

**MISSION BON ACCUEIL /
WELCOME HALL MISSION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

CONTENTS

	PAGE
Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Fund Balances	5 - 6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 25



Baker Tilly Montréal S.E.N.C.R.L. / LLP

606, rue Cathcart, Bureau 200

Montréal, QC

Canada H3B 1K9

T: 514.866.8553

F: 514.866.8469

montréal@bakertilly.ca

www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mission Bon Accueil /
Welcome Hall Mission

Qualified Opinion

We have audited the financial statements of **Mission Bon Accueil / Welcome Hall Mission ("Mission")**, which comprise the statement of financial position as at September 30, 2025, and the statements of operations and fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of **Mission Bon Accueil / Welcome Hall Mission ("Mission")** as at September 30, 2025 and its results of operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations and clause 8.3 of the Société d'habitation du Québec mortgage and operating agreements.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Mission derives revenue from certain donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Mission. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended September 30, 2025 and 2024. Our audit opinion on the financial statements for the year ended September 30, 2025 was modified accordingly because of the possible effects of this limitation in scope.

Furthermore, in addition to being prepared in accordance with Canadian accounting standards for not-for-profit organizations, these financial statements have been prepared in accordance with clause 8.3 of the Société d'habitation du Québec mortgage and operating agreements which requires that any assets financed or subsidized under their mortgage and operating agreements be amortized on a straight-line basis over 40 years.

AUDIT • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly Montréal S.E.N.C.R.L. / LLP, qui exerce ses activités sous le nom de Baker Tilly Montréal est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

INDEPENDENT AUDITOR'S REPORT (cont'd.)

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. matter independent of the Mission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 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.

INDEPENDENT AUDITOR'S REPORT (cont'd.)

- ♦ 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.

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.

Baker Tilly Montréal S.E.N.C.R.L./LLP ¹

Montréal, Québec
December 8, 2025

¹CPA auditor, public accountancy permit No. A114616

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025**

	2025	2024
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 1,481,460	\$ 4,583,217
Marketable securities	312,982	248,716
Term deposit (Note 4)	218,088	210,573
Amounts receivable (Note 5)	467,182	645,296
Inventory (Note 6)	773,155	1,285,018
Prepaid expenses	147,783	172,380
	3,400,650	7,145,200
Property and equipment (Note 7)	23,914,735	19,380,306
Restricted cash, marketable securities and term deposit (Note 8)	7,245,000	7,135,000
	\$ 34,560,385	\$ 33,660,506
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 2,528,676	\$ 2,454,625
Current portion of mortgages payable (Note 10)	3,595,768	1,302,962
Current portion of deferred revenue (Note 11)	3,899,242	1,598,161
	10,023,686	5,355,748
Mortgages payable (Note 10)	3,806,147	6,488,130
Deferred revenue (Note 11)	2,523,266	2,644,362
	16,353,099	14,488,240
FUND BALANCES		
Restricted funds	4,230,230	4,561,247
Capital fund	16,161,502	11,237,896
General fund	(2,184,446)	3,373,123
	18,207,286	19,172,266
	\$ 34,560,385	\$ 33,660,506

APPROVED ON BEHALF OF THE BOARD:

