

**SILOAM MISSION INC.**

**FINANCIAL STATEMENTS**

**APRIL 30, 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
**Siloam Mission Inc.**

### *Opinion*

We have audited the financial statements of Siloam Mission Inc. (the "Mission"), which comprise the statement of financial position as at April 30, 2024, and the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Mission as at April 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

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 the 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 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 ASNPO, 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.

## INDEPENDENT AUDITOR'S REPORT, continued

### *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.

**INDEPENDENT AUDITOR'S REPORT, 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.

Winnipeg, Manitoba  
August 19, 2024

*Chamber Fraser*  
Chartered Professional Accountants

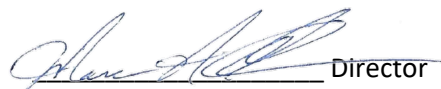
**Siloam Mission Inc.**  
**Statement of Financial Position**  
**As at April 30, 2024**

	Operating Fund	Capital Fund	April 30 2024	April 30 2023
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalent	\$ 6,886,226	\$ -	\$ 6,886,226	\$ 10,205,746
Government service fees receivable	314,578	-	314,578	114,326
Government funding receivable	-	425,000	425,000	-
Accounts receivable (Note 3)	28,876	-	28,876	25,029
GST rebate receivable	89,001	-	89,001	122,053
Prepaid expenses (and deposits)	94,289	1,635,417	1,729,706	142,836
	<u>7,412,970</u>	<u>2,060,417</u>	<u>9,473,387</u>	<u>10,609,990</u>
<b>Capital assets (Note 4)</b>	-	30,628,178	<b>30,628,178</b>	26,307,249
	<u>\$ 7,412,970</u>	<u>\$ 32,688,595</u>	<u>\$ 40,101,565</u>	<u>\$ 36,917,239</u>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Accounts payable and accrued liabilities	\$ 950,080	\$ 479,660	\$ 1,429,740	\$ 1,073,869
Government remittances payable	68,502	-	68,502	44,581
Unearned program revenue (Note 5)	32,557	-	32,557	487,210
	<u>1,051,139</u>	<u>479,660</u>	<u>1,530,799</u>	<u>1,605,660</u>
<b>Forgivable loans payable (Note 6)</b>	-	4,579,290	<b>4,579,290</b>	5,135,314
	<u>1,051,139</u>	<u>5,058,950</u>	<u>6,110,089</u>	<u>6,740,974</u>
<b>NET ASSETS</b>				
Unrestricted	6,361,831	-	6,361,831	7,590,661
Invested in capital assets	-	27,629,645	27,629,645	22,585,604
	<u>6,361,831</u>	<u>27,629,645</u>	<u>33,991,476</u>	<u>30,176,265</u>
	<u>\$ 7,412,970</u>	<u>\$ 32,688,595</u>	<u>\$ 40,101,565</u>	<u>\$ 36,917,239</u>

**Commitments (Note 9)**

ON BEHALF OF THE BOARD

 Director

 Director

**Siloam Mission Inc.**  
**Statement of Operations**  
For the year ended April 30, 2024

	Operating Fund 2024	Capital Fund 2024	April 30 2024	April 30 2023
<b>REVENUE</b>				
Private donations	\$ 8,589,371	\$ 315,855	\$ 8,905,226	\$ 8,323,208
Private donations - contributed goods and capital assets	1,894,793	-	<b>1,894,793</b>	1,624,067
Government funding	750,800	2,049,060	<b>2,799,860</b>	136,814
Foundation funding	1,649,192	821,035	<b>2,470,227</b>	2,756,069
Government fee for service	2,751,263	-	<b>2,751,263</b>	1,910,129
Rental revenue, sales and services	805,335	-	<b>805,335</b>	877,614
Government loan forgiveness	-	556,024	<b>556,024</b>	556,024
Interest and sundry income	304,542	-	<b>304,542</b>	197,503
	<b>16,745,296</b>	<b>3,741,974</b>	<b>20,487,270</b>	<b>16,381,428</b>
<b>EXPENSES</b>				
Community funded programs	7,099,573	-	<b>7,099,573</b>	7,390,347
Government funded programs	3,502,063	-	<b>3,502,063</b>	1,843,129
Community education and awareness	383,422	-	<b>383,422</b>	387,734
Fundraising	869,552	62,088	<b>931,640</b>	866,111
Administration	1,822,325	80,447	<b>1,902,772</b>	1,409,813
Facilities and technology	1,550,170	-	<b>1,550,170</b>	1,527,912
Amortization	-	1,302,419	<b>1,302,419</b>	1,170,202
	<b>15,227,105</b>	<b>1,444,954</b>	<b>16,672,059</b>	<b>14,595,248</b>
Excess of revenue over expenditures	1,518,191	2,297,020	<b>3,815,211</b>	1,786,180
Fund balances, beginning of year	7,590,661	22,585,604	<b>30,176,265</b>	28,390,085
Interfund transfer	(2,747,021)	2,747,021	-	-
Fund balances, end of year	<b>\$ 6,361,831</b>	<b>\$ 27,629,645</b>	<b>\$ 33,991,476</b>	<b>\$ 30,176,265</b>

