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# Financial Statements of Mission Services of London

March 31, 2025

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## Independent Auditor's Report

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To the Board of Mission Services of London:

### Opinion

We have audited the financial statements of Mission Services of London (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, the excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 year ended March 31, 2025 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 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 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 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 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.

London, Ontario

June 11, 2025

*MNP LLP*

Chartered Professional Accountants

Licensed Public Accountants

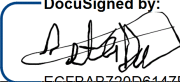
**Mission Services of London**  
**Statement of financial position**  
as at March 31, 2025

|  | <b>2025</b>      | 2024      |
|--|------------------|-----------|
|  | <b>\$</b>        | <b>\$</b> |
| <b>Assets</b>                            |                  |           |
| Current assets                           |                  |           |
| Cash                                     | <b>869,518</b>   | 1,087,808 |
| Short-term investments (Note 5)          | <b>1,204,217</b> | 1,026,637 |
| Accounts receivable                      | <b>286,915</b>   | 502,091   |
| Due from related party (Note 6)          | <b>321,717</b>   | 310,426   |
| Prepaid expenses                         | <b>175,323</b>   | 155,712   |
|  | <b>2,857,690</b> | 3,082,674 |
| Long-term investments (Note 5)           | <b>633,958</b>   | 759,587   |
| Tangible capital assets (Note 7)         | <b>5,459,267</b> | 5,838,447 |
|  | <b>8,950,915</b> | 9,680,708 |
| <b>Liabilities</b>                       |                  |           |
| Current liabilities                      |                  |           |
| Accounts payable and accrued liabilities | <b>1,198,445</b> | 1,065,239 |
| Government remittances payable           | <b>88,140</b>    | 78,810    |
|  | <b>1,286,585</b> | 1,144,049 |
| Commitments (Note 8)                     |                  |           |
| Contingencies (Note 13)                  |                  |           |
| <b>Net assets</b>                        |                  |           |
| Operating Fund                           | <b>420,999</b>   | 1,192,632 |
| Property Fund                            | <b>5,459,267</b> | 5,838,447 |
| Restricted Funds (Note 4, 12)            | <b>1,784,064</b> | 1,505,580 |
|  | <b>7,664,330</b> | 8,536,659 |
|  | <b>8,950,915</b> | 9,680,708 |

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved by the Board

Signed by:  
  
55B48DE2962B44B..., Board President

DocuSigned by:  
  