Enzo Gabrielli Member
[Signature] Member

See accompanying notes

MISSION BON ACCUEIL /
WELCOME HALL MISSION
STATEMENT OF OPERATIONS AND FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Internally Restricted			Externally Restricted			Total	
	General Fund	Capital Fund	Bequests	Cash Flow Contingency Fund	Residence Fund	Transitional Housing Fund		Residence Reserve Fund
Revenues								
Individual donations	\$ 8,767,548	\$	\$	\$	\$	\$	\$	\$
Corporate and other donations	2,933,229		608,309			1,500		8,767,548
Subsidies and government grants (Note 12)	7,551,067				413,396	45,590		3,543,038
Donated merchandise	7,511,483				25,069			8,010,053
Rent, service fees and subsidies (Note 12)	584,948				441,332	103,225		7,536,552
Interest and other	1,561,351				9,261	2,200		1,129,505
Fair value adjustment on marketable securities	(4,373)							1,572,812
	<u>28,905,253</u>		<u>608,309</u>		<u>889,058</u>	<u>152,515</u>		<u>(4,373)</u>
								<u>30,555,135</u>
Expenditures								
Expenses (Note 14)	19,408,750							
Merchandise distributed (Note 15)	8,985,651				796,614	78,545		20,283,909
Repairs and maintenance	672,459				106,023	1,796		9,093,470
Mortgage interest	278,718				96,874	9,106		778,439
Amortization		693,638			26,337	114,874		419,929
	<u>29,345,578</u>	<u>693,638</u>			<u>140,953</u>	<u>109,777</u>		<u>944,368</u>
					<u>1,166,801</u>	<u>314,098</u>		<u>31,520,115</u>
(Deficiency) excess of revenues over expenditures	<u>(440,325)</u>	<u>(693,638)</u>	<u>608,309</u>		<u>(277,743)</u>	<u>(161,583)</u>		<u>(964,980)</u>
Balances, beginning of year	<u>3,373,123</u>	<u>11,237,896</u>	<u>4,335,431</u>	<u>2,190,096</u>	<u>(1,951,692)</u>	<u>(294,793)</u>	<u>191,155</u>	<u>91,050</u>
Interfund transfers/Other								
Capital repayments	(389,177)	389,177						
Acquisition of property and equipment (Note 7)	(4,978,797)	5,478,797	(500,000)					
Transfer of Residence amortization to the capital fund	140,953	(140,953)						
Transfer of Transitional Housing amortization to the capital fund	109,777	(109,777)						
	<u>(5,117,244)</u>	<u>5,617,244</u>	<u>(500,000)</u>					
Balances, end of year	<u>\$ (2,184,446)</u>	<u>\$ 16,161,502</u>	<u>\$ 4,443,740</u>	<u>\$ 2,190,096</u>	<u>\$ (2,229,435)</u>	<u>\$ (456,376)</u>	<u>\$ 191,155</u>	<u>\$ 91,050</u>

Interfund transfers/Other

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	2025	2024
Operating activities		
(Deficiency) excess of revenues over expenditures for the year	\$ (964,980)	\$ 3,757,336
Adjustments for		
Amortization	944,368	627,806
Non-cash donated merchandise	(7,536,552)	(7,752,606)
Non-cash cost of merchandise distributed	8,048,415	8,070,011
Gain on disposal of marketable securities	(580,842)	(282,688)
Fair value adjustment on marketable securities	4,373	(933,408)
Amortization of deferred revenue	(121,096)	(121,096)
	(206,314)	3,365,355
Net change in non-cash working capital items		
Decrease (increase) in amounts receivable	178,114	(150,035)
Decrease (increase) in prepaid expenses	24,597	(22,690)
Increase (decrease) in accounts payable and accrued liabilities	74,051	(260,005)
Increase in deferred revenue	2,301,081	35,446
Cash provided by operating activities	2,371,529	2,968,071
Investing activities		
Reinvested term deposit	(7,515)	(9,880)
Purchases of property and equipment	(5,478,797)	(3,099,109)
Purchase of marketable securities	(3,055,558)	(2,035,208)
Proceeds on disposal of marketable securities	3,457,761	2,869,951
Cash used in investing activities	(5,084,109)	(2,274,246)
Financing activities		
Repayment of capital lease obligations	-	(42,552)
Repayment of mortgages payable	(389,177)	(262,346)
Cash used in financing activities	(389,177)	(304,898)
(Decrease) increase in cash and cash equivalents	(3,101,757)	388,927
Cash and cash equivalents, beginning of year	4,583,217	4,194,290
Cash and cash equivalents, end of year	\$ 1,481,460	\$ 4,583,217

See accompanying notes

MISSION BON ACCUEIL / WELCOME HALL MISSION

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2025

1. Nature of the Mission and basis of presentation

Mission Bon Accueil / Welcome Hall Mission ("Mission") is a not-for-profit community service organization. It provides a variety of community services throughout Montréal and has a commitment to empower people in need by responding to their spiritual, emotional and physical needs.

Les Résidences Bon Accueil ("Residence") began operations in 2005 to provide individuals with low cost lodging units, situated within the Mission's main building, as part of the rehabilitation and social reintegration program for men suffering from drug, alcohol, gaming or other dependencies. A component of the initial funding and financing agreements requires that the program be managed as an independent unit. In November 2009, the Residence obtained certification as an approved rehabilitation center from the Québec government.

