

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying financial statements of the Windsor Baptist Refugee Ministries (o/a Matthew House) which comprise the statement of financial position as at December 31, 2023, and the statement of operations and changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and the result of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 satisfactory audit verification. Accordingly, our verification of this revenue 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 cash flows for the years ended December 31, 2023 and 2022 and accumulated net assets as at December 31, 2023 and 2022. Our conclusion on the financial statements as at and for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management are 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.

In preparing the financial statements, management are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

We were not engaged to report on comparative information, and as such, it is unaudited.

Windsor, Ontario
INSERT DATE

Chartered Professional Accountants
Licensed Public Accountants

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF FINANCIAL POSITION

	Year Ended December 31	
	<u>2023</u>	<u>2022</u> (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 249,010	\$ 321,163
Investments--Note D	136,948	83,620
HST receivable	11,619	6,984
Prepaid expenses and deposits	<u>50,958</u>	<u>30,344</u>
	448,535	442,111
EQUIPMENT AND LEASEHOLDS--NOTE C		
Furniture and equipment	55,841	18,966
Leasehold improvements - 3185 Forest Glade Dr.	<u>26,375</u>	<u>26,375</u>
	82,216	45,341
Less accumulated amortization	<u>37,316</u>	<u>26,443</u>
	44,900	18,898
	<u>\$ 493,435</u>	<u>\$ 461,009</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 30,676	\$ 12,790
Deferred revenue--Note E	45,613	-
Rent deposits	<u>6,800</u>	<u>-</u>
	83,089	12,790
CEBA LOAN, net of forgivable portion	-	40,000
ACCUMULATED NET ASSETS		
Equity in equipment and leaseholds	44,900	18,898
Unrestricted	<u>365,446</u>	<u>389,321</u>
	410,346	408,219
	<u>\$ 493,435</u>	<u>\$ 461,009</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

YEAR ENDED DECEMBER 31, 2023

	Equity in Equipment and Leaseholds	<u>Unrestricted</u>	Total <u>2023</u>	Total <u>2022</u> (Unaudited)
Balance at beginning of year	\$ 18,898	\$ 389,321	\$ 408,219	\$ 404,154
Excess of revenue over expenditures	(10,873)	13,000	2,127	4,065
Net additions to equipment and leaseholds	<u>36,875</u>	<u>(36,875)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 44,900</u>	<u>\$ 365,446</u>	<u>\$ 410,346</u>	<u>\$ 408,219</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF OPERATIONS

	Year Ended December 31	
	<u>2023</u>	<u>2022</u> (Unaudited)
Revenue		
Rental income	\$ 212,125	\$ 157,629
Donations		
Individuals	126,818	101,297
Churches	178,438	58,390
Associations	18,050	12,496
Corporate	48,422	87,000
Other	14,292	29,479
Fundraising	17,870	20,389
Grants--Note F	40,292	8,574
Laundry machine	5,826	6,669
Interest	4,031	3,738
Miscellaneous	275	656
	<u>666,439</u>	<u>486,317</u>
Expenditures		
Wages and benefits	324,155	242,543
Lease expense--Note G	116,123	87,511
Utilities	68,895	56,755
Property taxes	46,886	24,696
Refugee food, transportation and services	26,539	10,811
Insurance	22,164	12,954
Non-recoverable HST	9,109	5,932
Office supplies and miscellaneous	6,578	3,368
Repairs and maintenance	6,315	9,905
Telephone and internet	6,121	3,889
Marketing and fundraising	5,592	4,260
Travel and mileage	3,992	1,488
Membership fees and dues	3,499	3,284
Donations to other charities	3,150	3,050
Professional fees	3,139	3,100
Interest and bank charges	1,182	1,043
Amortization	10,873	7,663
	<u>664,312</u>	<u>482,252</u>
EXCESS OF REVENUE OVER EXPENDITURES	2,127	4,065
Accumulated net assets at beginning of year	<u>408,219</u>	<u>404,154</u>
ACCUMULATED NET ASSETS AT END OF YEAR	<u>\$ 410,346</u>	<u>\$ 408,219</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF CASH FLOWS

