



## STAFF REPORT

### Board Meeting

**MEETING DATE:** March 3 2022

**REPORT:** B.3.3 Financial Report

**AUTHOR:** Jennifer Bisley, Executive Director

#### **A. Recommendation**

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THAT The Blue Mountains Attainable Housing Corporation receive Item B.3.3 Financial Report for information.

AND THAT The Blue Mountains Attainable Housing Corporation approve the Balance Sheet Report as of December 31, 2021, and Profit and Loss Report from January 1 to December 31, 2021 for audit purposes.

#### **B. Background**

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The Treasurer and Executive Director are responsible for providing regular financial reports on a cash flow basis to the Board and for coordinating the annual audit.

Recent reports to the Board: [January 3, 2022](#) and [February 10, 2022](#).

#### **C. Analysis**

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##### Financial and Budget Variance

Attached is a Cash Flow Budget Variance Report for the period January 1 to December 31, 2021. Total cash received was 35% below budget and total expenditures 30% below budget. As noted in previous financial reports, these variances are due to Gateway Project schedule changes, staff vacancies, and lower than budgeted staffing levels. The preparation of an updated 2022 Budget and business plan is scheduled for Q2-2022.

##### Annual Audit

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards 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. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Attached are the Balance Sheet Report as of December 31, 2021, and the Profit and Loss Report from January 1 to December 31, 2021, for approval for submission to KPMG for audit purposes. KPMG will also assist in the preparation of final financial statements including formatting and account grouping changes.

### HST Determination

A request was sent to CRA to be determined as a municipality for GST/HST purposes on November 20, 2020. Prior to this request, BMAHC received a memo from [Baker Tilly](#) dated May 12, 2020 and from [Robins Appleby](#) dated October 20, 2020 advising on the available GST/HST exemptions and rebates for development and operations. The primary benefit of the municipal determination is eligibility for a 100% rebate of GST (the federal part of HST) and 78% of the provincial part of HST for expenditures related to exempt activities by making a Public Service Body rebate claim.

On October 21, 2021, the CRA wrote that The Blue Mountains Attainable Housing Corporation is determined to be a municipality under the administrative criteria relating to para-municipal organizations for GST/HST purposes. The determination is effective four years retroactive from the beginning of October 2021. As a result of this determination, BMAHC is required to comply with all the provisions in the Excise Tax Act that apply to municipalities for GST/HST purposes.

As a result, management has initiated a review of bookkeeping and reporting requirements. Retroactively, BMAHC can make a PSB rebate claim for expenditures related to exempt activities only. An initial review of activities and expenditures indicate that the rebate would be minimal. Moving forward, BMAHC can make the PSB rebate claim in the same periods as its quarterly HST return.

### Bookkeeping Services

In April 2021, BMAHC entered a contract with LM Rourke CPA to provide accounting services. The team at LM Rourke CPA has since joined Grant Thornton LLP and, on February 14, 2022, sent a notice of termination of bookkeeping and payroll engagement services once the year end and February 2022 month-end reconciliation process are concluded. They cited a lack of availability to continue to provide these services. Management is exploring options to continue to outsource these services or to bring the services in-house as part of the vacant administration position.

### **D. Financial Impact**

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None

**Attachments:** Cash Flow Budget Variance Report, January 1 to December 31, 2021  
Balance Sheet Report, December 31, 2021  
Profit and Loss Report, January 1 to December 31, 2021