Les Logements de Transition Mission Bon Accueil ("Transitional Housing"), situated in a building owned by the Mission on Delinelle Street, began operations in 2014 to provide families with low cost lodging units.

The original incorporation of Welcome Hall Mission was granted on June 16, 1905 under the authority of Article 3097 of (1899) 62 Victoria C.32 titled: An Act to amend the law respecting mutual benefit associations and charitable associations. On August 18, 2009, the Mission was granted a continuance of its incorporation by letters patent of conversion under the Québec Corporation Act part III section 221. Under this continuance, the Mission amended its name from "La Mission Bon Accueil / Welcome Hall Mission" to "Mission Bon Accueil / Welcome Hall Mission". The Mission is a registered charity under the Income Tax Act and therefore exempt from income tax.

These financial statements combine the accounts and activities of the Mission, the Residence and the Transitional Housing. All income and expenses of these three divisions have been shown separately on the statement of operations and fund balances, and all assets and liabilities of the three divisions have been disclosed in the notes to the financial statements. Interdivision assets and liabilities have been offset.

MISSION BON ACCUEIL / WELCOME HALL MISSION NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and clause 8.3 of the Société d'habitation du Québec ("SHQ") mortgage and operating agreements for the Residence and the Transitional Housing.

The significant accounting policies used are as follows:

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period.

Estimates that management has made include the useful life of the property and equipment, the fair market value of goods in kind revenue, merchandise and the valuation of inventory. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Financial instruments

(i) Measurement of financial instruments

The Mission initially measures its financial assets and liabilities at fair value.

The Mission subsequently measures its financial assets and financial liabilities at amortized cost, except for marketable securities which are measured at fair value. Changes in fair value are recognized in (deficiency) excess of revenues over expenditures.

Financial assets measured at amortized cost include cash and cash equivalents, term deposit and amounts receivable net of government receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities net of government remittances and mortgages payable.

The Mission has elected to show all marketable securities at fair value.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in (deficiency) excess of revenues over expenditures.

MISSION BON ACCUEIL / WELCOME HALL MISSION NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

2. Significant accounting policies (cont'd.)

(c) Fund accounting

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

(i) Capital fund

The Capital fund records the subsidies, government grants and donations given to the Mission, the Residence and the Transitional Housing for the specific purpose of acquiring the assets recorded in property and equipment. Amortization related to the Residence and Transitional housing fund are reallocated to the capital fund from the general fund on an annual basis to reflect the actual net assets available to the Residence and the Transitional Housing. Expenditures in excess of these amounts are transferred to the Capital fund from the General fund as required. Additions to property and equipment are shown net of any related debt.

(ii) Bequests

The Bequest fund is increased by amounts willed, without restriction, to the Mission upon the death of a benefactor. The bequests are not considered operational revenues and are internally restricted to be utilized at the discretion of the board of directors. They are initially recorded in the bequest fund and are transferred to the general fund, at the discretion of the board of directors, to cover cash operating deficiencies, minor acquisitions of property and equipment and capital repayments, when required.

(iii) Cash flow contingency fund

The board of directors elected to set up a cash flow contingency fund to restrict a certain amount of funds to cover cash operating deficiencies. These funds will be transferred to/from the general fund at the discretion of the board.

(iv) Residence fund

The Residence fund derives income from various government and municipal grants and subsidies, rental income and expense recoveries from its tenants. The expenses are allocated based on actual expenditures where identifiable, otherwise on management's best estimate.

(v) Transitional Housing fund

The Transitional Housing fund derives income from various government grants and subsidies and from rental income. The expenses are allocated based on actual expenditures where identifiable, otherwise on management's best estimate.

(vi) Residence reserve fund

The SHQ requires the Residence to establish a reserve pool, to cover the cost of the future replacement of capital assets and certain expenses, through an annual allowance calculated per the guidelines set forth by the SHQ.

MISSION BON ACCUEIL / WELCOME HALL MISSION NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

2. Significant accounting policies (cont'd.)

(c) Fund accounting (cont'd.)

(vii) Transitional Housing reserve fund

The SHQ requires the Transitional Housing to establish a reserve pool, to cover the cost of the future replacement of capital assets and certain expenses, through an annual allowance calculated per the guidelines set forth by the SHQ.

