

The Ottawa Mission

Financial Statements
April 30, 2021



Independent auditor's report

To the Directors of The Ottawa Mission

Our qualified opinion

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 Ottawa Mission (the Mission) as at April 30, 2021 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.

What we have audited

The Mission's financial statements comprise:

- the statement of financial position as at April 30, 2021;
- the statement of changes in net assets for the year then ended;
- the statement of revenue and expense for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for qualified opinion

In common with many not-for-profit organizations, the Mission derives revenue from cash donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue 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) and cash provided by operating activities for the years ended April 30, 2021 and 2020, current assets as at April 30, 2021 and 2020 and net assets as at the beginning and the end of the years ended April 30, 2021 and 2020. Our audit opinion on the financial statements for the year ended April 30, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers LLP
99 Bank Street, Suite 710, Ottawa, Ontario, Canada K1P 1E4
T: +1 613 237 3702, F: +1 613 237 3963



Independence

We are independent of the Mission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

PricewaterhouseCoopers LLP

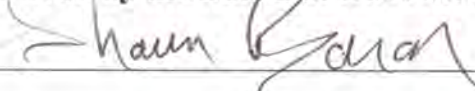

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 24, 2021

The Ottawa Mission
Statement of Financial Position
As at April 30, 2021

	2021		2020	
	Operating \$	Invested in capital assets \$	Total \$	Total \$
Assets				
Current assets				
Cash	298,853	-	298,853	181,622
Accounts receivable	588,300	-	588,300	548,724
Due from The Ottawa Mission Foundation (note 3)	394,986	-	394,986	242,075
Prepaid expenses	130,322	-	130,322	107,459
	1,412,461	-	1,412,461	1,079,880
Capital assets (note 4)	-	8,009,239	8,009,239	7,639,029
	1,412,461	8,009,239	9,421,700	8,718,909
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 5)	1,100,261	-	1,100,261	939,117
Deferred revenue	275,434	-	275,434	103,997
	1,375,695	-	1,375,695	1,043,114
Net Assets	36,766	8,009,239	8,046,005	7,675,795
	1,412,461	8,009,239	9,421,700	8,718,909
Commitments (note 6)				

Approved by the Board of Directors

 Director  Director

The accompanying notes are an integral part of these financial statements.

The Ottawa Mission

Statement of Changes in Net Assets

For the year ended April 30, 2021

			2021	2020
	Operating \$	Invested in capital assets \$	Total \$	Total \$
Balance – Beginning of year	36,766	7,639,029	7,675,795	7,747,830
Net revenue (expense) for the year	920,437	(550,227)	370,210	(72,035)
Transfers	(920,437)	920,437	-	-
Balance – End of year	36,766	8,009,239	8,046,005	7,675,795

The accompanying notes are an integral part of these financial statements.

The Ottawa Mission

Statement of Revenue and Expense

For the year ended April 30, 2021

	2021		2020	
	Operating Fund \$	Invested in capital assets \$	Total \$	Total \$
Revenue				
Donations – The Ottawa Mission Foundation (note 3)	6,938,221	-	6,938,221	5,223,134
City of Ottawa	5,035,745	-	5,035,745	4,412,011
Other income (note 3)	1,321,117	-	1,321,117	911,815
Donations	27,538	-	27,538	24,799
	13,322,621	-	13,322,621	10,571,759
Expense				
Payroll	9,521,080	-	9,521,080	7,648,537
Operations	1,348,889	-	1,348,889	968,165
Rent, insurance and utilities	356,063	-	356,063	362,496
Amortization of capital assets	-	550,227	550,227	550,697
Administration	490,532	-	490,532	420,454
Property maintenance	310,534	-	310,534	307,056
Client assistance	234,189	-	234,189	233,127
Public relations	98,557	-	98,557	108,079
Transportation	42,340	-	42,340	45,183
	12,402,184	550,227	12,952,411	10,643,794
Net revenue (expense) for the year	920,437	(550,227)	370,210	(72,035)

The accompanying notes are an integral part of these financial statements.

The Ottawa Mission

Statement of Cash Flows

For the year ended April 30, 2021

	2021	2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	370,210	(72,035)
Item not involving cash		
Amortization of capital assets	550,227	550,697
Changes in non-cash working capital items		
Accounts receivable	(39,576)	(19,820)
Due from The Ottawa Mission Foundation	(152,911)	(171,052)
Prepaid expenses	(22,863)	7,328
Accounts payable and accrued liabilities	161,144	188,234
Deferred revenue	171,437	6,560
	<u>1,037,668</u>	<u>489,912</u>
Investing activity		
Purchases of capital assets	<u>(920,437)</u>	<u>(478,662)</u>
Change in cash during the year	117,231	11,250
Cash – Beginning of year	<u>181,622</u>	<u>170,372</u>
Cash – End of year	<u>298,853</u>	<u>181,622</u>

The accompanying notes are an integral part of these financial statements.

