



Santé Bruyère
Institut de recherche

Bruyère Health
Research Institute

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**BRUYÈRE HEALTH RESEARCH INSTITUTE
FINANCIAL STATEMENTS
MARCH 31, 2026**



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Bruyère Health Research Institute Inc.

Opinion

We have audited the financial statements of Bruyère Health Research Institute Inc. (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's 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 the 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 related 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.

Auditor's 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 auditor's 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 the 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 Entity's internal control.



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- 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 auditor's 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 auditor's 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 24, 2026



STATEMENT OF FINANCIAL POSITION

	March 31, 2026	March 31, 2025
	\$	\$
ASSETS		
Current assets		
Cash	8,959,351	9,487,583
Accounts receivable	2,434,989	2,017,644
Due from Bruyère Health [note 4]	797,863	-
Prepaid expenses	53,608	101,539
Total current assets	12,245,811	11,606,766
Intangible assets [note 3]	87,705	70,170
Total assets	12,333,516	11,676,936
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities [note 5]	872,540	857,263
Due to Bruyère Health [note 4]	-	200,385
Deferred research grants [note 6]	8,644,299	7,696,646
Total current liabilities	9,516,839	8,754,294
Net assets		
Invested in intangible assets	87,705	70,170
Internally restricted	2,073,024	2,073,024
Unrestricted	655,948	779,448
Total net assets	2,816,677	2,922,642
	12,333,516	11,676,936

See accompanying notes to the financial statements

On behalf of the Board:

Ella Mar

Chair: Ella Mar

Claude Briand

Director: Claude Briand

STATEMENT OF OPERATIONS

Year ended March 31

	2026	2025
	\$	\$
REVENUE		
Research projects	16,300,143	16,194,155
Contributions from related parties <i>[note 4]</i>	1,044,453	1,085,366
Scientific support funding	251,556	274,388
Investment income	215,796	339,376
Contributions from other sources	885,271	900,506
	18,697,219	18,793,791
EXPENSES		
Research projects	16,300,876	16,191,390
Research administrative salaries and benefits	1,549,954	1,637,593
Scientific support expenses	722,828	664,028
Professional fees and other expenses	216,231	263,262
Equipment expense	13,295	9,033
	18,803,184	18,765,306
Excess (deficiency) of revenue over expenses	(105,965)	28,485

See accompanying notes to the financial statements



STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Internally restricted	Invested in capital assets	Unrestricted	2026	2025
	\$	\$	\$	\$	\$
Net assets, beginning of year	2,073,024	70,170	779,448	2,922,642	2,894,157
Excess (deficiency) of revenue over expenses	-	-	(105,965)	(105,965)	28,485
Net change invested in intangible assets	-	17,535	(17,535)	-	-
Transfer [note 9]	-	-	-	-	-
Net assets, end of year	2,073,024	87,705	655,948	2,816,677	2,922,642

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2026	2025
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	(105,965)	28,485
Changes in non-cash operating working capital items:		
Accounts receivable	(417,345)	496,911
Due from / to Bruyère Health	(998,248)	85,726
Prepaid expenses	47,931	(5,113)
Accounts payable and accrued liabilities	15,277	(260,577)
Deferred research grants	947,653	(233,470)
Cash provided (used) by operating activities	(510,697)	111,962
INVESTING ACTIVITIES		
Purchase of intangible assets	(17,535)	(70,170)
Cash used in investing activities	(17,535)	(70,170)
Net increase (decrease) in cash	(528,232)	41,792
Cash, beginning of year	9,487,583	9,445,791
Cash, end of year	8,959,351	9,487,583

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF ENTITY

The Bruyère Health Research Institute [the “Research Institute” or “Bruyère Health RI”] (formerly Bruyère Research Institute Inc.), was incorporated in September 1987 under the Corporations Act of Ontario and is a registered charity under the Income Tax Act. Bruyère Health Research Institute conducts research to maximize quality of life and shape the future health care. As an academic health sciences centre, our research supports evidence-based care with a focus on memory, aging in place, and long-term care, palliative care, rehabilitation and recovery, and social accountability. In fiscal year 2013, the Research Institute was accepted by the Canada Revenue Agency as an approved research institute for purposes of scientific research and experimental development expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations [“ASNPO”]. The significant accounting policies are summarized as follows:

Revenue recognition

The Research Institute follows the deferral method of accounting for contributions and grants. Externally restricted contributions, grants and related interest generated are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted and operating contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Bruyère Health RI’s investigators are entitled to hold general research funds which consists of honorariums, consulting services, bursaries, excess research project or contract funds that do not have to be returned to the funder. Those funds are deferred and recognized as revenue in the year in which general research expenses are incurred. Deferred general research funds are presented as deferred research grants on the statement of financial position.

Certain services are provided to the entity without charge. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Net assets

Internally restricted net assets consist of funds set aside by the Board of Directors for future use, namely for specific projects, functions or activities, including scientific recruitment and retention as well as for other significant costs. Unrestricted net assets represent the Research Institute’s net assets that may be used for any purpose deemed appropriate .

Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured as described below:

Asset / Liability Measurement

Cash	Fair value
Accounts receivable	Amortized cost
Due from/to Bruyère Health	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets

Intangible assets are recorded at cost and amortized on a straight-line basis over the estimated useful lives of the assets. Construction in progress and software under development assets are not amortized until the projects are complete and the assets are put into use.

Intangible assets are recorded at cost and will be amortized on a straight-line basis using the following rates:

Software (Research Administration System)	5 years
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Foreign Currency

The functional and reporting currency of the Research Institute is the Canadian dollar. Transactions denominated in foreign currencies are translated into Canadian dollars at the rate of exchange on the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates in effect at the year end. Foreign gains and losses are recorded in the Statement of Operations.