(d) Cash, restricted cash and marketable securities

Cash and cash equivalents consist of deposits held in commercial banks, investment in money market funds and short-term investments with maturities of three months or less from the date of acquisition. Marketable securities consist of debt and equity instruments that are quoted in an active market. Cash and marketable securities that are restricted by the Mission pertaining to reserve funds, deferred revenues and cash held in trust are recorded as restricted cash and marketable securities.

(e) Term deposits

Term deposits consist of deposits held in commercial banks. Cash restricted by the Mission pertaining to reserve funds, deferred revenues and cash held in trust is recorded as long-term restricted cash and term deposits.

Term deposits are liquid investments that are renewable annually.

(f) Inventory

The Mission records all perishable food, non-perishable food and supplies that have been purchased or donated as inventory. Food and maintenance inventory is valued using the weighted average method, based on the following costing methodology, used to estimate the lower of cost and estimated replacement value:

- (i) Purchased merchandise is recorded at the purchase price.
- (ii) Donated receipted merchandise is recorded at the receipted amount which approximates the wholesale value.
- (iii) Donated non-receipted merchandise is recorded at the estimated average wholesale value of one pound of product, estimated at \$3.23 per pound or \$7.13 per kilogram. The average price falls within the price range disclosed by Foods bank Canada for 2025 which is based on research data compiled by a third party.
- (iv) Clothing inventory, non-receipted, is recorded at the estimated average wholesale value of one pound of product, at \$0.10 per pound or \$0.22 per kilogram.

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

2. Significant accounting policies (cont'd.)

(f) Inventory (cont'd.)

Perishable and non-perishable food items and clothing are weighed upon receipt and subsequently allocated a cost based on the above policies. Liquid items are converted from a volume to weight basis and subsequently allocated a cost based on the same policies.

Donated inventory merchandise is recorded as donated merchandise in the period in which it is received.

Inventory that is subsequently distributed throughout the Mission's various programs or donated to other agencies is recognized as an expense in the year, under merchandise distributed.

(g) Property and equipment

Purchased property and equipment is recorded at cost. Contributed property and equipment is recorded at the fair market value at the date of contribution. The costs incurred in the maintenance of the property and equipment are expensed as incurred. The capitalized cost of the property and equipment includes all costs directly attributable to the acquisition, development and betterment of the asset to bring it to the condition necessary for its intended use. Amortization is provided on a straight-line basis over the asset's estimated useful life, which is as follows:

Furniture and equipment	5 years
Vehicles	4 - 8 years
Computer equipment	4 years

Amortization for the buildings and improvements is provided for on a 5% declining balance basis, with the exception of any buildings acquired with financial assistance from the SHQ. The SHQ guidelines require that any assets financed by them, which include the Residence and the Transitional Housing, be amortized on a straight-line basis over 40 years.

Property and equipment paid and amortization are reported in the capital fund.

(h) Capital lease obligations

Leases which transfer substantially all of the benefits and risks of ownership of the property to the Mission are treated as an acquisition of an asset and the incurrence of an obligation.

(i) Revenue recognition

(i) Restricted contributions and bequests

Restricted contributions and bequests are recognized as revenue of the appropriate fund in the year in which the contribution is received. If no fund exists, then these contributions are deferred until the funds have been disbursed as per the restriction. All other contributions are recognized as revenue of the General Fund in the year in which the contribution is received or receivable.

MISSION BON ACCUEIL / WELCOME HALL MISSION NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

2. Significant accounting policies (cont'd.)

(i) Revenue recognition (cont'd.)

(ii) Subsidies and government grants

Subsidies and government grants are generally recognized as revenue in the year in which the funds are received. Where these funds are granted to offset the cost of specific property and equipment acquisitions or specific expenditures, and the receipt of these funds is certain, the grant or subsidy is accrued in order to obtain a proper matching with the acquisition or the expenditure.

(iii) Donated merchandise

Donated merchandise consists of perishable food, non-perishable food and maintenance products. The cost of all donated merchandise receipted and non-receipted is recorded according to the inventory costing policy as described in Note 2 (f). Contributed inventory items are recorded as donated merchandise in the period in which they are received.

(iv) Investment income

Investment income earned and expenditures incurred on the restricted funds are allocated to the appropriate fund on a specific or pro-rata basis, where appropriate.

