Grant Thornton

Financial Statements

Applegrove Community Complex

December 31, 2023

Contents

Date: May 27, 2024

Management's Responsibility for the Financial Statements

The financial statements Applegrove Community Complex (the "Complex") are the responsibility of management and have been approved by the Board of Directors (the "Board").

The financial statements have been prepared in compliance with the Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Complex's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the Complex's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Complex's financial statements.

Chairperson	Moneca Yardley Treasurer

Grant Thornton

Independent Auditor's Report

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To the Council of the Corporation of the City of Toronto and the Board of Directors of
Applegrove Community Complex

Qualified Opinion

We have audited the financial statements Applegrove Community Complex (the "Complex"), which comprise the statement of financial position as at December 31, 2023, the statements of operations, 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 Complex as at December 31, 2023 and results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Complex derives revenue from donations and fundraising revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Complex. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses and cash flows from operations for the year ended December 31, 2023, current assets as at December 31, 2023, and net assets as at January 1, 2023 and December 31, 2023. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects on this limitation of 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 Complex 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.

Other matter

The financial statements of the Complex were audited by another auditor for the year ended December 31, 2022, who expressed a qualified opinion on those statements on August 16, 2023. The qualification in that audit opinion related to the completeness of donation and fundraising revenue not being susceptible to satisfactory audit verification.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 Complex's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Complex or to cease operations, or has no realistic alternative but to do so.

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

Grant Thornton LLP

Toronto, Canada
May 27, 2024

Chartered Professional Accountants
Licensed Public Accountants

Applegrove Community Complex
Statement of Financial Position

Year ended December 31		2023		2022
Assets				
Current				
Cash	**$**	**346,563**	$	433,090
Investments (Note 4)		**199,315**		146,009
Due from City of Toronto – deficit (Note 9)		**36,794**		21,024
Due from City of Toronto – vacation		**21,677**		27,833
Accounts receivable		**13,904**		45,717
Prepaid expenses		**5,722**		6,194
		623,975		679,867
Tangible capital assets (Note 5)		**29,843**		34,340
Long-term receivable from City of Toronto (Note 9)		**186,704**		197,359
	$	**840,522**	$	911,566
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**151,239**	$	134,767
Deferred contributions (Note 6)		**118,842**		208,229
		270,081		342,996
Post-employment benefits liability (Note 8)		**186,704**		197,359
Deferred capital contributions (Note 7)		**23,110**		31,824
		479,895		572,179
Net assets				
Unrestricted program funds		**218,894**		191,871
Invested in capital assets		**6,733**		2,516
Internally restricted – reserves		**135,000**		145,000
		360,627		339,387
	$	**840,522**	$	911,566

Commitments (Note 10)

On behalf of the Board of Directors

_______________ Director   _______________ Director

See accompanying notes to the financial statements.

Applegrove Community Complex
Statement of Changes in Net Assets
Year ended December 31, 2023

	Internally Restricted - Reserves	Invested in capital assets	Unrestricted program funds (Schedule A)	**Total 2023**	Total 2022
Net assets, beginning of year	$ 145,000	$ 2,516	$ 191,871	**$ 339,387**	$ 309,656
Excess (deficiency) of revenue over expenses	-	-	21,240	**21,240**	29,731
Amortization	-	(521)	521	**-**	-
Purchase of tangible capital assets	-	4,738	(4,738)	**-**	-
Interfund transfers	(10,000)	-	10,000	**-**	-
Net assets, end of year	$ 135,000	$ 6,733	$ 218,894	**$ 360,627**	$ 339,387

See accompanying notes to the financial statements.

Applegrove Community Complex
Statement of Operations
Year ended December 31

	Programs (Schedule A)	Administration (Note 10)	**2023**	2022
Revenue				
Grants				
City of Toronto	$ 356,676	$ 621,045	**$ 977,721**	$ 891,521
Government of Canada	122,921	-	**122,921**	104,228
Province of Ontario	61,196	-	**61,196**	77,705
Other grants	42,212	-	**42,212**	22,106
	583,005	621,045	**1,204,050**	1,095,560
Program and membership fees	401,428	-	**401,428**	337,043
Donations and fundraising	16,048	-	**16,048**	33,255
Amortization of deferred capital contributions	2,816	8,000	**10,816**	10,817
Interest revenue	7,416	198	**7,614**	2,066
	1,010,713	629,243	**1,639,956**	1,478,741
Expenses				
Salaries and wages	491,359	356,375	**847,734**	794,931
Purchase of services	269,566	172,628	**442,194**	363,508
Employee benefits	94,304	87,370	**181,674**	164,621
Materials and supplies	130,907	4,870	**135,777**	115,046
Amortization of tangible capital assets	3,337	8,000	**11,337**	10,904
	989,473	629,243	**1,618,716**	1,449,010
Excess of revenue over expenses	$ 21,240	$ -	**$ 21,240**	$ 29,731

See accompanying notes to the financial statements.