ECFBAB720D6147B..., Treasurer

**Mission Services of London****Statement of operations and changes in net assets**

year ended March 31, 2025

|  |                   | Operating         |                  | Property         |                  | Restricted       |                   | Total              |
|--|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|
|  | 2025              | 2024              | 2025             | 2024             | 2025             | 2024             | 2025              | 2024               |
| Note   | \$                | \$                | \$               | \$               | \$               | \$               | \$                | \$                 |
| <b>Revenue</b>   |                   |                   |                  |                  |                  |                  |                   |                    |
| City of London   | 4,254,933         | 3,249,294         | —                | —                | —                | —                | 4,254,933         | 3,249,294          |
| Provincial subsidy                                       | 2,295,773         | 2,319,897         | —                | —                | —                | —                | 2,295,773         | 2,319,897          |
| Federal subsidy  | 5,258             | 10,168            | —                | —                | —                | —                | 5,258             | 10,168             |
| Donations  | 2,880,099         | 2,763,959         | —                | —                | 233,637          | 178,599          | 3,113,736         | 2,942,558          |
| Donations in kind  | 395,245           | 406,650           | —                | —                | —                | —                | 395,245           | 406,650            |
| Rental   | 204,870           | 358,593           | —                | —                | —                | —                | 204,870           | 358,593            |
| Mission Store sales                                      | 1,100,127         | 1,079,817         | —                | —                | —                | —                | 1,100,127         | 1,079,817          |
| Mission Store voucher program                            | 209,549           | 148,310           | —                | —                | —                | —                | 209,549           | 148,310            |
| Other  | 156,194           | 120,216           | —                | —                | —                | —                | 156,194           | 120,216            |
| Investment income  | —                 | —                 | —                | —                | 64,090           | 76,047           | 64,090            | 76,047             |
| Gain on disposal of tangible capital assets              | —                 | —                 | —                | 447              | —                | —                | —                 | 447                |
|  | <b>11,502,048</b> | <b>10,456,904</b> | <b>—</b>         | <b>447</b>       | <b>297,727</b>   | <b>254,646</b>   | <b>11,799,775</b> | <b>10,711,997</b>  |
| <b>Expenditures</b>                                      |                   |                   |                  |                  |                  |                  |                   |                    |
| Salaries and benefits                                    | 8,103,675         | 7,651,546         | —                | —                | —                | —                | 8,103,675         | 7,651,546          |
| Occupancy cost   | 1,195,418         | 1,270,692         | —                | —                | —                | —                | 1,195,418         | 1,270,692          |
| Food   | 678,508           | 678,608           | —                | —                | —                | —                | 678,508           | 678,608            |
| Office administration                                    | 855,909           | 674,421           | —                | —                | —                | —                | 855,909           | 674,421            |
| Client and program                                       | 708,712           | 416,257           | —                | —                | —                | —                | 708,712           | 416,257            |
| Promotional  | 799,163           | 727,702           | —                | —                | —                | —                | 799,163           | 727,702            |
| Conferences, training and dues                           | 111,009           | 66,923            | —                | —                | —                | —                | 111,009           | 66,923             |
| Transportation   | 62,511            | 60,192            | —                | —                | —                | —                | 62,511            | 60,192             |
| Bad debt   | 2,810             | 11,936            | —                | —                | —                | —                | 2,810             | 11,936             |
| Amortization of tangible capital assets                  | —                 | —                 | 419,808          | 528,060          | —                | —                | 419,808           | 528,060            |
| Restricted expenses                                      | —                 | —                 | —                | —                | 19,243           | 6,899            | 19,243            | 6,899              |
| Administration cost recovery                             | (284,662)         | (196,447)         | —                | —                | —                | —                | (284,662)         | (196,447)          |
|  | <b>12,233,053</b> | <b>11,361,830</b> | <b>419,808</b>   | <b>528,060</b>   | <b>19,243</b>    | <b>6,899</b>     | <b>12,672,104</b> | <b>11,896,789</b>  |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>(731,005)</b>  | <b>(904,926)</b>  | <b>(419,808)</b> | <b>(527,613)</b> | <b>278,484</b>   | <b>247,747</b>   | <b>(872,329)</b>  | <b>(1,184,792)</b> |
| <b>Net assets</b>  |                   |                   |                  |                  |                  |                  |                   |                    |
| Balance, beginning of year                               | 1,192,632         | 2,307,086         | 5,838,447        | 6,156,153        | 1,505,580        | 1,258,212        | 8,536,659         | 9,721,451          |
| Transfers  |                   |                   |                  |                  |                  |                  |                   |                    |
| Operating Fund   | —                 | —                 | 40,628           | 209,907          | —                | (379)            | 40,628            | 209,528            |
| Property Fund  | (40,628)          | (209,907)         | —                | —                | —                | —                | (40,628)          | (209,907)          |
| Restricted Funds   | —                 | 379               | —                | —                | —                | —                | —                 | 379                |
| <b>Balance, end of year</b>                              | <b>420,999</b>    | <b>1,192,632</b>  | <b>5,459,267</b> | <b>5,838,447</b> | <b>1,784,064</b> | <b>1,505,580</b> | <b>7,664,330</b>  | <b>8,536,659</b>   |

The accompanying notes to the financial statements are an integral part of this financial statement.

**Mission Services of London****Statement of cash flows**

year ended March 31, 2025

|   | <b>2025</b>      | 2024        |
|---|------------------|-------------|
|   | <b>\$</b>        | <b>\$</b>   |
| <b>Operating activities</b>                     |                  |             |
| Deficiency of revenues over expenditures        | <b>(872,329)</b> | (1,184,792) |
| Items not requiring an outlay of cash           |                  |             |
| Amortization of tangible capital assets         | <b>419,808</b>   | 528,060     |
| Gain on disposal of tangible capital assets     | <b>—</b>         | (447)       |
| Changes in non-cash working capital             |                  |             |
| Accounts receivable                             | <b>215,176</b>   | 1,784       |
| Due from related party                          | <b>(11,291)</b>  | 669,586     |
| Prepaid expenses                                | <b>(19,611)</b>  | 735         |
| Accounts payable and accrued liabilities        | <b>133,206</b>   | (244,606)   |
| Government remittances payable                  | <b>9,330</b>     | (63,680)    |
|   | <b>(125,711)</b> | (293,360)   |
| <b>Financing activity</b>                       |                  |             |
| Payments on long-term debt                      | <b>—</b>         | (4,106)     |
| <b>Investing activities</b>                     |                  |             |
| Purchase of tangible capital assets             | <b>(40,628)</b>  | (206,247)   |
| Proceeds on disposal of tangible capital assets | <b>—</b>         | 447         |
| Increase in investments                         | <b>(51,951)</b>  | (237,164)   |
|   | <b>(92,579)</b>  | (442,964)   |
| Net change in cash                              | <b>(218,290)</b> | (740,430)   |
| Cash, beginning of year                         | <b>1,087,808</b> | 1,828,238   |
| <b>Cash, end of year</b>                        | <b>869,518</b>   | 1,087,808   |

The accompanying notes to the financial statements are an integral part of this financial statement.

