



Summary Financial Statements

Bethlehem Housing and Support Services

March 31, 2024

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Independent Auditor's Report

Grant Thornton LLP
80 King Street
Suite 200
St. Catharines, ON
L2R 7G1

T +1 905 682 8363
F +1 905 682 2191
www.GrantThornton.ca

To the Directors of
Bethlehem Housing and Support Services

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of Bethlehem Housing and Support Services (the "organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues, expenses, 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, 2024, and its results of operations and its cash flows for the year then ended in accordance with reporting provisions required by the Housing Services Act (2011) as applied by the Niagara Region.

Basis for qualified opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly, because of the possible effects of this scope limitation.

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 opinion.

Independent Auditor's Report (continued)

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 in the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the organization in complying with the reporting provisions required by the Housing Services Act (2011) as applied by the Niagara Region. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of the organization and Niagara Region and should not be used by parties other than the Directors of the organization and Niagara Region. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with reporting provisions required by the Housing Services Act (2011) as applied by the Niagara Region, 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.

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.

Independent Auditor's Report (continued)

- ♦ 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 section 96(2) of the Corporations Act, we report that, in our opinion, the accounting principles have been applied on a consistent basis with that of the preceding year.

The signature of Grant Thornton LLP is written in a cursive, handwritten style.

St. Catharines, Canada
June 24, 2024

Chartered Professional Accountants
Licensed Public Accountants

Bethlehem Housing and Support Services

Summary Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 875,257	\$ 885,547
Residents' receivables (Net of allowance \$92,359, 2023 - \$81,246)	11,255	15,187
Funding and other receivables	13,521	14,316
HST receivable	56,818	41,488
Prepaid expenses	41,682	74,570
	<u>998,533</u>	<u>1,031,108</u>

Long-term

Internally restricted cash and investments, debt retirement	185,701	182,579
Restricted cash and investments	1,659,617	1,835,193
Property	5,466,041	5,663,200
	<u>7,311,359</u>	<u>7,680,972</u>
	<u>\$ 8,309,892</u>	<u>\$ 8,712,080</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 233,075	\$ 148,408
Government remittances payable	44,365	37,548
Rent deposits	205,935	225,096
Deferred revenue	70,606	7,850
Current portion of mortgages payable	198,900	189,800
	<u>752,881</u>	<u>608,702</u>

Long-term

Due to 2533785 Ontario Inc.	100,000	100,000
Deferred revenue, Kalar Road property	810,810	844,594
Deferred revenue, James Street property	1,316,837	1,371,705
Mortgages payable	3,610,938	3,809,808
	<u>5,838,585</u>	<u>6,126,107</u>
	<u>6,591,466</u>	<u>6,734,809</u>

Net assets

Unrestricted	58,809	142,078
Internally restricted	1,481,224	1,584,686
Externally restricted	178,393	250,507
	<u>1,718,426</u>	<u>1,977,271</u>
	<u>\$ 8,309,892</u>	<u>\$ 8,712,080</u>

