



BRUYÈRE RESEARCH INSTITUTE INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2024



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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

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

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes 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, 2024, 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, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

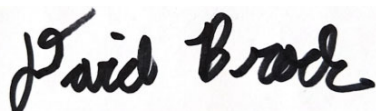
Ottawa, Canada  
June 27, 2024

# STATEMENT OF FINANCIAL POSITION

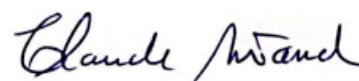
	March 31, 2024	March 31, 2023
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	9,445,791	7,347,855
Accounts receivable	2,514,555	2,167,806
Due from Bruyère Continuing Care Inc. [note 3]	-	1,591,150
Prepaid expenses	96,426	19,851
<b>Total assets</b>	<b>12,056,772</b>	<b>11,126,662</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities [note 4]	1,117,840	894,492
Due to Bruyère Continuing Care Inc. [note 3]	114,659	-
Deferred research grants [note 5]	7,930,116	7,727,835
<b>Total current liabilities</b>	<b>9,162,615</b>	<b>8,622,327</b>
<b>Net assets</b>		
Internally restricted	664,822	275,000
Unrestricted	2,229,335	2,229,335
<b>Total net assets</b>	<b>2,894,157</b>	<b>2,504,335</b>
	<b>12,056,772</b>	<b>11,126,662</b>

See accompanying notes to the financial statements

On behalf of the Board:



Chair: David Brook



Director: Claude Briand

# STATEMENT OF OPERATIONS

Year ended March 31

	2024	2023
	\$	\$
<b>REVENUE</b>		
Research projects	15,670,596	12,460,756
Contributions from related parties <i>[note 3]</i>	1,002,211	1,009,908
Scientific support funding	438,291	463,609
Investment income	393,754	248,400
Contributions from other sources	1,246,371	811,611
	<b>18,751,223</b>	<b>14,994,284</b>
<b>EXPENSES</b>		
Research projects	15,700,076	12,514,667
Research administrative salaries and benefits	1,699,622	1,293,949
Scientific support expenses	720,433	783,281
Professional fees and other expenses	220,715	116,305
Equipment expense	20,555	12,009
	<b>18,361,401</b>	<b>14,720,211</b>
<b>Excess of revenue over expenses</b>	<b>389,822</b>	<b>274,073</b>

*See accompanying notes to the financial statements*

# STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Internally restricted	Unrestricted	2024	2023
	\$	\$	\$	\$
<b>Net assets, beginning of year</b>	<b>275,000</b>	<b>2,229,335</b>	<b>2,504,335</b>	<b>2,230,262</b>
Excess of revenue over expenses	-	<b>389,822</b>	<b>389,822</b>	274,073
Transfer [Note 8]	<b>389,822</b>	<b>(389,822)</b>	-	-
<b>Net assets, end of year</b>	<b>664,822</b>	<b>2,229,335</b>	<b>2,894,157</b>	<b>2,504,335</b>

*See accompanying notes to the financial statements*

# STATEMENT OF CASH FLOWS

Year ended March 31

	2024	2023
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	<b>389,822</b>	274,073
Changes in non-cash operating working capital items:		
Accounts receivable	<b>(346,749)</b>	(918,652)
Due from Bruyère Continuing Care Inc.	<b>1,705,809</b>	(661,599)
Prepaid expenses	<b>(76,575)</b>	(10,246)
Accounts payable and accrued liabilities	<b>223,348</b>	156,012
Deferred research grants	<b>202,281</b>	(445,641)
<b>Cash provided (used) by operating activities</b>	<b>2,097,936</b>	(1,606,053)
<b>Net increase (decrease) in cash</b>	<b>2,097,936</b>	(1,606,053)
Cash, beginning of year	<b>7,347,855</b>	8,953,908
<b>Cash, end of year</b>	<b>9,445,791</b>	7,347,855

*See accompanying notes to the financial statements*



# NOTES TO THE FINANCIAL STATEMENTS

## 1. NATURE OF ENTITY

The Bruyère Research Institute Inc. [the “Research Institute” or “Bruyère RI”] was incorporated in September 1987 under the Corporations Act of Ontario and is a registered charity under the Income Tax Act. The Research Institute promotes supports and carries out research towards maximizing independence and fostering exemplary care in long-term, complex continuing and in end-of-life for the elderly. 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 generated interest 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 RI’s investigators are entitled to hold a 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. 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

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Cash	Fair value
Accounts receivable	Amortized cost
Due from/to Bruyère Continuing Care Inc.	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

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# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee future benefits

Some of Bruyère RI employees are member of the Healthcare of Ontario Pension Plan [“HOOPP”], which is a multi-employer defined benefit pension plan. Bruyère 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. RELATED PARTY TRANSACTIONS

Bruyère Continuing Care Inc. [“Bruyère”] exercises significant influence over the Foundation and Bruyère 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 with a contribution of \$1,000,000 [2023 - \$1,000,000]. 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, 2024, \$114,659 was due to Bruyère [2023 - \$1,591,150 due from Bruyère].

The Bruyère Foundation Inc. [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 \$206,173 [2023 - \$50,027] from the Foundation of which \$2,211 [2023 - \$9,908] was an unrestricted contribution for operations and \$203,962 [2023 - \$40,119] 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.

## 4. GOVERNMENT REMITTANCES

As at March 31, 2024, \$265,081 [2023 - \$112,594] of government remittances are included in accounts payable and accrued liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

## 5. DEFERRED RESEARCH GRANTS

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

	2024	2023
	\$	\$
<b>Balance, beginning of year</b>	<b>7,727,835</b>	8,173,476
Grants received during the year	<b>15,264,065</b>	12,058,296
Research projects grants recognized during the year	<b>(15,061,784)</b>	(12,503,937)
<b>Balance, end of year</b>	<b>7,930,116</b>	7,727,835

## 6. 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 \$96,852 [2023 - \$59,340] 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 at December 31, 2023 indicated that HOOPP is fully funded.

# NOTES TO THE FINANCIAL STATEMENTS

## 7. 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, 2024, the Research Institute has met its objective of having sufficient liquid resources to meet its current obligations. Bruyère 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 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.

## 8. NET ASSETS

During the fiscal year, the Board of Directors approved to transfer \$389,822 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.

## 9. 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 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 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 RI will not be able to meet all cash flow obligations as they come due. Bruyère 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 RI is not exposed to significant interest rate, other price risks or currency risks.