

**BRANTWOOD RESIDENTIAL
DEVELOPMENT CENTRE**

FINANCIAL STATEMENTS

For the year ended March 31, 2025

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

For the year ended March 31, 2025

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In the accompanying financial statements, "MCCSS" means Ministry of Children, Community and Social Services and "DSH" means Dedicated Supportive Housing.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Brantwood Residential Development Centre

Qualified Opinion

We have audited the financial statements of Brantwood Residential Development Centre (the 'Organization'), which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenditures and 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, 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 Organization as at March 31, 2025, 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 Qualified Opinion

Note 2(f) describes the accounting policy with respect to the amortization of land related to certain group homes (Dedicated Supportive Housing) in order to comply with the reporting requirements of the Ministry of Children, Community and Social Services. This constitutes a departure from Canadian accounting standards for not-for-profit organizations. Amortization included in the expenditures in the current year amounted to \$17,143 (2024 - \$17,143). If amortization had not been provided on the land in question, the assets would be increased by \$334,810 (2024 - \$317,666) and net assets invested in capital assets would be increased by \$334,810 (2024 - \$317,666). Our audit opinion on the financial statements for the year ended March 31, 2024 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Organization 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

Management is 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 is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

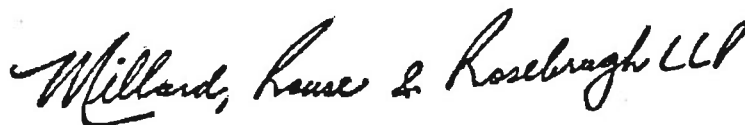
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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.



July 14, 2025
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31	Operating Fund	Capital Asset Fund	Community Participation Services	Total 2025	Total 2024
ASSETS					
Current Assets					
Bank - Operating	1,189,675	-	1,801,195	2,990,870	2,754,751
- Trust (Note 9)	612,660	-	-	612,660	617,582
- Internally restricted (Note 3)	-	2,886,910	-	2,886,910	2,667,462
Accounts receivable	220,331	15,048	-	235,379	465,195
Government receivables	55,395	-	-	55,395	79,640
Due from DSH	7,298	-	-	7,298	6,440
Prepaid supplies	22,069	-	-	22,069	21,150
Prepaid expenses	76,347	-	-	76,347	88,770
	2,183,775	2,901,958	1,801,195	6,886,928	6,700,990
Capital Assets (Note 4)	4,992,030	60,000	-	5,052,030	5,298,845
	7,175,805	2,961,958	1,801,195	11,938,958	11,999,835
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	573,891	-	-	573,891	840,373
Deferred revenue (Note 6)	4,989	-	-	4,989	-
Due to MCCSS	1,375,253	-	-	1,375,253	1,375,170
Residents' trust funds (Note 9)	613,503	-	-	613,503	609,028
Current portion of mortgage payable (Note 5)	67,367	-	-	67,367	65,166
	2,635,003	-	-	2,635,003	2,889,737
Mortgages Payable (Note 5)	188,394	-	-	188,394	256,269
Deferred Capital Grants (Note 7)	4,281,836	-	-	4,281,836	4,463,094
Capital Reserve Fund (Note 11)	139,759	-	-	139,759	129,714
	7,244,992	-	-	7,244,992	4,849,077
NET ASSETS (DEFICIENCY)					
Unrestricted net assets (deficiency)	(314,674)	-	-	(314,674)	(324,602)
Net assets invested in capital assets	314,674	60,000	-	374,674	384,602
Internally restricted net assets	-	2,901,958	-	2,901,958	2,692,840
Dedicated Supportive Housing Fund	(69,187)	-	-	(69,187)	(69,187)
Community Participation Services	-	-	1,801,195	1,801,195	1,577,368
	(69,187)	2,961,958	1,801,195	4,693,966	4,261,021
	7,175,805	2,961,958	1,801,195	11,938,958	11,999,835

