

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

FINANCIAL STATEMENTS
(Prepared Without Audit)

DECEMBER 31, 2019

Independent Practitioner's Review Engagement Report	1
Statement of Financial Position	3
Statement of Accumulated Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7

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, 2019 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, 2019 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, 2019, 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.

Comparative information

Without modifying our opinion, we draw attention to Note G to the financial statements which describes that Windsor Baptist Refugee Ministries (o/a Matthew House) adopted Canadian accounting standards for not-for-profit organizations on January 1, 2019 with a transition date of January 1, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2018, and the statements of revenues, expenditures and fund balances and cash flows for the period ended December 31, 2018 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Prior year balances are not reviewed and were compiled by management.

Windsor, Ontario
July 15, 2020



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>2019</u>	<u>2018</u> (Note H)
ASSETS		
CURRENT ASSETS		
Cash	\$ 267,363	\$ 87,219
HST receivable	7,039	1,270
Prepaid expenses and deposits	<u>44,867</u>	<u>-</u>
	319,269	88,489
PROPERTY, EQUIPMENT AND LEASEHOLDS--NOTE C		
Building - 1822 Drouillard Road	-	111,748
Furniture and equipment	11,116	9,347
Leasehold improvements - 3185 Forest Glade Dr.	<u>19,201</u>	<u>-</u>
	30,317	121,095
Less accumulated amortization	<u>3,966</u>	<u>-</u>
	<u>26,351</u>	<u>121,095</u>
	<u>\$ 345,620</u>	<u>\$ 209,584</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 29,639	\$ -
Government remittances payable	404	-
Current portion of mortgage payable--Note D	<u>-</u>	<u>4,067</u>
	30,043	4,067
MORTGAGE PAYABLE--NOTE D	-	47,416
ACCUMULATED NET ASSETS		
Equity in property, equipment and leaseholds	26,351	69,612
Unrestricted	<u>289,226</u>	<u>88,489</u>
	<u>315,577</u>	<u>158,101</u>
	<u>\$ 345,620</u>	<u>\$ 209,584</u>

COMMITMENTS--NOTE F

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, 2019

	Invested in Property and Equipment	Unrestricted	Total 2019	Total 2018 (Note H)
Balance at beginning of year	\$ 69,612	\$ 88,489	\$ 158,101	\$ 126,372
Excess of revenues over expenditures	(3,966)	161,442	157,476	31,729
Net additions to capital assets	(90,778)	90,778	-	-
Decrease in long-term debt	<u>51,483</u>	<u>(51,483)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 26,351</u>	<u>\$ 289,226</u>	<u>\$ 315,577</u>	<u>\$ 158,101</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>2019</u>	<u>2018</u> (Note H)
Revenues		
Donations		
Individuals	\$ 174,489	\$ 63,027
Churches	79,409	51,753
Associations	16,252	6,636
Corporate	7,217	1,711
Other	4,864	6,381
Rental income	27,640	24,761
Grants	10,650	7,756
Interest and other income	739	4,544
	<u>321,260</u>	<u>166,569</u>
Expenditures		
Wages and benefits	128,046	84,458
Lease expense--Note F	35,000	-
Property taxes	23,968	-
Utilities	19,296	4,696
Repairs and maintenance	10,273	16,449
Refugee food, transportation and services	8,207	10,223
Professional fees	5,510	-
Insurance	4,760	3,185
Office supplies and miscellaneous	4,278	2,460
Non-recoverable HST	3,061	-
Telephone and internet	2,906	2,988
Travel and mileage	2,830	2,401
Marketing and fundraising	2,044	1,069
Interest on long-term debt	1,536	4,019
Membership fees and dues	1,163	256
Conferences and training	755	1,878
Interest and bank charges	557	758
Amortization	3,966	-
	<u>258,156</u>	<u>134,840</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	63,104	31,729
Other Income		
Gain on sale of 1822 Drouillard Road	<u>94,372</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	157,476	31,729
Accumulated net assets at beginning of year	<u>158,101</u>	<u>126,372</u>
ACCUMULATED NET ASSETS AT END OF YEAR	<u>\$ 315,577</u>	<u>\$ 158,101</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>2019</u>	<u>2018</u> (Note H)
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 157,476	\$ 31,729
Charges to income not affecting cash		
Amortization	3,966	-
Gain on sale of 1822 Drouillard Road	(94,372)	-
Changes in non-cash components of working capital		
HST receivable	(5,769)	(103)
Prepaid expenses and deposits	(44,867)	-
Accounts payable and accrued liabilities	29,639	-
Government remittances payable	404	(2)
	<u>46,477</u>	<u>31,624</u>
FINANCING ACTIVITIES		
Decrease in mortgage payable	(51,483)	(1,773)
INVESTMENT ACTIVITIES		
Proceeds on sale of 1822 Drouillard Road	206,120	-
Additions to property, equipment and leaseholds	(20,970)	-
	<u>185,150</u>	<u>-</u>
	INCREASE IN CASH	29,851
Cash at beginning of year	<u>87,219</u>	<u>57,368</u>
	CASH AT END OF YEAR	CASH AT END OF YEAR
	<u>\$ 267,363</u>	<u>\$ 87,219</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES (o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS

(Prepared Without Audit)

DECEMBER 31, 2019

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:

Building	4 % declining balance
Leasehold improvements	20 % straight-line
Furniture and equipment	20 % declining balance

WINDSOR BAPTIST REFUGEE MINISTRIES (o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS (Continued)

(Prepared Without Audit)

DECEMBER 31, 2019

C. PROPERTY, EQUIPMENT AND LEASEHOLDS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net</u>	<u>2018 Net (Note H)</u>
Building	\$ -	\$ -	\$ -	\$ 111,748
Furniture and equipment	11,116	2,046	9,070	9,347
Leasehold improvements	<u>19,201</u>	<u>1,920</u>	<u>17,281</u>	<u>-</u>
	<u>\$ 30,317</u>	<u>\$ 3,966</u>	<u>\$ 26,351</u>	<u>\$ 121,095</u>

D. MORTGAGE PAYABLE

	<u>2019</u>	<u>2018 (Note H)</u>
4.74% mortgage payable to Canadian Baptists of Ontario and Quebec in monthly installments of principal and interest of \$527, maturing December 1, 2022, secured by a first charge over 1822 Drouillard Road and a general security agreement. Property was sold during the year.	\$ -	\$ 51,483
Less current portion	<u>-</u>	<u>4,067</u>
	<u>\$ -</u>	<u>\$ 47,416</u>

E. 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 receivable. It is the Board of Directors' opinion that the Church 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 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.

WINDSOR BAPTIST REFUGEE MINISTRIES (o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS (Continued)
(Prepared Without Audit)

DECEMBER 31, 2019

F. 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 \$7,000 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:

2020	\$	376
2021		376
2022		344

G. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2019, the Organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Part III - Canadian Accounting Standards for Not-For-Profit Organizations ("ASNFP"). These are the Organization's first financial statements prepared in accordance with ASNFP and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended December 31, 2019 and the comparative information for the year ended December 31, 2018.

The Organization issued financial statements for the year ended December 31, 2018 using generally accepted accounting principles prescribed by CICA Handbook - Accounting XFI. The adoption of ASNFP had no impact on the previously reported assets, liabilities and accumulated net assets of the Organization, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of revenues, expenditures and fund balances and the statement of cash flows. Certain of the Organization's disclosures included in these financial statements reflect the new disclosure requirements of ASNFP.

H. COMPARATIVE FIGURES

Comparative figures were compiled by management and have not been reviewed.

I. SUBSEQUENT EVENT

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.

Emergency COVID-19 funding of \$20,400 from Employment and Social Development Canada, administered via the United Way was secured on July 1, 2020. Additional emergency funding related to COVID-19 in the amount of \$12,600 was obtained from the Ontario Council of Agencies Serving Immigrants on May 1, 2020.