

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Charity House (Windsor)
(Operating as Brentwood Recovery Home):**

Qualified Opinion

We have audited the financial statements of **CHARITY HOUSE (WINDSOR) (OPERATING AS BRENTWOOD RECOVERY HOME)** ("the Entity"), which comprise the statement of financial position as at March 31, 2025 and the statements of operating fund activities and fund balance, development fund activities and fund balance 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 possible 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 Entity as at March 31, 2025, 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

In common with many not-for profit organizations, the Entity derives revenue from donations, raffle proceeds and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to this revenue, deficiency of revenue over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, assets as at March 31, 2025 and 2024, and fund balances as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 Entity 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 qualified audit opinion.



INDEPENDENT AUDITOR'S REPORT (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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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:

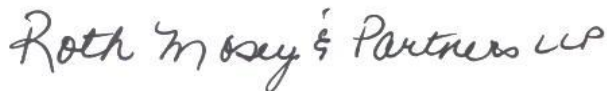
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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 Entity'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 Entity'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 Entity 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.



ROTH MOSEY & PARTNERS LLP
LICENSED PUBLIC ACCOUNTANTS

Windsor, Ontario
June 10, 2025

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

STATEMENT OF FINANCIAL POSITION

March 31, 2025 (with comparative figures for 2024)

	2025	2024
ASSETS		
Current assets		
Cash	\$ 2,196,282	\$ 1,811,758
Guaranteed investment certificates (Notes 3, 7)	1,410,796	1,396,674
Investments	165,827	127,133
Accounts receivable	208,063	165,928
Government remittances receivable	119,278	89,757
Prepaid expenses and deposits	216,002	29,262
Lottery home held for resale	-	731,717
	4,316,248	4,352,229
Property and equipment (Note 4)	3,036,551	2,823,289
Cash surrender value of life insurance	22,136	22,136
	\$ 7,374,935	\$ 7,197,654
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 826,075	\$ 628,365
Unearned revenue	27,623	80,885
Due to Brentwood Fund for the Rehabilitation of Alcoholics (Note 5)	1,427,798	1,427,798
Current portion of deferred contributions (Note 6)	126,522	112,596
	2,408,018	2,249,644
Deferred contributions, net of current portion (Note 6)	1,466,843	818,680
	3,874,861	3,068,324
Fund balances		
Operating fund	1,557,355	2,636,196
Development fund - restricted	1,942,719	1,493,134
	3,500,074	4,129,330
	\$ 7,374,935	\$ 7,197,654
_____ Director		
_____ Director		
See accompanying notes		

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

STATEMENT OF OPERATING FUND ACTIVITIES AND FUND BALANCE

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
Revenue		
Ontario Health (West) (Note 10)	\$ 2,590,219	\$ 2,413,924
Fee for service	375,600	434,000
Net raffle income (expense) (Schedule 1)	(77,463)	463,225
Net fundraising income	98,623	211,213
Donations	141,051	155,432
Interest	134,181	124,145
Other income	8,080	5,567
Rental income	120,379	104,463
Amortization of deferred contributions (Note 6)	191,687	161,392
Unrealized gain on investments	38,694	33,935
Decrease in cash surrender value of life insurance	-	(2,058)
	3,621,051	4,105,238
Operating expenses		
Ontario Health (West) reimbursable program expenses (Schedule 2)	3,330,996	3,244,352
Non-reimbursable program expenses (Schedule 3)	654,929	659,202
Amortization of property and equipment	225,299	278,895
	4,211,224	4,182,449
Other income (expenses)		
Proceeds on sale of lottery home held for resale	760,000	-
Costs on sale of lottery home held for resale	(780,035)	-
	(20,035)	-
Deficiency of revenue over expenses	(610,208)	(77,211)
Fund balance, beginning of year	2,636,196	2,524,945
Interfund transfers from (to) the Development Fund (Note 9)	(468,633)	188,462
Fund balance, end of year	\$ 1,557,355	\$ 2,636,196
See accompanying notes		

