

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

FINANCIAL STATEMENTS
(Prepared Without Audit)

DECEMBER 31, 2022

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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, 2022 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 for the years ended December 31, 2022 and 2021 and accumulated net assets as at December 31, 2022 and 2021. Our conclusion on the financial statements as at and for the year ended December 31, 2021 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, 2022, 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
INSERT DATE

Chartered Professional Accountants
Licensed Public Accountants

DRAFT FOR DISCUSSION

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF FINANCIAL POSITION
(Prepared Without Audit)

	Year Ended December 31	
	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 321,163	\$ 291,640
Investment, GIC, 4.50%, maturing December 29, 2023	83,620	81,779
HST receivable	6,984	13,522
Rent and wage subsidies receivable--Notes H and I	-	10,704
Prepaid expenses and deposits	<u>30,344</u>	<u>29,053</u>
	<u>442,111</u>	<u>426,698</u>
EQUIPMENT AND LEASEHOLDS--NOTE C		
Furniture and equipment	18,966	18,966
Leasehold improvements - 3185 Forest Glade Dr.	<u>26,375</u>	<u>26,375</u>
	45,341	45,341
Less accumulated amortization	<u>26,443</u>	<u>18,780</u>
	<u>18,898</u>	<u>26,561</u>
	<u>\$ 461,009</u>	<u>\$ 453,259</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 12,790	\$ 9,105
CEBA LOAN, net of forgivable portion, due December 31, 2023	40,000	40,000
ACCUMULATED NET ASSETS		
Equity in property, equipment and leaseholds	18,898	26,561
Unrestricted	<u>389,321</u>	<u>377,593</u>
	<u>408,219</u>	<u>404,154</u>
	<u>\$ 461,009</u>	<u>\$ 453,259</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, 2022

	Invested in Property and Equipment	Unrestricted	Total <u>2022</u>	Total <u>2021</u>
Balance at beginning of year	\$ 26,561	\$ 377,593	\$ 404,154	\$ 380,950
Excess of revenues over expenditures	<u>(7,663)</u>	<u>11,728</u>	<u>4,065</u>	<u>23,204</u>
Balance at end of year	<u>\$ 18,898</u>	<u>\$ 389,321</u>	<u>\$ 408,219</u>	<u>\$ 404,154</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>2022</u>	<u>2021</u>
Revenues		
Rental income	\$ 157,629	\$ 135,785
Donations		
Individuals	101,297	88,441
Churches	58,390	58,225
Associations	12,496	17,059
Corporate	87,000	28,357
Other	29,479	2,809
Fundraising	20,389	2,437
Grants--Note E	8,574	55,588
Laundry machine	6,669	580
Interest	3,738	2,823
Miscellaneous	656	780
Canada Emergency Wage Subsidy--Note H	-	8,995
Canada Emergency Rent Subsidy--Note I	-	24,965
	<u>486,317</u>	<u>426,844</u>
Expenditures		
Wages and benefits	242,543	172,393
Lease expense--Note G	87,511	86,219
Utilities	56,755	51,724
Property taxes	24,696	35,154
Insurance	12,954	12,745
Refugee food, transportation and services	10,811	7,479
Repairs and maintenance	9,905	11,732
Non-recoverable HST	5,932	5,880
Marketing and fundraising	4,260	4,296
Membership fees and dues	3,924	1,325
Telephone and internet	3,889	4,347
Professional fees	3,100	3,000
Donations to other charities	3,050	3,086
Office supplies and miscellaneous	2,728	4,586
Travel and mileage	1,488	775
Interest and bank charges	1,043	974
Amortization	7,663	7,925
	<u>482,252</u>	<u>413,640</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	4,065	13,204
Other Income		
Forgivable portion of CEBA loan	-	10,000
EXCESS OF REVENUES OVER EXPENDITURES	4,065	23,204
Accumulated net assets at beginning of year	<u>404,154</u>	<u>380,950</u>
ACCUMULATED NET ASSETS AT END OF YEAR	<u>\$ 408,219</u>	<u>\$ 404,154</u>

See notes to financial statements

DRAFT FOR DISCUSSION

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF CASH FLOWS
(Prepared Without Audit)

