BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION
(OPERATING AS ENTERPRISE BRANT)

FINANCIAL STATEMENTS

For the year ended March 31, 2026

BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION
(OPERATING AS ENTERPRISE BRANT)

For the year ended March 31, 2026

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INDEPENDENT AUDITORS' REPORT

To the Members of
Brant Community Futures Development Corporation (operating as Enterprise Brant)

Opinion
We have audited the financial statements of Brant Community Futures Development Corporation (operating as Enterprise Brant) (the 'Entity'), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 Opinion
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 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 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 Entity'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 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.

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 Entity's preparation and fair presentation of the financial statements 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 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 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 may identify during our audit.

Millard, Rouse & Rosebrugh LLP

June 4, 2026 CHARTERED PROFESSIONAL ACCOUNTANTS
Brantford, Ontario Licensed Public Accountants

BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION
(OPERATING AS ENTERPRISE BRANT)

STATEMENT OF FINANCIAL POSITION

As at March 31	Board Fund	General Fund	Investment Fund	Total 2026	Total 2025
ASSETS					
Current Assets					
Cash	2,236,414	75,835	2,416,358	4,728,607	3,322,956
Undisbursed funds	-	-	-	-	87,000
Investments (Note 5)	-	-	-	-	1,200,370
Accounts receivable	1,020	-	8,634	9,654	16,410
Prepaid expenses	-	8,440	1,675	10,115	8,658
	2,237,434	84,275	2,426,667	4,748,376	4,635,394
Non-Current Assets					
Loans receivable (Note 3)	1,509,074	-	5,868,404	7,377,478	7,245,864
Capital Assets (Note 4)	-	1,449	-	1,449	4,183
	3,746,508	85,724	8,295,071	12,127,303	11,885,441
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	-	69,635	85	69,720	61,722
FUND BALANCES					
Unrestricted	3,746,508	-	-	3,746,508	3,657,306
Internally Restricted	-	16,089	-	16,089	33,476
Externally Restricted	-	-	8,294,986	8,294,986	8,132,937
	3,746,508	16,089	8,294,986	12,057,583	11,823,719
	3,746,508	85,724	8,295,071	12,127,303	11,885,441

Approved on behalf of Board:

_______________________________________ Director

_______________________________________ Director

BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION (OPERATING AS ENTERPRISE BRANT)

STATEMENT OF OPERATIONS

For the year ended March 31	Board Fund	General Fund	Investment Fund	Total 2026	Total 2025
Revenues					
Government contributions	-	330,000	-	330,000	330,000
Loan interest income	106,018	-	318,218	424,236	565,844
Investment and bank interest income	47,918	3,266	68,610	119,794	299,478
Miscellaneous	2,155	21,992	40	24,187	40,470
Realized gain on investment	745	-	2,978	3,723	194,250
	156,836	355,258	389,846	901,940	1,430,042
Expenses					
Salaries and benefits	-	343,150	-	343,150	358,233
Occupancy and equipment costs	-	95,469	-	95,469	90,105
Bad debts (recovery)	(24,487)	-	126,142	101,655	202,112
Administration	3,121	46,051	-	49,172	44,567
Professional fees	-	22,113	604	22,717	20,398
Special projects	-	49,102	-	49,102	35,836
Amortization of capital assets	-	2,733	-	2,733	4,088
Miscellaneous	-	1,751	-	1,751	2,096
Bank charges	-	1,276	1,051	2,327	2,625
	(21,366)	561,645	127,797	668,076	760,060
Excess (Deficit) of Revenues over Expenses	178,202	(206,387)	262,049	233,864	669,982

BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION (OPERATING AS ENTERPRISE BRANT)

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31	Board Fund	General Fund	Investment Fund	Total 2026	Total 2025
Fund Balances - Beginning of Year	3,657,306	33,476	8,132,937	11,823,719	11,153,737
Excess (Deficit) of Revenues over Expenses	178,202	(206,387)	262,049	233,864	669,982
Transfers (Note 8)	(89,000)	189,000	(100,000)	-	-
Fund Balances - End of Year	3,746,508	16,089	8,294,986	12,057,583	11,823,719

BRANT COMMUNITY FUTURES DEVELOPMENT CORPORATION (OPERATING AS ENTERPRISE BRANT)

STATEMENT OF CASH FLOWS

For the year ended March 31	Total 2026	Total 2025
Cash Flow From Operating Activities		
Net surplus for the year	233,864	669,982
Items not involving cash		
Realized (gain) loss on investment	-	(194,250)
Amortization	2,733	4,088
	236,597	479,820
Net change in non-cash working capital balances	13,297	(11,839)
	249,894	467,981
Cash Flow From Investing Activities		
(Purchase) disposal of equity and other investments	1,200,370	2,574,412
Net loan collections (disbursements)	(44,613)	(1,820,594)
	1,155,757	753,818
Increase (Decrease) In Cash	1,405,651	1,221,799
Cash and Bank, Beginning of Year	3,322,956	2,101,157
Cash and Bank, End of Year	4,728,607	3,322,956

1. PURPOSE OF THE ORGANIZATION

Brant Community Futures Development Corporation (operating as Enterprise Brant) is a not for profit organization incorporated under the laws of Ontario without share capital and is exempt from tax under section 149(1)(I) of the Income Tax Act. Its purpose is to encourage job creation and other community economic development through the provision of business loans, consulting and other programs to support self-employment and small business in the City of Brantford and the County of Brant.