**Siloam Mission Inc.**  
**Statement of Cash Flows**  
For the year ended April 30, 2024

	<b>April 30 2024</b>	April 30 2023
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING ACTIVITIES</b>		
Net Income	\$ 3,815,212	\$ 1,786,180
Items not affecting cash:		
Amortization	1,302,419	1,170,202
Government loan forgiveness	(556,024)	(556,024)
	<b>4,561,607</b>	<b>2,400,358</b>
Change in non-cash working capital items		
Accounts receivable	(596,047)	1,667,190
Prepaid expenses	(1,586,870)	(18,244)
Accounts payable and accrued liabilities	355,873	(446,824)
Government remittances	23,921	12,883
Unearned program revenue	(454,653)	349,233
	<b>2,303,831</b>	<b>3,964,596</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(5,623,351)	(2,024,309)
<b>Increase (decrease) in cash</b>	<b>(3,319,520)</b>	<b>1,940,287</b>
<b>Cash, beginning of year</b>	<b>10,205,746</b>	<b>8,265,459</b>
<b>Cash, end of year</b>	<b>\$ 6,886,226</b>	<b>\$ 10,205,746</b>
<b>Cash flows from interest:</b>		
Bank charges and processing fees	(176,070)	(168,737)
Interest received	248,858	171,898

# Siloam Mission Inc.

## Notes to the Financial Statements

April 30, 2024

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### 1. PURPOSE AND STRUCTURE

Siloam Mission Inc. (“the Mission” or “the organization”) offers Christ’s compassionate love to all who are in need of support, healing, and recovery. The Mission seeks to offer holistic services aimed to support people equitably on their next steps towards healing and recovery. The Mission seeks to actively love our neighbors and offer meaningful accompaniment and supports as people journey to their full expression of health safety and housing. We are grateful to the relationships of trust with those we serve and those who contribute as volunteers, donors and funders who allow us to do so. As an organization we are committed to Truth and Reconciliation, and see building up our capacity to partner with and offer appropriate Indigenous services alongside our strong Christian Spiritual Care offerings as a key component of that commitment.

The Mission is a registered charity incorporated without share capital on August 24, 1987 under the laws of Manitoba and is exempt from tax under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Mission follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Cash and cash equivalents

Cash includes balances with banks and short-term investments with original maturities of a year or less. Cash equivalents are readily convertible into a known amount of cash.

(b) Fund accounting

The resources and operations of the Mission have been segregated for accounting purposes into the following funds:

Operating Fund – This fund accounts for the revenue and expenses related to the daily operations of the Mission including its program delivery and other operating expenses.

Capital Fund – This fund accounts for the Mission’s assets, liabilities, revenue and expenses related to the Mission’s capital assets. Inter-fund transfers represent the investment in capital assets funded by the Operating Fund.



**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

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2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Revenue recognition

The Mission follows the restricted fund method of reporting revenues. Restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. Restricted contributions related to capital assets are recorded in the Capital Fund when received.

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Revenue from rent or sale of service is recognized in the same period the service is rendered and related expenses incurred.

Pledges receivable from donors, whether for operating or capital purposes, are not recognized until the pledge is honoured and funds received.

Contributed goods used in operations are recorded as both revenue and expense in the Operating Fund upon receipt, when the fair value of those goods is objectively determinable. Contributed used clothing, footwear, and household items, due to their inherent challenge in valuation, are not valued or recorded in these financial statements.

Contributed capital assets are recorded as revenue in the Capital Fund at fair market value at the date of contribution.

Contributed services, including those provided by volunteers, are not recorded as revenue or expense.