	Year Ended December 31	
	<u>2022</u>	<u>2021</u>
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 4,065	\$ 23,204
Charges to income not affecting cash		
Amortization	7,663	7,925
Changes in non-cash components of working capital		
Rent and wage subsidies receivable	10,704	(6,604)
HST receivable	6,538	(4,853)
Prepaid expenses and deposits	(1,291)	85
Accounts payable and accrued liabilities	3,685	(4,035)
Deferred contributions	-	(48,838)
	<u>31,364</u>	<u>(33,116)</u>
FINANCING ACTIVITIES		
Increase in CEBA loan payable	-	10,000
INVESTMENT ACTIVITIES		
Purchase of investment	(1,841)	(5,000)
Additions to equipment and leaseholds	-	(2,680)
	<u>(1,841)</u>	<u>(7,680)</u>
INCREASE (DECREASE) IN CASH	29,523	(30,796)
Cash at beginning of year	<u>291,640</u>	<u>322,436</u>
CASH AT END OF YEAR	<u>\$ 321,163</u>	<u>\$ 291,640</u>

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS
(Prepared Without Audit)

DECEMBER 31, 2022

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.

EQUIPMENT AND LEASEHOLDS: 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

The Organization reviews the carrying value of equipment and leasehold improvements for impairment when events or changes in circumstances indicate an asset's value may not be recoverable.

WINDSOR BAPTIST REFUGEE MINISTRIES
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NOTES TO FINANCIAL STATEMENTS (Continued)
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DECEMBER 31, 2022

C. EQUIPMENT AND LEASEHOLDS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2022 Net</u>	<u>2021 Net</u>
Furniture and equipment	\$ 18,966	\$ 9,415	\$ 9,551	\$ 11,939
Leasehold improvements	<u>26,375</u>	<u>17,028</u>	<u>9,347</u>	<u>14,622</u>
	<u>\$ 45,341</u>	<u>\$ 26,443</u>	<u>\$ 18,898</u>	<u>\$ 26,561</u>

D. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funding received for specific purposes.

	<u>2022</u>	<u>2021</u>
Deferred contributions, beginning of year	\$ -	\$ 48,838
Add amounts received for current and future purposes	-	6,750
Less amounts recognized as revenue in the year	<u>-</u>	<u>(55,588)</u>
Deferred contributions, end of year	<u>\$ -</u>	<u>\$ -</u>

Deferred contributions are comprised of the following:

	<u>2022</u>	<u>2021</u>
Community Foundation of Canada	\$ -	\$ 27,395
Employment & Social Development Canada	-	15,362
100 Women Who Care Windsor Essex	<u>-</u>	<u>6,081</u>
	<u>\$ -</u>	<u>\$ 48,838</u>

E. GRANT REVENUE

Grant revenue is derived from the following sources:

	<u>2022</u>	<u>2021</u>
Bell Canada	\$ 1,370	\$ 1,250
Women's Enterprise Skills Training of Windsor Inc.	2,704	-
Rotary Club of Windsor	2,000	-
Benefaction Foundation	2,500	-
Community Foundation of Canada	-	27,395
Employment & Social Development Canada	-	15,362
100 Women Who Care Windsor Essex	-	6,081
Matthew House - Toronto	<u>-</u>	<u>5,500</u>
	<u>\$ 8,574</u>	<u>\$ 55,588</u>

WINDSOR BAPTIST REFUGEE MINISTRIES
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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 interest-bearing investments. The Board of Directors do 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 (2021 - \$7,105) 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.

On April 13, 2023 the Organization entered into an agreement to lease a building on 1771 Chappell Avenue. Monthly lease payments will be \$3,900 plus HST. The initial lease term is for one year from May 1, 2023 to April 30, 2024, with an option to renew the lease for an additional 36 months at a monthly base rent of \$4,000 for year one, increasing by 2% in years two and three.

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:

2023	\$	590
2024		590
2025		590
2026		590
2026		197

H. CANADA EMERGENCY WAGE SUBSIDY

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration to eligible employers based on certain criteria. During the year, the Organization did not apply for CEWS and the program ended in May, 2022. It has accordingly applied for and received \$nil (2021 - \$8,995) for the period ended December 31, 2022. This subsidy has been recorded as revenue earned by the Organization during the prior year.

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NOTES TO FINANCIAL STATEMENTS (Continued)
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I. CANADA EMERGENCY RENT SUBSIDY

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Rent Wage Subsidy ("CERS") program in September 2020. CERS provides a rent subsidy on eligible property expenditures based on certain criteria. During the year, the Organization did not apply for CERS and the program ended in May, 2022. It has accordingly applied for and received \$nil (2021 - \$14,261) for the period ended December 31, 2022 and recorded a receivable of \$nil (2021 - \$10,704) for the period ended December 31, 2022. This subsidy has been recorded as revenue earned by the Organization during the prior year.

J. COMPARATIVE FIGURES

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