</u>
Furniture and equipment	\$ 16,286	\$ 4,377	\$ 11,909	\$ 9,070
Leasehold improvements	<u>26,375</u>	<u>6,478</u>	<u>19,897</u>	<u>17,281</u>
	<u>\$ 42,661</u>	<u>\$ 10,855</u>	<u>\$ 31,806</u>	<u>\$ 26,351</u>

D. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funding received for specific purposes.

	<u>2020</u>	<u>2019</u>
Deferred contributions, beginning of year	\$ -	\$ -
Add amounts received for current and future purposes	88,194	10,650
Less amounts recognized as revenue in the year	<u>(39,356)</u>	<u>(10,650)</u>
Deferred contributions, end of year	<u>\$ 48,838</u>	<u>\$ -</u>

Deferred contributions are comprised of the following:

	<u>2020</u>	<u>2019</u>
Community Foundation of Canada	\$ 27,395	\$ -
Employment & Social Development Canada	15,362	-
100 Women Who Care Windsor Essex	<u>6,081</u>	<u>-</u>
	<u>\$ 48,838</u>	<u>\$ -</u>

E. GRANT REVENUE

Grant revenue is derived from the following sources:

	<u>2020</u>	<u>2019</u>
Employment & Social Development Canada	\$ 9,838	\$ -
Food Rescue	8,217	-
100 Women Who Care Windsor Essex	2,569	-
Province of Ontario - training grant	1,732	-
Windsor Essex Community Foundation	5,000	-
Ontario Council of Agencies Serving Immigrants	12,000	-
Other unsolicited funding	<u>-</u>	<u>10,650</u>
	<u>\$ 39,356</u>	<u>\$ 10,650</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)
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F. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments.

CREDIT RISK: The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its HST, rent and wage subsidies receivable. It is the Board of Directors' opinion that the Organization is not exposed to significant credit risk.

LIQUIDITY RISK: Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Accounts payable and accrued liabilities are generally paid within 30 days. It is the Board of Directors' opinion that the Organization is not exposed to significant liquidity risk.

INTEREST RATE RISK: The Organization has investments and interest-bearing debts in the form of a fixed-rate mortgage payable. The Organization does not enter into interest swap contracts to hedge against exposure to increases in interest rates and the Board of Directors' does not consider this a significant risk at this time.

G. COMMITMENTS

On April 1, 2019, the Organization entered into a 20 year lease for its premises at 3185 Forest Glade Drive. The rent is payable in monthly installments of \$7,105 (2019 - \$7,000) plus HST. The base rent will increase yearly by the greater of 1.5% over the previous year's base rent or the increase in the Ontario Works Shelter allowance over the previous year.

The Organization has entered into an operating lease with RCAP leasing for the use of a photocopier machine. Annual payments over the remaining term of the lease are as follows:

2021	\$	376
2022		344

H. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

I. COVID-19

In March 2020, the World Health Organization ("WHO") declared a global pandemic due to the COVID-19 outbreak. As a result, on March 23, 2020, the government of Ontario ordered the closure of all non-essential businesses effective March 24, 2020.

Consequently, the Organization's normal operations have been interrupted. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.