

# Ottawa Community Immigrant Services Organization

## Financial Statements

March 31, 2020

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Raymond Chabot  
Grant Thornton

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## Independent Auditor's Report

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To the Directors of  
Ottawa Community Immigrant Services Organization

### Opinion

We have audited the financial statements of Ottawa Community Immigrant Services Organization (hereafter "the Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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 opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Raymond Chabot Grant Thornton LLP*


Chartered Professional Accountants,  
Licensed Public Accountants

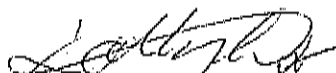
Ottawa, Canada  
September 21, 2020

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
**FINANCIAL POSITION**  
As at March 31, 2020

	Operating Fund \$	Inter-Amicos Fund \$	2020 Total \$	2019 Total \$
<b>ASSETS</b>				
<b>Current</b>				
Cash	1,065,351	486,191	1,551,542	1,578,917
Investments (Note 5)	134,279	-	134,279	293,919
Grants receivable	559,497	-	559,497	166,379
Trade and other receivables (Note 6)	109,078	-	109,078	155,450
Prepaid expenses	10,373	-	10,373	7,243
<b>Long-Term</b>	<b>1,878,578</b>	<b>486,191</b>	<b>2,364,769</b>	<b>2,201,908</b>
Rent deposits (Note 7)	107,772	-	107,772	107,772
Tangible capital assets (Note 8)	103,465	-	103,465	144,862
Deferred charges (Note 9)	91,429	-	91,429	102,858
	<u>2,181,244</u>	<u>486,191</u>	<u>2,667,435</u>	<u>2,557,400</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Trade payables and other operating liabilities (Note 11)	434,586	486,659	921,245	1,002,281
Deferred contributions - Other (Note 13)	734,707	-	734,707	832,840
Deferred contributions - Ministry of Children, Community and Social Services (Note 9)	11,428	-	11,428	11,428
	<u>1,180,721</u>	<u>486,659</u>	<u>1,667,380</u>	<u>1,846,529</u>
<b>Long-Term</b>				
Deferred lease inducement (Note 14)	10,759	-	10,759	13,507
Deferred contributions - Ministry of Children, Community and Social Services (Note 9)	91,429	-	91,429	102,858
Deferred contributions related to tangible capital assets (Note 12)	101,452	-	101,452	142,849
	<u>1,384,361</u>	<u>486,659</u>	<u>1,871,020</u>	<u>2,105,743</u>
<b>Fund balances</b>				
Restricted	166,000	(468)	165,532	97,058
Unrestricted	630,883	-	630,883	354,599
	<u>796,883</u>	<u>(468)</u>	<u>796,415</u>	<u>451,657</u>
	<u>2,181,244</u>	<u>486,191</u>	<u>2,667,435</u>	<u>2,557,400</u>

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

September 28, 2020

The attached notes form an integral part of these financial statements.

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION  
OPERATIONS**

For the year ended March 31, 2020

	Operating Fund	Inter- Amicos Fund	2020 Total	2019 Total
	\$	\$	\$	\$
<b>Revenue</b>				
<b>Contributions</b>				
Immigration, Refugees and Citizenship Canada	5,040,265	-	5,040,265	4,746,010
Ministry of Children, Community and Social Services - NSP	79,744	-	79,744	164,497
Ministry of Children, Community and Social Services - Pay Equity	150,337	-	150,337	150,337
Ottawa - Carleton District School Board	496,385	-	496,385	375,642
City of Ottawa	185,730	-	185,730	189,831
Ministry of Community Safety and Correctional Services	53,091	-	53,091	53,090
United Way of Ottawa	66,626	-	66,626	68,451
World Skills	34,607	-	34,607	32,858
Jewish Family Services	31,598	-	31,598	31,583
Ministry of Children, Community and Social Services	124,183	-	124,183	438,848
Crime Prevention Ottawa	69,275	-	69,275	67,918
Ontario Trillium Foundation	2,825	-	2,825	-
Community Foundation	18,213	-	18,213	30,795
Employment and Social Development	-	-	-	9,299
YMCA - YWCA	109,321	-	109,321	60,198
Canadian Red Cross	28,426	-	28,426	108,638
Canadian Internet Registration Authority	-	-	-	49,600
Ministry of Tourism, Culture and Sport	52,918	-	52,918	7,709
Ottawa Coalition to End Violence Against Women	24,695	-	24,695	9,423
Ottawa Community Loan Fund	81,373	-	81,373	10,826
Landscape Ontario	55,221	-	55,221	-
Canadian Heritage	99,747	-	99,747	-
Burundi We Want	47,743	-	47,743	-
Sponsorship Fund	82,090	-	82,090	-
Ontario Council of Agencies Serving Immigrants	63,964	-	63,964	50,538
Amortization of deferred contributions related to tangible capital assets (Note 13)	59,529	-	59,529	61,260
	<u>7,057,706</u>	-	<u>7,057,706</u>	<u>6,717,349</u>
<b>Other</b>				
Interest income	23,841	652	24,493	6,215
Changes in fair value of financial instruments	(1,214)	-	(1,214)	(314)
Membership	2,435	-	2,435	-
Fundraising and donations	151,209	-	151,209	168,210
Professional services	12,580	-	12,580	4,971
Amortization of deferred contributions related to tangible capital assets (Note 12)	-	-	-	-
Marion Dewar Scholarship	6,938	-	6,938	7,689
Miscellaneous income	38,181	-	38,181	19,517
	<u>7,291,676</u>	<u>652</u>	<u>7,292,328</u>	<u>6,923,637</u>
<b>Expenditures</b>				
Amortization of tangible capital assets	59,529	-	59,529	64,178
Professional development	4,854	-	4,854	6,196
Occupancy	703,178	-	703,178	719,760
Administrative and related costs (Note 15)	249,157	324	249,481	333,380
Program support	668,136	-	668,136	512,962
Salaries and benefits	5,262,392	-	5,262,392	5,076,427
	<u>6,947,246</u>	<u>324</u>	<u>6,947,570</u>	<u>6,711,903</u>
<b>Excess of revenues over expenditures</b>	<u>344,430</u>	<u>328</u>	<u>344,758</u>	<u>211,734</u>