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

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2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(d) Expenses

Expenses are classified on the statement of operations according to the activity they benefit. The activities reported include Community Funded Programs, Government Funded Programs, Community Education and Awareness, Fundraising, Administration and Facility and Technology. All capital asset amortization is charged to a single expense account.

The costs of each activity include the direct costs associated with that activity, including direct personnel costs and other direct expenses. In addition, Siloam incurs a number of costs that are either shared or indirect costs. These costs include expenditures related to multifunctional personnel as well as other costs that are not incurred exclusively for one specific activity. Multifunctional personnel costs are charged to the activity the employee is principally engaged in and then a portion is allocated to one or more other relevant activities based upon time spent (note 9 below). Other shared or indirect costs are initially charged to the main activity to which they relate and then a portion allocated to one or more other activities based the effort or benefit associated with each activity. Certain expenditures related to publications, communications and advertising are attributed to three core external functions of the Mission. These functions are fundraising, community education and awareness and volunteerism, which is part of Community Funded Programs.

*Community Funded Programs*

Programs aimed at addressing poverty and homelessness encompass services to patrons as well as volunteerism associated with those services. Patron services include the costs of providing basic and transformation services to those who come for help. Volunteerism includes costs associated with recruitment, screening, orientation, training and supporting volunteers in delivering services to patrons.

*Government Funded Programs*

The Mission contracts with government to provide a range of services to those experiencing homelessness. This expenditure category includes all costs recovered pursuant to those contracts.

*Community Education and Awareness*

Community education and awareness includes costs associated with informing and educating the public on issues of poverty and homelessness.

*Fundraising*

Fundraising includes the costs of raising the funds to provide the means for continuing the organization's mission. These costs are primarily aimed at the recruitment, retention and support of donors.

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

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2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

Expenses, continued

*Administration*

Administration includes all costs related to the human resources and accounting and finance functions as well as costs associated with governance, overall organizational management and compliance with regulatory bodies.

*Facilities and Technology*

Facility and technology includes costs related to the facility operation and maintenance and information technology costs not included in community funded programs and capital assets.

*Amortization*

All capital asset amortization expense for the Mission is charged to this expenditure category.

(e) Capital assets

Capital assets are recorded at cost and amortized over their estimated lives using the declining method applying the rates indicated in note 4. All development and construction costs directly related to buildings under construction are capitalized. Interest on specific and general debt related to assets under construction is not capitalized but recognized as an expense in the Capital Fund in the year incurred. During the current year, the Mission did not incur interest expense related to assets under construction (2023 - \$0).

When a tangible capital asset no longer has any long-term service potential, the excess of its carrying amount over any residual value is recognized as an expense in the statement of operations.

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

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2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of certain financial statement items. Actual results could differ from those estimates. Significant financial statement items that require the use of estimates for the Mission are the useful life and amortization of capital assets. These estimates are reviewed periodically, and adjustments are made, as appropriate, in the statement of operations in the year they become known.

(g) Financial instruments

The Mission, as part of its operations, carries a number of financial instruments. The Mission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets subsequently measured at amortized cost include cash and cash equivalent and amounts receivable. Financial liabilities measured at amortized cost include amounts payable.

It is management's opinion that the Mission is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

3. **ACCOUNTS RECEIVABLE**

	April 30 2024	April 30 2023
Rents receivable	\$ 7,563	\$ 5,835
Allowance for doubtful accounts	(5,890)	(2,567)
	1,673	3,268
Other receivables	27,203	21,761
	<u>\$ 28,876</u>	<u>\$ 25,029</u>

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

**4. CAPITAL ASSET**

	Rate	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land		\$ 1,076,400	\$ -	\$ 1,076,400	\$ 871,400
Buildings	4%	34,441,977	6,337,217	28,104,760	23,976,734
Leasehold improvements	4%	260,422	5,208	255,214	-
Equipment and furniture	20%	2,819,769	1,853,412	966,357	828,696
Vehicles	30%	186,775	105,401	81,374	116,251
Construction in progress		144,073	-	144,073	514,168
		<u>\$ 38,929,416</u>	<u>\$ 8,301,238</u>	<u>\$ 30,628,178</u>	<u>\$ 26,307,249</u>

Included in construction in progress are building costs of \$83,436 (2023 - \$456,814) related to the Madison upgrade and renovation project and \$60,637 (2023 - \$0) related to 280 Princess St. building renovation and equipment costs.

