

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Financial Statements

December 31, 2021



Baker Tilly Trillium LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The United Church Downtown Mission of Windsor Inc.
Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of The United Church Downtown Mission of Windsor Inc. (the Mission), that comprise the statement of financial position as at December 31, 2021 and the statements of changes in fund balance, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Mission as at December 31, 2021, 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.

Basis for Qualified Opinion

The Mission does not record gifts in kind. This is a departure from Canadian accounting standards for not-for-profit organizations. The Mission's records indicate that had the Mission recorded gifts in kind using the Mission's fair market value estimates, gift in kind revenue would increase by \$2,523,000 and gift in kind expense would increase by \$2,523,000, with a net effect on excess of revenue over expenditures and cash flows from operations for the year ended December 31, 2021 of \$NIL, and an effect on fund balances as at December 31, 2021 of \$NIL.

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 Mission in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 is responsible for assessing the Mission'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 intends to liquidate the Mission or to cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Board of Directors of The United Church Downtown Mission of Windsor Inc. *(continued)*

Those charged with governance are responsible for overseeing the Mission'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 Mission'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 Mission'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 Mission 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.

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Independent Auditor's Report to the Board of Directors of The United Church Downtown Mission of Windsor Inc. *(continued)*

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.

Baker Tilly Trillium LLP

Chartered Professional Accountants
Licensed Public Accountants
Leamington, Ontario
June 2, 2022

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Financial Position
December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
ASSETS				
CURRENT ASSETS				
Cash	\$ 481,149	\$ -	\$ 481,149	\$ 282,232
Restricted cash	236,515	-	236,515	236,515
Investments	420	-	420	16,879
Accounts receivable	196,226	-	196,226	246,832
HST receivable (Note 20)	37,471	-	37,471	73,553
Current portion of mortgage receivable (Note 4)	-	9,448	9,448	-
Inventory	3,936	-	3,936	5,266
Prepaid expenses	6,648	-	6,648	8,310
	<u>962,365</u>	<u>9,448</u>	<u>971,813</u>	<u>869,587</u>
TANGIBLE CAPITAL ASSETS (Note 5)	-	3,939,861	3,939,861	4,735,084
MORTGAGE RECEIVABLE (Note 4)	-	285,898	285,898	-
	<u>\$ 962,365</u>	<u>\$ 4,235,207</u>	<u>\$ 5,197,572</u>	<u>\$ 5,604,671</u>

See accompanying notes to the financial statements


THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.


Statement of Financial Position

December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 6)	\$ 216,822	\$ 377,570	\$ 594,392	\$ 998,599
Government remittances payable	45,135	-	45,135	47,543
Deferred contributions (Note 7)	-	98,066	98,066	102,681
Due to (from) capital (general) fund (Note 8)	436,984	(436,984)	-	-
Current portion of mortgages (Note 9)	-	13,366	13,366	12,782
Current portion of obligations under capital lease (Note 10)	-	63,382	63,382	59,703
	<u>698,941</u>	<u>115,400</u>	<u>814,341</u>	<u>1,221,308</u>
MORTGAGES PAYABLE (Note 9)	-	283,716	283,716	296,343
OBLIGATIONS UNDER CAPITAL LEASES (Note 10)	-	52,082	52,082	112,108
	<u>698,941</u>	<u>451,198</u>	<u>1,150,139</u>	<u>1,629,759</u>
FUND BALANCES				
Unrestricted	263,424	-	263,424	82,213
Externally restricted	-	475,635	475,635	475,635
Internally restricted	-	3,308,374	3,308,374	3,417,064
	<u>263,424</u>	<u>3,784,009</u>	<u>4,047,433</u>	<u>3,974,912</u>
	<u>\$ 962,365</u>	<u>\$ 4,235,207</u>	<u>\$ 5,197,572</u>	<u>\$ 5,604,671</u>

