

**CONSOLIDATED FINANCIAL STATEMENTS**

**For**

**THE OTTAWA MISSION**

**For year ended**

**APRIL 30, 2026**

## INDEPENDENT AUDITOR'S REPORT

To the directors of

### **THE OTTAWA MISSION**

#### *Qualified Opinion*

We have audited the consolidated financial statements of The Ottawa Mission and its controlled entities (together the "Organization"), which comprise the consolidated statement of financial position as at April 30, 2026, the consolidated statements of changes in net assets, revenue and expense and cash flows for the year then ended, and notes to the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at April 30, 2026 and the results of its consolidated operations and its consolidated 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 Organization 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 Organization. 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, 2026 and 2025, current assets as at April 30, 2026 and 2025 and net assets as at the beginning and the end of the fiscal years ended April 30, 2026 and 2025.

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 Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
- 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 auditor's report to the related disclosures in the consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Organization to express an opinion on the consolidated 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 29, 2026.

**THE OTTAWA MISSION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**APRIL 30, 2026**

|                                                   | <u>2026</u>          | <u>2025</u>          |
|---------------------------------------------------|----------------------|----------------------|
| <b><u>ASSETS</u></b>                              |                      |                      |
| <b>CURRENT ASSETS</b>                             |                      |                      |
| Cash                                              | \$ 2,337,158         | \$ 3,838,410         |
| Accounts receivable                               | 577,471              | 509,758              |
| Prepaid expenses                                  | <u>509,028</u>       | <u>376,351</u>       |
|                                                   | 3,423,657            | 4,724,519            |
| <b>INVESTMENTS</b> (note 3)                       | 15,029,482           | 13,407,730           |
| <b>CAPITAL ASSETS</b> (note 4)                    | <u>24,130,444</u>    | <u>24,504,207</u>    |
|                                                   | <u>\$ 42,583,583</u> | <u>\$ 42,636,456</u> |
| <b><u>LIABILITIES AND NET ASSETS</u></b>          |                      |                      |
| <b>CURRENT LIABILITIES</b>                        |                      |                      |
| Accounts payable and accrued liabilities (note 5) | \$ 2,080,050         | \$ 1,630,901         |
| Deferred revenue                                  | 113,540              | 104,580              |
| Deferred contributions (note 6)                   | 828,121              | 826,636              |
| Loan payable (note 7)                             | 3,375,000            | 3,375,000            |
| Current portion of mortgages payable (note 8)     | <u>172,606</u>       | <u>164,964</u>       |
|                                                   | 6,569,317            | 6,102,081            |
| <b>DEFERRED CAPITAL ASSET FUNDING</b> (note 9)    | 1,469,387            | 1,540,097            |
| <b>MORTGAGES PAYABLE</b> (note 8)                 | <u>6,478,679</u>     | <u>6,651,285</u>     |
|                                                   | <u>14,517,383</u>    | <u>14,293,463</u>    |
| <b>NET ASSETS</b>                                 |                      |                      |
| Unrestricted                                      | 14,498,124           | 15,066,667           |
| Invested in capital assets                        | 12,634,772           | 12,772,861           |
| Externally restricted                             | <u>933,304</u>       | <u>503,465</u>       |
|                                                   | <u>28,066,200</u>    | <u>28,342,993</u>    |
|                                                   | <u>\$ 42,583,583</u> | <u>\$ 42,636,456</u> |
| Commitments (note 10)                             |                      |                      |

Approved by the Board:

*Peter Saunders*  
..... Director

*Adam E. Harvey*  
..... Director

(See accompanying notes)

