F I N A N C I A L S T A T E M E N T S

For

THE OTTAWA MISSION

For year ended

APRIL 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the directors of

THE OTTAWA MISSION

Qualified Opinion

We have audited the financial statements of The Ottawa Mission (the Mission), which comprise the statement of financial position as at April 30, 2025, and the statements of changes in net assets, revenue and expense 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 Mission as at April 30, 2025 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 Qualified Opinion

In common with many not-for-profit organizations, the Mission derives revenues from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Mission. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue (expense) for the year and cash flows from operating activities for the years ended April 30, 2025 and 2024, current assets as at April 30, 2025 and 2024 and net assets as at the beginning and the end of the years ended April 30, 2025 and 2024. Our audit opinion on the financial statements for the year ended April 30, 2024, 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 Mission 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 qualified audit 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 Mission'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 Mission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Mission'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 Mission’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 Mission’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 Mission 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Mission to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 25, 2025.

THE OTTAWA MISSION

STATEMENT OF FINANCIAL POSITION

APRIL 30, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 3,592,516	$ 2,275,331
Accounts receivable	473,655	1,273,523
Due from The Ottawa Mission Foundation (note 3)	-	1,287,695
Due from Holland Properties Association (note 9)	716,954	495,749
Prepaid expenses	312,524	294,437
	5,095,649	5,626,735
INVESTMENTS (note 4)	13,407,730	-
CAPITAL ASSETS (note 5)	9,564,438	9,892,165
DUE FROM HOLLAND PROPERTIES ASSOCIATION (note 9)	2,675,000	-
	$ 30,742,817	$ 15,518,900
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 6)	$ 1,530,077	$ 1,430,273
Deferred revenue (note 7)	826,636	853,255
	2,356,713	2,283,528
NET ASSETS		
Unrestricted	18,318,201	3,241,898
Invested in capital assets	9,564,438	9,892,165
Externally restricted	503,465	101,309
	28,386,104	13,235,372
	$ 30,742,817	$ 15,518,900

Commitments (note 8)

Approved by the Board:

Peter Saunders
. . . . . Director

Adam E. Harvey
. . . . . Director

(See accompanying notes)

THE OTTAWA MISSION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED APRIL 30, 2025

	Balance, beginning of year	Net revenue (expense) for the year	Transfers from (to)	Transfer from the Foundation (note 3)	Balance, end of year
Unrestricted	$ 3,241,898	$ 1,278,300	$ (668,250)	$ 14,466,253	$ 18,318,201
Invested in capital assets	9,892,165	(995,977)	668,250	-	9,564,438
Externally restricted	101,309	67,709	-	334,447	503,465
	$ 13,235,372	$ 350,032	$ -	$ 14,800,700	$ 28,386,104

(See accompanying notes)

THE OTTAWA MISSION

STATEMENT OF REVENUE AND EXPENSE

YEAR ENDED APRIL 30, 2025

	Operating Fund	Invested in capital assets	Externally restricted	2025 Total	2024 Total
REVENUE					
Donations - The Ottawa Mission Foundation (note 3)	$ -	$ -	$ -	$ -	$ 828,351
City of Ottawa (note 7)	5,929,704	-	-	5,929,704	5,504,633
Donations	12,159,049	-	1,185,276	13,344,325	12,441,962
Catering and other	4,615,507	-	-	4,615,507	5,137,371
Investment income (note 4)	1,503,505	-	-	1,503,505	20,645
	24,207,765	-	1,185,276	25,393,041	23,932,962
EXPENSE					
Payroll	15,309,660	-	515,553	15,825,213	14,424,194
Operations	2,929,542	-	574,912	3,504,454	3,310,638
Rent, insurance and utilities	774,506	-	-	774,506	750,682
Amortization of capital assets	-	995,977	-	995,977	937,696
Administration	1,262,902	-	833	1,263,735	1,093,740
Property maintenance	826,462	-	-	826,462	700,769
Client assistance	364,228	-	26,269	390,497	345,186
Public relations	145,347	-	-	145,347	132,652
Fundraising	1,124,972	-	-	1,124,972	1,329,137
Transportation	191,846	-	-	191,846	137,365
	22,929,465	995,977	1,117,567	25,043,009	23,162,059
Net revenue (expense) for the year	$ 1,278,300	$ (995,977)	$ 67,709	$ 350,032	$ 770,903

(See accompanying notes)