# The Blue Mountains Attainable Housing Corporation

## Cash Flow Budget Variance Report

January-December 2021

			Variance		2022 Budget	2023 Budget
	2021 Budget	2021 Actual	\$	%		
<b>Funding</b>						
TBM Grant	\$ 20,000	\$ 20,000	\$ -		\$ 20,000	\$ 20,000
TBM Loan	\$ 340,000	\$ 170,000	\$ 170,000		\$ 360,000	\$ 400,000
FCM Grant	\$ -		\$ -			
CMHC Seed Grant	\$ -	\$ 44,748	-\$ 44,748			
<b>Total Cash Received</b>	<b>\$ 360,000</b>	<b>\$ 234,748</b>	<b>\$ 125,253</b>	<b>35%</b>	<b>\$ 380,000</b>	<b>\$ 420,000</b>
<b>Expenditures</b>						
Grant Disbursements Secondary Suite	\$ 10,000	\$ -	\$ 10,000		\$ 10,000	\$ 10,000
Consulting			\$ -		\$ 15,000	\$ 15,000
Development Mgmt Fees	\$ -	\$ -	\$ -			
Total Consulting (Gateway)	\$ 43,200	\$ 63,128	-\$ 19,928		<b>\$ 25,000</b>	<b>\$ 25,000</b>
Office and Banking Expenses	\$ 30,910	\$ 7,933	\$ 22,977		\$ 44,500	\$ 52,200
Human Resources	\$ 246,873	\$ 160,415	\$ 86,458		\$ 263,134	\$ 290,949
Total Marketing	\$ 6,960	\$ 3,032	\$ 3,928		<b>\$ 8,000</b>	<b>\$ 8,000</b>
Total Professional Fees	\$ 47,940	\$ 37,000	\$ 10,940		<b>\$ 41,000</b>	<b>\$ 47,500</b>
Total Misc (Napier St)	\$ -	\$ 9,243	-\$ 9,243		\$ -	\$ -
<b>Total Cash Outflow</b>	<b>\$ 385,883</b>	<b>\$ 271,508</b>	<b>\$ 114,375</b>	<b>30%</b>	<b>\$ 362,134</b>	<b>\$ 396,449</b>
<b>Surplus/Deficit</b>	<b>-\$ 25,883</b>	<b>-\$ 36,761</b>	<b>\$ 10,878</b>	<b>-42%</b>	<b>\$ 17,866</b>	<b>\$ 23,551</b>

Budget approved March 4 2021

# The Blue Mountains Attainable Housing Corporation

## Balance Sheet

As of December 31, 2021

	TOTAL
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalent	\$71,838.12
8-000-0000-11005 TD Canada Trust Investment	0.00
8-000-0000-14000 Work In Progress - Gateway Project	249,306.40
8-000-0000-14010 Work in progress - 19 Napier St. E. Thornbury	9,242.56
8-000-0000-17500 Accrued Interest Receivable	0.00
<b>Total Current Assets</b>	<b>\$330,387.08</b>
Non-current Assets	
Property, plant and equipment	
8-810-8008-50010 Deferred Capital Contributions CMHC Seed	-112,499.60
Deferred Capital Contributions FCM Grant	-31,377.93
<b>Total Property, plant and equipment</b>	<b>\$ -143,877.53</b>
8-000-0000-17000 AR TBM down payment loan program	33,000.00
<b>Total Non Current Assets</b>	<b>\$ -110,877.53</b>
<b>Total Assets</b>	<b>\$219,509.55</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
	<b>\$28,083.47</b>
Non-current Liabilities	
8-810-8008-21000 AP TBM down payment loan program	33,000.00
Accrued Liabilities	7,500.00
Deferred Income	44,932.07
Promissory Note	276,713.17
<b>Total Non-current Liabilities</b>	<b>\$362,145.24</b>
<b>Total Liabilities</b>	<b>\$390,228.71</b>
Equity	\$ -170,719.16
<b>Total Liabilities and Equity</b>	<b>\$219,509.55</b>

# The Blue Mountains Attainable Housing Corporation

## Profit and Loss

January - December 2021

	TOTAL
<b>INCOME</b>	
8-810-8008-50000 Grants received	20,000.00
8-810-8008-55010 Interest Revenue	629.11
<b>Total Income</b>	<b>\$20,629.11</b>
<b>GROSS PROFIT</b>	<b>\$20,629.11</b>
<b>EXPENSES</b>	
8-810-8008-63125 Contract/Consulting Services	25,000.00
Human Resources and Office	172,043.72
Marketing	3,032.14
Meals and entertainment	741.32
Professional fees	12,000.00
<b>Total Expenses</b>	<b>\$212,817.18</b>
<b>PROFIT</b>	<b>\$ -192,188.07</b>