

FINANCIAL STATEMENTS
For
THE OTTAWA MISSION FOUNDATION
For year ended
APRIL 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the directors of

THE OTTAWA MISSION FOUNDATION

Opinion

We have audited the financial statements of The Ottawa Mission Foundation (the Foundation), which comprise the statement of financial position as at April 30, 2024, and the statements of operations and changes in fund balances and 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 the Foundation as at April 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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Welch LLP

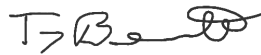
Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
September 26, 2024.

THE OTTAWA MISSION FOUNDATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2024

<u>ASSETS</u>	<u>Operating Fund</u>	<u>Future Projects Reserve Fund</u>	<u>Reserve Fund</u>	<u>Externally Restricted Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
CURRENT ASSETS						
Cash	\$ 61,909	\$ -	\$ -	\$ -	\$ 61,909	\$ 119,861
Accounts receivable	3,600	-	-	-	3,600	3,060
Interfund receivables (payables)	<u>376,275</u>	<u>162,048</u>	<u>(538,636)</u>	<u>313</u>	<u>-</u>	<u>-</u>
	441,784	162,048	(538,636)	313	65,509	122,921
INVESTMENTS (note 3)	-	42,511	12,980,241	334,134	13,356,886	12,574,623
DUE FROM HOLLAND PROPERTIES ASSOCIATION (note 4)	<u>-</u>	<u>2,675,000</u>	<u>-</u>	<u>-</u>	<u>2,675,000</u>	<u>2,675,000</u>
	<u>\$ 441,784</u>	<u>\$ 2,879,559</u>	<u>\$ 12,441,605</u>	<u>\$ 334,447</u>	<u>\$ 16,097,395</u>	<u>\$ 15,372,544</u>
<u>LIABILITIES AND FUND BALANCES</u>						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities (note 5)	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000	\$ 12,500
Due to The Ottawa Mission (note 6)	<u>1,287,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287,695</u>	<u>559,344</u>
	1,296,695	-	-	-	1,296,695	571,844
FUND BALANCE	<u>(854,911)</u>	<u>2,879,559</u>	<u>12,441,605</u>	<u>334,447</u>	<u>14,800,700</u>	<u>14,800,700</u>
	<u>\$ 441,784</u>	<u>\$ 2,879,559</u>	<u>\$ 12,441,605</u>	<u>\$ 334,447</u>	<u>\$ 16,097,395</u>	<u>\$ 15,372,544</u>

Approved by the Board:



.....Director



.....Director

(See accompanying notes)

THE OTTAWA MISSION FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 2024

	<u>Operating Fund</u>	<u>Future Projects Reserve Fund</u>	<u>Reserve Fund</u>	<u>Externally Restricted Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
Revenue						
Investment income (notes 3 and 4)	\$ -	\$ 57,150	\$ 836,680	\$ 21,538	\$ 915,368	\$ 644,215
Expense						
Donations to The Ottawa Mission (note 6)	828,351	-	-	-	828,351	2,059,344
Administration	<u>13,795</u>	<u>233</u>	<u>71,158</u>	<u>1,831</u>	<u>87,017</u>	<u>84,873</u>
	<u>842,146</u>	<u>233</u>	<u>71,158</u>	<u>1,831</u>	<u>915,368</u>	<u>2,144,217</u>
Net revenue (expense) for the year	(842,146)	56,917	765,522	19,707	-	(1,500,002)
Fund balance - beginning of year	<u>(12,765)</u>	<u>2,822,642</u>	<u>11,676,083</u>	<u>314,740</u>	<u>14,800,700</u>	<u>16,300,702</u>
Fund balance - end of year	<u>\$ (854,911)</u>	<u>\$ 2,879,559</u>	<u>\$ 12,441,605</u>	<u>\$ 334,447</u>	<u>\$ 14,800,700</u>	<u>\$ 14,800,700</u>

(See accompanying notes)

THE OTTAWA MISSION FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ -	\$ (1,500,002)
Items not involving cash:		
Reinvested investment income	(408,507)	(450,373)
Change in fair value of investments	(453,361)	(140,341)
Changes in non-cash working capital items:		
Accounts receivable	(540)	507
Accounts payable and accrued liabilities	(3,500)	12,500
Due to The Ottawa Mission	<u>728,351</u>	<u>559,344</u>
	<u>(137,557)</u>	<u>(1,518,365)</u>
INVESTING ACTIVITIES		
Purchase of investments	(524,594)	(1,062,981)
Proceeds from sale of investments	<u>604,199</u>	<u>2,641,532</u>
	<u>79,605</u>	<u>1,578,551</u>
INCREASE (DECREASE) IN CASH	(57,952)	60,186
CASH - BEGINNING OF YEAR	<u>119,861</u>	<u>59,675</u>
CASH - END OF YEAR	<u>\$ 61,909</u>	<u>\$ 119,861</u>

(See accompanying notes)

THE OTTAWA MISSION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2024

1. NATURE OF OPERATIONS

The Ottawa Mission Foundation (the Foundation) is responsible for stewarding its assets and it is intended that the Foundation cover any deficits or cash flow deficiencies incurred by The Ottawa Mission (Mission).