See accompanying notes

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN NET ASSETS

For the year ended March 31	MCCSS Operating Fund	DSH Operating Fund	Capital Asset Fund	Community Participation Services	Total 2025	Total 2024
Revenue						
Funding from Provincial Ministries						
- Operating	13,338,336	97,305	-	-	13,435,641	13,073,760
- Other	23,055	-	-	-	23,055	-
Rental income	82,555	48,782	34,800	-	166,137	195,922
Investment income	-	-	204,229	-	204,229	276,343
Recoveries	1,074,622	-	-	817,052	1,891,674	1,908,793
Deferred contribution recognition	489,990	-	-	-	489,990	428,818
Less: Allocation to deferred capital contributions	(308,732)	-	-	-	(308,732)	(439,910)
	14,699,826	146,087	239,029	817,052	15,901,994	15,443,726
Expenditures						
Salaries and wages	9,438,123	-	-	457,352	9,895,475	9,465,200
Employee benefits	2,719,332	-	-	114,816	2,834,148	2,718,825
Supplies and other	1,892,823	33,432	-	50,768	1,977,023	2,048,003
Drugs and medical supplies	2,541	-	-	-	2,541	8,642
Utilities	156,934	34,268	-	-	191,202	173,636
Mortgage interest	-	7,875	-	-	7,875	7,792
Amortization	489,990	65,556	-	-	555,546	493,579
Capital reserve allowance	-	4,956	-	-	4,956	4,956
Designated expenses	-	-	200	-	200	-
	14,699,743	146,087	200	622,936	15,468,966	14,920,633
Excess (Deficiency) of Revenue over Expenditures before Undernoted Surplus repayable to MCCSS	83 (83)	- -	238,829 -	194,116 -	433,028 (83)	523,093 (43)
Excess (Deficiency) of Revenue over Expenditures	-	-	238,829	194,116	432,945	523,050
Net Assets (Deficiency) - Beginning of Year	-	(69,187)	2,752,840	1,577,368	4,261,021	3,737,971
Transfers between funds (Note 12)	-	-	(29,711)	29,711	-	-
Net Assets (Deficiency) - End of Year	-	(69,187)	2,961,958	1,801,195	4,693,966	4,261,021

See accompanying notes

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

SCHEDULE OF SEGMENTED REVENUES AND EXPENDITURES (MCCSS OPERATING FUND)

For the year ended March 31	Adult Community Accommodation	DS Community Support Services	Total 2025
Revenue			
Funding from Provincial Ministries			
- Operating	11,772,823	1,565,513	13,338,336
Cost recoveries	993,176	119,788	1,112,964
Deferred contribution recognition	489,990	-	489,990
Less: Allocation to deferred capital contributions	(308,732)	-	(308,732)
Less: Allocation to deferred revenue	-	-	-
	12,947,257	1,685,301	14,632,558
Expenditures			
Salaries, wages and benefits	9,969,732	1,324,492	11,294,224
Travel	14,515	10,114	24,629
Training	7,460	1,908	9,368
Purchased services - Client	73,531	13,974	87,505
Purchased services - Non Client	15,978	-	15,978
Food	290,792	7,528	298,320
Household supplies	147,977	8,408	156,385
Health and medical supplies	2,540	-	2,540
Seating clinic supplies and materials	-	35,464	35,464
Occupancy costs	89,525	81,997	171,522
Vehicle expenses	228,030	15,782	243,812
Other program costs	403,868	29,706	433,574
Urgent needs and minor capital	40,651	-	40,651
Amortization	489,990	-	489,990
Share of central administration costs	1,172,585	155,928	1,328,513
	12,947,174	1,685,301	14,632,475
Excess (Deficiency) of			
Revenues over Expenditures	83	-	83

See accompanying notes

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31	2025	2024
Cash Flows From Operating Activities		
Excess of Revenue over Expenditures	432,945	523,050
Charges (credits) to operations not requiring a current cash payment		
Amortization of capital assets	555,546	493,579
Amortization of deferred capital grants	(489,990)	(428,818)
	498,501	587,811
Net change in non-cash working capital balances related to operations (Note 10)	12,695	(665,520)
	511,196	(77,709)
Cash Flows From Financing Activities		
Repayment of long term debt	(65,674)	(64,883)
Proceeds from capital grants	308,732	439,910
Capital reserve - DSH	10,045	(39,711)
	253,103	335,316
Cash Flows From Investing Activities		
Purchase of capital assets	(308,732)	(463,830)
Net Increase in Cash and Cash Equivalents	455,567	(206,223)
Opening Cash and Cash Equivalents	5,422,213	5,628,436
Closing Cash and Cash Equivalents	5,877,780	5,422,213
Cash and Cash Equivalents consists of:		
Operating	2,990,870	2,754,751
Internally restricted	2,886,910	2,667,462
	5,877,780	5,422,213