The attached notes form an integral part of these financial statements.

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
**CHANGES IN FUND BALANCES**  
**For the year ended March 31, 2020**

	Unrestricted Operating Fund \$	Operating Budget Reserve \$	Externally Restricted Inter-Amicos Fund \$	2020 Total \$	2019 Total \$
Fund balances, beginning of year	354,599	91,000	6,058	451,657	239,923
Excess of revenues over expenditures	344,430	-	328	344,758	211,734
	<u>699,029</u>	<u>91,000</u>	<u>6,386</u>	<u>796,415</u>	<u>451,657</u>
Interfund transfers (Note 4)	(68,146)	75,000	(6,854)	-	-
Fund balances, end of year	<u>530,883</u>	<u>166,000</u>	<u>(468)</u>	<u>796,415</u>	<u>451,657</u>

The attached notes form an integral part of these financial statements

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION****CASH FLOWS**

For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Operating Activities</b>		
Excess of revenues over expenditures	344,758	211,734
Non-cash items		
Amortization of tangible capital assets	59,529	64,178
Amortization of deferred contributions related to tangible capital assets	(59,529)	(61,260)
Amortization of deferred lease inducement	(2,748)	(2,747)
Net change in fair value of investments	1,214	314
Net change in working capital items		
Grants receivable	(393,118)	27,561
Trade and other receivables	46,372	8,220
Prepaid expenses	(3,130)	23,613
Trade payables and other operating liabilities	(81,018)	120,827
Deferred contributions	(98,133)	(265,054)
Cash flows from operating activities	<u>(185,802)</u>	<u>127,386</u>
<b>Investing Activities</b>		
Acquisition of tangible capital assets	(18,132)	(17,937)
Receipt of investments	158,337	395,245
Investments	-	-
Cash flows from investing activities	<u>140,205</u>	<u>377,308</u>
<b>Financing activities</b>		
Deferred contributions related to tangible capital assets and cash flows from financing activities	<u>18,132</u>	<u>17,743</u>
<b>Net increase (decrease) in cash</b>	<b>(27,465)</b>	<b>\$22,437</b>
Cash, beginning of year	<u>1,578,917</u>	<u>1,056,480</u>
Cash, end of year	<u>1,551,452</u>	<u>1,578,917</u>

The attached notes form an integral part of these financial statements.



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**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
Notes to the Financial Statements  
March 31, 2020

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**1. Governing Statutes and Purpose of the Organization**

The Ottawa Community Immigrant Services Organization (OCISO), founded in 1978, is a community-based organization which provides multi-cultural services promoting the integration of newcomers into the community.

In fiscal 2003, the Organization changed its name from Ottawa-Carleton Immigrant Services Organization.

Not-For-Profit Charitable Status

OCISO was incorporated without share capital under the Ontario Business Corporations Act, as a not-for-profit charitable organization registered under the applicable provisions of the Income Tax Act and is not subject to income taxes.

