BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

FINANCIAL STATEMENTS

For the year ended March 31, 2026

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

For the year ended March 31, 2026

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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, 2026, 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, 2026, 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 (2025 - $17,143). If amortization had not been provided on the land in question, the assets would be increased by $351,953 (2025 - $334,810) and net assets invested in capital assets would be increased by $351,953 (2025 - $334,810). Our audit opinion on the financial statements for the year ended March 31, 2025 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.

Date of Approval	CHARTERED PROFESSIONAL ACCOUNTANTS
Brantford, Ontario	Licensed Public Accountants

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

STATEMENT OF FINANCIAL POSITION

As at March 31	Operating Fund	Capital Asset Fund	Community Participation Services	Total 2026	Total 2025
ASSETS					
Current Assets					
Bank - Operating	1,214,047	-	1,979,628	3,193,675	2,990,870
- Trust (Note 9)	630,307	-	-	630,307	612,660
- Internally restricted (Note 3)	-	3,022,648	-	3,022,648	2,886,910
Accounts receivable	89,991	12,516	-	102,507	235,379
Government receivables	56,873	-	-	56,873	55,395
Due from DSH	8,028	-	-	8,028	7,298
Prepaid supplies	18,604	-	-	18,604	22,069
Prepaid expenses	109,896	-	-	109,896	76,347
	2,127,746	3,035,164	1,979,628	7,142,538	6,886,928
Capital Assets (Note 4)	4,792,960	60,000	-	4,852,960	5,052,030
	6,920,706	3,095,164	1,979,628	11,995,498	11,938,958
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	797,405	-	-	797,405	573,891
Deferred revenue (Note 6)	-	-	-	-	4,989
Due to MCCSS	1,084,856	-	-	1,084,856	1,375,253
Residents' trust funds (Note 9)	621,191	-	-	621,191	613,503
Current portion of mortgage payable (Note 5)	68,679	-	-	68,679	67,367
	2,572,131	-	-	2,572,131	2,635,003
Mortgages Payable (Note 5)	121,099	-	-	121,099	188,394
Deferred Capital Grants (Note 7)	4,148,674	-	-	4,148,674	4,281,836
Capital Reserve Fund (Note 11)	147,989	-	-	147,989	139,759
	6,989,893	-	-	6,989,893	7,244,992
NET ASSETS (DEFICIENCY)					
Unrestricted net assets (deficiency)	(306,519)	-	-	(306,519)	(314,674)
Net assets invested in capital assets	306,519	60,000	-	366,519	374,674
Internally restricted net assets	-	3,035,164	-	3,035,164	2,901,958
Dedicated Supportive Housing Fund	(69,187)	-	-	(69,187)	(69,187)
Community Participation Services	-	-	1,979,628	1,979,628	1,801,195
	(69,187)	3,095,164	1,979,628	5,005,605	4,693,966
	6,920,706	3,095,164	1,979,628	11,995,498	11,938,958

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 2026	Total 2025
Revenue						
Funding from Provincial Ministries						
- Operating	13,338,336	96,497	-	-	13,434,833	13,435,641
- Other	21,546	-	-	-	21,546	23,055
Rental income	89,665	50,390	29,005	-	169,060	166,137
Investment income	-	-	129,932	-	129,932	204,229
Recoveries	1,150,142	-	-	641,612	1,791,754	1,891,674
Deferred contribution recognition	229,019	-	-	-	229,019	489,990
Less: Allocation to deferred capital contributions	(95,857)	-	-	-	(95,857)	(308,732)
	14,732,851	146,887	158,937	641,612	15,680,287	15,901,994
Expenditures						
Salaries and wages	9,600,381	-	-	347,601	9,947,982	9,895,475
Employee benefits	2,865,961	-	-	87,658	2,953,619	2,834,148
Supplies and other	1,880,882	34,728	-	53,651	1,969,261	1,977,023
Drugs and medical supplies	939	-	-	-	939	2,541
Utilities	155,630	32,569	-	-	188,199	191,202
Mortgage interest	-	8,726	-	-	8,726	7,875
Amortization	229,019	65,908	-	-	294,927	555,546
Capital reserve allowance	-	4,956	-	-	4,956	4,956
Designated expenses	-	-	-	-	-	200
	14,732,812	146,887	-	488,910	15,368,609	15,468,966
Excess (Deficiency) of Revenue over Expenditures before Undernoted	39	-	158,937	152,702	311,678	433,028
Surplus repayable to MCCSS	(39)	-	-	-	(39)	(83)
Excess (Deficiency) of Revenue over Expenditures	-	-	158,937	152,702	311,639	432,945
Net Assets (Deficiency) - Beginning of Year	-	(69,187)	2,961,956	1,801,197	4,693,966	4,261,021
Transfers between funds (Note 12)	-	-	(25,729)	25,729	-	-
Net Assets (Deficiency) - End of Year	-	(69,187)	3,095,164	1,979,628	5,005,605	4,693,966