Applegrove Community Complex
Statement of Cash Flows

Year ended December 31	2023	2022
Cash flow from (used in) operating activities		
Excess of revenue over expenses	**$ 21,240**	$ 29,731
Adjustments for non-cash items:		
Post-employment benefits	**(10,655)**	(8,814)
Amortization of tangible capital assets	**11,337**	10,904
Amortization of deferred capital contributions	**(10,816)**	(10,817)
	11,106	29,818
Net change in non-cash working capital items		
Due from City of Toronto – deficit	**(15,770)**	(21,024)
Due from City of Toronto – vacation	**6,156**	(10,711)
Accounts receivable	**31,813**	(15,286)
Prepaid expenses	**472**	(413)
Due to City of Toronto	**-**	(5,902)
Accounts payable and accrued liabilities	**16,472**	25,363
Deferred contributions	**(89,387)**	132,838
City of Toronto working capital advance payable	**-**	(10,871)
	(39,138)	114,998
Investing Activities		
Purchase of investments	**(199,315)**	(146,009)
Proceeds from sale of investments	**146,009**	145,791
	(53,306)	(218)
Capital Activities		
Purchase of tangible capital assets	**(6,840)**	(2,603)
Financing Activities		
Capital contributions received	**2,102**	-
Long-term receivable from City of Toronto	**10,655**	8,814
	12,757	8,814
(Decrease) increase in cash	**(86,527)**	120,991
Cash, beginning of year	**433,090**	312,099
Cash, end of year	**$ 346,563**	$ 433,090

See accompanying notes to the financial statements.

1. Nature of operations

Applegrove Community Complex (the "Complex") was incorporated in 1979 as a corporation without share capital and registered as corporation #417388 under the Ontario Corporations Act. Applegrove Community Complex is also registered as a charity authorized with the Canada Revenue Agency, charitable number: 10671 8943 RR0001, and as such is exempt from income tax.

The City of Toronto Act, 1997 continued the provisions of By-law No. 1995-0448 dated June 26, 1995 to reflect Chapter 25, Community and Recreation Centres of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous by-laws and established the addition to S.H. Armstrong Recreation Centre together with certain classrooms of the Duke of Connaught Public School and the office of the Woodfield Road Public School as a Community Recreation Centre under the Municipal Act, known as Applegrove Community Complex.

The Municipal Code provides for a Council appointed Board of Management which, among other matters, shall:

a) endeavour to manage and control the premises in a reasonable and efficient manner, in accordance with standard good business practices; and

b) pay to the City of Toronto (the "City") any excess of administration expenditure funds provided by the City in accordance with its approved annual budget, but may retain any surplus from program activities.

Board of Management

At the Annual Meeting on March 31, 2005, the Complex amended its constitution to specify that the Board of Management would function as a Standing Committee of the Board of Directors for the Complex.

At the Annual Meeting on March 28, 2007 and in accordance with the City's Relationship Framework with the City-funded Community Centres, the Complex amended its constitution so that it had separate constitutions for the incorporated body and the City Agency continuing the structure of the Board of Management as a Standing Committee of the Complex.

The Municipal Code requires that audited annual financial statements be submitted by the Board of Management for the City Agency, known as Applegrove Community Complex, to the City covering the management and control of the premises by the Board of Management. As the Board of Management is a Standing Committee of the Board of Directors for the Complex as a whole, separate financial statements have not been prepared for the Board of Management of the Applegrove Community Complex. Accordingly, these financial statements reflect the operations of the Complex as a whole, including the operations of the Board of Management of the Applegrove Community Complex.