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

**STATEMENT OF DEVELOPMENT FUND ACTIVITIES AND
FUND BALANCE**

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
<i>Fundraising and special events revenue</i>	\$ 54,604	\$ 79,729
<i>Fundraising and special events expenses</i>	73,652	61,592
<i>Excess (deficiency) of revenue over expenses</i>	(19,048)	18,137
Fund balance, beginning of year	1,493,134	1,663,459
Interfund transfers from (to) the Operating Fund (Note 9)	468,633	(188,462)
<i>Fund balance, end of year</i>	<u>\$ 1,942,719</u>	<u>\$ 1,493,134</u>

See accompanying notes

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
<i>Operating activities</i>		
Deficiency of revenue over expenses - operating fund	\$ (610,208)	\$ (77,211)
Excess (deficiency) of revenue over expenses - development fund	(19,048)	18,137
Adjustments to reconcile excess (deficiency) of revenue over expenses to cash flow from operations		
Amortization of property and equipment	225,299	278,895
Amortization of deferred contributions	(191,687)	(161,392)
Unrealized gain on investments	(38,694)	(33,935)
Increase in cash surrender value of life insurance	-	2,058
<i>Cash flow from (used in) operations</i>	(634,338)	26,552
Change in:		
Accounts receivable	(42,135)	16,219
Government remittances receivable	(29,521)	(4,401)
Lottery home held for resale	731,717	(154,007)
Prepaid expenses and deposits	(186,740)	1,481
Accounts payable and accrued liabilities	197,710	318,591
Unearned revenue	(53,262)	(28,315)
<i>Cash provided by (used in) operating activities</i>	(16,569)	176,120
<i>Financing activities</i>		
Advances from Brentwood Fund for the Rehabilitation of Alcoholics	-	30,395
Net deferred contributions received (returned)	853,776	(129,979)
<i>Cash provided by (used in) financing activities</i>	853,776	(99,584)
<i>Investing activities</i>		
Net redemption (acquisition) of guaranteed investment certificates	(14,122)	155,270
Purchase of property and equipment	(438,561)	(5,705)
<i>Cash provided by (used in) investing activities</i>	(452,683)	149,565
<i>Net increase in cash for the year</i>	384,524	226,101
Cash, beginning of year	1,811,758	1,585,657
<i>Cash, end of year</i>	\$ 2,196,282	\$ 1,811,758
<i>See accompanying notes</i>		

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

1 NATURE OF ORGANIZATION

Charity House (Windsor) (Operating as Brentwood Recovery Home) (the "Entity") is a registered charity incorporated under the laws of Ontario without share capital. The primary purpose of the Entity is to provide abstinence based treatment in a residential setting for persons whose primary problem is alcohol or drug abuse while providing non-residential support for their families. The Entity is not a taxable entity.

Charity House (Windsor) is the principal beneficiary of donations from Brentwood Fund for the Rehabilitation of Alcoholics (the "Fund"), and in conjunction thereto, provides part of its facilities to the Fund for fundraising events.

2 SIGNIFICANT ACCOUNTING POLICIES

These 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.

Fund Accounting

The operating fund accounts for the Entity's program delivery and administrative activities. This fund reports unrestricted resources, restricted operating funds and property and equipment.

The development fund accounts for certain of the Entity's fundraising activities. This fund reports resources restricted for future development activities.

Revenue Recognition

The Entity follows the restricted fund method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Contributions received related to specific depreciable property and equipment are deferred and amortized on a basis consistent with the depreciation policy for the particular property and equipment.

The Entity recognizes fee for service revenue when evidence of an arrangement exists, service has been performed, the cost of the service is fixed or determinable and collection is reasonably assured.

The Entity defers the recognition of net raffle income to the date during which the raffle draw occurs.

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

2 | **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Guaranteed Investment Certificates

Guaranteed investment certificates are recorded at fair value.

Investments

Investments consist of publicly traded securities and are recorded at fair value.