(v) Rental revenue

Rental revenue is recognized over the terms of the related lease agreements on a straight-line basis. Recoveries from tenants are recognized as revenues in the period in which the applicable costs are incurred.

(vi) Goods in kind

The Mission receives various services from volunteers and professionals. Donation receipts are issued for items where a fair market value could be ascertained and a receipt has been requested. Only these items have been recorded in goods in kind.

MISSION BON ACCUEIL / WELCOME HALL MISSION NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

2. Significant accounting policies (cont'd.)

(j) Expenditures

Salaries, cost of merchandise distributed and services are allocated to the individual programs based on actual identifiable expenditures. Overhead and other shared expenses are allocated to the individual programs based on a pro-rata basis of total direct salaries and wages.

(k) Recognition of subsidy from the SHQ

The Mission receives subsidies from the SHQ in order to assist in the funding of affordable housing projects. The financial assistance provided can be in the form of a lump sum payment or a mortgage paid by the SHQ on behalf of the Mission.

Subsidies received as a lump sum payment are recorded as deferred revenue. Subsidies received in the form of a mortgage are initially recorded as a subsidy receivable equal to the amount of the mortgage assumed by the SHQ. This receivable is reduced over the life of the mortgage by the amount of capital repayments made by SHQ. Under both forms of financial assistance, the property and the deferred subsidy revenue are amortized on a straight line basis over 40 years, as required by their mortgage agreement.

As a requirement of this financing, the Mission is required to make a payment to the Fonds Québécois d'Habitation Communautaire (FQHC) out of the mortgage funds either at the commencement of the subsidy or on its 10th anniversary. This amount is netted against the deferred subsidy revenue described above, and amortized straight line into income over 40 years, as required by SHQ.

3. Cash and cash equivalents

Included in cash and cash equivalents is \$Nil (2024 - \$1,477,000) of short-term restricted funds which will be disbursed for their designated purposes within one year of year-end (Note 8).

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

4. Term deposit

The term deposit held, bearing interest at 2.98% will mature on January 23, 2026.

5. Amounts receivable

	<u>2025</u>	<u>2024</u>
Commodity taxes receivable	\$ 129,857	\$ 150,643
Government subsidies receivable	84,229	388,548
Other	<u>253,096</u>	<u>106,105</u>
	<u>\$ 467,182</u>	<u>\$ 645,296</u>

Included in amounts receivable is approximately \$45,000 (2024 - \$71,000) pertaining to the Residence and \$800 (2024 - \$5,000) pertaining to the Transitional Housing.

6. Inventory

	<u>2025</u>	<u>2024</u>
Food and supplies	\$ 532,480	\$ 660,101
Clothing and other	<u>240,675</u>	<u>624,917</u>
	<u>\$ 773,155</u>	<u>\$ 1,285,018</u>

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

7. Property and equipment

	2025			2024
	Cost	Accumulated amortization	Net	Net
Land	\$ 3,837,238	\$ -	\$ 3,837,238	\$ 3,837,238
Buildings	27,788,658	9,255,450	18,533,208	15,038,969
Furniture and equipment	3,144,902	1,878,019	1,266,883	368,190
Vehicles	1,141,784	1,044,386	97,398	49,995
Computer equipment	743,130	563,122	180,008	85,914
	\$ 36,655,712	\$ 12,740,977	\$ 23,914,735	\$ 19,380,306

During the year, cash was paid for the following:

	2025	2024
Land	\$ -	\$ 248,685
Buildings (a)	4,210,734	2,539,122
Furniture and equipment	1,046,945	266,480
Vehicles	80,616	35,017
Computer equipment	140,502	9,805
	\$ 5,478,797	\$ 3,099,109

During the year, the Mission received subsidies totaling \$296,880 to fund the expansion of the Projets de réaffiliation en itinérance et en santé mentale (PRISM) program and the dental clinic. This amount was applied to buildings.

Included in accumulated amortization is \$3,373,521 (2024 - \$3,161,781) pertaining to the assets acquired pursuant to an SHQ mortgage agreement.

(a) During the year, the Mission paid cash of \$3,398,012 for the Ontario East building (Note 8 (a)).

