

FINANCIAL STATEMENTS OF

**ONE CITY COMMUNITY
DEVELOPMENT SERVICES (O/A
ONE CITY PETERBOROUGH)**

March 31, 2025

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 15



Baker Tilly KDN LLP
272 Charlotte Street
Peterborough, ON
K9J 2V4

D: 705.742.3418
F: 705.742.9775
peterborough@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of
One City Community Development Services (o/a One City Peterborough)

Qualified Opinion

We have audited the financial statements of One City Community Development Services (o/a One City Peterborough), which comprise the statement of financial position as at March 31, 2025, and the statements of changes in fund balances, operations 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 One City Community Development Services (o/a One City Peterborough) as at March 31, 2025 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 many not-for-profit organizations, the Organization derives revenue from donations and rentals, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenses, assets and fund balances, and cash flows from operations for the years ended March 31, 2025 and 2024 and assets and fund balances as at March 31, 2025 and 2024. Our opinion on the financial statements for the year ended March 31, 2024 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 qualified 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.

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

INDEPENDENT AUDITOR'S REPORT, continued

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.

INDEPENDENT AUDITOR'S REPORT, continued

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 KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 2, 2025

**ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY
PETERBOROUGH)**
STATEMENT OF FINANCIAL POSITION
As at March 31, 2025

	2025 \$	2024 \$
ASSETS		
Current assets		
Cash	389,446	507,208
Accounts receivable (note 3)	248,351	189,404
Prepaid expenses	4,068	7,825
	641,865	704,437
Long-term assets		
Tangible capital assets (note 4)	5,559,607	4,134,541
	6,201,472	4,838,978
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	168,362	157,389
Deferred revenue (note 6)	172,090	371,194
Forgivable loan (note 7)	3,729	4,143
Current portion of deferred capital contributions (note 9)	156,121	161,653
Current portion of loans payable (note 9)	644,832	290,550
	1,145,134	984,929
Long-term liabilities		
Loans payable (note 9)	1,114,299	1,629,616
Deferred capital contributions (note 10)	3,225,682	1,405,296
	4,339,981	3,034,912
	5,485,115	4,019,841
Fund balances		
Unrestricted	297,684	171,712
Invested in tangible capital assets	418,673	647,425
	716,357	819,137
	6,201,472	4,838,978

Approved on behalf of the Board

Julie Smith

(Julie Smith - Treasurer)

The accompanying notes are an integral part of these financial statements

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2025

	Unrestricted \$	Invested in tangible capital assets \$	Total 2025 \$	Total 2024 \$
Balance - beginning of year	171,712	647,425	819,137	770,621
Excess (deficiency) of revenues over expenses for the year	(42,692)	(60,088)	(102,780)	48,516
Externally financed investment in capital assets	551,549	(550,699)	850	-
Proceeds	(850)	-	(850)	-
Repayment of debt	(382,035)	382,035	-	-
Balance - end of year	297,684	418,673	716,357	819,137

The accompanying notes are an integral part of these financial statements

**ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY
PETERBOROUGH)**
STATEMENT OF OPERATIONS
For the year ended March 31, 2025

	2025 \$	2024 \$
Revenues		
City of Peterborough Funding	1,167,240	505,394
Corrections Canada - CRF	937,213	844,117
Grants	637,066	541,053
Donations	592,573	376,130
Rentals	185,439	169,607
Other	82,516	68,692
Employment program	29,639	80,171
Property management	25,177	23,486
CFGP Funding	17,933	42,068
MCCSS Funding	13,264	8,883
	3,688,060	2,659,601
Expenses		
Wages and benefits	2,905,549	1,853,564
Amortization	166,725	155,038
Program supplies	147,863	173,211
Rent	139,679	78,236
Repairs and maintenance	100,727	67,358
Interest and bank charges	90,191	51,010
Telephone and internet	45,768	33,301
Utilities	45,746	38,664
Miscellaneous	42,901	32,079
Office	28,762	31,358
Client support	20,024	15,509
Professional fees	19,911	51,789
Insurance	16,440	11,005
Vehicle	12,130	12,054
Travel	6,187	5,973
Meals	1,682	936
	3,790,285	2,611,085
Excess (deficiency) of revenues over expenses before undernoted item	(102,225)	48,516
Other expense		
Loss on sale of capital assets	555	-
Excess (deficiency) of revenues over expenses for the year	(102,780)	48,516

