

MILTON TRANSITIONAL HOUSING CORP.

FINANCIAL STATEMENTS

June 30, 2024



**Coulson
Thompson
Turnbull**

CHARTERED PROFESSIONAL ACCOUNTANTS



MILTON TRANSITIONAL HOUSING CORP.

FINANCIAL STATEMENTS

June 30, 2024

INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operating Fund	4
Statement of Restricted Fund	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9



**Coulson
Thompson
Turnbull**

CHARTERED PROFESSIONAL ACCOUNTANTS

35 Hugh Street
Milton, Ontario L9T 2C7
Tel: 905.876.4633 or 905.876.2462
TF: 1.877.289.2292
Fax: 905.876.2064
www.cti-cpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Milton Transitional Housing Corp.

Opinion

We have audited the financial statements of Milton Transitional Housing Corp. (the "Corporation"), which comprise the statement of financial position as at June 30, 2024, and the statement of operating fund, statement of restricted fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Milton Transitional Housing Corp. as at June 30, 2024, 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 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 report. We are independent of the Corporation 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 and directors are 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 these financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



INDEPENDENT AUDITOR'S REPORT (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

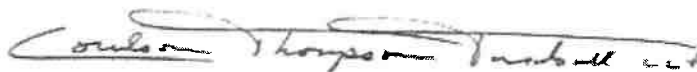
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Corporation'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 Corporation'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 Corporation 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.

Milton, Ontario
December 13, 2024



**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**



CHARTERED PROFESSIONAL ACCOUNTANTS



MILTON TRANSITIONAL HOUSING CORP.

STATEMENT OF FINANCIAL POSITION

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 268,438	\$ 229,483
Short-term investments (note 3)	59,130	57,976
Government sales taxes recoverable	1,205	913
Grant receivable	-	24,500
Prepaid insurance and rent	10,943	10,882
	339,716	323,754
CAPITAL ASSETS (note 4)	262	384
	\$ 339,978	\$ 324,138
LIABILITIES AND FUND BALANCES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 9,104	\$ 5,134
Government payroll taxes payable	5,443	3,781
	14,547	8,915
FUND BALANCES		
Operating fund	310,431	300,223
Restricted fund	15,000	15,000
	325,431	315,223
	\$ 339,978	\$ 324,138

See accompanying notes on pages 7 to 9.

Approved by the Board:

Director	Director
----------	----------

MILTON TRANSITIONAL HOUSING CORP.

STATEMENT OF OPERATING FUND

For the Year Ended June 30	2024	2023
REVENUE		
Rental	\$ 130,200	\$ 133,258
Grants - Halton Region	105,000	122,500
Donations	\$ 59,433	\$ 72,548
Fundraising	54,364	66,307
Grant - Other	18,626	13,964
Interest	3,648	2,357
	<u>371,271</u>	<u>410,934</u>
EXPENDITURES		
Program delivery	316,998	312,483
Administrative	40,073	32,024
Professional fees	2,469	1,578
Bank charges	474	529
Event expenses	1,049	488
	<u>361,063</u>	<u>347,102</u>
EXCESS OF REVENUE OVER EXPENDITURES, for the year	10,208	63,832
FUND BALANCE, beginning of year	<u>300,223</u>	<u>236,391</u>
FUND BALANCE, end of year	<u>\$ 310,431</u>	<u>\$ 300,223</u>

See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.

STATEMENT OF RESTRICTED FUND

For the Year Ended June 30	2024	2023
REVENUE	\$ -	\$ -
EXPENDITURES	-	-
DEFICIENCY OF REVENUE OVER EXPENDITURES, for the year	-	-
FUND BALANCE, beginning of year	15,000	15,000
	15,000	15,000
Transfer from operating fund (note)	-	-
FUND BALANCE, end of year	\$ 15,000	\$ 15,000

See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.

STATEMENT OF CASH FLOWS

For the Year Ended June 30	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures, Operating fund	\$ 10,208	\$ 63,832
Items not involving cash Depreciation	122	180
	10,330	64,012
Change in other non-cash operating accounts:		
Government sales taxes recoverable	(292)	2,018
Grant receivable	24,500	(24,500)
Prepaid insurance and rent	(61)	(123)
Accounts payable and accrued liabilities	5,632	2,450
	29,779	(20,155)
	40,109	43,857
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in short-term investment	(1,154)	(712)
CHANGE IN CASH , during the year	38,955	43,145
CASH , beginning of year	229,483	186,338
CASH , end of year	\$ 268,438	\$ 229,483

See accompanying notes on pages 7 to 9.

MILTON TRANSITIONAL HOUSING CORP.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

1. PURPOSE OF THE ORGANIZATION

Milton Transitional Housing Corp. (the "Organization") is a community-based charity providing bridge accommodation and supportive counselling to those in Milton who are experiencing housing crisis as they work towards securing a stable home. The Organization is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario. The Organization obtained status as a Registered Charity effective July 27, 2011.

The Organization is classified as a not-for-profit organization under the Income Tax Act (Canada) and as such, is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

Restricted fund

The Organization uses the fund to transfer a percentage of any operating surplus as approved by the board for possible capital expenditures.

Operating fund - Unrestricted

The revenue and expenses for the general operations of the Organization are reported in the statement of operating fund.

b) Capital Assets

Capital assets are initially recorded in the accounts at cost. Amortization is provided using the following basis and rates which are expected to charge operations with the cost of the assets over their estimated useful lives:

Declining balance	
Computer equipment	30% declining balance
Computer software	33% declining balance

The above rates are reviewed annually to ensure still appropriate. Any changes are adjusted for on a prospective basis.

MILTON TRANSITIONAL HOUSING CORP.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Revenue Recognition

Donations are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably ensured.

The Organization recognizes revenue from fundraising and rental revenue in the period they relate to.

Revenues specifically intended for future periods are initially deferred and taken into revenue as expenses are incurred.

Interest income is recognized on an accrual basis.

d) Donated Services

The Organization receives assistance with its operations from donated services. These services have not been monetarily recognized in the operating statement of the organization.

e) Investments

Investments are purchased to be held to maturity, and accordingly are recorded at cost plus accrued interest, calculated using the effective interest rate method.

f) Use of Estimates

The preparation of financial statements in accordance with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. In particular, the useful lives of fixed assets could differ from the estimates made.

g) Financial Instruments

All assets and liabilities, with the exception of prepaid expenses, are financial instruments, and are initially recorded at fair market value and are subsequently recorded at amortized cost.

MILTON TRANSITIONAL HOUSING CORP.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

3. SHORT TERM INVESTMENTS

The guaranteed investment certificate consists of one Tandia Financial Credit Union Limited investments, maturing February 2025, earning interest at 2.75%.

4. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2024	2023
Computer equipment	\$ 2,188	\$ 2,081	107	153
Computer software	7,671	7,516	155	231
	<u>\$ 9,859</u>	<u>\$ 9,597</u>	<u>262</u>	<u>384</u>

5. COMMITMENTS

The Organization leases premises for its participants to reside in. These leases are for a one year term and expire in the next fiscal year..

6. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The organization holds its funds in an interest bearing account at a major Canadian financial institution and is subject to interest rate risk when the prime rate varies.

Credit risk

Credit risk is the potential for financial loss should a counter-party in a transaction fail to meet its obligations. The Organization places its operating cash with a high quality institution and believes its exposure is not significant.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its obligations as they become due. The Organization manages this risk by establishing budgets and funding plans to fund its operating expenses. Cash is held in an interest bearing account which provides a rate of return as well as liquidity.