Property and Equipment

Property and equipment are recorded at cost. Amortization is recorded on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	10 to 40 years
Paving	8 years
Equipment	15 years
Automotive equipment	5 years
Furniture and fixtures	5 years
Computer equipment	5 years

Donated Services

The Entity receives services from volunteers. Since those services are not normally purchased by the Entity and due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the determination of the useful life of property and equipment and amortization recorded into income from deferred contributions. Accordingly, actual amounts could differ from those estimates.

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

3 **GUARANTEED INVESTMENT CERTIFICATES**

Guaranteed investment certificates have maturity dates varying from May 2025 to March 2026 with interest rates varying from 3.35% to 4.5%.

4 **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Land	\$ 539,688	\$ -	\$ 539,688	\$ 539,688
Buildings	4,871,403	2,862,826	2,008,577	1,758,053
Buildings - Kay Ryan Residence	1,053,869	682,992	370,877	397,229
Paving	482,080	465,648	16,432	8,793
Equipment	32,756	17,472	15,284	17,468
Automotive equipment	157,002	142,987	14,015	218
Furniture and fixtures	1,067,553	1,034,977	32,576	43,190
Furniture and fixtures - Kay Ryan Residence	46,281	46,281	-	-
Computer equipment	97,750	58,648	39,102	58,650
	\$ 8,348,382	\$ 5,311,831	\$ 3,036,551	\$ 2,823,289

5 **RELATED PARTY TRANSACTIONS**

The amount due to Brentwood Fund for the Rehabilitation of Alcoholics is unsecured, non-interest bearing and has no specific terms of repayment.

The Entity receives reimbursements from and makes reimbursements to Brentwood Fund for the Rehabilitation of Alcoholics for expenditures common to the two entities. All of these transactions are recorded at the exchange amount and are in the normal course of operations.

During fiscal 2023, the board accepted a motion to repay the balance due to the Brentwood Fund for the Rehabilitation of Alcoholics, which management anticipates occurring in the March 31, 2026 year-end.

The Brentwood Recovery Home Foundation was incorporated November 7, 2021. No activity has occurred in the Brentwood Recovery Home Foundation as of March 31, 2025. Charity House (Windsor) has an economic interest in the Brentwood Recovery Home Foundation which will administer donations and fundraising efforts on behalf of Charity House (Windsor), which is expected to occur upon obtaining charitable status with Canada Revenue Agency.

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

6 DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding which was received to assist in the acquisition of property and equipment and specific program costs.

The activity for the year in this balance reported in the Operating Fund is as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 931,276	\$ 1,222,647
Deferred contributions received during the year	861,477	156,134
Less amount recognized as revenue in the year	(191,687)	(161,392)
Less returned contributions	(7,701)	(286,113)
	<u>1,593,365</u>	<u>931,276</u>
Less current portion to be recognized within one year	<u>126,522</u>	<u>112,596</u>
Long-term portion	<u>\$ 1,466,843</u>	<u>\$ 818,680</u>

The deferred contributions received were from Ontario Health (West) in the amount of \$290,542 (2024 - \$96,050), the Ontario Trillium Foundation in the amount of \$89,100 (2024 - \$4,400) and various other contributors totaling \$481,835 (2024 - \$55,684).

7 LINE OF CREDIT

The Entity has available authorized lines of credit with WFCU Credit Union ("WFCU") in the total amount of \$120,000 bearing interest at WFCU's prime rate plus 0.5% and are secured by certain guaranteed investment certificates.

8 COMMITMENTS AND CONTINGENCY

From time to time, the Entity provides letters of credit to the Alcohol and Gaming Commission of Ontario as part of its lottery activities.

The Entity is a defendant in a lawsuit relating to a claimed wrongful dismissal of an employee. The outcome of this matter is not presently determinable and amounts, if any, will be recognized when the matter is resolved.

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

9 *INTERFUND TRANSFERS*

Interfund transfers are made to fund program delivery and activities of the organization in relation to it's purpose.