APPROVED ON BEHALF OF THE BOARD


 _____ Director
 Sandor Kapasi, Chair
 06/16/22


 _____ Director
 DCLPA BALSANTI, TREASURER
 6/15/22

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Operations
For the Year Ended December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
REVENUES				
Donations and fundraisers	\$ 2,852,205	\$ -	\$ 2,852,205	\$ 2,675,005
Pandemic support (Note 11)	528,209	-	528,209	578,912
Grants and program support	434,842	230,325	665,167	545,888
Sales - enterprise and social program	324,926	-	324,926	271,548
Cost recoveries, security and miscellaneous revenue - enterprise and social program	114,457	2,968	117,425	98,082
Rental	68,609	-	68,609	59,699
Restricted donations	-	-	-	1,104
	<u>4,323,248</u>	<u>233,293</u>	<u>4,556,541</u>	<u>4,230,238</u>
EXPENDITURES (Note 12)				
Amortization	-	272,309	272,309	344,697
Client assistance	20,429	-	20,429	11,954
Cost of supplies and miscellaneous - enterprise and social programs	173,715	-	173,715	150,084
Food purchases	92,109	-	92,109	131,920
Fundraising	314,999	-	314,999	302,433
Insurance	27,439	-	27,439	34,883
Interest and bank charges	10,689	-	10,689	11,841
Interest on long-term debt	-	14,521	14,521	14,521
Interest on obligations under capital lease	8,694	-	8,694	12,160
Office	142,858	-	142,858	93,298
Operating costs	619,172	-	619,172	557,377
Professional fees	66,377	119,430	185,807	52,961
Transportation	55,997	-	55,997	52,135
Wages and benefits	2,609,603	-	2,609,603	2,534,258
	<u>4,142,081</u>	<u>406,260</u>	<u>4,548,341</u>	<u>4,304,522</u>
EXCESS (DEFICIENCY) BEFORE OTHER ITEMS	<u>181,167</u>	<u>(172,967)</u>	<u>8,200</u>	<u>(74,284)</u>

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THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Operations (continued)
For the Year Ended December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
OTHER ITEMS				
Gain on disposal of intangible asset	-	-	-	515,794
Gain on disposal of investments	44	-	44	2,784
Gain on disposal of tangible capital assets	-	105,492	105,492	-
Impairment on tangible capital asset (Note 13)	-	(41,215)	(41,215)	-
	44	64,277	64,321	518,578
EXCESS (DEFICIENCY) BEFORE NET DISCONTINUED OPERATIONS				
	181,211	(108,690)	72,521	444,294
EXCESS FROM DISCONTINUED OPERATIONS (Note 14)				
	-	-	-	70,058
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ 181,211	\$ (108,690)	\$ 72,521	\$ 514,352

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Cash Flows
For the Year Ended December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenditures	\$ 181,211	\$ (108,690)	\$ 72,521	\$ 514,352
Items not affecting cash:				
Amortization	-	272,309	272,309	344,697
Gain on disposal of intangible asset	-	-	-	(515,794)
Gain on disposal of investments	(44)	-	(44)	(2,784)
Gain on disposal of tangible capital assets	-	(105,492)	(105,492)	-
Impairment on tangible capital asset	-	41,215	41,215	-
	<u>181,167</u>	<u>99,342</u>	<u>280,509</u>	<u>340,471</u>
Changes in non-cash working capital:				
Accounts receivable	50,606	-	50,606	(58,450)
Inventory	1,330	-	1,330	(5,266)
Accounts payable and accrued liabilities	26,687	(430,894)	(404,207)	460,375
Government remittances payable	(2,408)	-	(2,408)	11,842
Deferred contributions	(102,681)	98,066	(4,615)	16,181
HST receivable	36,082	-	36,082	-
Prepaid expenses	1,662	-	1,662	199,492
Due to (from) capital (general) fund	(10,031)	10,031	-	-
	<u>1,247</u>	<u>(322,797)</u>	<u>(321,550)</u>	<u>624,174</u>
	<u>182,414</u>	<u>(223,455)</u>	<u>(41,041)</u>	<u>964,645</u>

(continues)

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Statement of Cash Flows (continued)