THE OTTAWA MISSION

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2025

	2025	2024
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net revenue for the year	$ 350,032	$ 770,903
Items not involving cash:		
Amortization of capital assets	995,977	937,696
Gain on disposal of equipment	-	(5,606)
Change in fair value of investments	(901,227)	-
Changes in non-cash working capital items (net of effects of transfer from The Ottawa Mission Foundation):		
Accounts receivable	803,468	(316,593)
Due from The Ottawa Mission Foundation	-	(728,351)
Due from Holland Properties Association	(221,205)	74,429
Prepaid expenses	(18,087)	(43,575)
Accounts payable and accrued liabilities	90,804	282,657
Deferred revenue	(26,619)	(301,437)
Transfer of cash from The Ottawa Mission Foundation	61,909	-
	1,135,052	670,123
INVESTING ACTIVITIES		
Purchase of capital assets	(668,250)	(373,483)
Proceeds on disposal of equipment	-	16,000
Net change in investments	850,383	-
	182,133	(357,483)
INCREASE IN CASH	1,317,185	312,640
CASH - BEGINNING OF YEAR	2,275,331	1,962,691
CASH - END OF YEAR	$ 3,592,516	$ 2,275,331

(See accompanying notes)

1. NATURE OF OPERATIONS

The Ottawa Mission (the Mission) reflects Jesus' love in serving the homeless, the hungry and the lost by providing food, shelter, clothing and skills and offers faith and hope for building a wholesome life.

The Mission 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 Mission 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 reports the Mission's unrestricted resources available for general operations.

- Invested in Capital Assets

  Invested in capital assets reports the Mission's internally restricted capital asset purchases and replacements and amortization.

- Externally Restricted Fund

  The externally restricted fund reports donations that have externally imposed restrictions, along with the related expenses.

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.

Capital assets

Certain of the land and buildings are recorded on the statement of financial position at a nominal value of $2 as the cost amounts are not reasonably determinable. Other capital assets are initially recorded at cost and are then amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	40 years
Exterior renovations	8-25 years
Interior renovations	8 years
Vehicles	5 years
Equipment, furniture and fixtures	8 years
Computer and communications equipment	3 years

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

2. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

Revenue recognition

The Mission follows the restricted fund 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.

Externally restricted contributions for which there is no corresponding restricted fund are deferred and recognized as revenue during the year in which the related expenses are incurred.

Contributed materials and services, including food donated by Ottawa Food Bank, are not recorded in the financial statements.

Catering revenue is recognized when the services have been provided.

Investment income is recognized as earned.

3. **THE OTTAWA MISSION FOUNDATION**

The Ottawa Mission Foundation (the Foundation) is incorporated under the Canada Not-for-profit Corporations Act. During the year, the Foundation requested the Canada Revenue Agency to revoke its registration as a charity to consolidate operations with the Mission. This request was granted with an effective date of October 19, 2024. Previously, as a registered charity under subsection 149(1)(f) of the Income Tax Act (Canada), the Foundation was exempt from income taxes. Management is in the process of dissolving the Foundation and has transferred all assets and liabilities to the Mission. The Foundation was responsible for stewardship of its assets and it was intended that the Foundation cover any deficits or cash flow deficiencies incurred by the Mission.

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

Transactions inside the course of normal operations with the Foundation were as follows:

	2025	2024
Operating fund donations		
Foundation's operating and internally restricted funds	$ -	$ 828,351

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

The amounts due from the Foundation are non-interest bearing and have no specified terms of repayment.

3. **THE OTTAWA MISSION FOUNDATION** - Cont'd.

Transactions related to the dissolution of the Foundation and thus outside the course of normal operations with the Foundation were as follows:

Cash	$ 61,909
Accounts receivable	3,600
Investments	13,356,886
Due from Holland Properties Association	2,675,000
Due to The Ottawa Mission	(1,287,695)
Accounts payable	(9,000)
Transfer of net assets	$ 14,800,700

The net assets were transferred from the Foundation to the Mission for consideration of $nil. The difference between the carrying value of the assets and the consideration received has been recorded as a direct charge to net assets as the transfer was a related party transaction not in the normal course of operations.

The results of the Foundation have not been consolidated in these financial statements. Summaries of the Foundation's financial position as at April 30, 2025 and 2024 and the results of its operations and its cash flows for the years then ended are as follows:

	2025	2024
Financial position		
Total assets	$ -	$ 16,097,395
Total liabilities	$ -	$ 1,296,695
Total fund balances	-	14,800,700
	$ -	$ 16,097,395
Results from operations		
Total revenue	$ -	$ 915,368
Total expense	-	915,368
Cash provided by (used in)		
Operating activities	$ (61,909)	$ (137,557)
Investing activities	-	79,605
Change in cash during the year	$ (61,909)	$ (57,952)

Cumulative amounts recognized as externally restricted fund balances by the Foundation as at April 30, 2025 amounted to $nil (2024 - $334,447).

