

**FINANCIAL STATEMENTS**  
**For**  
**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
FONDATION DE LCO POUR DES COMMUNAUTÉS SAINES**  
**For year ended**  
**DECEMBER 31, 2024**

**INDEPENDENT AUDITOR'S REPORT**

To the members of

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
FONDATION DE LCO POUR DES COMMUNAUTÉS SAINES***Qualified Opinion*

We have audited the financial statements of OCH Foundation For Healthy Communities/Fondation de LCO pour des communautés saines (the Foundation), which comprise the statement of financial position as at December 31, 2024, 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 Foundation as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Qualified Opinion*

In common with similar charitable organizations, the Foundation derives revenue from donations and fundraising activities, 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 Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to restricted program revenue, unrestricted program revenue, excess of revenues over expenses and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance  
for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.



Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
April 15, 2025.

Welch LLP<sup>®</sup>

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
FONDATION DE LCO POUR DES COMMUNAUTÉS SAINES**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 410,067	\$ 450,406
Short-term investments (note 4)	265,770	156,105
Accounts receivable	7,758	6,588
Prepaid expenses	7,485	11,112
Government remittances receivable	<u>26,683</u>	<u>1,433</u>
	<u>\$ 717,763</u>	<u>\$ 625,644</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 47,237	\$ 18,657
Due to Ottawa Community Housing Corporation (note 5)	231,983	159,052
Deferred contributions (note 6)	198,805	264,857
Current portion of CEBA loan (note 8)	<u>-</u>	<u>40,000</u>
	<u>478,025</u>	<u>482,566</u>
<b>NET ASSETS</b>		
Unrestricted net assets	<u>239,738</u>	<u>143,078</u>
	<u>\$ 717,763</u>	<u>\$ 625,644</u>

Approved by the Board:

WAYNE FRENCH  
..... Director

MELISSA REEVES  
..... Director

(See accompanying notes)

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
FONDATION DE LCO POUR DES COMMUNAUTÉS SAINES**

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Restricted program revenue (note 6)	\$ 613,647	\$ 632,698
Unrestricted program revenue	412,000	315,989
Investment and other income	<u>31,670</u>	<u>18,473</u>
	<u>1,057,317</u>	<u>967,160</u>
<b>Expenses</b>		
Program delivery	647,677	666,493
Operations staffing costs	249,233	176,636
Operating expenses	43,980	34,805
Board of director expenses	19,751	16,023
Other expenses	<u>16</u>	<u>4,797</u>
	<u>960,657</u>	<u>898,754</u>
<b>Excess of revenue over expenses</b>	96,660	68,406
<b>Net assets, beginning of year</b>	<u>143,078</u>	<u>74,672</u>
<b>Net assets, end of year</b>	<u>\$ 239,738</u>	<u>\$ 143,078</u>

(See accompanying notes)

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
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**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 96,660	\$ 68,406
Accrued interest on short-term investments	<u>(9,665)</u>	<u>(6,105)</u>
	86,995	62,301
Changes for non-cash components of working capital:		
Accounts receivable	(1,170)	5,000
Prepaid expenses	3,627	(6,778)
Accounts payable and accrued liabilities	28,580	3,646
Due from Ottawa Community Housing Corporation	72,931	19,640
Deferred contributions	(66,052)	17,990
Government remittances receivable	<u>(25,250)</u>	<u>1,003</u>
	<u>99,661</u>	<u>102,802</u>
<b>Investing activities</b>		
Purchase of short-term investments	(100,000)	(150,000)
Repayment of CEBA loan	<u>(40,000)</u>	<u>-</u>
	<u>(140,000)</u>	<u>(150,000)</u>
<b>Decrease in cash</b>	(40,339)	(47,198)
<b>Cash at beginning of year</b>	<u>450,406</u>	<u>497,604</u>
<b>Cash at end of year</b>	<u>\$ 410,067</u>	<u>\$ 450,406</u>

(See accompanying notes)

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
FONDATION DE LCO POUR DES COMMUNAUTÉS SAINES**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2024**

**1. PURPOSE OF ORGANIZATION**

OCH Foundation For Healthy Communities ("the Foundation") was incorporated on March 26, 2012 under the Canada Not-for-Profit Corporations Act and is a registered charity under the Income Tax Act.