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

8. Restricted cash, marketable securities and term deposit

	2025	2024
Contingency reserve fund	\$ 2,190,000	\$ 2,190,000
Bequests	4,444,000	4,335,000
Residence reserve fund	191,000	191,000
Transitional Housing reserve fund	91,000	91,000
Programs and designated gifts	4,038,000	1,199,000
Advance on Hotel Dieu program	69,000	606,000
	11,023,000	8,612,000
Less current portion (Note 3)	-	1,477,000
Less funds used to finance the renovations and acquisition of capital assets of the Ontario East property (a)	3,778,000	-
	<u>\$ 7,245,000</u>	<u>\$ 7,135,000</u>

(a) During the year, the Mission used restricted funds of \$3,778,000 to finance the renovations and the acquisition of capital assets for the Ontario East property. The Mission has applied for a subsidy to fully replenish the funds used and has received an acceptance letter; however, the agreement has not been signed, and the amount and timing of receipt remain uncertain.

	2025	2024
Marketable securities - long-term	<u>\$ 7,245,000</u>	<u>\$ 7,135,000</u>

Marketable securities with a fair value of approximately \$7,558,000 (2024 - \$7,384,000) have a cost base of approximately \$6,192,000 (2024 - \$6,014,000). The long-term marketable securities are restricted to fulfill the internal and external restricted requirements.

9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are the following amounts:

	2025	2024
Accounts payable and accrued liabilities	\$ 2,527,590	\$ 2,076,636
Commodity taxes payable	-	336,938
Payroll deductions at source	1,086	41,051
	<u>\$ 2,528,676</u>	<u>\$ 2,454,625</u>

Included in accounts payable and accrued liabilities is approximately \$34,000 (2024 - \$57,000) pertaining to the Residence and \$1,400 (2024 - \$1,500) pertaining to the Transitional Housing.

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

10. Mortgages payable

On November 13, 2024, the Mission renewed its mortgage in the amount of approximately \$1,359,000 with Caisse Desjardins, maturing in October 2026, bearing interest at 5.38% per annum. The mortgage is repayable in monthly principal installments of \$13,459. The mortgage is secured by the Annexe building, the Notre-Dame Ouest land, its contents and the rental income. The building and land have an aggregate carrying value of approximately \$4,724,000. The bank's agreement contains a covenant which requires the Mission to maintain a minimum debt service coverage ratio of 1.25:1.00 and maintain a minimum gross revenue of \$600,000 on the Annexe building. As at September 30, 2025, the Mission is not in compliance with these covenants, however, is working with the bank to remedy the situation.

	<u>2025</u>	<u>2024</u>
\$	1,211,267	\$ 1,372,770

The Mission has signed a mortgage in the amount of \$3,500,000 with the National Bank of Canada, maturing in August 2026, bearing interest at 6.04% per annum. The mortgage is repayable in monthly principal installments of \$11,667. The mortgage is secured by a first ranking hypothec on the property situated on 2222 Ontario Est. The building and land have an aggregate carrying value of approximately \$7,773,000. The bank's agreement contains a covenant which requires the Mission to maintain a minimum fixed charge coverage ratio of 1.00. As at September 30, 2025, the Mission is not in compliance with this covenant, however, is working with the bank to remedy the situation.

3,348,333	3,488,333
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The Transitional Housing has a mortgage in the amount of approximately \$1,996,000 with the National Bank of Canada, maturing in November 2028, bearing interest at 5.966% per annum. The mortgage is repayable in monthly installments of \$12,733, combining principal and interest.

1,928,529	1,966,449
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On May 8, 2025, the Residence renewed its mortgage in the amount of \$928,593 with the National Bank of Canada, maturing in May 2030, bearing interest at 4.337% per annum. The mortgage is repayable in monthly installments of \$7,008, combining principal and interest.