The Foundation is incorporated under the Canada Not-for-profit Corporations Act. As a registered charity under subsection 149(1)(f) of the Income Tax Act (Canada), the Foundation is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting

- Operating Fund

The Operating Fund represents the capital of the Foundation that is available for use in its daily operations without restriction.

- Future Projects Reserve Fund

The Future Projects Reserve Fund is internally restricted, intended to fund future capital projects and special projects approved by the Board of Directors. This has included financing a mortgage with Holland Properties Association (note 4).

- Reserve Fund

The Reserve Fund is internally restricted and intended to be kept in place over the longer term as a contingency for some unexpected event (i.e government elimination of program funding). Income generated from the investments within this fund is retained within the fund.

- Externally Restricted Fund

Donations that have externally imposed restrictions, along with the related expenses, are recorded in the Externally Restricted Fund.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from these estimates. Estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions:

Unrestricted and externally restricted donations are recognized as revenue of the appropriate fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income (loss) is recognized as earned.

THE OTTAWA MISSION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2024

3. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Mutual funds	\$ 13,356,886	\$ 12,574,623

The mutual fund portfolio is comprised of 42% (2023 - 47%) fixed income, 28% (2023 - 28%) Canadian equities, 28% (2023 - 25%) Global equities and 2% (2023 - nil) alternative investments.

	<u>2024</u>	<u>2023</u>
Investment income consists of:		
Change in fair value of investments	\$ 453,361	\$ 140,341
Interest, dividends and distributions (note 4)	<u>462,007</u>	<u>503,874</u>
	<u>\$ 915,368</u>	<u>\$ 644,215</u>

4. DUE FROM HOLLAND PROPERTIES ASSOCIATION (THE ASSOCIATION)

The Association is incorporated under the Canada Not-for-profit Corporations Act. As a not-for-profit organization under subsection 149(1)(l) of the Income Tax Act (Canada), the Association is exempt from income taxes.

The Association is controlled by the directors of the Mission.

The purpose of the Association is to operate and maintain non-profit housing which facilitates individuals requiring housing assistance by providing:

- accommodation to members of the public and to those requiring assistance; and
- needed support services to individuals in recovery, as may be determined to be necessary or advantageous.

The Association owns and operates multi-unit residential complexes located at 199 Holland Avenue, at 161 Presland Road, and at 92 Florence Street, Ottawa, Canada for transitional housing.

A mortgage payable to the Foundation, amounting to \$2,675,000 (2023 - \$2,675,000) is due on October 31, 2025, bears interest at 2%, is payable in monthly instalments of \$4,458 (interest only) and is secured by the land and building located at 199 Holland Avenue, Ottawa, Canada.

During the year, interest of \$53,500 (2023 - \$53,500) was charged to the Association.

These transactions are recorded at the exchange amounts, which are the amounts established and agreed to by the related parties involved.

5. GOVERNMENT REMITTANCES

Government remittances of \$nil (2023 - \$nil) are included in accounts payable and accrued liabilities.

THE OTTAWA MISSION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2024

6. THE OTTAWA MISSION

The Mission controls the Foundation as the members of the Board of the Mission are the members of the Foundation.

Transactions with the Mission are recorded at the exchange amounts, which are the amounts established and agreed to by the related parties involved.

Amounts due to the Mission are non-interest bearing and have no specified terms of repayment.

7. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations. The Foundation does not use derivative financial instruments to manage its risk.

Investment risk

Investments in financial instruments render the Foundation subject to investment risks. Interest rate risk is the risk arising from fluctuations in interest rates and their degree of volatility. There is also the risk arising from the failure of a party to a financial instrument to discharge an obligation when it is due. Market risk is the risk to the value of a financial instrument due to fluctuations in market prices, whether these fluctuations are caused by factors specific to the investment itself or to its issuer, or by factors pertinent to all investments on the market.

The Foundation's investments are detailed in note 3.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's cash and investments are maintained at major financial institutions.

Concentration of risk

Concentration of risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political and other conditions. The Foundation's investments are detailed in note 3.

Currency risk

The Foundation is exposed to currency risk as the value of financial instruments denominated foreign currencies will fluctuate due to changes in the exchange rate. All financial instruments are denominated in Canadian dollars.

Changes in risk

There have been no significant changes to the Foundation's risk exposure from the prior year.

8. SUBSEQUENT EVENT

The Foundation is in the process of winding-up and dissolving the Foundation under the Canada Not-for-Profit Corporations Act (CNCA). The Foundation and the Mission have passed Special Resolutions to this effect. The Canada Revenue Agency (CRA) received the request for voluntary revocation on June 18, 2024, and is expected to start the revocation process within three months of this date. The fund balances of the Foundation are expected to be transferred to the Mission.