See accompanying notes

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

1. PURPOSE OF ORGANIZATION

The Organization, which was originally incorporated under an Act respecting Municipal Sanatoria for Consumptives by agreement entered into June 21, 1911, changed its name to Brantwood Residential Development Centre ("Brantwood") by Supplemental Letters Patent on February 29, 1980. The Corporation is incorporated without share capital under the laws of Ontario.

Brantwood provides residences and support services in a range of settings in Brant County, to individuals who are developmentally and physically challenged. The Organization is a not-for-profit organization and is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements are met.

Brantwood is guided by a volunteer Board of Directors and is funded by the Ontario Ministry of Children, Community and Social Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations except that land related to certain group homes funded by the DSH is amortized (see Note 2(f)) to comply with reporting requirements of the Ministry of Children, Community and Social Services.

(b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Fund Accounting

The Operating Fund accounts for revenues and expenses related to the Organization's program delivery and administration activities.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to certain of Brantwood's capital assets. The purpose of this Fund is to provide for capital needs and special projects that further the mission and objects of Brantwood and to ensure the Organization's long range financial future and stability.

The Community Participation fund is for handling the fee-for-service for funds received from families in the community who receive Passport funding from the Ministry.

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and other income 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. Restricted investment income is recognized as revenue of the related restricted fund when earned.

(e) Financial Instruments

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include the trade accounts payable and long term debt.

(f) Capital Assets and Amortization

Capital assets are stated at cost. Amortization is provided for in the accounts using the straight-line method at the following rates:

Buildings	2.5%
Equipment	20%
Vehicles	100%
Furnishings - Group Homes	100%
Computer equipment and software	100%
Furnishings - Main Centre	100%

Amortization of Group Homes (DSH), land and building costs, is provided for in amounts equal to the annual reduction in mortgage principal. The policy to amortize land for DSH Group Homes is a requirement of the MCCSS - DSH.

(g) Pension Plan

Multi-employer plan

Substantially all of the employees of the Organization are eligible to be members of the Healthcare of Ontario Pension Plan ("HOOPP") multi-employer, defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average annualised earnings during the five consecutive years prior to retirement, termination or death, that provides the highest earnings. Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario healthcare organizations and their employees. As a result, the Organization does not recognize any share of the HOOPP surplus or deficit.

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

3. BANK - INTERNALLY RESTRICTED

The internally restricted bank account for the Capital Asset Endowment Fund shall be managed, administered and invested by the Resource Management Committee of the Board. The fund is to be used for capital needs and special projects that further the mission and objects of the Organization as well as to assist in the management and financial emergencies of the organization.

4. CAPITAL ASSETS	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Capital Asset Fund				
Land	60,000	-	60,000	60,000
Buildings	993,816	993,816	-	-
	1,053,816	993,816	60,000	60,000
Operating Fund				
Land				
- Group Homes (DSH)	500,622	334,810	165,812	182,956
- Group Homes (MCCSS)	803,531	-	803,531	803,531
Buildings				
- Group Homes (DSH)	1,247,616	835,215	412,401	460,813
- Group Homes (MCCSS)	5,562,901	2,074,393	3,488,508	3,619,837
Furnishings	1,096,468	1,096,468	-	-
Equipment	213,469	91,691	121,778	171,708
Computer equipment and software	167,674	167,674	-	-
Vehicles	1,890,588	1,890,588	-	-
	11,482,869	6,490,839	4,992,030	5,238,845
	12,536,685	7,484,655	5,052,030	5,298,845

The Group Home assets disclosed in these financial statements are restricted assets, as either MCCSS or DSH (formerly Ministry of Housing) are registered on the titles.