**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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**1. Nature of the organization**

Mission Services of London (the "Organization") was incorporated without share capital and is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

Our mission is to actively respond to people experiencing need, affirm human dignity, and inspire hope. We do this at our five branches of service through programs including: safe emergency shelter for individuals and families with children, balanced meals, transition and shelter diversion support, live-in addiction treatment, mental health programming, and filling basic needs.

**2. Significant accounting policies**

*(a) Basis of preparation*

These financial statements are prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations.

*(b) Cash*

Cash consists of short-term bank balances.

*(c) Fund accounting*

To ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund.

*Operating Fund*

The Operating Fund accounts for Mission Services of London's operating activities.

*Property Fund*

The Property Fund accounts for Mission Services of London's tangible capital assets.

*Restricted Funds*

The Restricted Funds are comprised of externally and internally restricted funds. Externally restricted funds account for donations made to Mission Services of London where the use of the donation has been restricted by the donor for a specified purpose. Internally restricted funds have been designated by the Board of Directors for a specified purpose.

*(d) Financial instruments*

*a. Arm's length financial instruments*

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.



**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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**2. Significant accounting policies (continued)**

*(d) Financial instruments (continued)*

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net earnings. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

*b. Related party financial instruments*

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- i. Investments in equity instruments quoted in an active market
- ii. Debt instruments quoted in an active market
- iii. Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- iv. Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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**2. Significant accounting policies (continued)**

*(d) Financial instruments (continued)*

*c. Financial asset impairment*

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the balance sheet date.

Any impairment, which is not considered temporary, is included in current year net earnings.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net earnings in the year the reversal occurs.

*(e) Tangible capital assets and amortization*

Tangible capital assets are recorded at cost and depreciated over their estimated useful lives. Depreciation is computed on a straight-line basis as follows:

Building – 40 years

Leasehold Improvements – 15 years

Furniture and equipment – 5 years

Computer equipment – 5 years

Vehicle – 5 years

**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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**2. Significant accounting policies (continued)**

*(f) Revenue recognition*

Mission Services of London follows the restricted fund method of accounting for contributions. Government funding and fees for board and lodging are recognized as revenue in the operating fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted donations are recognized as income when received. Where the donations are for a specific capital project, the donation is deferred and the revenue is recognized on a basis consistent with the amortization of the asset. Where the donations are externally restricted in use, the donation is recognized as income of the appropriate restricted fund. If there is not an appropriate restricted fund, the donation is deferred and recognized as the expenditures are incurred.

Investment income includes interest income, dividends, capital gains (losses) on the sale of securities and unrealized gains (losses) on securities. Investment income related to restricted funds is recorded as revenue in the respective fund.

Mission store revenue includes sales of used clothing and other donated goods. Sales revenue is recognized at the point of sale.

Mission store voucher program revenue and expenses are recorded at the time goods are provided to clients.

*(g) Contributed materials and services*

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Donations received by the Mission Store and other non-receipted certain donations of gifts in kind are not recorded for accounting purposes as determination of fair value is not practical.

*(h) Use of estimates*

The preparation of the financial statements of the organization, 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the reporting period. Significant estimates include the amortization of tangible capital assets. Actual results could differ from those estimates.

*(i) Government assistance*

Government assistance is recognized when there is reasonable assurance that the Organization has complied and will continue to comply with all conditions of the assistance.

Government assistance toward current expenses is recognized in income for the period in revenue.

*(j) Customer's accounting for cloud computing arrangement*

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of \$76,985 (\$65,160 in 2024) have been recognized in office administration expenses.

**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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**3. Change to accounting policies**

Effective April 1, 2024, the Organization adopted the new guideline AcG-20 *Customer's Accounting for Cloud Computing Arrangements*. Applying the new guidelines results in the recognition, measurement, and disclosure of cloud computing arrangements, including the allocation of the arrangement consideration to significant separable elements of cloud computing arrangement.