10 *ECONOMIC DEPENDENCE*

The Entity is economically dependent on Ontario Health (West) for the funding of its rehabilitative programs.

11 *PENSION PLAN*

The Entity sponsors a defined contribution pension plan for its employees. Under the terms of the plan, the Entity matches any employees' contributions up to 4%. During the year, contributions of \$48,586 (2024 - \$51,049) were made by the Entity.

12 *FINANCIAL INSTRUMENTS*

Financial instruments consist of cash, guaranteed investment certificates, investments, accounts receivable, accounts payables and accrued liabilities and due to Brentwood Fund for the Rehabilitation of Alcoholics. It is management's opinion that the Entity is not exposed to significant risks arising from its financial instruments.

13 *COMPARATIVE FIGURES*

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

CHARITY HOUSE (WINDSOR)

(Operating as Brentwood Recovery Home)

SCHEDULE OF NET RAFFLE INCOME

For The Year Ended March 31, 2025 (with comparative figures for 2024)

Schedule 1

	<u>2025</u>	<u>2024</u>
Revenue		
Lottery sales	\$ 1,383,250	\$ 1,571,550
50/50 sales	223,930	286,200
In-kind donation	23,699	-
	1,630,879	1,857,750
Expenses		
Advertising and promotion	119,660	119,378
Credit card merchant fees and bank charges	57,945	63,822
External fundraising fees	83,525	96,550
Licence fees	15,687	12,431
Office and postage	1,428	1,443
Prizeboard	1,406,558	1,077,249
Professional fees	19,158	19,063
Sales location charge	4,381	4,589
	1,708,342	1,394,525
	\$ (77,463)	\$ 463,225
See accompanying notes		

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

SCHEDULE OF ONTARIO HEALTH (WEST)
REIMBURSABLE PROGRAM EXPENSES

For The Year Ended March 31, 2025 (with comparative figures for 2024) Schedule 2

	<u>2025</u>	<u>2024</u>
Expenses		
Bank charges	\$ 6,314	\$ 5,351
Computer maintenance and supplies	28,187	24,037
Consulting fees	73,663	78,128
Food and kitchen supplies	223,786	214,917
General maintenance	54,868	55,455
Housekeeping	29,454	31,314
Insurance	83,623	86,392
Medical supplies	8,677	19,725
Postage, stationary and office supplies	28,214	24,885
Professional fees	43,174	23,696
Property taxes recovery	-	(18,629)
Salaries and benefits (Note 11)	2,540,661	2,499,444
Staff education	19,656	14,611
Telephone	5,888	9,401
Travel	13,228	10,943
Utilities	144,994	129,199
	3,304,387	3,208,869
Other		
Prescription and dental claims	10,304	24,704
Personal needs allowance	16,305	10,779
	26,609	35,483
	\$ 3,330,996	\$ 3,244,352
See accompanying notes		

CHARITY HOUSE (WINDSOR)
(Operating as Brentwood Recovery Home)

SCHEDULE OF NON-REIMBURSABLE PROGRAM EXPENSES

For The Year Ended March 31, 2025 (with comparative figures for 2024)

Schedule 3

	<u>2025</u>	<u>2024</u>
Advertising and promotion	\$ 5,108	\$ 2,563
Alumni and client financial assistance	1,749	9,681
Bad debts	74,720	-
Bank charges	6,215	3,890
Client recreation	864	10,260
Computer maintenance and supplies	7,642	9,317
Consulting fees	10,394	19,573
Equipment rental	1,876	2,800
Food and kitchen supplies	85,194	122,120
General maintenance	12,362	7,388
Housekeeping	11,840	18,203
Insurance	470	470
Legal settlement	-	67,649
Memberships and permits	4,015	3,392
Postage, stationary and office supplies	33,559	49,314
Professional fees	24,574	19,186
Salaries and benefits (Note 11)	304,137	235,253
Travel	6,915	3,027
Utilities	63,295	75,116
	\$ 654,929	\$ 659,202

See accompanying notes