4. INVESTMENTS

	2025	2024
Mutual funds	$ 13,407,730	$ -

The mutual fund portfolio is comprised of 41% fixed income, 25% Canadian equities, 26% Global equities, and 8% alternative investments.

	2025	2024
Investment income consists of:		
Change in fair value of investments	$ 901,227	$ -
Interest, dividends and distributions (note 9)	602,278	20,645
	$ 1,503,505	$ 20,645

5. CAPITAL ASSETS

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 1,365,002	$ -	$ 1,365,002	$ 1,365,002
Buildings	10,479,699	4,284,457	6,195,242	6,457,235
Exterior renovations	731,195	509,990	221,205	254,429
Interior renovations	884,040	429,289	454,751	348,324
Vehicles	1,096,346	728,726	367,620	364,303
Equipment, furniture and fixtures	956,083	511,294	444,789	358,040
Computer and communications equipment	226,941	134,330	92,611	110,006
Leasehold improvements	1,269,653	846,435	423,218	634,826
	$ 17,008,959	$ 7,444,521	$ 9,564,438	$ 9,892,165

Cost and accumulated amortization as at April 30, 2024 amounted to $16,612,014 and $6,719,849, respectively.

6. GOVERNMENT REMITTANCES

Government remittances of $nil (2024 - $nil) are included in accounts payable and accrued liabilities.

7. DEFERRED REVENUE

The deferred revenues received and respective revenue recognized from the City of Ottawa in the year are as follows:

	(i) Contract 23-B-03	(ii) Contract 24-B-03a	(iii) Contract 24-H-02	Total 2025	Total 2024
Balance, beginning of year	$ 756,546	$ -	$ 96,709	$ 853,255	$ 755,692
Contributions received	4,469,692	827,924	605,469	5,903,085	5,251,221
Less amounts recognized as revenue in the year	4,516,082	827,924	585,698	5,929,704	5,153,658
Balance at end of year	$ 710,156	$ -	$ 116,480	$ 826,636	$ 853,255

8. COMMITMENTS

Future minimum payments for office equipment operating leases, maintenance and services are as follows:

2026	$ 297,982
2027	250,420
2028	129,158
2030	10,255
2030	9,053
Thereafter	7,200

9. HOLLAND PROPERTIES ASSOCIATION

The purpose of Holland Properties Association (the Association) is to operate and maintain non-profit housing that 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.

A mortgage payable from the Association amounting to $2,675,000, was transferred from the Foundation to the Mission, is due on October 31, 2026, 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 (2024 - $nil) was charged by the Mission and $nil (2024 - $53,500) was charged by the Foundation.

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.

9. **HOLLAND PROPERTIES ASSOCIATION** - Cont'd.

The results of the Association have not been consolidated in these financial statements. Summaries of the Association's financial position as at April 30, 2025 and 2024 and the results of its operations and its cash flows for the years then ended are as follows:

	2025	2024
Financial position		
Total assets	$ 15,285,593	$ 15,430,478
Total liabilities	$ 15,328,704	$ 15,315,228
Unrestricted net assets (liabilities)	(43,111)	115,250
	$ 15,285,593	$ 15,430,478
Results from operations		
Total revenue	$ 1,631,534	$ 1,566,133
Total expense	1,789,895	1,693,479
Net expense for the year	$ (158,361)	$ (127,346)
Cash provided by (used in)		
Operating activities	$ 528,004	$ 295,931
Investing activities	(191,642)	(329,083)
Financing activities	(157,660)	(150,680)
Change in cash during the year	$ 178,702	$ (183,832)

Balances with the Association are non-interest bearing and have no specified terms of repayment.

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

10. **FINANCIAL INSTRUMENTS**

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

Liquidity risk

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Mission is exposed to liquidity risk mainly in respect of its accounts payable, accrued liabilities and line of credit. The Mission has $5,000,000 in unused credit facilities secured by a general security agreement and certain properties to assist with cash flow and financing real estate acquisitions and improvements.

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. Financial instruments that potentially subject the Mission to credit risk consist principally of cash, accounts receivable, investments and due from Holland Properties Association. Cash and investments are held with major financial institutions. 23% (2024 - 29%) of accounts receivable are owing from the City of Ottawa.

10. **FINANCIAL INSTRUMENTS** - Cont'd.

Market risk

Investments in financial instruments render the Mission 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. Other price 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 Mission's investments are detailed in note 4.

Concentration of risk

Concentration of risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. The Mission's investments are detailed in note 4.

Changes in risk

As a result of the transfer of the Foundation's investments to the Mission (as detailed in note 3), the Mission is now exposed to investment risk and the concentration of risk. There have been no other significant changes to the Mission's risk exposure from the prior year.

11. **COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.