**THE OTTAWA MISSION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED APRIL 30, 2026**

|                            | Balance,<br>beginning<br><u>of year</u> | Net revenue<br>(expense)<br><u>for the year</u> | Transfers<br>from (to)<br><u>from (to)</u> | Balance,<br>end<br><u>of year</u> |
|----------------------------|-----------------------------------------|-------------------------------------------------|--------------------------------------------|-----------------------------------|
| Unrestricted               | \$ 15,066,667                           | \$ 638,356                                      | \$ (1,206,899)                             | \$ 14,498,124                     |
| Invested in capital assets | 12,772,861                              | (1,344,988)                                     | 1,206,899                                  | 12,634,772                        |
| Externally restricted      | <u>503,465</u>                          | <u>429,839</u>                                  | <u>-</u>                                   | <u>933,304</u>                    |
|                            | <u>\$ 28,342,993</u>                    | <u>\$ (276,793)</u>                             | <u>\$ -</u>                                | <u>\$ 28,066,200</u>              |

(See accompanying notes)

**THE OTTAWA MISSION**  
**CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED APRIL 30, 2026**

|                                                   | <u>Unrestricted</u> | <u>Invested in<br/>capital<br/>assets</u> | <u>Externally<br/>restricted</u> | <u>2026<br/>Total</u> | <u>2025<br/>Total</u> |
|---------------------------------------------------|---------------------|-------------------------------------------|----------------------------------|-----------------------|-----------------------|
| <b>REVENUE</b>                                    |                     |                                           |                                  |                       |                       |
| City of Ottawa (note 6)                           | \$ 5,343,165        | \$ -                                      | \$ -                             | \$ 5,343,165          | \$ 5,929,704          |
| Donations                                         | 13,144,779          | 290,854                                   | 1,592,572                        | 15,028,205            | 13,344,325            |
| Catering and other                                | 3,653,334           | -                                         | -                                | 3,653,334             | 4,615,507             |
| Investment income (note 3)                        | 2,137,901           | -                                         | -                                | 2,137,901             | 1,450,005             |
| Rent                                              | 1,679,509           | -                                         | -                                | 1,679,509             | 1,560,824             |
| Amortization of deferred capital<br>asset funding | -                   | 70,710                                    | -                                | 70,710                | 70,710                |
|                                                   | <u>25,958,688</u>   | <u>361,564</u>                            | <u>1,592,572</u>                 | <u>27,912,824</u>     | <u>26,971,075</u>     |
| <b>EXPENSE</b>                                    |                     |                                           |                                  |                       |                       |
| Payroll                                           | 16,599,069          | -                                         | 296,442                          | 16,895,511            | 15,825,213            |
| Operations                                        | 2,703,219           | -                                         | 774,264                          | 3,477,483             | 3,504,454             |
| Insurance and utilities                           | 788,821             | -                                         | -                                | 788,821               | 774,506               |
| Amortization of capital assets                    | -                   | 1,706,552                                 | -                                | 1,706,552             | 1,528,494             |
| Administration                                    | 1,400,234           | -                                         | -                                | 1,400,234             | 1,263,735             |
| Property maintenance                              | 834,690             | -                                         | -                                | 834,690               | 826,462               |
| Client assistance                                 | 330,674             | -                                         | 92,027                           | 422,701               | 390,497               |
| Public relations                                  | 156,506             | -                                         | -                                | 156,506               | 145,347               |
| Fundraising                                       | 1,119,210           | -                                         | -                                | 1,119,210             | 1,124,972             |
| Transportation                                    | 222,498             | -                                         | -                                | 222,498               | 191,846               |
| Rent operations                                   | 859,899             | -                                         | -                                | 859,899               | 891,048               |
| Interest                                          | 305,512             | -                                         | -                                | 305,512               | 312,830               |
|                                                   | <u>25,320,332</u>   | <u>1,706,552</u>                          | <u>1,162,733</u>                 | <u>28,189,617</u>     | <u>26,779,404</u>     |
| <b>Net revenue (expense) for the year</b>         | <u>\$ 638,356</u>   | <u>\$ (1,344,988)</u>                     | <u>\$ 429,839</u>                | <u>\$ (276,793)</u>   | <u>\$ 191,671</u>     |

(See accompanying notes)

