

BRUCE HOUSE

FINANCIAL STATEMENTS

MARCH 31, 2021

BRUCE HOUSE

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Statement of Operations and Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Schedule A - Revenue and Expenses - Ministry of Health	12

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Bruce House

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bruce House (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations 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, 2021, 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 Organization derives revenue from donations, fundraising and rental income, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and net assets as at March 31, 2021 and 2020 and April 1, 2019.

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 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.

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 Organization'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 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.

Marcil Lavallée

OTTAWA
400-1420 place Blair Towers Place
Ottawa ON K1J 9L8
T 613 745-8387
F 613 745-9584

Marcil-Lavallee.ca
Comptables professionnels agréés
Chartered Professional Accountants

Cabinet indépendant affilié à
Independent firm affiliated to



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 these financial statements.

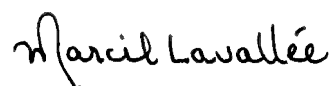
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 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.

Report on Other Legal and Regulatory Requirements

As required by the Ontario Corporations Act, we report that, in our opinion Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 15, 2021

BRUCE HOUSE

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2021

4

	2021	2020
REVENUE		
Grants and contributions (Note 3)	\$ 615,322	\$ 491,809
Rental	153,059	159,521
Donations	53,034	34,447
Fundraising	23,864	69,357
Pride Run event	7,300	7,075
Other	17,489	30,091
	870,068	792,300
EXPENSES		
Salaries and benefits	393,820	361,066
Apartment	175,294	188,034
Covid-19 program costs	109,160	-
Rent, utilities and maintenance	60,172	59,682
Other program	32,279	19,761
Office expenses	22,501	15,714
Volunteers	20,172	12,687
Staff education and travel	9,529	10,101
Other fundraising costs	8,278	24,435
Insurance	8,128	8,594
Housing research projects	7,699	23,486
Memberships	1,118	1,191
Bad debt (recovery)	-	(608)
Professional fees	15,952	2,230
Amortization of capital assets	1,324	978
	865,426	727,351
EXCESS OF REVENUES OVER EXPENSES	4,642	64,949
NET ASSETS, BEGINNING OF YEAR	161,375	96,426
NET ASSETS, END OF YEAR	\$ 166,017	\$ 161,375

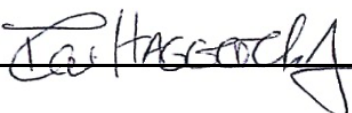
BRUCE HOUSE

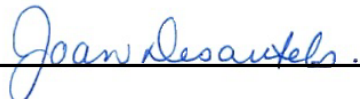
STATEMENT OF FINANCIAL POSITION MARCH 31, 2021

5

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 252,394	\$ 189,872
Accounts receivable (Note 4)	15,613	8,831
Prepaid expenses	6,818	8,991
	274,825	207,694
CAPITAL ASSETS (Note 5)	4,635	5,959
	\$ 279,460	\$ 213,653
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 50,627	\$ 29,110
Deferred revenue	22,500	4,100
Deferred grants and contributions (Note 7)	40,316	19,068
	113,443	52,278
NET ASSETS		
Unrestricted	166,017	161,375
	\$ 279,460	\$ 213,653

ON BEHALF OF THE BOARD

 Director

 Director

BRUCE HOUSE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

6

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 4,642	\$ 64,949
Adjustment for:		
Amortization of capital assets	1,324	978
	5,966	65,927
Net change in non-cash items related to operating activities:		
Accounts receivable	(6,782)	18,448
Prepaid expenses	2,173	(2,870)
Accounts payable and accrued liabilities	21,517	(19,785)
Deferred revenue	18,400	(13,908)
Deferred grants and contributions	21,248	(12,266)
	56,556	(30,381)
	62,522	35,546
INVESTING ACTIVITY		
Acquisition of capital assets	-	(6,621)
INCREASE IN CASH AND CASH EQUIVALENTS	62,522	28,925
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	189,872	160,947
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 252,394	\$ 189,872

Cash and cash equivalents consist of cash.