<u>913,786</u>	<u>963,540</u>
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7,401,915	7,791,092
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Less current portion

<u>3,595,768</u>	<u>1,302,962</u>
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Due beyond one year

<u>\$ 3,806,147</u>	<u>\$ 6,488,130</u>
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**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

10. Mortgages payable (cont'd.)

Estimated principal repayments are as follows:

2026	\$ 3,595,768
2027	1,140,136
2028	95,046
2029	1,852,438
2030	<u>718,527</u>
	<u>\$ 7,401,915</u>

11. Deferred revenue

	<u>2025</u>	<u>2024</u>
Provincial subsidy, under the AccèsLogis program of the SHQ, provided the Residence with a mortgage of an original amount of \$2,237,125.	\$ 1,095,260	\$ 1,151,188
Municipal subsidy of an original amount of \$726,338 to offset the cost of the Residence.	133,161	162,214
Provincial subsidy, under the AccèsLogis program of the SHQ, of \$1,500,200 to offset the cost of the Transitional Housing.	1,050,140	1,087,645
Municipal subsidy of an original amount of \$504,150 to offset the cost of the Transitional Housing.	352,905	365,509
Deferred Contribution FQHC - Residence.	(185,569)	(195,045)
Deferred Contribution FQHC - Transitional Housing.	(126,535)	(131,054)
Deferred Revenue - Programs and designated gifts.	4,033,724	1,196,066
Advance on Hotel Dieu transition program.	<u>69,422</u>	<u>606,000</u>
	6,422,508	4,242,523
Less current portion	<u>3,899,242</u>	<u>1,598,161</u>
Deferred revenue	<u>\$ 2,523,266</u>	<u>\$ 2,644,362</u>

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

12. Subsidies and government grants

	2025	2024
Provincial government		
Programme d'aide et accompagnement	\$ 5,850	\$ 8,550
Société d'habitation du Québec contribution	45,590	45,590
Employment integration contract	37,065	19,417
	88,505	73,557
Ministère de la santé et des services sociaux		
Measure 5.3 - Programme Bienvenue	1,475,916	1,036,666
Programme de soutien aux organismes communautaires (PSOC) - Global Mission	2,154,413	2,104,666
Programme de soutien aux organismes communautaires (PSOC) - Global Mission - Residence	230,666	150,781
HPSOC - Financial aide for RHD	107,225	155,811
Réh Program - Residence	46,452	46,453
Support for the purchase and distribution of food	-	5,000
Measure 6.1 - Hôtel Dieu	2,991,432	5,899,150
PRISM	74,542	-
	7,080,646	9,398,527
Federal government		
Vers un chez soi - Project Logement Montréal	447,200	586,113
Employment - Salary subsidy	25,349	32,300
Accès communautaire coordonné en itinérance à Montréal	333,156	360,084
	805,705	978,497
Municipal government		
Contribution ville MTL et Min.S.S.	35,197	224,054
	\$ 8,010,053	\$ 10,674,635

Included in rent, service fees, and subsidies, are the following municipal subsidies:

	2025	2024
Contribution ville MTL - OHM	\$ 242,241	\$ 278,777

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

13. Expense recovery

During the year, the Mission paid for several expenditures on behalf of the Residence and the Transitional Housing, which have been billed to the Residence and Transitional Housing and are included in the appropriate expense account for the Residence and the Transitional Housing.

14. Expenses

Overhead and other shared expenses are allocated to the individual programs based on a pro-rata basis of total direct salaries and wages. Management and general expenditures recorded in the books of the Mission, including operations, human resources, administration and development costs, information technology, fundraising and facilities, have been allocated to the following programs:

	<u>2025</u>	<u>2024</u>
Emergency Shelter Services	\$ 12,667,323	\$ 14,121,943
Food Security and Family Services	3,748,285	3,069,507
Youth Outreach Services	690,980	588,271
Residence	796,614	765,192
Health and Dental Clinic	467,097	432,921
Transitional Housing	78,545	97,218
Meal Services	<u>1,835,065</u>	<u>1,795,116</u>
	<u>\$ 20,283,909</u>	<u>\$ 20,870,168</u>

Included in these expenses are investment management fees, interest, bank charges and credit card charges of \$322,224 (2024 - \$253,090).