**THE OTTAWA MISSION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED APRIL 30, 2026**

|                                                | <u>2026</u>         | <u>2025</u>         |
|------------------------------------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM (USED IN)</b>               |                     |                     |
| <b>OPERATING ACTIVITIES</b>                    |                     |                     |
| Net revenue (expense) for the year             | \$ (276,793)        | \$ 191,671          |
| Items not involving cash:                      |                     |                     |
| Amortization of capital assets                 | 1,706,552           | 1,528,494           |
| Change in fair value of investments            | (1,635,989)         | (901,227)           |
| Amortization of deferred capital asset funding | (70,710)            | (70,710)            |
| Changes in non-cash working capital items:     |                     |                     |
| Accounts receivable                            | (67,713)            | 792,449             |
| Prepaid expenses                               | (132,677)           | (24,356)            |
| Accounts payable and accrued liabilities       | 449,149             | 96,491              |
| Deferred revenue                               | 8,960               | 14,954              |
| Deferred contributions                         | <u>1,485</u>        | <u>(26,619)</u>     |
|                                                | <u>(17,736)</u>     | <u>1,601,147</u>    |
| <b>INVESTING ACTIVITIES</b>                    |                     |                     |
| Purchase of capital assets                     | (1,332,789)         | (859,892)           |
| Net change in investments                      | <u>14,237</u>       | <u>850,383</u>      |
|                                                | <u>(1,318,552)</u>  | <u>(9,509)</u>      |
| <b>FINANCING ACTIVITIES</b>                    |                     |                     |
| Repayment of mortgages payable                 | <u>(164,964)</u>    | <u>(157,660)</u>    |
| <b>INCREASE (DECREASE) IN CASH</b>             | (1,501,252)         | 1,433,978           |
| <b>CASH - BEGINNING OF YEAR</b>                | <u>3,838,410</u>    | <u>2,404,432</u>    |
| <b>CASH - END OF YEAR</b>                      | <u>\$ 2,337,158</u> | <u>\$ 3,838,410</u> |

(See accompanying notes)

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED APRIL 30, 2026**

**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**

*Basis of accounting*

The Organization applies Canadian accounting standards for not-for-profit organizations.

*Principles of consolidation*

These consolidated financial statements include the accounts of the Mission and Holland Properties Association (together, the "Organization"). All intra-company and inter-company transactions are eliminated on consolidation.

*Holland Properties Association*

Holland Properties Association (the "Association") is controlled by the directors of the Mission. 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 purpose of 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.

*Fund accounting*

- Unrestricted

The Unrestricted Fund reports the Organization's unrestricted resources available for general operations.

- Invested in Capital Assets

Invested in capital assets reports the Organization'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.

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED APRIL 30, 2026**

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

*Use of estimates*

The preparation of financial statements 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. Management makes accounting estimates when determining its allowance for doubtful accounts, the useful lives of capital assets, amortization of deferred capital asset funding, and in determining certain accrued liabilities.

*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                             | 30-40 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.

Deferred capital asset funding is amortized over the expected useful lives of the underlying assets purchased.

*Revenue recognition*

The Organization 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 are recognized as revenue when they are received into the corresponding restricted fund to which the contributions relate. 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 and interest income is recognized as earned.

Rental income is recognized on a straight-line basis over the lease term.

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED APRIL 30, 2026**

**3. INVESTMENTS**

|              | <u>2026</u>          | <u>2025</u>          |
|--------------|----------------------|----------------------|
| Mutual funds | \$ <u>15,029,482</u> | \$ <u>13,407,730</u> |

The mutual fund portfolio is comprised of 40% (2025 - 41%) fixed income, 27% (2025 - 25%) Canadian equities, 22% (2025 - 26%) Global equities, 2% (2025 - nil%) international equities, and 9% (2025 - 8%) alternative investments.

