

**BRANT COMMUNITY HEALTHCARE
SYSTEM FOUNDATION**

FINANCIAL STATEMENTS

For the year ended March 31, 2025

**BRANT COMMUNITY HEALTHCARE
SYSTEM FOUNDATION**

For the year ended March 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Brant Community Healthcare System Foundation

Qualified Opinion

We have audited the financial statements of Brant Community Healthcare System Foundation (the 'Foundation'), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances, Tim Hortons revenue and expenses 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, 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

The Foundation derives part of its revenue from the general public in the form of 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 donated revenues, fundraising revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets 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 *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.

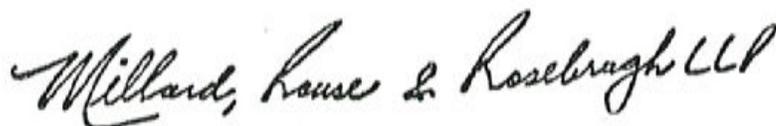
Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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.



June 19, 2025
Brantford, Ontario

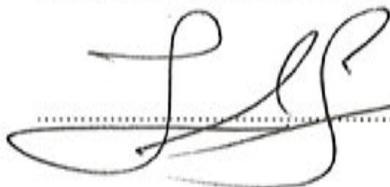
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at March 31	General Fund	Restricted Fund	Total 2025	Total 2024
ASSETS				
Current Assets				
Bank	3,927,725	148,136	4,075,861	3,086,636
Accounts receivable	3,577	-	3,577	10,799
Government remittances receivable (net)	207,517	-	207,517	108,539
Inventory	15,789	-	15,789	25,818
Prepaid expenses	25,944	-	25,944	18,748
Investments (Note 3)	4,835,787	8,571,473	13,407,260	10,129,134
Endowment (Note 3)	-	897,424	897,424	551,514
	9,016,339	9,617,033	18,633,372	13,931,188
Capital Assets (Note 4)	67,520	-	67,520	68,878
Intangible Asset (Note 5)	3,000	-	3,000	6,000
	9,086,859	9,617,033	18,703,892	14,006,066
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	176,586	-	176,586	155,209
Due to Brant Community Healthcare System (Note 9)	1,140,729	-	1,140,729	1,540,108
	1,317,315	-	1,317,315	1,695,317
NET ASSETS				
General Fund	7,769,544	-	7,769,544	5,941,325
Restricted Funds (Note 6)	-	8,539,505	8,539,505	5,831,761
Fund restricted to Willett Hospital site (Note 6)	-	1,077,528	1,077,528	537,663
	7,769,544	9,617,033	17,386,577	12,310,749
	9,086,859	9,617,033	18,703,892	14,006,066

Approved on behalf of the Board of Directors

 Director

 Director

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended March 31	General Fund	Restricted Fund	Total 2025	Total 2024
Revenue				
Investment income	539,864	14,470	554,334	391,188
Fundraising	1,537,658	4,734,404	6,272,062	2,167,003
Events - net (Note 7)	(66,925)	539,863	472,938	341,858
Tim Hortons - net (Page 5)	265,806	50,000	315,807	312,605
	2,276,403	5,338,737	7,615,141	3,212,654
Expenses				
Fundraising, public relations and administration	843,207	-	843,207	682,776
Excess of Revenue over Expenses from Operations				
Change in fair value of investments	1,433,196	5,338,737	6,771,934	2,529,878
	446,071	32,452	478,523	372,156
Excess of Revenue over Expenses for the Year				
Fund Balance - Beginning of Year	1,879,267	5,371,189	7,250,457	2,902,034
Grants (Note 8)	5,941,325	6,369,424	12,310,749	11,995,066
Fund transfers	(1,048)	(2,173,580)	(2,174,628)	(2,586,351)
	(50,000)	50,000	-	-
Fund Balance - End of Year	7,769,544	9,617,033	17,386,578	12,310,749