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

7

1. STATUTE AND NATURE OF OPERATIONS

Bruce House, legally know as AIDS Housing Group of Ottawa until July 8, 1999, was incorporated without share capital under the Ontario Corporations Act for the purpose of providing housing for persons living with AIDS. The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenue recognition

The Organization follows the deferral method of accounting for grants and contributions. Under this method, grants and contributions restricted for future period expenses are deferred and are recognized in the year in which the related expenses are incurred and when the amount can be reasonably estimated and the collection is reasonably assured.

Rental income for housing and apartment units are recognized when the service is rendered, over the lease term, on a straight-line basis.

Fundraising and donation revenue from events is recognized when the event occurs.

Revenue from general donations is recognized upon receipt of funds.

Revenue from other sources is recognized in the period to which they relate.

Contributed services

The work of the Organization is dependent on the voluntary service of many members. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in these financial statements.

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

8

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Organization's policy is to present bank balances, including bank indebtednesses with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the straight-line method at the following rate and over the following periods:

	Periods
Office furniture	5 years
Computer equipment	5 years
Website	5 years

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net earnings. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 net earnings.

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

9

3. GRANTS AND CONTRIBUTIONS

	2021		2020	
Ministry of Health (Core operations)	\$	253,142	\$	253,142
City of Ottawa (Supportive daily living)		144,500		144,500
M.A.C. AIDS Fund (Program and services)		14,000		41,500
Ottawa Community Foundation (REST program)		65,975		21,159
United Way (Emergency community support fund)		76,800		-
City of Ottawa (Emergency fund)		31,608		-
Other		29,297		31,508
	\$	615,322	\$	491,809

4. ACCOUNTS RECEIVABLE

	2021		2020	
Trade accounts	\$	6,487	\$	7,677
Allowance for doubtful accounts		(5,277)		(5,277)
		1,210		2,400
Harmonized sales tax receivable		14,403		6,431
	\$	15,613	\$	8,831

5. CAPITAL ASSETS

	2021			2020	
	Cost	Accumulated amortization	Net book value	Net book value	
Office furniture	\$ 3,251	\$ 975	\$ 2,276	\$	2,926
Computer equipment	17,789	15,430	2,359		3,033
Website	5,000	5,000	-		-
	\$ 26,040	\$ 21,405	\$ 4,635	\$	5,959

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

10

6. BANK LOAN

The Organization has an authorized line of credit of \$15,000, at prime lending rate plus 2.9%. This line of credit is secured by a general security agreement on all assets of the Organization.

As at March 31, 2021, the line of credit was unused.

7. DEFERRED GRANTS AND CONTRIBUTIONS

The changes in deferred grants and contribution are as follows:

	2021	2020
Balance, beginning of year	\$ 19,068	\$ 31,334
Plus: Amount granted during the year	636,570	479,543
Less: Amount recognized as revenue in the year	(615,322)	(491,809)
	\$ 40,316	\$ 19,068

Deferred grants and contributions are detailed as follows:

	2021	2020
ViiV Healthcare ULC	\$ 23,000	\$ -
City of Ottawa (Emergency fund)	15,316	12,402
M.A.C. AIDS Fund	2,000	-
Ottawa Community Foundation	-	6,666
	\$ 40,316	\$ 19,068

8. COMMITMENTS

The commitment of the Organization under a lease agreement aggregates to \$247,400. The instalments over the next three years are the following:

2022	\$	88,400
2023	\$	90,900
2024	\$	68,100

9. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The financial impact on the Organization is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Organization cannot determine the ultimate financial impacts at this time.

10. CONTINGENCIES**Other indemnification agreements**

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

11. ECONOMIC DEPENDENCE

The Organization is significantly dependant on the Ministry of Health and the City of Ottawa for its funding. The economic dependence results from the fact that the viability of the Organization would be affected by the loss of this funding.

BRUCE HOUSE

ADDITIONAL INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

12

2021 2020

SCHEDULE A - REVENUE AND EXPENSES - MINISTRY OF HEALTH

In accordance with the requirements of the Ministry of Health, the revenue and expenses financed by the AIDS Bureau are as follows:

REVENUE			
Core funding	\$	253,142	\$ 253,142
<hr/>			
OPERATING EXPENSES			
Salaries, wages and remuneration		147,841	147,841
Benefits		26,977	26,977
Rent		41,590	41,590
Supplies and other expenses		36,734	36,734
		<hr/>	
	\$	253,142	\$ 253,142
		<hr/>	