|                                       | <u>2026</u>         | <u>2025</u>         |
|---------------------------------------|---------------------|---------------------|
| Investment income consists of:        |                     |                     |
| Change in fair value of investments   | \$ 1,635,989        | \$ 901,227          |
| Interest, dividends and distributions | <u>501,912</u>      | <u>548,778</u>      |
|                                       | \$ <u>2,137,901</u> | \$ <u>1,450,005</u> |

**4. CAPITAL ASSETS**

|                                       | 2026          |                                 |                       | 2025                  |
|---------------------------------------|---------------|---------------------------------|-----------------------|-----------------------|
|                                       | <u>Cost</u>   | <u>Accumulated amortization</u> | <u>Net book value</u> | <u>Net book value</u> |
| Land                                  | \$ 4,676,058  | \$ -                            | \$ 4,676,058          | \$ 4,676,058          |
| Buildings                             | 26,473,328    | 8,906,862                       | 17,566,466            | 17,811,209            |
| Exterior renovations                  | 742,566       | 541,530                         | 201,036               | 221,205               |
| Interior renovations                  | 859,033       | 497,716                         | 361,317               | 454,751               |
| Vehicles                              | 1,000,879     | 807,381                         | 193,498               | 367,620               |
| Equipment, furniture and fixtures     | 1,120,033     | 558,611                         | 561,422               | 457,535               |
| Computer and communications equipment | 304,179       | 195,363                         | 108,816               | 92,611                |
| Leasehold improvements                | 1,636,990     | 1,178,190                       | 458,800               | 423,218               |
| Assets under construction             | <u>3,031</u>  | <u>-</u>                        | <u>3,031</u>          | <u>-</u>              |
|                                       | \$ 36,816,097 | \$ 12,685,653                   | \$ 24,130,444         | \$ 24,504,207         |

Cost and accumulated amortization as at April 30, 2025 amounted to \$35,759,886 and \$11,255,679, respectively.

**5. GOVERNMENT REMITTANCES**

Government remittances of \$17,023 (2025 - \$15,382) are included in accounts payable and accrued liabilities.

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED APRIL 30, 2026**

**6. DEFERRED CONTRIBUTIONS**

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

|                                                   | (i)<br>Contract<br><u>23-B-03</u> | (iii)<br>Contract<br><u>24-H-02</u> | Total<br><u>2026</u> | Total<br><u>2025</u> |
|---------------------------------------------------|-----------------------------------|-------------------------------------|----------------------|----------------------|
| Balance, beginning of year                        | \$ 710,156                        | \$ 116,480                          | \$ 826,636           | \$ 853,255           |
| Contributions received                            | 4,677,475                         | 667,175                             | 5,344,650            | 5,903,085            |
| Less amounts recognized as revenue<br>in the year | <u>(4,663,271)</u>                | <u>(679,894)</u>                    | <u>(5,343,165)</u>   | <u>(5,929,704)</u>   |
| Balance at end of year                            | <u>\$ 724,360</u>                 | <u>\$ 103,761</u>                   | <u>\$ 828,121</u>    | <u>\$ 826,636</u>    |

**7. LOAN PAYABLE**

The Organization entered into a Short-Term Contribution Agreement (the "Loan"), due June 30, 2027, with the City of Ottawa for the purchase of 161 Presland Road. The Loan is non-interest bearing and is secured by the land and building located at 161 Presland Road, Ottawa, Canada.

The City of Ottawa has committed, in a contribution agreement, under the Home for Good Program, for the Organization to receive funding up to \$4,200,000 in the form of a forgivable loan, to replace the existing loan once certain conditions are met. Under the terms of the agreement, the principal will be forgivable at the end of 20 years, subject to the Organization meeting the requirements in the contribution agreement throughout the next 20 years.