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations ("PSAS-GNFPO"), including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Fund accounting

The accounts of the Complex are maintained in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or object specified. The active funds are as follows:

a) Applegrove Drop-in
The fund includes revenues and expenses for the Applegrove Parent/Child EarlyON Drop-in including special needs, fundraising and charitable donations designated to this program.
b) Applegrove Connection
The fund includes revenues and expenses for the Applegrove Connection EarlyON Drop-in program including special needs, fundraising and charitable donations designated to this program.
c) After-School Program
The fund includes revenues and expenses for the school year program for children ages 6 to 12 including March Break and Professional Activity (P.A.) day programming, trips, fundraising and charitable donations designated to this program.
d) Teen Program
The fund includes revenues and expenses for the school year program for youth ages 13 to 18 including charitable donations designated to this program.
e) Food Hub
The fund includes revenues and expenses for the food access and delivery program including charitable donations designated to this program.
f) Summer Camp and Leadership
The fund consolidates revenues and expenses for the Applegrove Summer Adventure Day Camp and the Applegrove Leadership Adventure including fundraising and charitable donations designated to this program.
g) Seniors Program
The fund includes revenues and expenses for the Older Adults program including trips, operating grants funding, and charitable donations designated to this program.
h) Perinatal Program
The fund includes revenues and expenses for the Helping Our Babies Grow program including charitable donations designated to this program.
i) Program General
This fund is an expense for a staff position that provides support to all programs and agency wide activities, including outreach and events,
j) Other
The fund accounts for the all of the Complex's activities other than those listed above. It includes individual charitable donations not designated for specific programs, agency fundraising, gaming, etc.

Invested in capital assets reflect the assets, liabilities, revenue and expenses related to the Complex’s capital assets.

The Internally Restricted Reserves represents the funds that have been designated by the Board of Directors (the “Board”) for specific purposes. The Board determine the appropriate use of these funds in accordance with their restrictions.

2. Significant accounting policies (continued)

Fund accounting (continued)

Transfers between the funds are made when resources of one fund have been authorized to finance activities and acquisitions in another fund.

Revenue recognition

The Complex follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized and are recorded as deferred contributions in the statement of financial position. Externally restricted contributions for depreciable tangible capital assets are deferred and amortized over the life of the related tangible capital assets. Externally restricted contributions for tangible capital assets that have not been expended are recorded as part of the deferred capital contribution on the statement of financial position.

Program and membership fees and other similar revenues are recognized on the date the services are performed. Amounts received in advance of services being provided are classified as deferred revenue on the statement of financial position.

Monetary donations are recorded as received.

Financial instruments

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

The Complex subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments, accounts receivable and due from City of Toronto. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Employee related costs

The Complex has adopted the following policies with respect to employee benefit plans:

a) The City of Toronto offers a multi-employer defined benefit pension plan ("the "Plan") to the Complex's eligible employees. Due to the nature of the Plan, the Complex does not have sufficient information to account for the Plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.

b) The Complex also offers its eligible employees a defined benefit sick leave plan, a post-retirement life, health and dental plan, a long-term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Complex recognizes an accrued benefit liability on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains/ losses.

2. Significant accounting policies (continued)

Contributed materials and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Leasehold improvements	5 years
Furniture and fixtures	5 years
Tents	3 years

The carrying amount of an item in tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

Use of estimates

The preparation of financial statements in accordance with PSAS-GNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the useful life of its tangible capital assets, significant accrued liabilities, the post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

3. Change in accounting policies

Effective January 1, 2023, the Complex adopted new Public Sector Accounting Standards Sections PS3450 *Financial Instruments* and PS1201 *Financial Statement Presentation* along with related amendments. New Section PS3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, liabilities, or both on a fair value basis.

The measurement requirements were applied prospectively. There were no adjustments required and there are no remeasurement gains or losses or embedded derivatives requiring the presentation of a statement of remeasurement gains or losses.

4. Investments

Investments consist of term deposits with interest rates between 4.30% and 4.90% (2022 - 0.60% and 5.45%) maturing between May 2024 to November 2024 (2022 - June 2023 to May 2024).

5. Tangible capital assets

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Leasehold improvements	$ 40,002	$ 24,001	**$ 16,001**	$ 24,002
Equipment	18,438	6,631	**11,807**	8,812
Tents	3,052	1,017	**2,035**	1,526
	$ 61,492	$ 31,649	**$ 29,843**	$ 34,340

6. Deferred Contributions

	2023	2022
Balance, beginning of year	**$ 208,229**	$ 75,391
Add: contributions received	**493,618**	624,252
Less: amounts recognized as grant revenue	**(583,005)**	(491,414)
Balance, end of year	**$ 118,842**	$ 208,229

7. Deferred capital contributions

Deferred capital contributions are contributions that were received relating to capital assets and consist of the following:

	2023	2022
Balance, beginning of year	**$ 31,824**	$ 42,641
Add: capital contributions received	**2,102**	-
Less: amortization recognized as revenue	**(10,816)**	(10,817)
Balance, end of year	**$ 23,110**	$ 31,824

8. Post-employment benefits liability and long-term receivable from City of Toronto

The Complex participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its employees. Under the sick leave plan for management staff with ten years of service as of April 1, 2003, unused sick leave accumulated until March 1, 2008, and eligible employees may be entitled to a cash payment when leaving the Complex's employment. The liability for these accumulated days represents the extent to which they have vested and can be taken in cash by an employee upon termination, retirement or death. This sick bank plan was replaced by a Short-Term Disability Plan (STP) effective March 1, 2008, for all non-union employees of the City. Upon the effective date, individual sick banks were locked with no further accumulation. Grandfathered management staff remain entitled to payout of frozen, banked time, as described above. Under the new STP, management employees are entitled to 130 days annual coverage with salary protection at 100 or 75 percent, depending upon years of service.

8. Post-employment benefits liability and long-term receivable from City of Toronto (continued)

Non-management employees continue to receive sick bank time as stipulated in the applicable Collective Agreement, which specifies no financial conversion of unused sick leave.

The Complex also provides health, dental, accidental death and disability, life insurance and long-term disability benefits to eligible employees. Depending on length of service and individuals' election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2021 with projections to December 31, 2024. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 4.7%, post-employment 4.1%, sick leave 4.2%

Information about the Complex's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	2023	2022
Post-retirement benefits	**$ 138,141**	$ 134,464
Add: Unamortized actuarial gain	**48,563**	62,895
Post-employment benefit liability	**$ 186,704**	$ 197,359

The continuity of the accrued benefit obligation is as follows:

	2023	2022
Balance, beginning of year	**$ 197,359**	$ 206,173
Current service cost	**1,674**	1,822
Interest cost	**6,162**	4,392
Amortization of actuarial gain	**(8,431)**	(6,479)
Benefits paid	**(10,060)**	(8,549)
Balance, end of year	**$ 186,704**	$ 197,359

A long-term receivable from the City of $186,704 (2022 - $197,359) has resulted from recording of sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administrative staff that may be incurred by the Complex.

The Complex also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of certain employees. The OMERS plan (the "Plan") is a defined benefit plan, which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to $61,616 (2022 - $45,450).

8. Post-employment benefits payable and long-term receivable from City of Toronto (continued)

The most recent actuarial valuation of the Plan as at December 31, 2023 indicated that the Plan is in a deficit position and the Plan's December 31, 2023 financial statements indicate a net deficit of $7,571 million (a deficit of $4,202 million plus adjustment of $3,369 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Complex's contributions accounted for an insignificant portion of the Plan's total employer contribution. Additional contributions, if any, required to address the Complex's proportionate share of the deficit will be expensed during the period incurred.

9. Funds provided by the City of Toronto - Administration

Funding for administration is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits, excluding those accruals for long-term employee benefits, are funded by the Complex unless Council approval has been obtained for additional funding.

	2023 Budget (unaudited)	**2023**	2022
Administration expenses:			
Salaries and wages	$ 348,431	**$ 356,375**	$ 360,709
Purchase of services	163,010	**172,628**	150,019
Employee benefits	103,324	**87,370**	74,653
Materials and supplies	3,950	**4,870**	18,783
Amortization of tangible capital assets	-	**8,000**	8,000
,			
	$ 618,715	**$ 629,243**	$ 612,164
Complex's actual administration revenue:			
Administration budget		**$ 618,715**	$ 584,307
Interest revenue		**198**	18
		$ 618,913	$ 584,325
Complex's actual administration expenses:			
Administration expenses per statement of operations		**$ 629,243**	$ 612,164
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long-term receivable from City of Toronto		**10,655**	8,814
Amortization of tangible capital assets funded by deferred capital contribution		**(8,000)**	(8,000)
Vacation pay liability, not funded by the City until paid, that are included in due from City of Toronto – vacation		**6,165**	(10,711)
Actual administration expenses		**$ 638,063**	$ 602,267
Administration expenses over initial approved budget		**$ (19,150)**	$ (17,942)

The over expenditure of $19,150 (2022 - $17,942) is recorded in due from City of Toronto – deficit.