The purpose of the Foundation is to bring together the people and resources to inspire and empower Ottawa Community Housing Corporation ("OCH") tenants to achieve personal success. This will include an educational bursary, awards and scholarship program, youth leadership programming, and mentorship programs. A particular focus will be placed on supporting low-income housing tenants to better their financial and personal situations through the advancement of their education. This will also include job readiness/access programs, mentorship programs and community health and wellness initiatives.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and consist of the following significant accounting policies:

*a) Accrual basis of accounting*

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

*b) Financial instruments*

Financial assets and financial liabilities are initially measured at fair value and subsequently measured at cost or amortized cost.

*c) Revenue recognition*

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. 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.

*d) Contributed services*

In-kind contributed materials and volunteer services are recognized in the financial statements only when the fair value of the related materials and services can be determined. During the year, the Foundation received \$1,539 worth of in-kind materials. The materials are not used in the normal course of the Foundation's operations and would not otherwise have been purchased. Therefore, they are not represented in the financial statements.

*e) 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 revenues and expenses during the reporting period. Management makes estimates in determining the collectibility of its accounts receivable, the amount of its accrued liabilities, and the allocation of general support salaries and benefits to programs. Actual results could differ from these estimates.

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
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**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2024**

**3. FINANCIAL INSTRUMENTS**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at December 31, 2024.

The Foundation does not use derivative financial instruments to manage its risks.

*Credit risk*

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation's maximum exposure to credit risk represents the sum of its cash, short-term investments and accounts receivable balances. The Foundation's cash and short-term investments are deposited with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be remote. The amounts receivable include a sales tax refund and amounts due from funders. Management believes that these amounts are collectible.

*Liquidity risk*

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Foundation's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Foundation's exposure to interest rate risk arises from its investments in GICs. The interest rates on the investments are disclosed in note 4.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since the Foundation does not have any investments in publicly traded securities, it is not exposed to other price risk.

*Changes in risk*

There are no significant changes in risk exposure from the previous year.



**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
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**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2024**

**4. SHORT-TERM INVESTMENTS**

Short-term investments are as follows:

	<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Fair value</u>	<u>Fair value</u>
Cash	\$ 32	\$ 32	\$ 69
Guaranteed investment certificate, bearing interest rate at 5.1% maturing on February 28, 2025	157,269	163,993	156,036
Guaranteed investment certificate, bearing interest rate at 4.55% maturing on August 13, 2025	<u>100,000</u>	<u>101,745</u>	<u>-</u>
	<u>\$ 257,301</u>	<u>\$ 265,770</u>	<u>\$ 156,105</u>

**5. OTTAWA COMMUNITY HOUSING CORPORATION**

During the year, the Foundation received \$150,000 (2023 - \$120,000) from OCH to fund programs such as Scholarships and Youth Futures.

At year end the Foundation owed \$231,983 (2023 - \$159,052) to OCH for net expenses paid on behalf of the Foundation. This amount payable is non-interest bearing, with no specific terms of repayment. These transactions occurred at the exchange amount, which is the amount agreed upon by both parties.

**6. DEFERRED CONTRIBUTIONS**

Deferred contributions consist of unspent amounts. The deferred contribution activity can be summarized as follows:

	<u>Balance, Dec, 31, 2023</u>	<u>Amounts received in year</u>	<u>Amounts expensed in year</u>	<u>Balance, Dec, 31, 2024</u>
Donor Advised Fund	\$ 5,225	\$ -	\$ -	\$ 5,225
Bursaries	11,929	35,786	47,715	-
Rec LINK	133,381	111,820	179,035	66,166
Pack-A-Sack	24,020	60,483	69,610	14,893
Hop on Bikes	5,108	46,800	51,279	629
Special Events	-	96,000	14,400	81,600
Youth Futures	<u>85,194</u>	<u>196,706</u>	<u>251,608</u>	<u>30,292</u>
	<u>\$ 264,857</u>	<u>\$ 547,595</u>	<u>\$ 613,647</u>	<u>\$ 198,805</u>

**7. ALLOCATED EXPENSES**

During the year, the Foundation allocated general support salaries and benefits of \$276,164 (2023 - \$278,799) to program delivery, using management's best estimate of time spent on projects.

**OCH FOUNDATION FOR HEALTHY COMMUNITIES/  
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**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2024**

**8. CEBA LOAN**

The Foundation fully repaid the \$40,000 loan on January 18, 2024. The remaining \$20,000 of loan forgiveness was recognized as unrestricted revenue in the 2020 fiscal year.

**9. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.