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

5. MORTGAGES PAYABLE	2025	2024
Mortgages payable to various lenders, at rates ranging from 1.40% to 4.31%, maturing between June 2025 to September 2029 and secured by certain land and buildings in the City of Brantford	255,761	321,435
Cash repayments required within the next twelve months	67,367	65,166
	188,394	256,269

Mortgage repayment requirements are funded by grants from the DSH. Annual principal repayment requirements on the mortgages payable over the next five years are as follows based on renewing of similar terms:

2026 - 67,367 2027 - 69,187 2028 - 47,689 2029 - 23,631 2030 - 8,704

6. DEFERRED REVENUE

Deferred revenue represents unspent funding at the year end date. Changes in the deferred revenue balances are as follows:

	2025	2024
Balance - Beginning of the year	-	592,198
Amounts received during the year	4,989	-
Amounts recognized as revenue	-	(53,975)
Transferred to due to MCCSS	-	(538,223)
Balance - End of the year	4,989	-

7. DEFERRED CAPITAL GRANTS	2025	2024
Balance - Beginning of Year	4,463,094	4,452,002
Additions	308,732	439,910
Amortization	(489,990)	(428,818)
Balance - End of Year	4,281,836	4,463,094

Deferred capital grants includes a total of \$4,580,542 in funding for the acquisition and construction of six group homes. These capital grants are amortized at a rate corresponding to the amortization of the related properties which they financed.

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

8. EMPLOYEE FUTURE BENEFITS - MULTI-EMPLOYER PLAN

Employer contributions made to the plan during the year by the Organization amounted to \$519,199 (2024 - \$552,085). These amounts are included as part of employee future benefits expense in the Statement of Operations. The most recent valuation for financial reporting purposes completed by HOOPP as at December 31, 2024 disclosed net assets available for benefits of \$123,017,000 with accrued benefits obligations of \$112,579,000, resulting in a going concern surplus of \$10,438,000.

9. RESIDENTS' TRUST FUNDS

Brantwood maintains a trust account for the residents of the Organization. The funds are property of the residents. Brantwood receives and disburses funds on behalf of the residents. The revenues and expenses incurred within the fund are not recorded in these financial statements.

10. CASH FLOW FROM OPERATIONS	2025	2024
Bank - Trust (restricted)	4,922	(24,706)
Accounts receivable	229,816	(329,032)
Government receivables	24,245	2,023
Due to/from MCCSS and DSH	(775)	540,389
Prepaid supplies	(919)	6,303
Prepaid expenses	12,423	(29,509)
Accounts payable and accrued liabilities	(266,481)	(270,702)
Deferred revenue	4,989	(592,198)
Residents' trust funds	4,475	31,912
	12,695	(665,520)

11. CAPITAL RESERVE FUND - DSH

The Capital Reserve Fund is a restricted fund. Capital expenditures, as defined in the DSH Operating Agreements/Program Guidelines, are required to be funded from this fund.

12. TRANSFER BETWEEN FUNDS

The transfer between funds consists of interest income and other transactions approved by the Board.

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

13. RELATED PARTY TRANSACTIONS

The Brantwood Foundation (the Foundation) engages in fundraising activities on behalf of the Organization. The balance owing/recoverable to the Foundation is non-interest bearing and due on demand.

During the year, the Organization charged the Foundation for administrative expenses incurred on behalf of the Foundation in the amount of \$nil (2024 - \$nil). The salaries and benefits are allocated to the Foundation on the basis of time spent. All transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed up by the parties and is determined based on the costs incurred.

The Foundation approved transfers of \$13,321 (2024 - \$92,688) to the Organization during the year. At year-end, the Organization had a balance recoverable from the Foundation of \$1,525 (2024 - \$44,409).

14. FINANCIAL INSTRUMENTS

The Organization has also identified the following financial risks:

Credit Risk

The Organization's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally paid within 30 days.

15. ECONOMIC DEPENDENCE

The Organization received \$13,361,391 this year (2024 - \$12,920,768) from the Ministry of Children, Community and Social Services. This funding represents 84.0% (2024 - 84.3%) of the Organization's total revenues.