For the Year Ended December 31, 2021

	General Fund 2021	Capital Fund 2021	Total 2021	Total 2020
INVESTING ACTIVITIES				
Purchase of tangible capital assets	-	(335,310)	(335,310)	(1,443,539)
Proceeds on disposal of tangible capital assets	-	922,500	922,500	-
Proceeds on disposal of intangible assets	-	-	-	600,000
Proceeds from sale of investments	16,503	-	16,503	136,581
Purchase of intangible asset	-	-	-	(84,315)
Issuance of mortgage receivable	-	(300,000)	(300,000)	-
Collections on mortgage receivable	-	4,654	4,654	-
	<u>16,503</u>	<u>291,844</u>	<u>308,347</u>	<u>(791,273)</u>
FINANCING ACTIVITIES				
Repayment of long-term debt	-	(12,043)	(12,043)	(12,043)
Repayment of obligations under capital lease	-	(56,346)	(56,346)	(56,237)
	-	(68,389)	(68,389)	(68,280)
	<u>198,917</u>	<u>-</u>	<u>198,917</u>	<u>105,092</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	518,747	-	518,747	413,655
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 717,664	\$ -	\$ 717,664	\$ 518,747
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 481,149	\$ -	\$ 481,149	\$ 282,232
CASH CONSISTS OF:	236,515	-	236,515	236,515
Cash				
Restricted cash				
	<u>\$ 717,664</u>	<u>\$ -</u>	<u>\$ 717,664</u>	<u>\$ 518,747</u>

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

1. NATURE OF OPERATIONS

The United Church Downtown Mission of Windsor Inc. ("the Mission") is a registered charity, incorporated under the laws of Ontario without share capital. The Mission is exempt from income tax due to its registered charity status. The primary purpose of the Mission is to enhance the lives of Windsor's needy by providing free meals, clothing, shelter and other necessary services.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(a) Fund accounting

The Mission uses fund accounting and follows the restricted fund method of accounting for contributions. The following funds are used by the Mission:

- i) The General Fund is used for current operations. It reports unrestricted resources, donations and grants for operations, including the Mission's program activities and administration.
- ii) The Capital Fund is used for capital asset additions and payments on long-term debt if any. Funds are accumulated from externally restricted donations and any interfund transfers from the general fund.

(b) Revenue recognition

Donations are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program support and grant revenues are recorded in the year when earned.

Cost recoveries, security and miscellaneous revenue and sales of the enterprise program, are recorded when the risks and rewards of ownership of the goods or services have been transferred to the buyer, the amount of consideration is measurable, and collection is reasonably assured. Contributions received by the enterprise program in advance of being earned are recorded as deferred revenue until the related expenses are incurred.

Restricted contributions required to be used for capital purposes are recognized as revenue in the Capital Fund. Other restricted contributions are deferred and recognized as revenue in the General Fund as the related expenses are incurred.

Unrestricted contributions are recognized immediately as revenue in the General Fund when received or receivable.

Net investment income that is not externally restricted is recognized as it is earned in the statement of operations in the General Fund. Net investment income that is externally restricted and must be used for capital purposes are recognized in the Capital Fund. Other externally restricted net investment income is recorded in the General Fund and is recognized in the statement of operations or in deferred contributions, depending on the nature of restrictions imposed.

Rental income is recorded on the accrual basis.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is reported in the capital fund and is calculated on a straight-line basis over the estimated useful lives of the assets at the following rates:

Buildings	20 years
Equipment	5 years
Parking lot	10 years
Equipment under capital lease	15 years
Vehicles	10 years

(d) Financial instruments

The Mission's financial assets consist of cash, restricted cash, investments, accounts receivable, and mortgage receivable and the Mission's financial liabilities consist of accounts payable and accrued liabilities, due from (to) funds, mortgage payable and obligations under capital leases. These financial instruments are measured at amortized cost, evaluated for impairment at each balance sheet date with any write down recorded in statement of operations. Impairment reversals may occur and the asset can be written up to its original cost.

(e) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Significant estimates and assumptions involved in the preparation of these financial statements include the estimated useful lives of tangible capital assets and the valuation of accounts receivable. Actual results could differ from those estimates.

3. FINANCIAL INSTRUMENTS

The Mission is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Mission's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Mission is exposed to credit risk through its accounts receivable.