The accompanying notes are an integral part of these financial statements

**ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY
PETERBOROUGH)**
STATEMENT OF CASH FLOWS
For the year ended March 31, 2025

	2025 \$	2024 \$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	(102,780)	48,516
Items not affecting cash		
Amortization of tangible capital assets	166,725	155,038
Amortization of deferred capital contributions	(107,195)	(111,869)
Loss on sale of tangible capital assets	555	-
Amortization of forgivable loan	(414)	(414)
	(43,109)	91,271
Change in non-cash working capital items		
Increase in accounts receivable	(58,947)	(69,184)
Decrease (increase) in prepaid expenses	3,757	(7,825)
Increase in accounts payable and accrued liabilities	10,977	44,813
Increase (decrease) in deferred revenue	(199,104)	190,453
	(286,426)	249,528
Investing activities		
Purchase of tangible capital assets	(1,593,196)	(947,737)
Proceeds on disposal of tangible capital assets	850	-
	(1,592,346)	(947,737)
Financing activities		
Repayment of debt	(382,035)	(132,189)
Deferred capital contributions received	1,922,045	774,052
Proceeds of loans payable	221,000	225,000
	1,761,010	866,863
Increase (decrease) in cash	(117,762)	168,654
Cash - beginning of year	507,208	338,554
Cash - end of year	389,446	507,208

The accompanying notes are an integral part of these financial statements

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

1. NATURE OF OPERATIONS

One City Community Development Services (o/a One City Peterborough) ('the Organization') is a non-profit organization incorporated on February 9, 2004 without share capital under the laws of Ontario. One City Community Development Services is registered as a charitable Organization and was created for the purpose of reintegrating persons from correctional institutes as well as housing and supporting individuals exiting homelessness. The Organization carries out operations as One City Peterborough.

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including program funding and grants, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including donations, are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Capital grants are deferred and amortized on the same basis and rate as the amortization of the related capital assets.

Forgivable loan balances are amortized and recognized as revenue in equal amounts each year being forgiven.

Rental, property management and other revenue is recognized when the transaction takes place to the extent that the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings	30 years
Equipment	5-20 years
Computer equipment	2 years
Paving	12 years
Automotive	10 years
Leasehold improvements	3 years

**ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY
PETERBOROUGH)**
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2025

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the funding occur, providing the funding is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Ultimate reimbursement of these amounts is based upon their acceptance by the various funding agencies.

(d) Income taxes

The Organization qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to Federal and Provincial income taxes.

(e) Financial instruments

(i) Measurement of financial instruments

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

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and loans payable.

The Organization has not designated any financial asset or financial liability to be measured 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 the statement of operations.

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Management estimates

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 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.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, deferred capital contributions, accounts payable and accrued liabilities, deferred revenue, and the useful lives of tangible capital assets and the related amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(g) Deferred revenue

Deferred revenue consists of funding received for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(h) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

(i) Cloud computing arrangements

The Organization applies the simplification approach to account for expenditures in cloud computing arrangements. The expenditures in the arrangements are expensed as incurred.

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

3. ACCOUNTS RECEIVABLE

Accounts receivable balance consists of:

	2025 \$	2024 \$
Funding receivable	212,148	139,256
HST receivable	38,201	50,148
	250,349	189,404
Less: Allowance for doubtful accounts	1,998	-
	248,351	189,404

4. TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Land	1,262,997	-	1,262,997	987,997
Buildings	4,610,549	381,857	4,228,692	2,916,324
Equipment	63,951	37,263	26,688	20,426
Automotive	32,083	25,796	6,287	10,869
Leasehold improvements	24,540	24,540	-	183,040
Computer equipment	52,439	29,057	23,382	2,223
Paving	26,268	14,707	11,561	13,662
	6,072,827	513,220	5,559,607	4,134,541