9. Funds provided by the City of Toronto - Administration (continued)

The Due from (to) City of Toronto – deficit balance is comprised of:

	2023	2022
2017 insurance adjustment	**$ (248)**	$ (248)
2019 surplus payable	**(50)**	(50)
2021 deficit recoverable	**-**	3,380
2022 deficit recoverable	**17,942**	17,942
2023 deficit recoverable	**19,150**	-
	$ 36,794	$ 21,024

10. Lease commitments

The Complex is committed to the following future payments in respect to base rent and anticipated additional rent:

2024	$ 113,000
2025	113,000
Total	$ 226,000

11. Financial instruments

The Complex is exposed to and manages various financial risk resulting from operations. Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The Complex's main financial risk exposures and its financial risk management policies are as follows:

Credit risk
The Complex is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Complex's maximum exposure to credit risk represents the sum of the carrying value of its cash, investments, due from City of Toronto, and accounts receivable. The Complex's cash and investments are with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. Management believes that the Complex's credit risk with respect to accounts receivable and amounts due from City of Toronto is minimal. The Complex manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Liquidity risk
Liquidity risk is the risk that the Complex cannot meet a demand for cash or fund its obligations as they become due. The Complex's financial liabilities are comprised of accounts payable and accrued liabilities. The Complex manages liquidity risk by monitoring its cash flow requirements on a regular basis. Management believes its overall liquidity risk to be minimal as the Complex's financial assets are considered to be highly liquid.

The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 151,239	$ -	$ -	$ -	$ 151,239

11. Financial instruments (continued)

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 Complex's financial instruments are all denominated in Canadian dollars and the Complex 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 is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Complex's cash and short-term investments earn interest at prevailing market rate. As a result, management believes that the interest rate exposure related to these financial instruments is negligible.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flow associated with financial 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. Management does not believe the Complex is exposed to significant other price risk.

Changes in risk

There have been no significant changes in the Complex's risk exposures from the prior year.

12. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Applegrove Community Complex
Schedule A – Program funds statement of operations and changes in net assets
Year ended December 31, 2023

	Unrestricted program funds										
	Applegrove Drop-in	Applegrove Connection	After School Program	Teen Program	Foodhub Program	Summer Camp and Leadership Program	Seniors Program	Perinatal Program	Program General	Other	Total
Program revenue											
Grants											
City of Toronto	$ 169,913	$ -	$ -	$ -	$ 102,019	$ 20,497	$ -	$ -	$ -	$ 64,247	$ 356,676
Government of Canada	-	-	-	-	60,058	27,521	16,745	18,597	-	-	122,921
Province of Ontario	-	-	-	-	-	-	61,196	-	-	-	61,196
Other grants	-	-	-	-	37,123	4,000	1,089	-	-	-	42,212
	169,913				199,200	52,018	79,030			64,247	583,005
Program and membership fees	1,580	-	279,364	9,626	-	98,522	10,901	-	1,435	-	401,428
Donations and fundraising	762	-	2,822	-	-	1,971	3,716	-	-	6,777	16,048
Interest revenue	-	-	-	-	-	-	-	-	-	7,416	7,416
Amortization of deferred capital contributions	1,610	-	-	-	-	-	1,206	-	-	-	2,816
	173,865	-	282,186	9,626	199,200	152,511	94,853	18,597	1,435	78,440	1,010,713
Program expenditures											
Salaries and wages	110,911	6,725	166,916	7,722	8,980	87,131	40,995	6,899	16,074	39,006	491,359
Employee benefits	28,979	4,140	23,273	887	-	13,361	6,207	2,386	5,249	9,822	94,304
Materials and supplies	15,903	46	21,122	1,946	10,245	17,389	42,525	14,306	-	7,425	130,907
Purchase of services	2,478	880	31,272	485	173,765	20,041	7,060	775	-	32,810	269,566
Amortization of tangible capital assets	1,610	-	-	-	-	521	1,206	-	-	-	3,337
	159,881	11,791	242,583	11,040	192,990	138,443	97,993	24,366	21,323	89,063	989,473
Excess (deficiency) of revenue over expenses	13,984	(11,791)	39,603	(1,414)	6,210	14,068	(3,140)	(5,769)	(19,888)	(10,623)	21,240
Interfund transfers	762	-	2,822	-	-	1,971	3,716	-	-	5,783	5,783
Net assets, beginning of year	(20,728)	19,547	146,237	(2,130)	(1,404)	43,812	5,593	10,425	(77,947)	68,466	191,871
Net assets, end of year	$ (6,744)	$ 7,756	$ 185,840	$ (3,544)	$ 4,806	$ 57,880	$ 2,453	$ 4,656	$ (97,835)	$ 63,626	$ 218,894