Concentration of risk

As of December 31, 2021, 30% (2020 - 45%) of the accounts receivable is from one customer, a government entity. The Mission believes that this credit risk is minimized due to the financial worthiness of this debtor.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

3. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Mission is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate instruments subject the organization to a fair value risk while variable rate instruments subject it to a cash flow risk. The Mission is exposed to this risk in its fixed rate mortgages payable and capital lease obligations, the Mission's investments in guaranteed investment certificates, as well as the Mission's fixed rate mortgage receivable.

Liquidity risk

Liquidity risk is the risk that the Mission will encounter difficulty in meeting obligations associated with financial liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash available to meet operational and financial obligations.

4. MORTGAGE RECEIVABLE

	2021	2020
Mortgage receivable - registered second charge on property at 664 Victoria Ave. Windsor, bearing interest at 2% per annum, repayable in blended monthly payments of \$1,270, maturing June 2023.	\$ 295,346	\$ -
Amounts receivable within one year	(9,448)	-
	<u>\$ 285,898</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2022	\$ 9,448
2023	285,898
	<u>\$ 295,346</u>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 1,895,873	\$ -	\$ 1,895,873	\$ 1,927,222
Buildings	1,953,714	524,087	1,429,627	2,298,604
Equipment	969,728	764,652	205,076	191,547
Vehicles	321,784	43,070	278,714	122,684
Parking Lot	25,283	22,467	2,816	3,753
Equipment under capital lease	253,637	125,882	127,755	191,274
	<u>\$ 5,420,019</u>	<u>\$ 1,480,158</u>	<u>\$ 3,939,861</u>	<u>\$ 4,735,084</u>

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - CAPITAL FUND

Accounts payable and accrued liabilities - capital fund represents donations received in prior years which are restricted for the capital fund's Building Hope campaign specifically for the purchase of a certain land and building. This specific land and building will not be purchased and the funds will be used to fund a different property. During the year, the Mission received permission from donors to utilize previous years' donations of \$98,065 towards other capital projects. The Mission intends to seek permission to have the remaining original donor restrictions revised and until then, these amounts totaling \$377,570 (2020 - \$475,635) are recorded as a liability.

7. DEFERRED CONTRIBUTIONS

	2021	2020
Centre for Addiction and Mental Health	\$ -	\$ 4,416
Ontario Trillium Foundation	-	66,400
Solcz Foundation	-	6,782
United Way/Centraide Windsor - Essex County	-	25,083
Private capital project donation	98,066	-
	<u>98,066</u>	<u>-</u>
	<u>\$ 98,066</u>	<u>\$ 102,681</u>

8. INTERFUND BALANCES

Amounts owing from the general fund to the capital fund are non-interest bearing and have no set terms for repayment.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

9. MORTGAGES PAYABLE

	<u>2021</u>	<u>2020</u>
Mortgage with TD Commercial Banking on 842 Dufferin, payable in monthly payments of \$1,419 including interest at 4.478%. Maturing September 2039. The mortgage is secured by a charge on the land and building with a net book value of \$561,131.	\$ 205,856	\$ 212,960
Mortgage with TD Commercial Banking on 1247 Wyandotte East, payable in monthly payments of \$794 including interest at 4.478%. Maturing September 2034. The mortgage is secured by a charge on the land and building with a net book value of \$146,350.	<u>91,226</u>	<u>96,165</u>
	297,082	309,125
Amounts payable within one year	<u>(13,366)</u>	<u>(12,782)</u>
	<u>\$ 283,716</u>	<u>\$ 296,343</u>

The mortgages are secured by a general security agreement, a first collateral mortgage charge over property located at 875 Ouellette Avenue, 842 Dufferin Avenue and 1241 - 1247 Wyandotte Street East and a general assignment of rents, leases, and insurance.

The Mission is required to maintain specific financial covenants in respect of its financing with TD. At December 31, 2021, the Mission is in compliance with those covenants.