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025 \$	2024 \$
Accrued liabilities	76,626	86,767
Trade payables	36,818	47,431
Government remittances	54,918	23,191
	168,362	157,389

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2025

6. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2025	2024
	\$	\$
Deposits and others	73,973	97,176
Faithworks	50,000	45,000
City of Peterborough	36,867	78,106
Morton foundation	11,250	22,500
Community Foundation of Greater Peterborough	-	42,932
United Way	-	85,480
	172,090	371,194

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

7. FORGIVABLE LOAN

In 2020 the Organization received a forgivable loan from the City of Peterborough in the amount of \$6,215 in order to assist with the cost of repairs at the 223 Murray Street property. The loan is due on demand and will be forgiven at a rate 6.67% per year, for each year that the Organization owns the property.

Estimated amounts forgiven are as follows:

	\$
2026	414
2027	414
2028	414
2029	414
2030	414
Subsequent years	1,659
	3,729

8. CREDIT FACILITIES

The Organization has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$100,000 via a demand revolving overdraft line of credit. Any balance borrowed will accrue interest at the financial institution's prime lending rate plus 2.3%. At March 31, 2025 there was a balance outstanding of \$Nil (2024 - \$Nil). As at March 31, 2025, the Organization is not compliant with all covenants. The implication of this has yet to be determined.

The Organization holds credit facilities in the form of 18 credit cards with a shared credit limit of \$25,000 and an annual interest rate of 19.99%. As at March 31, 2025, there was a balance outstanding of \$18,485 (2024 - \$16,144) included in accounts payable and accrued liabilities.

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

9. LOANS PAYABLE

	2025	2024
	\$	\$
Kawartha Credit Union - Loan 701, matures July 1, 2040, fixed rate loan repayable in blended monthly instalments of \$603, interest fixed at 2.95% per annum. Secured by a general security agreement, general assignment of rents, a charge/mortgage of land on the properties of the Organization and a standard charge registered in the amount of \$500,000.	89,096	93,632
Kawartha Credit Union - Loan 702, matures August 1, 2036, fixed rate loan repayable in blended monthly instalments of \$2,090, interest fixed at 2.95% per annum. Secured by a general security agreement, general assignment of rents, a charge/mortgage of land on the properties of the Organization and a standard charge registered in the amount of \$500,000.	224,896	241,242
Kawartha Credit Union - Loan 705, matures December 15, 2025, fixed rate loan repayable in blended monthly instalments of \$2,810, interest fixed at 7.59% per annum. Secured by a general security agreement, general assignments of rents, and a charge/mortgage of land on the property located at 302 & 304 Collison Crescent in the amount of \$776,288.	364,195	370,079
Kawartha Credit Union - Loan 703, matures July 30, 2025, is a fixed rate loan repayable in blended monthly installments of \$1,739, interest fixed at 2.95% for the term of the loan. Secured by a general security agreement, assignment of rents, land of \$115,494 and building with a net book value of \$362,053.	255,997	269,123
Kawartha Credit Union - Loan 704, matures April 1, 2026, is a fixed rate loan repayable in blended monthly installments of \$3,677, interest fixed at 3.14% for the term of the loan. Secured by a general security agreement, assignment of rents, land of \$299,073 and building with a net book value of \$1,257,871.	556,381	582,622
Private 2nd mortgage - matures April 1, 2031, repayable from time to time at the Organization's discretion with interest accruing on the outstanding principal at RBC prime rate plus 1.5% per annum. Secured by land of \$299,073 and building with a net book value of \$1,257,871.	-	90,000
Carried forward	1,490,565	1,646,698