Continuing obligations

On behalf of the board



Director



Director

Bethlehem Housing and Support Services

Summary Statements of Revenues, Expenses and Changes in Net Assets

Year ended March 31	Direct service programs	Housing projects	Capital replacement funds	Designated reserve funds	2024	2023
Revenues						
Rent	\$ -	\$ 2,314,743	\$ -	\$ -	\$ 2,314,743	\$ 2,240,464
Special project grants	139,149	-	233,925	-	373,074	75,440
Region operating subsidies	292,218	207,480	-	-	499,698	586,379
Ministry of Children, Community and Social Services grants	350,492	-	-	-	350,492	436,267
Fundraising and donations	299,288	-	-	6,912	306,200	293,552
Infrastructure Ontario grant	-	141,199	-	-	141,199	141,199
Amortization of deferred building contributions	-	88,652	-	-	88,652	92,345
United Way grants	77,000	-	-	-	77,000	77,000
User fees, rebates, and other income	-	67,430	-	-	67,430	63,370
Investment income	20,539	4,971	(17,446)	22,951	31,015	19,107
Bingo	23,984	-	-	-	23,984	20,005
	<u>1,202,670</u>	<u>2,824,475</u>	<u>216,479</u>	<u>29,863</u>	<u>4,273,487</u>	<u>4,045,128</u>
Expenses						
Wages and benefits	1,105,169	389,226	-	-	1,494,395	1,179,795
Materials, services and program costs	222,539	514,372	-	-	736,911	725,943
Utilities	1,768	291,548	-	-	293,316	278,865
Amortization of buildings	-	197,159	-	-	197,159	312,006
Mortgage interest	-	180,182	-	-	180,182	189,814
Administration	135,377	44,745	-	-	180,122	213,552
Insurance	2,332	79,274	-	-	81,606	73,453
Fundraising costs	39,482	-	-	-	39,482	55,972
Bingo costs	111	-	-	-	111	1,790
Management fees (income) expense	(76,143)	76,143	-	-	-	-
Rent (Note 8)	-	858,378	-	-	858,378	788,377
Capital expenditures	-	-	408,625	62,045	470,670	257,575
	<u>1,430,635</u>	<u>2,631,027</u>	<u>408,625</u>	<u>62,045</u>	<u>4,532,332</u>	<u>4,077,142</u>
(Deficiency) excess of revenues over expenses for the year	<u>\$ (227,965)</u>	<u>\$ 193,448</u>	<u>\$ (192,146)</u>	<u>\$ (32,182)</u>	<u>\$ (258,845)</u>	<u>\$ (32,014)</u>
Net assets, beginning of year	\$ 85,531	\$ 56,547	\$ 468,699	\$ 1,366,494	\$ 1,977,271	\$ 2,009,287
(Deficiency) excess of revenues over expenses for the year	(227,965)	193,448	(192,146)	(32,182)	(258,845)	(32,014)
Transfer for administrative overhead (recovery)	120,725	(120,725)	-	-	-	-
Transfer to mandatory, required and other reserves	<u>22,000</u>	<u>(70,752)</u>	<u>70,752</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 291</u>	<u>\$ 58,518</u>	<u>\$ 347,305</u>	<u>\$ 1,312,312</u>	<u>\$ 1,718,426</u>	<u>\$ 1,977,273</u>

Bethlehem Housing and Support Services

Summary Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operating

Deficiency of revenues over expenses for the year	\$ (258,845)	\$ (32,014)
Amortization of buildings	197,159	312,006
Amortization of deferred building contributions	<u>(88,652)</u>	<u>(92,345)</u>
	(150,338)	187,647
Change in non-cash working capital items		
Residents' receivables	3,932	4,756
Funding and other receivables	795	(1,356)
HST receivable	(15,330)	(23,858)
Prepaid expenses	32,888	(41,717)
Accounts payable and accrued liabilities	84,667	(44,695)
Government remittances payable	6,817	23,682
Rent deposits	(19,161)	29,898
Deferred revenue	<u>62,756</u>	<u>(31,187)</u>
	7,026	103,170

Financing

Repayment of mortgages payable	(189,770)	(286,736)
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Investing

Sale of restricted investments	<u>172,454</u>	<u>51,753</u>
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Decrease in cash and cash equivalents	(10,290)	(131,813)
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Cash and cash equivalents

Beginning of year	<u>885,547</u>	<u>1,017,360</u>
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End of year	<u>\$ 875,257</u>	<u>\$ 885,547</u>
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Cash and cash equivalents consists of:

Cash	\$ 436,518	\$ 457,553
Investments	<u>438,739</u>	<u>427,994</u>
	<u>\$ 875,257</u>	<u>\$ 885,547</u>

Bethlehem Housing and Support Services

Note to the Financial Statements

March 31, 2024

1. Basis of presentation

The summary financial statements are derived from the audited financial statements, prepared in accordance with the Housing Services Act (2011) as interpreted by management for the purposes of reporting to the Niagara Region as at March 31, 2024 and 2023 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be included so that they are consistent in all material respects with, or represent a fair summary, of the audited financial statements.

Management prepared these summary financial statements using the following criteria:

The summary financial statements include a statement for each statement included in the audited financial statements;

Information in the summary financial statements agrees with the related information in the audited financial statements;

Major subtotals, totals and comparative information from the audited financial statements are included; and

The summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

In addition, a copy of the audited financial statements is available to any user, upon request.