The Ottawa Mission

Notes to Financial Statements

April 30, 2021

1 Purpose of the organization

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 Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Mission's significant accounting policies are as follows.

Fund accounting

The Mission follows the restricted fund method of accounting for contributions.

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

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

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.

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.

The Ottawa Mission

Notes to Financial Statements

April 30, 2021

Revenue recognition

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. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

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

3 The Ottawa Mission Foundation

The Ottawa Mission Foundation (the "Foundation") was established to develop and administer the fundraising activities of the Mission. It is intended that the Foundation cover any deficits or cash flow deficiencies incurred by the Mission.

During the year, the Mission integrated fundraising activities from the Foundation to the Mission. The Foundation remains a separate legal entity responsible for stewarding assets.

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.

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

Transactions with the Foundation were as follows:

	2021 \$	2020 \$
Donations revenue	6,938,221	5,223,134
Other income – administrative, payroll and janitorial services	70,000	70,000

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.

The Ottawa Mission

Notes to Financial Statements

April 30, 2021

The results of the Foundation have not been consolidated in these financial statements. Summaries of the Foundation's financial position as at April 30, 2021 and 2020 and the results of its operations and its cash flows for the years then ended are as follows:

	2021 \$	2020 \$
Financial position		
Total assets	22,212,300	18,204,382
Total liabilities	497,790	407,912
Total fund balances	21,714,510	17,796,470
	<u>22,212,300</u>	<u>18,204,382</u>
Results from operations		
Total revenue	13,864,125	8,931,746
Total expense	9,896,085	7,693,058
Net revenue for the year	<u>3,968,040</u>	<u>1,238,688</u>
Cash provided by		
Operating activities	1,605,136	1,530,092
Investing activities	154,296	406,263
Change in cash during the year	<u>1,759,432</u>	<u>1,936,355</u>

Cumulative amounts recognized as endowments or other externally restricted fund balances by the Foundation as at April 30, 2021 amounted to \$1,993,479 (2020 – \$1,210,522).

4 Capital assets

	2021		2020	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	565,002	-	565,002	565,002
Buildings	8,720,552	3,257,309	5,463,243	5,681,257
Exterior renovations	790,257	446,854	343,403	368,987
Interior renovations	758,293	382,749	375,544	470,333
Vehicles	347,991	245,544	102,447	45,386
Equipment, furniture and fixtures	783,980	417,499	366,481	450,330
Computer and communications equipment	150,758	107,521	43,237	55,910
Leasehold improvements	749,882	-	749,882	1,824
	<u>12,866,715</u>	<u>4,857,476</u>	<u>8,009,239</u>	<u>7,639,029</u>

Cost and accumulated amortization as at April 30, 2020 amounted to \$12,192,050 and \$4,553,021, respectively.

The Ottawa Mission

Notes to Financial Statements

April 30, 2021

5 Government remittances

Government remittances of nil (2020 – \$80,004) are included in accounts payable and accrued liabilities.

6 Commitments

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

	\$
Year ending April 30, 2022	80,753
2023	20,894
2024	17,941
2025	1,493

7 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, and at 161 Presland Road, Ottawa, Canada.

On January 6, 2021, the Association purchased 92 Florence Street for \$675,000 for transitional housing. The Association has received \$525,000 for the purchase and \$700,000 for renovations from the City of Ottawa through contribution agreements.

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 Ottawa Mission

Notes to Financial Statements

April 30, 2021

The results of the Association have not been consolidated in these financial statements. Summaries of the Association's financial position as at April 30, 2021 and 2020 and the results of its operations and its cash flows for the years then ended are as follows:

	2021 \$	2020 \$
Financial position		
Total assets	15,168,169	14,487,850
Total liabilities	14,961,977	14,297,728
Unrestricted net assets	206,292	190,122
	<u>15,168,169</u>	<u>14,487,850</u>
Results from operations		
Total revenue	1,386,807	1,062,752
Total expense	1,370,637	1,096,174
	<u>16,170</u>	<u>(33,422)</u>
Cash provided by (used in)		
Operating activities	397,078	416,037
Investing activities	(713,083)	(11,349,043)
Financing activities	707,618	10,905,430
	<u>391,613</u>	<u>(27,576)</u>
Change in cash during the year		

8 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 and accrued liabilities.

The Ottawa Mission

Notes to Financial Statements

April 30, 2021

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 and due from The Ottawa Mission Foundation. The Mission mitigates its exposure to credit risk by placing its cash with major financial institutions. 44% (2020 – 54%) of accounts receivable are owing from the City of Ottawa.

9 Implications of COVID-19 pandemic

The COVID-19 outbreak has developed rapidly in 2021, with a significant number of infections. Measures taken by the authorities to contain the virus have affected global and local economic activity. The long-term impact of the outbreak remains uncertain. The Mission incurred significant costs due to COVID-19 including salaries that were funded by the City of Ottawa. Management is closely monitoring the economic development and any potential impacts there may be on operations.