

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Financial Statements

December 31, 2020



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, 2020 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, 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.

Basis for Qualified Opinion

Effective January 1, 2020, the Mission ceased recording 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 \$2,413,000 and gift in kind expense would increase by \$2,413,000, with a net effect on excess of revenue over expenditures and cash flows from operations for the year ended December 31, 2020 of \$NIL, and an effect on fund balances as at December 31, 2020 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.

Other Matter

The financial statements for the year ended December 31, 2019 were audited by another auditor who expressed a qualified opinion on those financial statements on October 22, 2020 for the reasons described in their *Basis for Qualified Opinion* section.

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

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.

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
Essex, Ontario
May 11, 2021

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Financial Position
December 31, 2020

	General Fund 2020	Capital Fund 2020	Total 2020	Total 2019
ASSETS				
CURRENT ASSETS				
Cash	\$ 282,232	\$ -	\$ 282,232	\$ 413,655
Restricted cash	236,515	-	236,515	-
Investments	16,878	-	16,878	150,677
Accounts receivable <i>(Note 5)</i>	320,385	-	320,385	261,935
Inventory	5,266	-	5,266	-
Prepaid expenses	8,310	-	8,310	207,802
	869,586	-	869,586	1,034,069
TANGIBLE CAPITAL ASSETS <i>(Note 6)</i>	-	4,735,084	4,735,084	3,636,242
	\$ 869,586	\$ 4,735,084	\$ 5,604,670	\$ 4,670,311

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Financial Position
December 31, 2020

	General Fund 2020	Capital Fund 2020	Total 2020	Total 2019
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 7)	\$ 190,135	\$ 808,464	\$ 998,599	\$ 538,224
Government remittances payable (Note 20)	47,542	-	47,542	35,702
Deferred contributions (Note 8)	102,681	-	102,681	86,500
Due to (from) capital (general) fund (Note 9)	447,015	(447,015)	-	-
Current portion of mortgages (Note 10)	-	12,782	12,782	321,167
Current portion of obligations under capital lease (Note 11)	-	59,703	59,703	56,237
	<u>787,373</u>	<u>433,934</u>	<u>1,221,307</u>	<u>1,037,830</u>
MORTGAGES PAYABLE (Note 10)	-	296,343	296,343	-
OBLIGATIONS UNDER CAPITAL LEASES (Note 11)	-	112,108	112,108	171,921
	<u>787,373</u>	<u>842,385</u>	<u>1,629,758</u>	<u>1,209,751</u>
FUND BALANCES				
Unrestricted	82,213	-	82,213	(198,538)
Externally restricted	-	475,635	475,635	275,635
Internally restricted	-	3,417,064	3,417,064	3,383,463
	<u>82,213</u>	<u>3,892,699</u>	<u>3,974,912</u>	<u>3,460,560</u>
	<u>\$ 869,586</u>	<u>\$ 4,735,084</u>	<u>\$ 5,604,670</u>	<u>\$ 4,670,311</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Changes in Fund Balance
For the Year Ended December 31, 2020

	General Fund 2020	Capital Fund 2020	Total 2020	Total 2019
FUND BALANCES, BEGINNING OF YEAR	\$ (198,538)	\$ 3,659,098	\$ 3,460,560	\$ 4,707,469
Excess (deficiency) of revenues over expenditures	<u>280,751</u>	<u>233,601</u>	<u>514,352</u>	<u>(1,246,909)</u>
FUND BALANCES, END OF YEAR	<u>\$ 82,213</u>	<u>\$ 3,892,699</u>	<u>\$ 3,974,912</u>	<u>\$ 3,460,560</u>

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Statement of Operations

For the Year Ended December 31, 2020

	General Fund 2020	Capital Fund 2020	Total 2020	Total 2019
REVENUES				
Donations and fundraisers	\$ 2,675,005	\$ -	\$ 2,675,005	\$ 2,113,297
Donations - gifts in kind <i>(Note 3)</i>	-	-	-	2,039,300
Pandemic support <i>(Note 12)</i>	578,912	-	578,912	-
Grants and program support	442,638	103,250	545,888	769,748
Sales - enterprise and social program	271,548	-	271,548	174,081
Cost recoveries, security and miscellaneous revenue - enterprise and social program	98,082	-	98,082	182,088
Rental	59,699	-	59,699	92,122
Restricted donations	-	1,104	1,104	-
Donations - volunteered time <i>(Note 13)</i>	-	-	-	364,253
	<u>4,125,884</u>	<u>104,354</u>	<u>4,230,238</u>	<u>5,734,889</u>
EXPENDITURES <i>(Note 14)</i>				
Amortization	-	344,697	344,697	356,463
Client assistance	11,954	-	11,954	15,520
Cost of supplies and miscellaneous - enterprise and social programs	150,084	-	150,084	61,912
Food purchases	131,920	-	131,920	146,712
Fundraising	302,433	-	302,433	319,992
Gifts in kind <i>(Note 3)</i>	-	-	-	2,039,300
Insurance	34,883	-	34,883	29,814
Interest and bank charges	11,841	-	11,841	14,743
Interest on long-term debt	-	14,521	14,521	13,409
Interest on obligations under capital lease	12,160	-	12,160	15,424
Office	93,298	-	93,298	102,357
Operating costs	557,377	-	557,377	490,370
Professional fees	25,632	27,329	52,961	250,890
Transportation	52,135	-	52,135	47,901
Volunteered time <i>(Note 13)</i>	-	-	-	364,253
Wages and benefits	2,534,258	-	2,534,258	2,575,775
	<u>3,917,975</u>	<u>386,547</u>	<u>4,304,522</u>	<u>6,844,835</u>
EXCESS (DEFICIENCY) BEFORE OTHER ITEMS	<u>207,909</u>	<u>(282,193)</u>	<u>(74,284)</u>	<u>(1,109,946)</u>