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

9. LOANS PAYABLE, continued

	2025	2024
	\$	\$
Carried forward	1,490,565	1,646,698
Promissory note - matures December 20, 2027, interest only payments annually on the anniversary date at the rate of 3.5% per annum. The note is unsecured.	50,000	50,000
Vendor Take Back Mortgage, matured November 1, 2024, repayable in blended monthly installments of \$1,707, interest fixed at 5.0% for the term of the loan. Secured by land of \$112,500 and building with a net book value of \$459,319. Repaid during the year.	-	223,468
Kawartha Credit Union - Loan 706, matures November 1, 2025, fixed rate loan repayable in blended monthly instalments of \$1,707, interest fixed at 5.45% per annum. Secured by a general security agreement, general assignments of rents, and a charge/mortgage of land on the property located at 1220 Monaghan Rd in the amount of \$571,819.	218,566	-
	1,759,131	1,920,166
Less principal payments due within one year	644,832	290,550
Due beyond one year	1,114,299	1,629,616
Estimated principal repayments are as follows:		\$
2026		644,832
2027		113,977
2028		65,942
2029		67,968
2030		70,056
Subsequent years		796,356
		1,759,131

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

10. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of the following:

The Organization assumed remaining government assistance payments upon acquiring the property located at 223 Murray Street. These payments are intended to offset the cost of making certain capital improvements as specified under the Provincial Guidelines for Ontario Renovates and Peterborough Renovates Program Guidelines. This assistance has been deferred and is recognized as revenue over the same 30 year term as the related tangible capital asset.

The Organization received a capital donation in the amount of \$15,500 in order to assist with the cost of the stair lift at 223 Murray Street. The capital donation has been deferred and is recognized as revenue over the same 7 year term as the related tangible capital asset.

The Organization has received capital donations from various donors related to improvements at 59 McDonnell Street and 1220 Monaghan Road. These donations in the amount of \$225,223 has been deferred and is recognized as revenue over the same 30 year term as the related tangible capital asset.

The Organization has received capital donations in the amount of \$1,681,322 from various funders to acquire 360 Reid Street. These donations are for the purchase of property to assist with the Organization's housing program. This assistance has been deferred and is recognized as revenue over the same 30 year term as the related tangible capital asset.

	2025	2024
	\$	\$
Opening deferred capital contributions	1,566,949	904,767
Contributions received	1,922,045	774,051
Transferred to revenue	(107,191)	(111,869)
Ending deferred capital contributions	3,381,803	1,566,949

Reported as:

	2025	2024
	\$	\$
Current	156,121	161,653
Long-term	3,225,682	1,405,296
	3,381,803	1,566,949

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

11. ECONOMIC DEPENDENCE

The Organization receives a significant amount of revenue from Corrections Canada in the form of rentals and contracted services and the City of Peterborough in the form of funding of programs. The nature and extent of this revenue is of such significance as to affect the viability of the Organization and accordingly it may be economically dependent upon Corrections Canada for the continued sustainability of its operations.

12. CLOUD COMPUTING ARRANGEMENTS

During the year, the Organization expensed \$34,592 with respect to cloud computing arrangements which is included in miscellaneous and office expenses.

13. FINANCIAL INSTRUMENTS

The main risks the Organization's financial instruments are exposed to are credit, liquidity and interest rate risks, which are discussed below.

(a) Liquidity risk

Liquidity risk relates to the risk the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Management closely monitors cash flow requirements to ensure it has sufficient cash on demand to meet operational and financial obligations.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization is exposed to credit risk from its funders and users of its programs. The Organization is not exposed to significant credit risk with respect to accounts receivable as substantially all amounts outstanding are from government and government related organizations.

(c) Interest rate risk

Interest rate risk is the risk the Organization has interest rate exposure on its loans that have variable interest rates. The Organization is exposed to interest rate risk as it has a credit facility (note 7), and a loan payable (note 9) that are subject to variable interest rates. This exposure may have an effect on interest expense in future periods. The Organization reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates. The Organization has loans payable (note 9) that are at fixed term rates and do not affect interest rate risk. The Organization does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Organization is low and is not material.

ONE CITY COMMUNITY DEVELOPMENT SERVICES (o/a ONE CITY PETERBOROUGH)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

13. FINANCIAL INSTRUMENTS, continued

(d) *Price risk*

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

It is management's opinion that the Organization is not exposed to significant market, currency, concentration of credit, fair value, foreign exchange and cash flow risk arising from its financial instruments.