

**FINANCIAL STATEMENTS OF**

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

**March 31, 2023**

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## **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, 2023, 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, 2023 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 donations and rental revenues, assets and fund balances.

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.

## **ASSURANCE • TAX • ADVISORY**

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## INDEPENDENT AUDITOR'S REPORT, continued

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**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 5, 2023

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

## STATEMENT OF FINANCIAL POSITION As at March 31, 2023

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	338,554	255,141
Accounts receivable (note 3)	120,220	178,792
	458,774	433,933
<b>Long-term assets</b>		
Tangible capital assets (note 4)	3,291,804	2,423,342
	3,750,578	2,857,275
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	112,575	92,848
Deferred revenue	75,741	118,211
Forgivable loan (note 6)	4,558	4,972
Callable debt (note 8)	372,442	-
Current portion of deferred capital contributions (note 10)	32,829	19,291
Current portion of loans payable (note 9)	59,544	36,842
	657,689	272,164
<b>Long-term liabilities</b>		
Loans payable (note 9)	1,395,368	1,353,196
Deferred capital contributions (note 10)	857,095	495,962
	2,252,463	1,849,158
	2,910,152	2,121,322
<b>Fund balances</b>		
Unrestricted	265,900	217,901
Invested in tangible capital assets	574,526	518,052
	840,426	735,953
	3,750,578	2,857,275

Approved on behalf of the Board



Rachel Petty

*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, 2023

	Unrestricted \$	Invested in tangible capital assets \$	Total 2023 \$	Total 2022 \$
<b>Balance - beginning of year</b>	217,901	518,052	735,953	668,677
Excess (deficiency) of revenues over expenses for the year	179,720	(75,247)	104,473	67,276
Externally financed investment in capital assets	(75,537)	75,537	-	-
Repayment of debt	(56,184)	56,184	-	-
<b>Balance - end of year</b>	<b>265,900</b>	<b>574,526</b>	<b>840,426</b>	<b>735,953</b>

*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, 2023

	2023	2022
	\$	\$
<b>Revenues</b>		
Grants	556,810	383,681
Corrections Canada - CRF	547,589	458,234
Donations	296,237	164,878
Employment program	131,898	54,027
Rentals	90,138	85,630
Property management	28,821	20,492
Other	21,688	27,866
Circles of Support and Accountability (COSA)	20,000	88,064
MCCSS Funding	12,252	-
Corrections Canada - hostel services	-	5,214
	1,705,433	1,288,086
<b>Expenses</b>		
Wages and benefits	1,119,872	856,518
Amortization	108,076	56,558
Program supplies	73,895	51,889
Repairs and maintenance	65,692	67,695
Interest on long term debt	48,090	44,084
Utilities	37,764	38,216
Rent	24,000	18,000
Telephone and internet	22,111	18,300
Office	19,801	13,825
Professional fees	18,781	12,531
Travel	16,321	6,732
Insurance	10,523	11,956
Client support	8,159	6,942
Vehicle	7,696	4,626
Miscellaneous	4,734	200
Property taxes	3,397	7,851
Property management	1,346	4,887
	1,590,258	1,220,810
<b>Excess of revenues over expenses before undernoted item</b>	115,175	67,276
<b>Other expense</b>		
Loss on sale of donated securities	10,702	-
<b>Excess of revenues over expenses for the year</b>	104,473	67,276

*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, 2023

	2023	2022
	\$	\$
<b>CASH PROVIDED FROM (USED FOR)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	104,473	67,276
Items not affecting cash		
Amortization of tangible capital assets	108,076	56,558
Amortization of deferred capital contributions	(32,829)	(4,689)
Amortization of forgivable loan	(414)	(414)
	179,306	118,731
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	58,572	(45,364)
Decrease in prepaid expenses	-	56,470
Increase in accounts payable and accrued liabilities	19,728	17,398
Increase (decrease) in deferred revenue	(42,470)	58,511
	215,136	205,746
<b>Investing activity</b>		
Purchase of tangible capital assets	(976,539)	(1,243,286)
<b>Financing activities</b>		
Repayment of debt	(56,184)	(215,353)
Deferred capital contributions received	407,500	362,278
Proceeds of loans payable	493,500	902,512
	844,816	1,049,437
<b>Increase in cash</b>	<b>83,413</b>	<b>11,897</b>
<b>Cash - beginning of year</b>	<b>255,141</b>	<b>243,244</b>
<b>Cash - end of year</b>	<b>338,554</b>	<b>255,141</b>

*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, 2023

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### 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
Automotive	10 years
Furniture and fixtures	5-20 years
Computer equipment	2 years
Paving	12 years

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 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, callable debt 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, 2023

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### 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.