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

15. Merchandise distributed

	2025	2024
Opening inventory	\$ 1,285,018	\$ 1,602,423
Donated merchandise	7,536,552	7,752,606
Purchases	<u>1,045,055</u>	<u>1,439,191</u>
	9,866,625	10,794,220
Ending inventory	<u>(773,155)</u>	<u>(1,285,018)</u>
	<u>\$ 9,093,470</u>	<u>\$ 9,509,202</u>

Merchandise was distributed during the year as follows:

	2025	2024
Food Security and Family Services	\$ 7,124,949	\$ 7,424,094
Emergency Shelter Services	1,208,909	1,715,321
Youth Outreach Services	56,387	9,366
Residence	106,023	148,242
Operations	7,517	23,201
Administration	<u>42,000</u>	<u>41,763</u>
	8,545,785	9,361,987
Donations to other agencies	<u>547,685</u>	<u>147,215</u>
	<u>\$ 9,093,470</u>	<u>\$ 9,509,202</u>

16. Life insurance policies

- (a) The Mission is holding a \$127,718 fully paid up life insurance policy on an individual. This donation will be recorded as revenue when the proceeds are received.
- (b) The Mission is holding a \$50,000 life insurance policy on a former member of the board. The monthly premium payments are expensed in the year. As at September 30, 2025, the policy had no cash surrender value.

MISSION BON ACCUEIL / WELCOME HALL MISSION

NOTES TO THE FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2025

17. Concentration of risk

The Mission is financially supported through various government and municipal subsidies, and donations and goods in kind from various Montréal donors. Management mitigates this risk through its cash flow contingency fund.

Revenues where there could be a concentration risk exposure are as follows:

	<u>2025</u>	<u>2024</u>
Moisson Montréal - donated food merchandise	\$ 4,689,121	\$ 5,610,260
Federal subsidies and grants	4,939,897	7,554,230
Provincial subsidy - "Programme de Soutien aux Organismes Communautaires (PSOC)"	2,385,080	2,255,447
Provincial subsidies and grants - other	649,879	640,905
Municipal subsidies and grants	35,197	224,054

18. Financial instruments risks and uncertainties

Financial instruments consist of recorded amounts of cash and cash equivalents, receivables and short-term investments which will result in future cash receipts, as well as accounts payable and accrued liabilities, bank loans and mortgages payable which will result in future cash outlays.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Mission is exposed to currency risk as a result of cash and marketable securities denominated in U.S. dollars. As at September 30, 2025, the carrying value of financial instruments denominated in U.S. dollars (reported in Canadian dollars) is summarized below:

	<u>2025</u>	<u>2024</u>
Cash	\$ 50,346	\$ 21,487
Marketable securities	2,179,472	2,115,845

(b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Mission is exposed to market risk as a result of its investments in marketable securities which comprise investments in equity and fixed income instruments that are traded in a public market. As at September 30, 2025, the fair value of marketable securities exceeds the cost by approximately \$1,366,000 (2024 - \$1,370,000).

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

18. Financial instruments risks and uncertainties (cont'd.)

(c) Interest rate risk

The Mission is exposed to interest rate risk. Interest rate risk is the risk that the Mission has interest rate exposure on its fixed rate mortgages. This exposure may have an effect on its earnings in future periods if interest rates decrease. The Mission manages its exposure to interest rate risk through careful monitoring of its cash flows, and, in its opinion, this risk is not material.

(d) Economic risk

As the Mission derives a significant portion of its revenues from individual and corporate donations, it is exposed to economic conditions during the year. This exposure can have an effect on the amount of donations received, as the amount of disposable income of the donor changes.

19. Contingencies

In the prior year, the Mission, along with 6 other organizations, were named as defendants in a class action lawsuit. The lawsuit claims that since the opening of Hotel Dieu in 2021, the services provided have resulted in an increase in the number of homeless individuals with drinking and or mental health problems, which has been a threat to the public safety and peace of the neighbourhood.

The class action lawsuit was brought on behalf of all persons who reside or own an address, as landlord or tenant for personal, residential, professional or commercial purposes in the area surrounding Hotel Dieu. The defendants are claiming damages of approximately \$25,000 per inhabitant for mental and physical harm suffered as a result of interactions with homeless individuals, as well as the violation of their rights, protected under both the Canadian Charter of Rights and Freedoms and the Quebec Charter of Human Rights and Freedoms. The Mission has sought legal counsel to represent themselves in this claim. It is in management's opinion that the likelihood of the Mission incurring a financial loss as a result of the lawsuit is low.

20. Commitments

The Mission has a lease agreement for a building in Montréal-North.

Estimated minimum lease payments are as follows:

2026	\$	80,000
2027		83,000
2028		85,000
2029		<u>7,000</u>
	\$	<u><u>255,000</u></u>

**MISSION BON ACCUEIL /
WELCOME HALL MISSION
NOTES TO THE FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2025**

21. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.