In accordance with the pending purchase of 4025 Roblin Boulevard (Note 9), the Mission completed building upgrades, which have been recorded as leasehold improvements. Upon finalization of the purchase, these improvements will be incorporated into the building's cost.

**5. UNEARNED PROGRAM REVENUE**

	2024	2023
Balance - beginning of the year	\$ 487,210	\$ 137,977
Designated program funds on hand and earned	(487,210)	(137,977)
Designated program funds received but unearned	32,557	487,210
Balance - end of the year	<u>\$ 32,557</u>	<u>\$ 487,210</u>

In addition, designated program funds of \$786,688 (2023 - \$232,544) were received and earned during the year.

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

**6. FORGIVABLE LOANS**

Madison Lodge was acquired by the Mission during the 2011 fiscal year to provide supportive, affordable housing to people who are homeless or at risk of becoming homeless. In 2012, a program of renovation and renewal to the property commenced. The primary sources of funding for this project were two forgivable loans from the Manitoba Housing and Renewal Corporation ("MHRC") under the Rooming House – Residential Rehabilitation Assistance Program ("RRAP") and the Rooming House - Rental Housing Improvement Program ("RHIP").

The Mission entered into loan agreements with The Manitoba Housing and Renewal Corporation ("MHRC") and Canada Mortgage and Housing Corporation ("CMHC") during the 2020 fiscal year to assist with the financing of the "Make Room" shelter expansion.

During the 2022 fiscal year, the Mission entered into a loan agreement with The Manitoba Housing and Renewal Corporation ("MHRC") to assist with the financing of the Supporting Recovery Housing Unit ("SRHU").

	Original loan	Loan proceeds in current year	Forgiven in current year	2024 Unforgiven balance	2023 Unforgiven balance
	\$	\$	\$	\$	\$
Madison Lodge - note 6(a)	1,355,000	-	112,917	216,424	329,341
Madison Lodge - note 6(b)	121,606	-	8,107	46,616	54,723
Make Room - note 6(c)	3,000,000	-	200,000	2,316,667	2,516,667
Make Room - note 6(d)	2,200,000	-	110,000	1,760,000	1,870,000
Supportive Housing - note 6(e)	500,000	-	125,000	239,583	364,583
	<b>7,176,606</b>	<b>-</b>	<b>556,024</b>	<b>4,579,290</b>	<b>5,135,314</b>

**7. RETIREMENT PLAN**

Individuals employed by the Mission for more than three months are eligible to participate in a defined contribution registered pension plan. The Mission matches eligible employee pension contributions at a rate of 5% of gross employee salary. The employer share of the pension contribution is funded on a monthly basis therefore no pension liability exists at year end. The employer share of pension contributions for the fiscal year was \$279,895 (2023 - \$235,995).

**Siloam Mission Inc.**  
**Notes to the Financial Statements**  
**April 30, 2024**

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**8. ALLOCATED EXPENSES**

Included in the expenditures charged to the Operating Fund activities indicated below are the following allocations:

	2024	2023
Community and Government Funded Programs		
Executive and Administrative salaries	128,026	148,474
Fundraising salaries and expenses	278,327	273,903
Facilities and Technology salaries	19,078	18,302
Community Education and Awareness		
Executive and Administrative salaries	43,927	43,886
Fundraising salaries and expenses	311,237	318,725
Fundraising		
Executive and Administrative salaries	94,282	81,537
Administration		
Community Funded Program salaries	45,865	60,118
Fundraising salaries and expenses	146,723	188,077
Facilities and Technology		
Executive and Administrative salaries	20,245	19,351

**9. COMMITMENTS**

As at April 30, 2024, the Mission is committed to spend an estimated \$955,000 to complete the Madison upgrade and renovation.

Additionally the Mission is committed to spend an estimated \$125,000 to upgrade the drop-in.

In December 2023, the Mission's \$4,500,000 offer to purchase land and building at 4025 Roblin Boulevard, Winnipeg, MB was accepted. In accordance with the agreement, the Mission paid \$1,635,417 in deposits, which will be applied against the purchase price. The deposits allowed the Mission to occupy the property rent-free until the purchase is finalized, pending approval by the City of Winnipeg of the vendor's subdivision and re-zoning application for the property. Additionally, \$1,500,000 of the purchase price is being gifted at the time of closing, with no amount payable for this portion. As at April 30, 2024, the Mission is committed to pay the remaining \$1,364,583.