**2. Accounting Change**

On April 1, 2019, the Organization applied Section 4433, Tangible Capital Assets Held by Not-for-profit Organizations, of Part III of the CPA Canada Handbook – Accounting. This section replaces Section 4431 of the same name. In accordance with this new section, not-for-profit organizations are now required to comply with the guidance in Sections 3061, Property, Plant and Equipment, and 3110, Asset Retirement Obligations, and with the reporting requirements of Section 3063, Impairment of Long-lived Assets, of Part II of the CPA Canada Handbook – Accounting, except of the guidance in Section 4433.

Application of Section 3061 by not-for-profit organizations now requires that they consider the guidance on componentization of the cost of an item of property, plant and equipment made up of significant separable component parts. For its part, Section 4433 presents new tangible capital assets impairment standards.

In accordance with the transitional provisions, this new section, applicable to years beginning on or after January 1, 2019, has been applied prospectively.

Application of this new section did not have any impact on the Organization's financial statements.

**3. Significant Accounting Policies**

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

OCISO follows the restricted fund method of accounting.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

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**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**

Notes to the Financial Statements

March 31, 2020

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**3. Significant Accounting Policies (continued)**Operating Fund

Revenues and expenses related to program delivery and administrative activities are reported in the Unrestricted Fund. The Operating Budget Reserve was established in 2018 for the purpose of providing a contingency reserve for future needs of the Organization. The Operating Budget Reserve funds are subject to internally imposed restrictions and will be utilized at the discretion of the Board of Directors for various projects including emergency funding requirements, development needs, strategic initiatives, significant acquisitions and unexpected administrative requirements.

Inter-Amicos Fund

The Inter-Amicos Fund is a special purpose fund established in 1982 to assist in the sponsorship of refugees from abroad. The funds are subject to externally imposed restrictions related to the facilitation of this sponsorship and therefore are not available for other purposes.

Revenue Recognition*Contributions*

Contributions restricted for operating expenses are recognized as revenue in the Operating Fund, using the deferral method, in the year during which the related expenses are incurred. Restricted contributions for which the Organization does not have a related restricted fund are recognized in the Contingency Fund using the deferral method. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services

OCISO has 825 volunteers (2019 – 653) who have contributed 16,652 hours (2019 – 26,826 hours) in total to assist OCISO in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial assets and liabilities*Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

*Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for securities which are measured at fair value.

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**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**

Notes to the Financial Statements

March 31, 2020

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**3. Significant Accounting Policies (continued)**

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

**Tangible Capital Assets**

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined:

***Amortization***

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Equipment	5 years straight-line
IT infrastructure	3 years straight-line
Computers	3 years straight-line
Furniture and fixtures	5 years straight-line
Leasehold improvements	5 - 6 years straight-line

***Write-down***

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

**4. INTERFUND TRANSFERS**

During the year, the Board of Directors approved a transfer of \$75,000 from the Operating Fund to the Operating Budget Reserve. The Board also approved a transfer of \$6,854 from the Inter-Amicos Fund to the Operating Fund.

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
Notes to the Financial Statements  
March 31, 2020

**5. Investments**

	<u>2020</u>	<u>2019</u>
<b>Operating Fund</b>	<b>\$</b>	<b>\$</b>
Sunlife Securities	9,054	10,268
Royal Bank of Canada GIC (a)	<u>125,225</u>	<u>283,651</u>
	<u>134,279</u>	<u>293,919</u>

(a) GIC's bear interest between 1.45% and 1.75% (0.5% and 1.4% in 2019) and mature between November 2020 and December 2021 (April 2019 to November 2019 in 2019).

**6. Trade and Other Receivables**

	<u>2020</u>	<u>2019</u>
	<b>\$</b>	<b>\$</b>
Employee advances	3,000	1,650
HST receivable	47,023	98,343
Property tax rebate	39,945	37,685
EHT receivable	<u>19,110</u>	<u>17,772</u>
	<u>109,078</u>	<u>155,450</u>

**7. Rent deposits**

OCISO entered into a 15 year lease, commencing February 1, 2008, for a second building located at 945 Wellington. As per the lease terms, OCISO has made a deposit for the last month's rent in the amount of \$20,539.

OCISO entered into a 10 year lease, commencing September 1, 2008, for various suites on the third level of a building located at 1800 Bank St. As per the lease terms, OCISO has made a deposit for the last month's rent in the amount of \$48,572.

OCISO entered into a 10 year lease, commencing May 1, 2009, for various suites on the second level of a building located at 1800 Bank St. As per the lease terms, OCISO has made a deposit for the last month's rent in the amount of \$27,233.