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) Revenue Recognition

The organization follows the restricted fund method of accounting for contributions in which restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Restricted contributions of the general fund or investment fund are recognized as revenue when the related expenditure occurs. Unrestricted contributions are recognized in the Board Fund when received or receivable collection is reasonably assured.

Loan interest income is recognized periodically throughout the year, based on the terms of the underlying contract, when payment becomes receivable and collection is reasonably assured.

Investment income, which includes dividends, interest income and realized and unrealized investment gains and losses, is recognized as revenue when earned.

(b) Fund Accounting

The Board Fund reports resources available for the organization's general operating activities, as approved by the Board of Directors.

The General Fund reports resources that relate to program delivery and administrative activities funded by the Federal Economic Development Agency for Southern Ontario and transfers from the Board Fund and Investment Fund with authorization from the Board of Directors. The fund is internally restricted to ensure the funding received from agencies for specific community development activities are utilized in the proper manner.

The Investment Fund reports resources that are available to provide financing for new and existing enterprises in order to protect or create new jobs. This fund is externally restricted.

(c) 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 revenue and expenses during the year. Significant areas requiring management's estimates include allowance for doubtful accounts and useful lives of capital assets. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Capital Assets

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	10 years straight line basis
Computer hardware	3 years straight line basis
Leasehold improvements	5 years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

(e) Financial Instruments

The organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization in 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.

The entity subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

The organization recognizes its transaction costs in income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. LOANS RECEIVABLE

The outstanding loans receivable bear interest at various rates and have fixed terms of up to twenty years. For variable loans, the organization sets out a business prime rate and adds 2%, plus an additional percentage depending upon the perceived risk of the loan. The business prime rate at year end was 4.45% (2025 - 4.95%), and rates charged ranged from 4.45% to 11.45% (2025 - 3.45% to 10.45%).

	2026	2025
Balance, beginning of the year	7,867,639	6,036,626
Loans written off and forgiven during the year	-	(79,000)
Loans advanced during the year	1,343,302	2,796,000
Loans repaid during the year	(1,087,384)	(885,987)
Balance, being principal receivable at year end	8,123,557	7,867,639
Accrued interest	37,402	60,050
Allowance for doubtful accounts	(783,481)	(681,825)
Balance, end of year	7,377,478	7,245,864

The allowance for doubtful accounts is determined based on historical loss records. Management uses the percentage of uncollected loans from previous years to establish a percentage for uncollectable loans in the future.

The balance is comprised of:		
Board fund loan receivable	1,509,074	1,949,501
Investment fund loans receivable	5,868,404	5,296,363
	7,377,478	7,245,864

4. CAPITAL ASSETS

CAPITAL ASSETS	Cost	Accumulated Amortization	2026	2025
Furniture and fixtures	2,830	(2,036)	794	1,079
Computer hardware	20,425	(19,770)	655	2,901
Leaseholds	53,382	(53,382)	-	203
	76,637	(75,188)	1,449	4,183

5. INVESTMENTS

Investments held by the organization include guaranteed investment certificates, recorded at amortized cost plus accrued interest at year end. During the fiscal year, all GICs were not reinvested and were transferred to savings accounts.

Total investments are comprised of the following:

	2026	2025
Guaranteed Investment Certificates, with maturity dates in September 2025, with interest rates ranging from 4.10% to 4.15%	-	1,200,370

The balance is comprised of:

	2026	2025
Board fund investment	-	306,903
Investment fund investments	-	893,467
	-	1,200,370

6. ECONOMIC DEPENDENCE

The Operating Fund is primarily funded by Federal Development Agency for Southern Ontario and its ongoing existence is dependent upon continued receipt of this funding.

7. COMMITMENTS

In May 2024, the organization renewed the contract to lease its current premises, with an extension until June 2027. Future minimum lease payments are as follows:

2027	-	$34,898
2028	-	$8,724

8. TRANSFERS

During the year, the Board approved a transfer of $100,000 (2025 - $100,000) from the Investment Fund to the General Fund for general operations. The Board approved a transfer of $89,000 from the Board Fund to the General Fund.

9. RISK MANAGEMENT

Management and the Board monitor and respond as necessary to any risks arising from financial instruments.

Credit Risk
The organization is exposed to credit risk through its loans and mortgages receivable, as described in Note 3. The organization invests in loans as its primary source of revenue for the Board Fund and the Investment Fund. The organization reviews customers' credit history before extending credit and conducts regular reviews of its existing loan portfolio.

Interest Rate Risk
The organization is exposed to interest rate risk on its loans and mortgages receivable, as described in Note 3. Interest rates on loans receivable are based on the business prime rate. During the year the business prime rate decreased.