

BRUCE HOUSE

FINANCIAL STATEMENTS

MARCH 31, 2022

BRUCE HOUSE

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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, 2022, 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, 2022, 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 revenues 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 revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at March 31, 2022 and 2021 and April 1, 2020.

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.

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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.

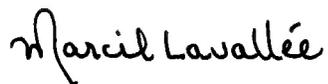
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Not-for-Profit Corporations Act, 2010, 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 21, 2022

BRUCE HOUSE

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
REVENUES		
Grants and contributions (Note 3)	\$ 664,873	\$ 615,322
Rental	153,073	153,059
Donations	45,934	53,034
Fundraising	30,931	23,864
Pride Run event	5,609	7,300
Other	19,893	17,489
	920,313	870,068
EXPENSES		
Salaries and benefits	463,288	393,820
Apartment	173,344	175,294
COVID-19 program costs	132,393	109,729
Rent, utilities and maintenance	61,576	60,172
Office expenses	24,734	24,646
Other program	20,474	30,587
Insurance	9,817	8,128
Volunteers	9,665	21,072
Other fundraising costs	8,410	8,278
Staff education and travel	7,944	7,607
Housing research projects	6,197	7,699
Memberships	666	1,118
Professional fees	16,264	15,952
Amortization of capital assets	1,604	1,324
	936,376	865,426
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(16,063)	4,642
NET ASSETS, BEGINNING OF YEAR	166,017	161,375
NET ASSETS, END OF YEAR	\$ 149,954	\$ 166,017

BRUCE HOUSE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

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	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 211,720	\$ 252,394
Accounts receivable (Note 4)	21,038	15,613
Prepaid expenses	6,132	6,818
	238,890	274,825
CAPITAL ASSETS (Note 5)	5,829	4,635
	\$ 244,719	\$ 279,460
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 19,865	\$ 50,627
Deferred revenue	20,000	22,500
Deferred grants and contributions (Note 7)	54,900	40,316
	94,765	113,443
NET ASSETS		
Unrestricted	149,954	166,017
	\$ 244,719	\$ 279,460

ON BEHALF OF THE BOARD

Original signed by:

Michele Bedford

, Director

Joan Desautels

, Director

BRUCE HOUSE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (16,063)	\$ 4,642
Adjustment for:		
Amortization of capital assets	1,604	1,324
	(14,459)	5,966
Net change in non-cash items related to operating activities:		
Accounts receivable	(5,425)	(6,782)
Prepaid expenses	686	2,173
Accounts payable and accrued liabilities	(30,762)	21,517
Deferred revenue	(2,500)	18,400
Deferred grants and contributions	14,584	21,248
	(23,417)	56,556
	(37,876)	62,522
INVESTING ACTIVITY		
Acquisition of capital assets	(2,798)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,674)	62,522
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	252,394	189,872
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 211,720	\$ 252,394

Cash and cash equivalents consist of cash.

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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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 Not-for-Profit Corporations Act, 2010 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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

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, 2022

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Organization's policy is to present bank balances, including bank indebtedness with balances that can fluctuate 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 over the following periods:

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

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

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.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, 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 operations. If the indicators of impairment have decreased or no longer exist, the 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 operations.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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3. GRANTS AND CONTRIBUTIONS

	2022		2021	
Ministry of Health (Core operations)	\$	253,142	\$	253,142
City of Ottawa (Supportive daily living)		144,497		144,500
City of Ottawa (Emergency fund)		66,789		31,608
Ottawa Community Foundation (REST program)		54,283		65,975
United Way (Emergency community support fund)		23,650		76,800
M.A.C. AIDS Fund (Program and services)		11,000		14,000
Other one-time funding from corporations and foundations		111,512		29,297
	\$	664,873	\$	615,322

4. ACCOUNTS RECEIVABLE

	2022		2021	
Trade accounts	\$	4,831	\$	6,487
Allowance for doubtful accounts		(205)		(5,277)
		4,626		1,210
Harmonized sales tax receivable		16,412		14,403
	\$	21,038	\$	15,613

5. CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Office furniture	\$ 3,251	\$ 1,625	\$ 1,626	\$ 2,276
Computer equipment	20,587	16,384	4,203	2,359
Website	5,000	5,000	-	-
	\$ 28,838	\$ 23,009	\$ 5,829	\$ 4,635

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, 2022, the line of credit was unused.

BRUCE HOUSE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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7. DEFERRED GRANTS AND CONTRIBUTIONS

The changes in deferred grants and contribution are as follows:

	2022		2021
Balance, beginning of year	\$ 40,316	\$	19,068
Plus: Amount granted during the year	679,457		636,570
Less: Amount recognized as revenue in the year	(664,873)		(615,322)
	\$ 54,900	\$	40,316

Deferred grants and contributions are detailed as follows:

	2022		2021
United Way (Emergency Community Support Fund)	\$ 26,600	\$	-
TELUS (Client Health Wellness Program)	12,000		-
City of Ottawa (Emergency Fund)	11,300		15,316
Minto Foundation Inc.	5,000		-
ViiV Healthcare ULC	-		23,000
M.A.C. AIDS Fund	-		2,000
	\$ 54,900	\$	40,316

8. COMMITMENTS

The commitment of the Organization under a lease agreement aggregates to \$159,000. The instalments over the next two years are the following:

2023	\$	90,900
2024	\$	68,100

9. 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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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10. ECONOMIC DEPENDENCE

The Organization is significantly dependent 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.

11. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

BRUCE HOUSE

ADDITIONAL INFORMATION FOR THE YEAR ENDED MARCH 31, 2022

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2022 2021

SCHEDULE A - REVENUES AND EXPENSES - MINISTRY OF HEALTH

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

REVENUES			
Core funding	\$	253,142	\$ 253,142
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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