There was no material impact on the financial statements from the application of the new accounting guideline.

**4. Restricted funds**

*(a) Externally restricted*

Mission Services of London has several funds which are restricted by the donors as to how the funds may be used. They are as follows:

*Replacement Reserve Funds*

Entities that hold mortgage securities on properties owned by Mission Services of London require that adequate replacement reserves funds for these properties be maintained and used only for major repairs and replacements at Roger Smith Wing at Men's Mission. Such expenditures are authorized by the Board of Directors and require approval from the City of London Housing division. Building condition assessment reports are prepared by external consultants on a periodic basis and provide 40 year projections of capital expenditures. The Board uses these assessments and projections to determine the appropriate amount to set aside for capital replacement reserve funds.

*Special Projects Funds*

Restricted to expenditures on projects as designated by the donors.

*Alvin Roth Staff Development Fund*

Restricted to expenditures related to the development of employees of Mission Services.

*Spiritual Ministry Fund*

Restricted to expenditures on books, training material, retreats and equipment.

*Fred Hagglund Youth Bursary*

Restricted to assist children and youth attend summer school camp or special recreational opportunity, assist with expenses related to children with special needs, and assist with the expenses related to youth entering college, university or a recognized training program.

*Dr. Olive J. Stewart Memorial Fund*

Restricted to provide shelter, clothing, food and supplies where needed for guests that come to Rotholme, Men's Mission and Quintin Warner House.

**Mission Services of London**  
**Notes to the financial statements**  
 March 31, 2025

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#### **4. Restricted funds (continued)**

*(b) Internally restricted*

Replacement Reserve Funds

The Board of Directors has established replacement reserve funds for all of its properties that do not have mortgages. Building condition assessment reports are prepared by external consultants on a periodic basis and provide 40 year projections of capital expenditures. The Board uses these assessments and projections to determine the appropriate amount to set aside for capital replacement reserve funds. These funds are administered on the same basis as the Externally Restricted Replacement Reserve Funds except that authorization for expenditure is solely by the Board of Directors.

During the year, the Board authorized the transfer of \$Nil from Restricted Replacement Reserve Funds (\$379 in 2024) to the General Operating Fund. At March 31, 2025, there was a \$83,722 (\$120,955 in 2024) payable from the General Operating Fund to the Restricted Replacement Reserve Funds.

During the year, the Board authorized the transfer of \$40,628 from the General Operating Funds (\$209,907 in 2024) to the Property Fund. At March 31, 2025, there was a \$21,358 (\$21,358 in 2024) payable from the General Operating Fund to the Property Fund.

#### **5. Investments**

The Organization's investments are valued at fair market value. The investments are comprised of different debt securities carrying a variety of terms and conditions, the values of which are allocated as follows:

|                              | <b>Cost</b>      | <b>2025</b>      |             |               |
|------------------------------|------------------|------------------|-------------|---------------|
|                              | <b>\$</b>        | <b>Market</b>    | <b>Cost</b> | <b>2024</b>   |
|                              |                  | <b>\$</b>        | <b>\$</b>   | <b>Market</b> |
|                              |                  |                  |             | <b>\$</b>     |
| Cash                         | <b>947,086</b>   | <b>965,416</b>   | 234,236     | 235,242       |
| Short-term fixed income      | <b>125,000</b>   | <b>125,537</b>   | 671,298     | 684,902       |
| Mutual funds                 | <b>117,205</b>   | <b>113,264</b>   | 114,390     | 106,493       |
| Total short-term investments | <b>1,189,291</b> | <b>1,204,217</b> | 1,019,924   | 1,026,637     |
| Long-term fixed income       | <b>625,000</b>   | <b>633,958</b>   | 750,000     | 759,587       |
| Total investments            | <b>1,814,291</b> | <b>1,838,175</b> | 1,769,924   | 1,786,224     |

The amount shown in fixed income are GICs yielding interest from 4.20% - 4.75% (4.20% - 4.75% in 2024) per annum, with various due dates between 2026 - 2028. The mutual fund and bond investments are subject to market value fluctuations. The year-end market values include accrued interest on these investments.

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**6. Related party transactions**

On April 13, 2000, the Mission Services of London Foundation ("the Foundation") was incorporated as a registered charity. Mission Services of London is related to the Foundation as the members of the Foundation are Directors of Mission Services of London. The Directors of the Foundation are corporate members of Mission Services of London who have been elected by the members of the Foundation.