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 2026
Revenue			
Funding from Provincial Ministries			
- Operating	11,772,823	1,565,513	13,338,336
Cost recoveries	1,066,282	118,880	1,185,162
Deferred contribution recognition	229,019	-	229,019
Less: Allocation to deferred capital contributions	(95,857)	-	(95,857)
Less: Allocation to deferred revenue	-	-	-
	12,972,267	1,684,393	14,656,660
Expenditures			
Salaries, wages and benefits	10,168,494	1,328,782	11,497,276
Travel	13,453	11,837	25,290
Training	28,363	14,279	42,642
Purchased services - Client	126,015	13,750	139,765
Purchased services - Non Client	16,279	-	16,279
Food	262,417	2,251	264,668
Household supplies	117,301	5,423	122,724
Health and medical supplies	901	37	938
Seating clinic supplies and materials	-	34,401	34,401
Occupancy costs	94,321	80,764	175,085
Vehicle expenses	223,600	30,151	253,751
Other program costs	509,590	6,298	515,888
Urgent needs and minor capital	6,180	-	6,180
Amortization	229,019	-	229,019
Share of central administration costs	1,176,295	156,420	1,332,715
	12,972,228	1,684,393	14,656,621
Excess (Deficiency) of Revenues over Expenditures	39	-	39

See accompanying notes

BRANTWOOD RESIDENTIAL DEVELOPMENT CENTRE

STATEMENT OF CASH FLOWS

For the year ended March 31	2026	2025
Cash Flows From Operating Activities		
Excess of Revenue over Expenditures	311,639	432,945
Charges (credits) to operations not requiring a current cash payment		
Amortization of capital assets	294,927	555,546
Amortization of deferred capital grants	(229,019)	(489,990)
	377,547	498,501
Net change in non-cash working capital balances related to operations (Note 10)	18,749	12,695
	396,296	511,196
Cash Flows From Financing Activities		
Repayment of long term debt	(65,983)	(65,674)
Proceeds from capital grants	95,857	308,732
Capital reserve - DSH	8,230	10,045
	38,104	253,103
Cash Flows From Investing Activities		
Purchase of capital assets	(95,857)	(308,732)
Net Increase in Cash and Cash Equivalents	338,543	455,567
Opening Cash and Cash Equivalents	5,877,780	5,422,213
Closing Cash and Cash Equivalents	6,216,323	5,877,780
Cash and Cash Equivalents consists of:		
Operating	3,193,675	2,990,870
Internally restricted	3,022,648	2,886,910
	6,216,323	5,877,780

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.

(d) Contributed Services

Volunteers contribute many hours per year to assist Brantwood Residential Development Centre in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) 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.

(g) 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.

(h) 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.

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

CAPITAL ASSETS	Cost	Accumulated Amortization	Net Book Value 2026	Net Book Value 2025
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	351,953	148,669	165,812
- Group Homes (MCCSS)	803,531	-	803,531	803,531
Buildings				
- Group Homes (DSH)	1,247,616	883,980	363,636	412,401
- Group Homes (MCCSS)	5,590,417	2,214,153	3,376,264	3,488,508
Furnishings	1,096,468	1,096,468	-	-
Equipment	240,748	139,888	100,860	121,778
Computer equipment and software	208,736	208,736	-	-
Vehicles	1,890,588	1,890,588	-	-
	11,578,726	6,785,766	4,792,960	4,992,030
	12,632,542	7,779,582	4,852,960	5,052,030

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.

5. MORTGAGES PAYABLE

	2026	2025
Mortgages payable to various lenders, at rates ranging from 2.22% to 4.31%, maturing between April 2027 to June 2030 and secured by certain land and buildings in the City of Brantford	189,778	255,761
Cash repayments required within the next twelve months	68,679	67,367
	121,099	188,394

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:

2027 - 68,679 2028 - 47,558 2029 - 40,849 2030 - 26,578 2031 - 4,574

6. DEFERRED REVENUE

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

	2026	2025
Balance - Beginning of the year	4,989	-
Amounts received during the year	-	4,989
Amounts recognized as revenue	(4,989)	-
Balance - End of the year	-	4,989

7. DEFERRED CAPITAL GRANTS

	2026	2025
Balance - Beginning of Year	4,281,836	4,463,094
Additions	95,857	308,732
Amortization	(229,019)	(489,990)
Balance - End of Year	4,148,674	4,281,836

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, 2026

8. EMPLOYEE FUTURE BENEFITS - MULTI-EMPLOYER PLAN

Employer contributions made to the plan during the year by the Organization amounted to $585,196 (2025 - $587,930). 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, 2025 disclosed net assets available for benefits of $131,936,000 with accrued benefits obligations of $120,833,000, resulting in a going concern surplus of $11,103,000.

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

	2026	2025
Bank - Trust (restricted)	(17,647)	4,922
Accounts receivable	132,872	229,816
Government receivables	(1,478)	24,245
Due to/from MCCSS and DSH	(291,127)	(775)
Prepaid supplies	3,465	(919)
Prepaid expenses	(33,549)	12,423
Accounts payable and accrued liabilities	223,514	(266,481)
Deferred revenue	(4,989)	4,989
Residents' trust funds	7,688	4,475
	18,749	12,695

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.

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 (2025 - $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 $22,890 (2025 - $13,321) to the Organization during the year. At year-end, the Organization had a balance recoverable from the Foundation of $3,424 (2025 - $1,525).

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 $13,359,882 this year (2025 - $13,361,391) from the Ministry of Children, Community and Social Services. This funding represents 85.2% (2025 - 84.0%) of the Organization's total revenues.