**8. MORTGAGES PAYABLE**

|                        | <u>2026</u>         | <u>2025</u>         |
|------------------------|---------------------|---------------------|
| 199 Holland Avenue (i) | \$ 2,898,283        | \$ 3,840,534        |
| 161 Presland Road (ii) | <u>3,753,002</u>    | <u>2,975,715</u>    |
|                        | 6,651,285           | 6,816,249           |
| Less current portion   | <u>172,606</u>      | <u>164,964</u>      |
|                        | <u>\$ 6,478,679</u> | <u>\$ 6,651,285</u> |

i) Due on December 15, 2027, bearing interest at 4.58%, payable in monthly instalments of \$21,664 (principal and interest) and secured by the land and building located at 199 Holland Avenue, Ottawa, Canada.

ii) Due on December 15, 2027, bearing interest at 4.58%, payable in monthly installments of \$17,570 (principal and interest) and secured by the land and building located at 161 Presland Road, Ottawa, Canada.

Principal repayments over the next three years, until the next renewal, are estimated to be as follows:

|      |            |
|------|------------|
| 2027 | \$ 172,606 |
| 2028 | 6,478,679  |

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED APRIL 30, 2026**

**9. DEFERRED CAPITAL ASSET FUNDING**

|                                               | Balance,<br>beginning<br>of year | Contributions<br>received | Contributions<br>recognized<br>as revenue | Balance,<br>end<br>of year |
|-----------------------------------------------|----------------------------------|---------------------------|-------------------------------------------|----------------------------|
| Ontario New Affordable<br>Housing Program (i) | \$ 350,924                       | \$ -                      | \$ (24,379)                               | \$ 326,545                 |
| 92 Florence Street (ii)                       | <u>1,189,173</u>                 | <u>-</u>                  | <u>(46,331)</u>                           | <u>1,142,842</u>           |
|                                               | <u>\$ 1,540,097</u>              | <u>\$ -</u>               | <u>\$ (70,710)</u>                        | <u>\$ 1,469,387</u>        |

- (i) Under the terms of an agreement under the Ontario New Affordable Housing Program, the Organization received funding of \$700,000 in the form of a forgivable loan payable. The loan bears interest at 8%. Under the terms of the agreement, the interest is forgivable on an annual basis and the principal is forgivable at the end of 20 years (September 2031), subject to the Organization meeting the contract requirements in each of the next 20 years.
- (ii) The Organization received contributions from the City of Ottawa and the provincial Ministry of Municipal Affairs and Housing towards the purchase and rehabilitation of 92 Florence Street to create permanent long-term housing.

**10. COMMITMENTS**

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

|            |            |
|------------|------------|
| 2027       | \$ 520,670 |
| 2028       | 465,511    |
| 2029       | 235,673    |
| 2030       | 234,366    |
| 2031       | 11,959     |
| Thereafter | 2,400      |

**11. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations. The Organization 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 Organization is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities, loan payable, mortgages payable and line of credit. The Organization has \$4,500,000 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. Refer to note 8 on mortgages payable for further details on the aggregate minimum amounts of payments.

The Organization manages liquidity risk by monitoring, on a regular basis, that sufficient funds are generated to meet the Organization's future commitments.

**THE OTTAWA MISSION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED APRIL 30, 2026**

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

*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 Organization to credit risk consist principally of cash, accounts receivable and investments. Cash and investments are held with major financial institutions. 1% (2025 - 22%) of accounts receivable are owing from the City of Ottawa.

The Organization maintains a standby letter of credit with Scotiabank in the amount of \$500,000 in favour of Modular Farm Fund I LP. The standby letter of credit serves as security for the Organization's obligations under its service agreement.

As at April 30, 2026, no amounts had been drawn under the standby letter of credit. The authorized amount of the standby letter of credit will reduce by \$100,000 annually at each renewal until final expiry on June 30, 2030. Management does not expect that any amounts will become payable under this arrangement.

*Market risk*

Investments in financial instruments render the Organization 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 Organization's investments are detailed in note 3. The Organization is exposed to interest rate risk on its fixed rate mortgages (note 8).

*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 Organization's investments are detailed in note 3.

*Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Organization is exposed to interest rate risk on its fixed rate mortgages (note 8).

*Changes in risk*

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