During the year, the Foundation also reimbursed Mission Services of London \$284,662 (\$196,447 in 2024) for administrative expenditures paid on behalf of the Foundation.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed upon by the related parties.

At the end of the year, the amount due from related party is as follows:

|                                       | <b>2025</b>    | 2024      |
|---------------------------------------|----------------|-----------|
|                                       | <b>\$</b>      | <b>\$</b> |
| Mission Services of London Foundation | <b>321,717</b> | 310,426   |

**7. Tangible capital assets**

|                         | 2025       |                             |                   | 2024              |
|-------------------------|------------|-----------------------------|-------------------|-------------------|
|                         | Cost       | Accumulated<br>amortization | Net book<br>value | Net book<br>value |
|                         | \$         | \$                          | \$                | \$                |
| Land                    | 845,996    | —                           | 845,996           | 845,996           |
| Building                | 9,283,978  | 5,146,308                   | 4,137,670         | 4,376,600         |
| Leasehold Improvements  | 422,433    | 253,284                     | 169,149           | 197,311           |
| Furniture and equipment | 1,760,224  | 1,529,578                   | 230,646           | 318,828           |
| Computer equipment      | 762,646    | 686,840                     | 75,806            | 99,712            |
| Vehicle                 | 101,609    | 101,609                     | —                 | —                 |
|                         | 13,176,886 | 7,717,619                   | 5,459,267         | 5,838,447         |

Amortization expense for the year amounted to \$419,808 (\$528,060 in 2024). When tangible capital assets are disposed of, the cost value of the assets and the related accumulated amortization are removed from the accounts and the resulting gain or loss on disposal is included in income.

**8. Commitments**

As at March 31, 2025, Mission Services of London is obligated under the following leases for rental of retail and office space, security services, internet services and office equipment.

|      | <b>\$</b>        |
|------|------------------|
| 2026 | 757,835          |
| 2027 | 507,384          |
| 2028 | 506,990          |
| 2029 | 506,596          |
| 2030 | 506,596          |
|      | <b>2,785,401</b> |

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**9. Employee pension plan**

Mission Services of London makes contributions to a pension plan on behalf of its employees. The plan is a defined contribution plan which specifies employee contributions of 3.5% of earnings up to \$15,000 and 5% of earnings in excess of \$15,000. The employee contributions are matched by Mission Services of London. During the year, Mission Services of London made contributions of \$202,392 (\$203,632 in 2024).

**10. Investment income**

The organization’s investment income consists of the following:

|                        | 2025<br>\$ | 2024<br>\$ |
|------------------------|------------|------------|
| Interest and dividends | 64,090     | 76,047     |

**11. Financial instruments**

*Interest rate risk*

The Organization is exposed to interest rate risk, as the investment income earned and market value of investments are subject to fluctuation depending on prevailing market interest rates. Management addresses this risk through varying terms of investments to minimize fluctuations. Interest rates for marketable securities are disclosed in Note 5.

*Market risk*

The Organization’s investments in publicly-traded securities exposes the Organization to price risks as equity investments are subject to price changes in an open market. The Organization does not use derivative financial instruments to alter the effects of this risk.

*Credit risk*

The Organization collects balances from various governmental organizations in the normal course of its operations and due to the nature of the receivables, the Organization is exposed to minimal credit risk.

*Liquidity risk*

Liquidity risk is the risk of being unable to meet a demand for cash or fund obligations as they come due. The Organization manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liability maturities.

Accounts payable and accrued liabilities are generally paid within 30 days. There is no loan or other financial facility that contains covenant or demands of repayment.

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**12. Restrictions of net assets**

Restricted Fund consists of the following:

|  | 2025      | 2024      |
|--|-----------|-----------|
|  | \$        | \$        |
| Internally restricted  |           |           |
| Contingency Fund   | 907,437   | 904,489   |
| Board-restricted for major repairs                               | (764,624) | (820,648) |
| Externally restricted  |           |           |
| Board and City of London - restricted for major repairs          | 81,119    | 81,119    |
| Donor-restricted for special projects and specified expenditures | 1,560,132 | 1,340,620 |
|  | 1,784,064 | 1,505,580 |

**13. Contingencies**

The Organization is involved in a claim related to employment matters and two other matters for which claims have not been filed. The matters remain at an early stage and as such, it is not possible to predict the outcome or estimate the losses, if any, which may result. The Organization's insurer has been advised of these matters and is cooperating with the organization subject to policy deductibles, limits, terms and conditions.