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THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Statement of Operations (continued)
For the Year Ended December 31, 2020

	General Fund 2020	Capital Fund 2020	Total 2020	Total 2019
OTHER ITEMS				
Gain on disposal of intangible asset (Note 15)	-	515,794	515,794	-
Gain on disposal of investments	2,784	-	2,784	-
	<u>2,784</u>	<u>515,794</u>	<u>518,578</u>	<u>-</u>
EXCESS (DEFICIENCY) BEFORE NET DISCONTINUED OPERATIONS	210,693	233,601	444,294	(1,109,946)
EXCESS (DEFICIENCY) FROM DISCONTINUED OPERATIONS (Note 16)	<u>70,058</u>	<u>-</u>	<u>70,058</u>	<u>(136,963)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 280,751</u>	<u>\$ 233,601</u>	<u>\$ 514,352</u>	<u>\$ (1,246,909)</u>

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, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 514,352	\$ (1,246,909)
Items not affecting cash:		
Amortization	344,697	356,463
Gain on disposal of intangible asset	(515,794)	-
Gain on disposal of investments	(2,784)	-
Donations - gift in kind	-	(2,039,300)
Expenditures - gifts in kind	-	2,039,300
Donations - volunteered time	-	364,253
Expenditures - volunteered time	-	(364,253)
	<u>340,471</u>	<u>(890,446)</u>
Changes in non-cash working capital:		
Accounts receivable	(58,450)	(114,215)
Inventory	(5,266)	-
Accounts payable and accrued liabilities	460,375	222,868
Government remittances payable	11,842	-
Deferred contributions	16,181	78,451
Prepaid expenses	199,492	22,235
	<u>624,174</u>	<u>209,339</u>
	<u>964,645</u>	<u>(681,107)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,443,539)	(32,036)
Purchase of investments	-	(19,723)
Proceeds on disposal of intangible assets	600,000	-
Proceeds from sale of investments	136,581	-
Purchase of intangible asset	(84,315)	-
	<u>(791,273)</u>	<u>(51,759)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(12,043)	(11,195)
Repayment of obligations under capital lease	(56,237)	(53,077)
	<u>(68,280)</u>	<u>(64,272)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	105,092	(797,138)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>413,655</u>	<u>1,210,793</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 518,747</u>	<u>\$ 413,655</u>
CASH CONSISTS OF:		
Cash	\$ 282,232	\$ 413,655
Restricted cash	<u>236,515</u>	<u>-</u>
	<u>\$ 518,747</u>	<u>\$ 413,655</u>

See accompanying notes to the financial statements

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2020

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, 2020

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, with 50% of the annual rate used in the year of acquisition 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, and accounts 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.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2020

3. CHANGE IN ACCOUNTING POLICIES

Effective January 1, 2020, the Mission changed its accounting policies to cease recording donations of gifts in kind and of volunteers' time. Retrospective application has not been applied for either of these two changes in accounting policy since there is no effect on fund balances for any prior year.

Management of the Mission believes that the recording of gifts in kind provides no meaningful information to the users of the financial statements compared to the task of recording these donations since they are treated as both a revenue and an equally offsetting expense and these gifts consist mainly of food donations which involve assigning estimates of fair market values to each donation of ready-made meals, fresh produce, and other goods with limited shelf-lives.

The effect of this change in accounting policy is a reduction in gift in kind revenue by an estimated \$2,413,000, reduction in gift in kind expense by an estimated amount \$2,413,000, and a net effect of \$NIL on the excess of revenues over expenditures, cash flows for the year ended December 31, 2020 and a \$NIL effect on fund balances at December 31, 2020.

Had this policy change been applied retrospectively, the effect on 2019 would be a reduction of 2019 gifts in kind revenue by \$2,039,300 and a reduction of gifts in kind expense by \$2,039,300 for a \$NIL effect on 2019 deficiency of revenues over expenditures.

The Mission has also ceased recording donations of volunteer time as management believes it is no longer practical to value all volunteer service at minimum wage and it is difficult to assign fair market values that are reflective of each volunteers' service since the volunteered time varies in skills and expertise.