	Year Ended December 31	
	<u>2023</u>	<u>2022</u>
		(Unaudited)
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 2,127	\$ 4,065
Charges to income not affecting cash		
Amortization	10,873	7,663
Changes in non-cash components of working capital		
Rent and wage subsidies receivable	-	10,704
HST receivable	(4,635)	6,538
Prepaid expenses and deposits	(20,614)	(1,291)
Accounts payable and accrued liabilities	17,886	3,685
Deferred revenue	45,613	-
Rent deposits	6,800	-
	<u>58,050</u>	<u>31,364</u>
FINANCING ACTIVITIES		
Decrease in CEBA loan payable	(40,000)	-
INVESTMENT ACTIVITIES		
Purchase of investments	(53,328)	(1,841)
Additions to equipment and leaseholds	<u>(36,875)</u>	<u>-</u>
	<u>(90,203)</u>	<u>(1,841)</u>
INCREASE (DECREASE) IN CASH	(72,153)	29,523
Cash at beginning of year	<u>321,163</u>	<u>291,640</u>
CASH AT END OF YEAR	<u>\$ 249,010</u>	<u>\$ 321,163</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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.

INVESTMENTS: Investments are recorded at cost. Short-term investments are those with maturity dates within one year of the Organization's year end date while long-term investments have maturity dates beyond one year.

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. 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)

DECEMBER 31, 2023

C. EQUIPMENT AND LEASEHOLDS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net</u>	<u>2022 Net</u> (Unaudited)
Furniture and equipment	\$ 55,841	\$ 15,013	\$ 40,828	\$ 9,551
Leasehold improvements	<u>26,375</u>	<u>22,303</u>	<u>4,072</u>	<u>9,347</u>
	<u>\$ 82,216</u>	<u>\$ 37,316</u>	<u>\$ 44,900</u>	<u>\$ 18,898</u>

D. INVESTMENTS

The Organization's investment policy is to invest in term deposits with highly rated counterparties to preserve capital while earning a reasonable rate of return.

Investments are comprised of Guaranteed Investment Certificates plus accrued interest as follows:

	<u>Amount</u>	<u>Maturity Date</u>	<u>Rate</u>
<u>Current</u>			
Windsor Family Credit Union	\$ 100,000	December 29, 2024	5.90%
Windsor Family Credit Union	<u>36,948</u>	December 29, 2024	3.25%
	<u>\$ 136,948</u>		

E. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funding received for specific purposes.

	<u>2023</u>	<u>2022</u> (Unaudited)
Deferred contributions, beginning of year	\$ -	\$ -
Add amounts received for current and future purposes	85,305	-
Less amounts recognized as revenue in the year	<u>(40,292)</u>	<u>-</u>
Deferred contributions, end of year	<u>\$ 45,013</u>	<u>\$ -</u>

Deferred contributions are comprised of the following:

	<u>2023</u>	<u>2022</u> (Unaudited)
Windsor Essex Community Foundation	\$ 35,613	\$ -
Caesars Windsor	<u>10,000</u>	<u>-</u>
	<u>\$ 45,613</u>	<u>\$ -</u>

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2023

F. GRANT REVENUE

Grant revenue is derived from the following sources:

	<u>2023</u>	<u>2022</u> (Unaudited)
Windsor Essex Community Foundation	\$ 32,332	\$ -
Women's Enterprise Skills Training of Windsor Inc.	3,570	2,704
South Essex Community Council Incorporation	1,890	-
Benefaction Foundation	2,500	2,500
Bell Canada	-	1,370
Rotary Club of Windsor	-	2,000
	<u>\$ 40,292</u>	<u>\$ 8,574</u>

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 (2022 - \$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:

2024	\$ 590
2025	590
2026	590
2026	197

H. 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 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.