

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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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, 2025, and the statement of operations, accumulated 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, 2025, 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 Opinion

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, 2025 and 2024 and accumulated net assets as at December 31, 2025 and 2024. Our conclusion on the financial statements as at and for the year ended December 31, 2025 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.

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>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 156,155	\$ 223,877
Accounts receivable	5,288	2,858
HST receivable	10,175	13,973
Prepaid expenses and deposits	<u>53,144</u>	<u>61,750</u>
	<u>224,762</u>	<u>302,458</u>
EQUIPMENT AND LEASEHOLDS--NOTE C		
Furniture and equipment	82,777	82,777
Leasehold improvements - 3185 Forest Glade Dr.	<u>26,375</u>	<u>26,375</u>
	109,152	109,152
Less accumulated amortization	<u>63,628</u>	<u>51,530</u>
	<u>45,524</u>	<u>57,622</u>
	<u>\$ 270,286</u>	<u>\$ 360,080</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 19,416	\$ 19,540
Government remittances payable	520	720
Deferred revenue--Note D	15,840	32,873
Rent deposits	<u>4,192</u>	<u>1,672</u>
	39,968	54,805
ACCUMULATED NET ASSETS		
Equity in equipment and leaseholds	45,524	57,622
Unrestricted	<u>184,794</u>	<u>247,653</u>
	<u>230,318</u>	<u>305,275</u>
	<u>\$ 270,286</u>	<u>\$ 360,080</u>

COMMITMENTS--NOTE F

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, 2025

	Equity in Equipment and <u>Leaseholds</u>	<u>Unrestricted</u>	<u>Total 2025</u>	<u>Total 2024</u>
Balance at beginning of year	\$ 57,622	\$ 247,653	\$ 305,275	\$ 410,345
Deficiency of revenue over expenditures	(12,098)	(62,859)	(74,957)	(105,070)
Net additions to equipment and leaseholds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 45,524</u>	<u>\$ 184,794</u>	<u>\$ 230,318</u>	<u>\$ 305,275</u>

DRAFT FOR DISCUSSION

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

STATEMENT OF OPERATIONS

	Year Ended December 31	
	<u>2025</u>	<u>2024</u>
Revenue		
Rental income	\$ 257,380	\$ 283,319
Donations		
Individuals	162,065	209,045
Churches	121,843	70,964
Associations	16,395	17,461
Corporate	31,650	30,541
Other	42,534	38,759
Fundraising	17,902	12,912
Grants--Note E	72,169	57,556
Laundry machine	8,064	4,205
Interest	239	7,360
Miscellaneous	<u>3,380</u>	<u>1,097</u>
	733,621	733,219
Expenditures		
Wages and benefits	413,185	416,448
Lease expense--Note F	140,355	137,755
Utilities	72,302	94,870
Property taxes	52,625	51,092
Refugee food, transportation and services	42,369	43,777
Insurance	31,279	26,276
Repairs and maintenance	10,572	15,817
Non-recoverable HST	8,347	10,359
Marketing and fundraising	6,849	4,673
Telephone and internet	6,117	7,481
Professional fees	4,750	4,500
Membership fees and dues	3,904	3,986
Office supplies and miscellaneous	1,630	4,040
Interest and bank charges	1,377	1,372
Travel and mileage	819	1,029
Donations to other charities	-	600
Amortization	<u>12,098</u>	<u>14,214</u>
	<u>808,578</u>	<u>838,289</u>
 DEFICIENCY OF REVENUE OVER EXPENDITURES	 (74,957)	 (105,070)
Accumulated net assets at beginning of year	<u>305,275</u>	<u>410,345</u>
 ACCUMULATED NET ASSETS AT END OF YEAR	 <u>\$ 230,318</u>	 <u>\$ 305,275</u>

See notes to financial statements

**WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)**

STATEMENT OF CASH FLOWS

	Year Ended December 31	
	<u>2025</u>	<u>2024</u>
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (74,957)	\$ (105,070)
Charges to income not affecting cash		
Amortization	12,098	14,214
Changes in non-cash components of working capital		
Accounts receivable	(2,430)	(2,858)
HST receivable	3,798	(2,354)
Prepaid expenses and deposits	8,606	(10,792)
Accounts payable and accrued liabilities	(124)	(11,137)
Government remittances payable	(200)	720
Deferred revenue	(17,033)	(12,740)
Rent deposits	<u>2,520</u>	<u>(5,128)</u>
	(67,722)	(135,145)
INVESTMENT ACTIVITIES		
Decrease in investments	-	136,948
Additions to equipment and leaseholds	<u>-</u>	<u>(26,936)</u>
	<u>-</u>	<u>110,012</u>
	DECREASE IN CASH	(25,133)
	(67,722)	(25,133)
Cash at beginning of year	<u>223,877</u>	<u>249,010</u>
CASH AT END OF YEAR	<u>\$ 156,155</u>	<u>\$ 223,877</u>

See notes to financial statements

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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
(o/a MATTHEW HOUSE)**

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2025

C. EQUIPMENT AND LEASEHOLDS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net</u>	<u>2024 Net</u>
Furniture and equipment	\$ 82,777	\$ 37,253	\$ 45,524	\$ 56,905
Leasehold improvements	<u>26,375</u>	<u>26,375</u>	<u>-</u>	<u>717</u>
	<u>\$ 109,152</u>	<u>\$ 63,628</u>	<u>\$ 45,524</u>	<u>\$ 57,622</u>

D. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted funding received for specific purposes.

	<u>2025</u>	<u>2024</u>
Deferred contributions, beginning of year	\$ 32,873	\$ 45,613
Add amounts received for current and future purposes	55,136	44,816
Less amounts recognized as revenue in the year	<u>(72,169)</u>	<u>(57,556)</u>
Deferred contributions, end of year	<u>\$ 15,840</u>	<u>\$ 32,873</u>

Deferred contributions are comprised of the following:

	<u>2025</u>	<u>2024</u>
City of Windsor	\$ 15,840	\$ 19,800
Anti-Hate Security and Prevention Grant	<u>-</u>	<u>13,073</u>
	<u>\$ 15,840</u>	<u>\$ 32,873</u>

WINDSOR BAPTIST REFUGEE MINISTRIES
(o/a MATTHEW HOUSE)

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2025

E. GRANT REVENUE

Grant revenue is derived from the following sources:

	<u>2025</u>	<u>2024</u>
Windsor Essex Community Foundation	\$ 2,500	\$ 35,613
Caesars Windsor	-	10,000
Women's Enterprise Skills Training of Windsor Inc.	5,500	4,000
Summer student grant	39,786	3,816
Congregation of the Sisters of St. Joseph in Canada	5,000	-
Vancouver Foundation	1,350	-
City of Windsor	3,960	2,000
Anti-hate Security and Prevention Grant	17,033	1,927
Aqueduct Foundation	1,000	-
	<u>\$ 76,129</u>	<u>\$ 57,356</u>

F. 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 \$7,654 (2024 - \$7,540) 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. On May 1, 2024, the lease was renewed 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:

2026	\$	197
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Future minimum payments total \$444,162 over the next five years.

G. 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.