

THE BRANTWOOD FOUNDATION

FINANCIAL STATEMENTS

For the year ended March 31, 2026

Draft

THE BRANTWOOD FOUNDATION

For the year ended March 31, 2026

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INDEPENDENT AUDITORS' REPORT

To the President and the Board of Directors of the
The Brantwood Foundation

Qualified Opinion

We have audited the accompanying financial statements of The Brantwood Foundation (the 'Foundation'), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and 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 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 Foundation as at March 31, 2026, 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 Foundation derives revenue from donations and fundraising activities, 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Foundation 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 opinion.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Upon Approval
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE BRANTWOOD FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at March 31	2026	2025
ASSETS		
Current Assets		
Cash	968,714	917,049
Due from Brantwood Residential Development Centre (Note 5)	-	1,525
	968,714	918,574
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	4,646	6,288
Due to Brantwood Residential Development Centre (Note 5)	3,424	-
Deferred contributions (Note 3)	156,824	159,324
	164,894	165,612
Net Assets	803,820	752,962
	968,714	918,574

THE BRANTWOOD FOUNDATION

STATEMENT OF OPERATIONS AND NET ASSETS

For the year ended March 31	2026	2025
Revenue		
Donations	28,245	523,291
Fundraising	40,516	48,626
Investment income	26,558	26,950
	95,319	598,867
Expenses		
Fundraising campaign costs	14,079	15,571
Miscellaneous	2,332	1,510
Professional fees	5,160	4,160
	21,571	21,241
Excess of Revenue over Expenses from Operations	73,748	577,626
Donated to Brantwood Residential Development Centre (Note 5)	(22,890)	(13,321)
Excess of Revenue over Expenses	50,858	564,305
Net Assets - Beginning of Year	752,962	188,657
Net Assets - End of Year	803,820	752,962

See accompanying notes

THE BRANTWOOD FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended March 31	2026	2025
Cash Flows From Operating Activities		
Excess of revenue over expenses	50,858	564,305
Net change in non-cash working capital balances related to operations (Note 4)	3,307	(43,806)
	54,165	520,499
Cash Flows From Financing Activities		
Deferred contributions	(2,500)	6,880
Net Cash Increase During the Year	51,665	527,379
Cash - Beginning of Year	917,049	389,670
Cash - End of Year	968,714	917,049

See accompanying notes

THE BRANTWOOD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

1. PURPOSE OF THE FOUNDATION

The Brantwood Foundation (the Foundation) is incorporated without share capital under the laws of Ontario and raises funds through donations, fundraising activities, bequests and investments to financially support capital projects and specific programs of the Brantwood Residential Development Centre. The Foundation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements are met.

2. SUMMARY OF 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 standards.

(a) 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 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.

(b) Revenue Recognition

Contribution revenue is recognized using the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Interest is recognized as income as earned.

(c) Financial Instruments

Financial assets and liabilities are recognized when the Foundation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

The Foundation initially recognizes all its financial assets and liabilities at fair value and subsequently at amortized cost, except for investments in equity instruments, which are recorded at fair value. Changes in fair value are recognized in the statement of operations. Financial assets, at amortized cost, are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

THE BRANTWOOD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

3.	DEFERRED CONTRIBUTIONS	2026	2025
	Balance, beginning of year	159,324	152,444
	Donations and grants received	12,500	16,000
	Expenditures incurred for specific projects	(15,000)	(9,120)
	Balance, end of year	156,824	159,324

4.	CASH FLOW FROM OPERATIONS	2026	2025
	Accounts payable and accrued liabilities	(1,642)	2,128
	Due to Brantwood Residential Development Centre	4,949	(45,934)
		3,307	(43,806)

5. RELATED PARTY TRANSACTIONS

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

During the year, the Brantwood Residential Development Centre 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 Centre during the year. At year end, the Foundation had a balance payable to the Centre of \$3,424 (2025 - \$1,525 receivable).

6. FINANCIAL INSTRUMENTS

The Foundation has also identified the following financial risks:

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's ability to meet obligations depends on the receipt of funds from donations, fundraising, and investment income.