### 3. ACCOUNTS RECEIVABLE

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	2023	2022
	\$	\$
Funding receivable	101,458	163,440
HST receivable	18,762	15,352
	120,220	178,792

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2023

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Land	875,497	-	875,497	684,566
Buildings	2,565,942	211,961	2,353,981	1,658,389
Automotive	33,488	19,270	14,218	17,567
Furniture and fixtures	49,694	22,954	26,740	33,055
Leasehold improvements	24,540	21,162	3,378	8,892
Computer equipment	18,140	15,913	2,227	3,009
Paving	26,268	10,505	15,763	17,864
	<b>3,593,569</b>	<b>301,765</b>	<b>3,291,804</b>	<b>2,423,342</b>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
	\$	\$
Trade payables	40,087	39,650
Government remittances	29,183	21,658
Accrued payroll	43,305	31,540
	<b>112,575</b>	<b>92,848</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 6. 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:

	\$
2024	414
2025	414
2026	414
2027	414
2028	414
Subsequent years	2,488
	<hr/> 4,558

### 7. CREDIT FACILITIES

The Organization has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$25,000 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, 2023 there was a balance outstanding of \$Nil (2022 - \$Nil). As at March 31, 2023, the Organization is compliant with all covenants.

The Organization holds credit facilities in the form of seven credit cards with a shared credit limit of \$25,000 and an annual interest rate of 19.99%. As at March 31, 2023, there was a balance outstanding of \$13,173 (2022 - \$8,950) 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, 2023

8. **CALLABLE DEBT**

	2023	2022
	\$	\$
Kawartha Credit Union - Loan 705, matures November 15, 2047, is a demand variable rate loan repayable in blended monthly instalments of \$2,395. Interest rate at the end of fiscal 2023 was 5.95% per annum.	372,442	-

Canadian accounting standards for not-for-profit organizations require that loans that the lender can require to be repaid on demand be classified as current liabilities. Management does not believe that the demand features of the callable debt will be exercised in the current period.

Loan 705 is 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 \$400,000.

Estimated principal repayments are as follows:

	\$
2024	6,832
2025	7,250
2026	7,693
2027	8,164
2028	8,663
Subsequent years	333,840
	<b>372,442</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

### 9. LOANS PAYABLE

	2023 \$	2022 \$
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.	98,024	102,476
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.	257,081	272,487
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 \$325,694.	281,836	294,209
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 \$897,217.	607,971	630,866
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 \$1,081,980.	90,000	90,000
Private 3rd mortgage - matures October 1, 2032, principal repayable from time to time at the request of the lender with interest payable annually on the anniversary date at RBC prime rate plus 1.5% per annum. Secured by land with a net book value of \$299,073 and building with a net book value of \$1,081,980.	70,000	-
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	-

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2023

9. **LOANS PAYABLE, continued**

	1,454,912	1,390,038
Less principal payments due within one year	59,544	36,842
Due beyond one year	1,395,368	1,353,196
Estimated principal repayments are as follows:		
		\$
2024		59,544
2025		61,324
2026		63,158
2027		115,047
2028		66,992
Subsequent years		1,088,847
		1,454,912



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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

### 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 grant from the Luke Four Foundation in the amount of \$20,000 in order to assist with the cost of paving a property located at 1195 Chemong Road. The grant has been deferred and is recognized as revenue over the same 12 year term as the related tangible capital asset.

The Organization received capital donations from various donors to acquire property located at 550 Water 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.

The Organization received capital donations from various donors to purchase property located at 59 McDonnell Street. These donations are to assist with the renovations of the property in order to support the Organization's housing program. These donations have been deferred and will be recognized as revenue over the same 30 year term as the related tangible capital asset.

The Organization received capital donations from various donors to purchase property located at 302-304 Collison Crescent. These donations are to assist with the purchase and renovation of the property in order to support the Organization's housing program. These donations have been deferred and will be recognized as revenue over the same 30 year term as the related tangible capital asset.

	2023	2022
	\$	\$
Opening deferred capital contributions	515,253	157,664
Contributions received	407,500	362,278
Transferred to revenue	(32,829)	(4,689)
Ending deferred capital contributions	889,924	515,253

Reported as:

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 10. DEFERRED CAPITAL CONTRIBUTIONS, continued

	2023	2022
	\$	\$
Current	32,829	19,291
Long-term	857,095	495,962
	889,924	515,253

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### 11. 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), callable debt (Note 8) 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.

(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.

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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### 12. ECONOMIC DEPENDENCE

The Organization receives a significant amount of revenue from Corrections Canada in the form of rentals and contracted services. 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.

### 13. SUBSEQUENT EVENT

Subsequent to year end a Board of Directors motion was approved for the Organization to acquire a property located at 1220 Monaghan Road with a purchase price of \$450,000.

### 14. LEASE COMMITMENTS

The Organization is committed to Emmanuel United church for the lease of office premises which expires June 30, 2023.

Aggregate annual payments remaining in fiscal 2024 under the terms of the lease are \$6,000.

### 15. COMPARATIVE AMOUNTS

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 excess of revenue over expenses.