Scheduled principal payments required until maturity are as follows:

2022	\$ 13,366
2023	13,977
2024	14,581
2025	15,282
2026	15,981
Thereafter	<u>223,895</u>
	<u>\$ 297,082</u>

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

10. OBLIGATIONS UNDER CAPITAL LEASES

	<u>2021</u>	<u>2020</u>
Obligation under a capital lease for dental equipment, payable in monthly payments of \$5,318 including interest at 6.02%, maturing on September 2023, secured by the equipment with the net book value of \$123,785.	\$ 109,002	\$ 161,392
Obligation under a capital lease for a forklift, payable in monthly payments of \$381 including interest at 5.75%, maturing on June 2023; secured by the equipment with a net book value of \$3,970.	<u>6,462</u>	<u>10,419</u>
	115,464	171,811
Amounts payable within one year	<u>(63,382)</u>	<u>(59,703)</u>
	<u>\$ 52,082</u>	<u>\$ 112,108</u>

Repayment terms over the next 3 years are as follows:

2022	\$ 71,640
2023	50,154
Less amount representing interest	<u>(6,330)</u>
	<u>\$ 115,464</u>

11. PANDEMIC SUPPORT - REACHING HOME: CANADA'S HOMELESSNESS STRATEGY- COVID-19

During the year, the Mission received federal pandemic support administered by the City of Windsor - Housing and Children's Services with the following revenue and expenditures:

Revenue	
Pandemic support	\$ 528,209
Expenditures	
Wages and benefits	(389,695)
Cost of supplies and miscellaneous	(128,777)
Overhead and administration	<u>(9,737)</u>
Deficit of revenues over expenditures	<u>\$ -</u>

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

12. OPERATING FUND EXPENDITURES

	<u>2021</u>	<u>2020</u>
Programs and services	\$ 2,690,703	\$ 2,692,352
Fundraising	503,595	502,729
Administration	342,357	327,973
Building occupancy	605,426	394,921
	<u>\$ 4,142,081</u>	<u>\$ 3,917,975</u>

13. IMPAIRMENT ON TANGIBLE CAPITAL ASSET

An impairment loss was recognized during the year when it became known that the dental equipment would be offered for sale at a price below net book value.

14. DISCONTINUED OPERATIONS

In fiscal 2020, the Mission ceased operating its own dental practice for low income and homeless individuals and commenced supporting a private practice who provides those services to the Mission's clients. The result of discontinued operations are as follows:

	<u>2021</u>	<u>2020</u>
Revenue from discontinued operations		
Fees for services	\$ -	\$ 131,496
Service discounts	-	(90,111)
Grants	-	95,000
Donations and miscellaneous	-	13,120
	<u>-</u>	<u>149,505</u>
Expenditures for discontinued operations		
Wages and remuneration	-	(59,081)
Materials and miscellaneous	-	(20,366)
	<u>-</u>	<u>(79,447)</u>
Excess (deficiency) of revenues over expenditures from discontinued operations	<u>\$ -</u>	<u>\$ 70,058</u>

15. VOLUNTEER SERVICES

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Mission.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2021

16. PENSION PLAN

For certain employees, the Mission contributes to a multi-employer defined benefit pension plan of the United Church of Canada. Due to the nature of the plan, the Mission does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is included in wages and benefits for this year's pension contribution of \$92,776 (2020 - \$85,929).

17. CREDIT FACILITIES

The Mission has an operating line of credit with TD bank authorized to an amount of up to \$250,000 at an annual interest rate of prime plus 0.650%, secured by a general security agreement. As of December 31, 2021, the credit facility was not in use. The prime interest rate at December 31, 2021 was 2.45%.

18. UNUSUAL EVENT

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Mission's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Mission's operations. The extent of the impact of this outbreak and related containment measures on the Mission's operations cannot be reliably estimated at this time.

19. SUBSEQUENT EVENTS

Subsequent to fiscal year end, the Mission sold dental equipment that was written down to its impaired value during the year (as described in note 13) for \$123,800 net of related expenditures and non-refundable HST for a net loss after impairment of \$NIL. The Mission also paid off the corresponding capital lease obligation on the dental equipment of \$109,002 resulting in a net increase to cash of \$14,798.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.