The effect on this change in accounting policy is unknown for 2020 and had it been applied retrospectively to 2019, it would reduce volunteered time revenue by \$364,253 and reduce volunteered time expenditures by \$364,253 for a net effect of \$NIL on the 2019 deficiency of revenue over expenditures.

4. 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, 2020.

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, 2020, 45% of the accounts receivable is from one customer (2019 - 42%). The Mission believes that this credit risk is minimized due to the financial worthiness of the debtor.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2020

4. 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, as well as the Mission's investments in guaranteed investment certificates.

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.

5. ACCOUNTS RECEIVABLE

Included in accounts receivable is HST receivable in the amount of \$73,553 (2019 - \$70,646).

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 1,927,222	\$ -	\$ 1,927,222	\$ 642,587
Buildings	3,721,781	1,423,177	2,298,604	2,448,996
Equipment	839,595	648,048	191,547	305,740
Vehicles	133,576	10,892	122,684	19,061
Parking Lot	25,283	21,530	3,753	6,282
Equipment under capital lease	294,852	103,578	191,274	213,576
	<u>\$ 6,942,309</u>	<u>\$ 2,207,225</u>	<u>\$ 4,735,084</u>	<u>\$ 3,636,242</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - CAPITAL FUND

During the year, the Mission received \$200,000 (2019 - \$275,635) of donations 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. The Mission intends to seek permission to have the original donor restrictions revised and until then, these amounts (including those from the prior year totaling \$475,635) are recorded as a liability.

During the year, the Mission signed an agreement to sell its property at 664 Victoria Avenue for \$900,000. The Mission has received a \$305,000 deposit for the property as at December 31, 2020. The closing date on the sale is June 30, 2021.

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.
Notes to Financial Statements
Year Ended December 31, 2020

8. DEFERRED CONTRIBUTIONS

	2020	2019
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	-
Windsor-Essex Community Health Centre	-	82,500
Zekelman Foundation	-	4,000
	\$ 102,681	\$ 86,500

9. 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, 2020

10. MORTGAGES PAYABLE

	<u>2020</u>	<u>2019</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 \$154,212.	\$ 212,960	\$ 220,063
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 \$579,389	<u>96,165</u>	<u>101,104</u>
	309,125	321,167
Amounts payable within one year	<u>(12,782)</u>	<u>(321,167)</u>
	<u>\$ 296,343</u>	<u>\$ -</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, 2020, the Mission is in compliance with those covenants.

Scheduled principal payments required until maturity are as follows:

2021	\$ 12,782
2022	13,366
2023	13,977
2024	14,581
2025	15,282
Thereafter	<u>239,137</u>
	<u>\$ 309,125</u>

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2020

11. OBLIGATIONS UNDER CAPITAL LEASES

	<u>2020</u>	<u>2019</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 \$183,333.	\$ 161,392	\$ 213,781
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 \$7,940.	<u>10,419</u>	<u>14,377</u>
	171,811	228,158
Amounts payable within one year	<u>(59,703)</u>	<u>(56,237)</u>
	<u>\$ 112,108</u>	<u>\$ 171,921</u>

Repayment terms over the next 3 years are as follows:

2021	\$ 68,397
2022	68,397
2023	<u>50,125</u>
Total	186,919
Less amount representing interest	<u>(15,108)</u>
	<u>\$ 171,811</u>

12. 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	\$ 578,912
Expenditures	
Wages and benefits	(457,894)
Cost of supplies and miscellaneous	<u>(125,012)</u>
Deficit of revenues over expenditures	<u>\$ (3,994)</u>

13. 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, 2020****14. OPERATING FUND EXPENDITURES**

	<u>2020</u>	<u>2019</u>
Programs and services	\$ 2,692,352	\$ 3,009,086
Fundraising	502,729	601,299
Administration	327,973	387,874
Building occupancy	394,921	443,659
	<u>\$ 3,917,975</u>	<u>\$ 4,441,918</u>

15. GAIN ON DISPOSAL OF INTANGIBLE ASSET

During the year, the Mission sold its right to purchase a property for a gain of \$515,794.

16. DISCONTINUED OPERATIONS

During the year, 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>2020</u>	<u>2019</u>
Revenue from discontinued operations		
Fees for services	\$ 131,496	\$ 392,691
Service discounts	(90,111)	(208,603)
Grants	95,000	82,500
Donations and miscellaneous	13,120	-
	<u>149,505</u>	<u>266,588</u>
Expenditures for discontinued operations		
Wages and remuneration	(59,081)	(238,405)
Materials and miscellaneous	(20,366)	(165,146)
	<u>(79,447)</u>	<u>(403,551)</u>
Excess (deficiency) of revenues over expenditures from discontinued operations	<u>\$ 70,058</u>	<u>\$ (136,963)</u>

17. 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 \$85,929 (2019 - \$80,863).

THE UNITED CHURCH DOWNTOWN MISSION OF WINDSOR INC.

Notes to Financial Statements

Year Ended December 31, 2020

18. 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, 2020, the credit facility was not in use. The prime interest rate at December 31, 2020 was 2.45%.

19. 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.

20. COMPARATIVE FIGURES

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