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
Notes to the Financial Statements  
March 31, 2020

**8. Tangible Capital Assets**

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
	\$	\$	\$
Equipment	177,242	149,838	27,404
IT infrastructure	42,971	42,971	-
Computers	206,774	179,193	27,581
Furniture and fixtures	167,208	161,985	5,223
Leasehold improvements	164,065	120,808	43,257
	<u>758,260</u>	<u>654,795</u>	<u>103,465</u>
	<b>2019</b>		
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Equipment	176,105	137,133	38,972
IT infrastructure	42,971	42,971	-
Computers	189,780	147,149	42,631
Furniture and fixtures	167,208	159,103	8,105
Leasehold improvements	164,065	108,911	55,154
	<u>740,129</u>	<u>595,267</u>	<u>144,862</u>

**9. Deferred Charges and Deferred Contributions – Ministry of Citizenship**

During the fiscal years 1994 to 1996, the Organization received a total of \$400,000 in grants from the Ministry of Citizenship. The purpose of the grants was to ensure a long-term lease for the Organization at its 959 Wellington premises. These funds have been paid to OCISO Non-Profit Housing Corporation pursuant to a 35-year lease effective April 1, 1994. Deferred charges and deferred contributions reflected on the statement of financial position are being amortized to expenditure and revenue respectively at \$11,428 per annum over the term of the lease.

**10. Bank Indebtedness**

The Organization has an available line of credit in the amount of \$400,000 which is subject to renewal annually. The line of credit bears interest at prime plus 2.25% (5.20%; 2019 – 6.20%) and is secured by a first ranking security interest in all personal assets of the Organization. As at March 31, 2020, there is a balance of \$Nil (2019 – \$Nil) outstanding on the line of credit.

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**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**

Notes to the Financial Statements

March 31, 2020

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**11. Trade Payables and Other Operating Liabilities**

	<u>2020</u>	<u>2019</u>
<b>Operating Fund</b>	<u>\$</u>	<u>\$</u>
Trade payables	103,214	168,753
Salaries payable	331,372	315,040
	<u>434,586</u>	<u>483,793</u>
<b>Inter-Amicos Fund</b>		
Trade payables	486,659	518,468
	<u>921,245</u>	<u>1,002,261</u>

Government remittances total \$61,475 as at March 31, 2020 (\$16,496 as at March 31, 2019).

**12. Deferred contribution related to tangible capital assets**

Deferred contributions related to tangible capital assets represent restricted contributions from various donor organizations for the acquisition of tangible capital assets. The changes in the deferred contributions for the year are as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Balance, beginning of year	142,849	186,366
Received during the year	18,132	17,743
Recognized as revenue	(59,529)	(61,260)
Balance, end of year	<u>101,452</u>	<u>142,849</u>

**13. Deferred contributions - Other**

Other deferred contributions represent unused resources which, as a result of external restrictions, are intended to cover operating expenses for the coming year. The changes in other deferred contributions for the year are as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Balance, beginning of year	832,840	1,097,894
Received during the year	2,103,913	2,154,207
Recognized as revenue	(2,202,046)	(2,419,261)
Balance, end of year	<u>734,707</u>	<u>832,840</u>

**14. Deferred Lease Inducement**

The lease that was negotiated for 945 Wellington provided for 3 months of free rent. The value of the rent-free period was determined to be \$41,216 and was recognized as a deferred lease inducement to be amortized on a straight-line basis over the remainder of the lease. The net book value as at March 31, 2020 is \$10,759 (2019 - \$13,507).

**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
Notes to the Financial Statements  
March 31, 2020

**15. Administrative and Related Costs – Operating Fund**

	<u>2020</u>	<u>2019</u>
	\$	\$
Administration fees	277	461
Bank charges and interest	10,026	8,458
Board and staff support	7,129	1,265
Computerization	9,722	7,356
Insurance	29,274	29,729
Office expenses	114,222	122,303
Photocopying and printing	4,516	8,694
Postage and courier	1,049	1,948
Professional fees	64,778	141,438
Telecommunications	8,164	11,281
	<u>249,157</u>	<u>332,933</u>

**16. Financial risks**

**Financial risks**

The Organization's main financial risk exposure is detailed as follows.

*Credit risk*

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are grants receivable and trade and other receivables since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

*Market risk*

The Organization's financial instruments expose it to market risk, in particular, to interest rate risk, resulting from its investing activities:

- Interest rate risk

The Organization is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The guaranteed investment certificates bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

*Liquidity risk*

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

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**OTTAWA COMMUNITY IMMIGRANT SERVICES ORGANIZATION**  
Notes to the Financial Statements  
March 31, 2020

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**17. Commitments**

The Organization has entered into various lease agreements for its offices and classroom spaces ranging from 3 to 35 years, one with an option to renew for another 5 years.

The estimated minimum payments on these commitments for the next five years are \$548,806 in 2021, \$444,510 in 2022, \$446,304 in 2023, \$231,644 in 2024, and \$67,659 in 2025.