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

STATEMENT OF TIM HORTONS REVENUE AND EXPENSES

For the year ended March 31	2025	2024
Revenue	2,067,772	1,895,135
Expenses		
Amortization of equipment - net of donations	20,702	14,761
Amortization of intangible asset	3,000	3,000
Cost of goods sold	768,084	675,186
General and administrative	117,575	125,714
Royalty and levy	137,566	125,247
Salaries and benefits	705,038	638,622
	1,751,965	1,582,530
Excess of Revenue over Expenses	315,807	312,605

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended March 31	2025	2024
Cash Flows From Operating Activities		
Excess of Revenue over Expenses for the year	7,250,457	2,902,034
Charges (credits) to operations not requiring a current cash payment		
Amortization of capital assets	23,323	16,572
Amortization of intangible asset	3,000	3,000
Grants to Brant Community Healthcare System	(2,174,628)	(2,586,351)
Change in fair value of investments	(343,534)	(313,062)
	4,758,618	22,193
Net change in non-cash working capital balances related to operations (Note 12)	(466,924)	918,494
	4,291,694	940,687
Cash Flows From Financing Activities		
Repayment of long term debt	-	(40,000)
Cash Flows From Investing Activities		
Purchase of capital assets	(21,965)	(48,886)
(Increase) Decrease in investments	(3,280,504)	(3,318,622)
	(3,302,469)	(3,367,508)
Net (Decrease) Increase in Bank During the Year	989,225	(2,466,821)
Bank - Beginning of Year	3,086,636	5,553,457
Bank - End of Year	4,075,861	3,086,636

See accompanying notes

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

1. PURPOSE OF ORGANIZATION

Effective April 1, 2010, the Boards of Directors of the Brantford General Hospital Foundation and the Willett Hospital Foundation approved the amalgamation of the entities to form Brant Community Healthcare System Foundation ("the Foundation").

Fund balances of the Willett Foundation as of the date of the amalgamation have been restricted by the Board of Directors and are specifically for Willett programs and projects.

The Foundation raises funds through donations, fundraising activities, bequests and investments to financially support capital projects and specific programs of the Brantford General Hospital site and the Willett Hospital site of Brant Community Healthcare System ("the System"). The Foundation is incorporated without share capital under the laws of the Province of Ontario and is a registered charity associated with the System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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.

(b) Fund Accounting and Contributions

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

(i) General Fund

The General Fund reports unrestricted donations and all unrestricted investment income.

(ii) Restricted Fund

The Restricted Fund reports donations received from the Foundation's annual fundraising campaigns, other donations that are restricted by the donors and restricted investment income. The balance in the Restricted Fund represents various funds, all of which must be spent on specific fund programs as specified by the donors.

(iii) Recognition of Other Revenues

The Foundation recognizes its interest using the accrual basis of accounting. Revenues from shops are recognized at the time of sale and those from fundraising activities when such activities are held.

(c) Pledges

The amount of any funds pledged to the Foundation is not included in revenue until such time as the funds are received.

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Donated Services, Materials and Facilities

The values of donated services, materials and facilities are not reported in these financial statements because of the difficulties in determining their fair value.

(e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(f) 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 and changes in fund balances. 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.

(g) Equipment

Equipment is stated at cost, less accumulated amortization. Amortization is provided on a straight-line basis using an annual rate of 20%. In the year of acquisition, amortization is provided for at one-half of the above rates. No amortization is provided for in the year of disposal.

(h) Intangible Asset

The finite-life intangible asset, the franchise license, is amortized on a straight-line basis over its estimated useful life of ten years.

(i) Impairment of Long-Lived Assets

An impairment charge is recognized for long-lived assets, including the finite-life intangible asset, when an event or change in circumstances causes the asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the asset and its carrying value.