Employee future benefits

Some of Bruyère Health RI employees are members of the Healthcare of Ontario Pension Plan ["HOOPP"], which is a multi-employer defined benefit pension plan. Bruyère Health RI has adopted defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The more significant area requiring the use of estimates relates to certain accrued liabilities. Actual results could differ from these estimates.

3. INTANGIBLE ASSETS

On September 6, 2024, the Research Institute signed an Agreement with a third party for the implementation of a Research Administration System. This software is comprised of 3 modules, namely Fund Manager, Human Ethics and Sponsored Projects and is presently under the development phase. The system go-live is expected to be the beginning of June 2026.

NOTES TO THE FINANCIAL STATEMENTS

3. INTANGIBLE ASSETS (Continued)

The total cost incurred as of March 31, 2026 is shown below.

March 31, 2026			
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Software under development	87,705	—	87,705
	87,705	—	87,705

March 31, 2025			
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Software under development	70,170	—	70,170
	70,170	—	70,170

4. RELATED PARTY TRANSACTIONS

Bruyère Health [“Bruyère”] exercises influence over the Bruyère Health Foundation [the “Foundation”] and Bruyère Health RI, with the cross appointment of ex-officio board members as required by the by-laws of the individual corporations.

Bruyère is incorporated under the Corporations Act of Ontario and is a registered charity under the Income Tax Act. Bruyère supported the Research Institute’s overhead and its innovation portfolio with a contribution of \$1,000,000 [2025 - \$1,000,000] and \$80,543 [2025 - \$nil] respectively. Bruyère also provided the Research Institute with financial, human resources and information systems services as well as occupation cost at no charge.

All revenue and expenses of the Research Institute are initially received and paid by Bruyère and subsequently settled with the Research Institute. As of March 31, 2026, \$797,862 was due from to Bruyère [2025 - \$200,385 due to Bruyère].

The Foundation is incorporated under the Corporations Act of Ontario and is a registered charity under the Income Tax Act. During the year, the Research Institute received \$44,453 [2025 - \$115,366] from the Foundation of which \$44,453 [2025 - \$85,366] was an unrestricted contribution for operations and \$Nil [2025 - \$30,000] was for research projects.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the related entities.

NOTES TO THE FINANCIAL STATEMENTS

5. GOVERNMENT REMITTANCES

As at March 31, 2026, \$154,966 [2025 - \$147,897] of government remittances are included in accounts payable and accrued liabilities.

6. DEFERRED RESEARCH GRANTS

The changes in the deferred research grants balance are as follows:

	2026	2025
	\$	\$
Balance, beginning of year	7,696,646	7,930,116
Grants received during the year	16,047,411	15,417,569
Research projects grants recognized during the year	(15,099,758)	(15,651,039)
Balance, end of year	8,644,299	7,696,646

7. PENSION PLAN

Some employees of the Research Institute are members of the Healthcare of Ontario Pension Plan [“HOOPP”], which is a multi-employer defined benefit pension plan available to all eligible employees of the healthcare community. Contributions to HOOPP made during the year by the Research Institute on behalf of its employees amounted to \$141,538 [2025 - \$146,248] and are included in research administrative salaries and benefits, research programs salaries and benefits and research projects expenses in the statement of operations.

Pension expense is based on HOOPP management’s best estimates, in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by HOOPP. The funding objective is for employer contributions to HOOPP to remain a constant percentage of employees’ contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of HOOPP as of December 31, 2025 indicated that HOOPP is fully funded.

8. CAPITAL MANAGEMENT

The Research Institute includes internally restricted net assets and unrestricted net assets in its definition of capital.

In managing capital, the Research Institute focuses on liquid resources available for operations. The Research Institute’s objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2026, the Research Institute has met its objective of having sufficient liquid resources to meet its current obligations. Bruyère Health RI has accumulated unrestricted net assets over its history. A portion of the accumulated net assets is retained as working capital which may be required from time to time due to timing delays in receiving external funding. The remaining surplus is available for the use of Bruyère Health RI in accordance with a reserve policy that has been established and approved by the Board of Directors.

The Research Institute is subject to externally imposed restrictions on the use of research grants, which are to be used for specific sites, programs or purposes. During the year, the Research Institute complied with all externally imposed restrictions.

NOTES TO THE FINANCIAL STATEMENTS

9. NET ASSETS

During the fiscal year, the Board of Directors approved to transfer \$nil [2025 - \$1,408,202] from unrestricted to internally restricted net assets. Restricted Funds are preserved or secured for specific future purposes, to build long-term capacity, or to comply with future contractual covenants.

10. COMMITMENTS

On March 31, 2026, the Research Institute had a commitment amounting to \$116,010 in respect of acquisition of the Research Administration System.

11. FINANCIAL RISKS

Financial instrument risk management

Credit risk

Credit risk arises from the potential that a counterparty to an instrument will fail to perform its obligations.

Bruyère Health RI is exposed to credit risk on its accounts receivable. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit risk is mitigated through collection practices and the diverse nature of amounts within accounts receivable. Bruyère Health RI actively manages and monitors receivables balances.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure credit risk.

Liquidity risk

Liquidity risk is the risk that Bruyère Health RI will not be able to meet all cash flow obligations as they come due. Bruyère Health RI mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis.

Accounts payable and accrued liabilities and the due to Bruyère mature within one year.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure liquidity risk. Bruyère Health RI is not exposed to significant interest rate, other price risks or currency risks.