
BETHLEHEM FOUNDATION CANADA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Bethlehem Foundation Canada

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bethlehem Foundation Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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 possible 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 December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit verification of donation revenue was limited to the amounts recorded in the records of the Organization and we were unable to determine whether any adjustments might be necessary to donation revenue and excess of revenues over expenditures for the year ended December 31, 2023, total assets as at December 31, 2023, net assets as at December 31, 2023 and cashflow as at December 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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.

Emphasis of Matter

We draw attention to Note 2 for the financial statements which describes that Bethlehem Foundation Canada adopted Canadian accounting standards for not-for-profit organizations on January 1, 2023 with a transition date of January 1, 2022. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2022 and January 1, 2022, and the statement of revenues and expenditures and changes in net assets for the year ended December 31, 2022 and related disclosures. Our conclusion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is neither audited nor reviewed.

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INDEPENDENT AUDITORS' REPORT

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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

- 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 auditors' 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 auditors' 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.

Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
March 01, 2024

BETHLEHEM FOUNDATION CANADA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<i>December 31</i> 2023	<i>December 31</i> 2022 <i>Unaudited</i>	<i>January 1</i> 2022 <i>Unaudited</i>
ASSETS			
CURRENT			
Cash	\$ 153,800	\$ 98,362	\$ -
Prepaid expenses	-	-	346
	\$ 153,800	\$ 98,362	\$ 346
LIABILITIES			
CURRENT LIABILITIES			
Loan payable	\$ -	\$ -	\$ 7,000
Deferred revenue <i>(Note 5)</i>	153,609	98,268	-
TOTAL LIABILITIES	153,609	98,268	7,000
NET ASSETS			
UNRESTRICTED	191	94	(6,654)
TOTAL LIABILITIES AND NET ASSETS	\$ 153,800	\$ 98,362	\$ 346

Approved by the Directors



Director

Director

BETHLEHEM FOUNDATION CANADA
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022 <i>Unaudited</i>
REVENUE		
Donations - Cash	\$ 74,466	\$ 17,735
Donations - In Kind	-	13,653
Grants	229,797	161,542
	304,263	192,930
EXPENDITURES		
Contributions to qualified donees	299,638	174,688
Interest and bank charges	208	112
Legal fees	4,191	8,483
Office and miscellaneous	226	2,993
	304,263	186,276
INTEREST INCOME	97	94
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ 97	\$ 6,748



BETHLEHEM FOUNDATION CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022 <i>Unaudited</i>
NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR	\$ 94	\$ (6,654)
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	97	6,748
NET ASSETS - END OF YEAR	\$ 191	\$ 94



BETHLEHEM FOUNDATION CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
		<i>Unaudited</i>
OPERATING ACTIVITY		
Excess of revenues over expenditures for the year	\$ 97	\$ 6,748
Changes in non-cash working capital:		
Prepaid expenses	-	346
Loan payable	-	(7,000)
Deferred revenue	55,341	98,268
	55,341	91,614
INCREASE IN CASH FLOW DURING THE YEAR	55,438	98,362
CASH - BEGINNING OF YEAR	98,362	-
CASH - END OF YEAR	\$ 153,800	\$ 98,362

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BETHLEHEM FOUNDATION CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. NATURE OF OPERATIONS

Bethlehem Foundation Canada (the "Organization") is a not-for-profit organization incorporated federally under the Canada Not for Profit Corporation Act. The Organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

Bethlehem Foundation Canada has been established as the Canadian branch of the Dutch Bethlehem Foundation (Stichting Bethlehem). This makes it possible for people from Canada to support the missionary and evangelistic activities and material aid that the Bethlehem Foundation provides in South Africa. Bethlehem Foundation Canada endorses the same goals as the Dutch foundation. Currently there are two on-going projects. Project 1 is for the Eldery Home in Hammanskraal, South Africa. Project 2 is for the provision of food packages for individuals and families in Refilwe and Hammanskraal, South Africa.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

The Organization adopted Canadian accounting standards for not-for-profit organizations ("ASNPO") on January 1, 2023 for its year ended December 31, 2023. As these are the Organization's first financial statements prepared in accordance with ASNPO, they have been prepared retrospectively as at the opening statement of financial position date of January 1, 2022. Retrospective preparation upon first-time adoption of ASNPO also allows for the use of certain exemptions and elections. The Organization has not elected to use any exemptions or elections, and there has been no adjustment to the assets, liabilities, net assets or revenues and expenditures previously reported.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statement prepared in accordance with ASNPO are also in accordance with Canadian Generally Accepted Accounting Principals (GAAP).

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Cash

Cash consists of cash on deposit.

(b) Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Interest and other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Contributed services and materials

The Organization benefits from contributed services in the form of volunteer time and contributed materials. Contributed services are not recognized in the financial statements. Contributed materials are recorded at the fair market value only when a realizable value of the related benefit can be reasonably estimated and the materials are used in the normal course of operations and would otherwise have been purchased.

BETHLEHEM FOUNDATION CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Financial instruments

(i) Measurement

The Organization's financial instruments consist of cash. The Organization initially measures all of its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenues and expenditures. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no 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 the statement of revenues and expenditures in the period in which it is determined.

(iii) Transaction costs

The Organization recognizes its transaction costs in the statement of revenues and expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(e) Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the transaction date. Revenue and expenses have been translated at the average rates of exchange during the year.

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of, or during the reporting period. Management believes that the estimates used are reasonable and prudent; however, actual results could differ from those estimates.

BETHLEHEM FOUNDATION CANADA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

4. FINANCIAL INSTRUMENT RISKS

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's financial assets that are exposed to credit risk is cash. The risk associated with cash is minimized to the extent that it is primarily placed with financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with liabilities. The Organization's ability to meet obligations depends on the receipt of donations from its donors and funding from various government agencies. The Organization is not exposed to this risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(d) Currency risk

Currency risk is the risk that the fair value or future cash year end flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to this risk.

(e) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is not exposed to this risk.

(f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to this risk.

5. DEFERRED REVENUE

	2023	2022
Balance at beginning of year	\$ 98,268	\$ -
Amount received during the year	359,604	291,198
Amount recognized as revenue during the year	(304,263)	(192,930)
Balance at end of year	\$ 153,609	\$ 98,268