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

3.	INVESTMENTS	Cost 2025	Market Value 2025	Cost 2024	Market Value 2024
	Cash	320,046	320,046	11,583	11,583
	Fixed income funds	8,400,000	8,584,027	7,200,000	7,347,275
	Common shares	2,585,127	4,346,177	1,660,345	3,086,328
	Mutual funds	933,142	933,142	171,504	171,504
	Foreign securities	45,345	42,855	-	-
	Other	64,616	78,437	52,342	63,958
		12,348,276	14,304,684	9,095,774	10,680,648
	Endowments	869,422	897,424	551,514	551,514
		11,478,854	13,407,260	8,544,260	10,129,134
4.	CAPITAL ASSETS	Cost	Accumulated Amortization	Net 2025	Net 2024
	Tim Hortons equipment	148,699	81,179	67,520	68,878
5.	INTANGIBLE ASSET	Cost	Accumulated Amortization	Net 2025	Net 2024
	Franchise license	30,000	27,000	3,000	6,000

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

6. RESTRICTED FUNDS 2025 2024

Major categories of externally and internally imposed restrictions on net assets are as follows:

Restricted Fund

Ambulatory care / Out Patient Clinics	239,647	209,305
Critical care unit	26,857	34,994
Diagnostic imaging	1,314,200	638,361
Emergency services	3,553,976	2,269,059
Endowments	944,132	873,421
Family Birthing Centre/Constant Care Nursery	573,328	399,508
General equipment	503,753	291,884
Pediatrics	383,014	210,150
Palliative care	23,418	22,014
Other designated funds	977,180	883,065
	<hr/> 8,539,505	<hr/> 5,831,761

Fund Restricted to Willett Hospital Site

Willett Hospital general	1,018,547	478,582
Patient equipment	41,356	28,062
Urgent care	17,625	17,625
Vital signs monitors	-	13,294
Other designated funds	-	100
	<hr/> 1,077,528	<hr/> 537,663

7. NET EVENT REVENUE

Expenses incurred for the purposes of hosting a fundraising event are taken from the non-restricted budget and accounts. These events are most often for a designated purpose, making the funds received "restricted".

8. GRANTS

During the year, the Foundation granted \$2,174,628 (2024 - \$2,586,351) to the System in support of capital equipment and redevelopment projects.

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

9. RELATED PARTY TRANSACTIONS

During the year, the System charged the Foundation for various fundraising, public relations and administrative expenses incurred on behalf of the Foundation in the amount of \$923,659 (2024 - \$751,577). 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 upon by the parties and is determined based on the costs incurred. At year end, the Foundation had a balance owing to the System of \$1,140,729 (2024 - \$1,540,108).

10. GIFTS IN KIND

During the year, the Foundation received gifts in kind in the amount of \$13,143 (2024 - \$18,799). These amounts have not been reflected in the financial statements.

11. FINANCIAL INSTRUMENTS

The Foundation has also identified the following financial risks:

Credit Risk

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

Market Risk

The Foundation holds investments that may be subject to fluctuations in market value. The Foundation considers its investments to be conservative with low market risk.

Other Price Risk

Other price risk is the risk the fair value of the financial instruments will fluctuate due to changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at March 31, 2025, the effect of a 1% change in market prices on the investments would have resulted in an increase or decrease in excess revenue over expenses of \$143,047 (2024 - \$106,806).

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.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk with respect to its investments held in US dollars.

BRANT COMMUNITY HEALTHCARE SYSTEM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

12. CASH FLOW FROM OPERATIONS	2025	2024
Accounts receivable	7,222	(6,933)
Government remittances receivable (net)	(98,978)	(57,341)
Inventory	10,029	(9,614)
Prepaid expenses	(7,196)	(8,409)
Accounts payable and accrued liabilities	21,377	37,069
Due to Brant Community Healthcare System	(399,378)	963,722
	(466,924)	918,494

13. COMMITMENT

During the prior year, the Foundation had committed to provide \$4,052,118 to the construction costs and hospital related costs over the next five years. At year end the Foundation had contributed \$2,618,920 of this pledge.

During the year, the Foundation had committed to provide \$2,550,000 to hospital related costs to diagnostic imaging equipment. At year end the Foundation had contributed \$425,000 of this pledge.

The Foundation has signed a consulting services contract for a total of \$68,675 plus HST. At year end \$48,775 plus HST was remaining on the contract.