



Financial Statements

Applegrove Community Complex

December 31, 2025

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Date: May 15, 2026

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 Management and 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 Doane 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

Treasurer

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, 2025, 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, 2025 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, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 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.

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 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.

Doane Grant Thornton LLP

Toronto, Canada
May 15, 2026

Chartered Professional Accountants
Licensed Public Accountants

Applegrove Community Complex Statement of Financial Position

Year ended December 31

2025

2024

Assets

Current

Cash	\$ 646,794	\$ 551,971
Investments (Note 3)	213,934	96,604
Due from City of Toronto – vacation	21,124	17,913
Accounts receivable	33,687	26,864
Prepaid expenses	4,477	5,462
	<u>920,016</u>	<u>698,814</u>

Tangible capital assets (Note 4)	10,709	20,576
Long-term receivable from City of Toronto (Note 7)	<u>161,244</u>	<u>175,538</u>
	<u>\$ 1,091,969</u>	<u>\$ 894,928</u>

Liabilities

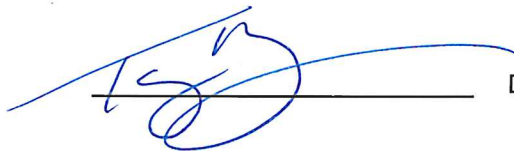
Current

Due to City of Toronto – surplus (Note 8)	\$ 74,457	\$ 11,352
Accounts payable and accrued liabilities	168,385	145,177
Deferred contributions (Note 5)	<u>168,574</u>	<u>110,186</u>
	<u>411,416</u>	<u>266,715</u>

Post-employment benefits liability (Note 7)	161,244	175,538
Deferred capital contributions (Note 6)	<u>5,555</u>	<u>13,592</u>
	<u>578,215</u>	<u>455,845</u>

Net assets

Unrestricted program funds	373,600	297,099
Invested in capital assets	5,154	6,984
Internally restricted – reserves	<u>135,000</u>	<u>135,000</u>
	<u>513,754</u>	<u>439,083</u>
	<u>\$ 1,091,969</u>	<u>\$ 894,928</u>



Director



Director

See accompanying notes to the financial statements.

Applegrove Community Complex

Statement of Changes in Net Assets

Year ended December 31, 2025

	Internally restricted - reserves	Invested in capital assets	Unrestricted program funds	Total 2025	Total 2024
Net assets, beginning of year	\$ 135,000	\$ 6,984	\$ 297,099	\$ 439,083	\$ 360,627
Excess of revenue over expenses	-	-	74,671	74,671	78,456
Amortization of tangible capital assets net of amortization of deferred capital contributions	-	(1,830)	1,830	-	-
Net assets, end of year	<u>\$ 135,000</u>	<u>\$ 5,154</u>	<u>\$ 373,600</u>	<u>\$ 513,754</u>	<u>\$ 439,083</u>

See accompanying notes to the financial statements.

Applegrove Community Complex

Statement of Operations

Year ended December 31

	<u>Programs</u> (Schedule A)	<u>Administration</u> (Note 8)	<u>2025</u>	<u>2024</u>
Revenue				
Grants				
City of Toronto	\$ 336,009	\$ 747,538	\$ 1,083,547	\$ 1,007,132
Government of Canada	79,901	-	79,901	78,286
Province of Ontario	66,664	-	66,664	74,676
Other grants	3,500	-	3,500	6,779
	<u>486,074</u>	<u>747,538</u>	<u>1,233,612</u>	<u>1,166,873</u>
Program and membership fees	501,572	-	501,572	470,275
Donations and fundraising	43,810	-	43,810	31,813
Amortization of deferred capital contributions	2,758	8,000	10,758	11,406
Interest revenue	4,098	706	4,804	11,073
	<u>1,038,312</u>	<u>756,244</u>	<u>1,794,556</u>	<u>1,691,440</u>
Expenses				
Salaries and wages	559,107	392,161	951,268	878,427
Purchase of services	155,960	219,151	375,111	356,681
Materials and supplies	146,026	12,099	158,125	159,733
Employee benefits	97,960	124,833	222,793	205,452
Amortization of tangible capital assets	4,588	8,000	12,588	12,691
	<u>963,641</u>	<u>756,244</u>	<u>1,719,885</u>	<u>1,612,984</u>
Excess of revenue over expenses	<u>\$ 74,671</u>	<u>\$ -</u>	<u>\$ 74,671</u>	<u>\$ 78,456</u>

See accompanying notes to the financial statements.

Applegrove Community Complex

Statement of Cash Flows

Year ended December 31

2025

2024

Cash flow from (used in)

Operating activities

Excess of revenue over expenses	\$ 74,671	\$ 78,456
Adjustments for non-cash items:		
Post-employment benefits	(14,294)	(11,166)
Amortization of tangible capital assets	12,588	12,691
Amortization of deferred capital contributions	<u>(10,758)</u>	<u>(11,406)</u>
	<u>62,207</u>	<u>68,575</u>

Net change in non-cash working capital items

Due to City of Toronto – surplus	63,105	48,146
Due from City of Toronto – vacation	(3,211)	3,764
Accounts receivable	(6,823)	(12,960)
Prepaid expenses	985	260
Accounts payable and accrued liabilities	23,208	(6,062)
Deferred contributions	<u>58,388</u>	<u>(8,656)</u>
	<u>197,859</u>	<u>93,067</u>

Investing activities

Purchase of investments	(213,934)	(96,604)
Proceeds from sale of investments	<u>96,604</u>	<u>199,315</u>
	<u>(117,330)</u>	<u>102,711</u>

Capital activities

Purchase of tangible capital assets	<u>(2,721)</u>	<u>(3,424)</u>
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Financing activities

Capital contributions received	2,721	1,888
Long-term receivable from City of Toronto	<u>14,294</u>	<u>11,166</u>
	<u>17,015</u>	<u>13,054</u>

Increase in cash

94,823 205,408

Cash, beginning of year

551,971 346,563

Cash, end of year

\$ 646,794 \$ 551,971

See accompanying notes to the financial statements.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

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 Centers of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous By-laws and established the premises at 56, 60 and 70 Woodfield Road, Toronto, as a community centre under the authority of the Municipal Act, known as Applegrove Community Complex (the "Complex").

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

- a) make rules as it considers necessary relating to the management and control of the premises, 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.

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 non-profit corporation. At the Annual Meeting on March 28, 2007 and in accordance with the City of Toronto'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.

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. These financial statements reflect the operations of the Complex as a whole, including the operations of the Board of Management of the 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.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

2. Significant Accounting Policies (continued)

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.

Unrestricted program funds are as follows:

- a) Applegrove Drop-in
The fund includes revenues and expenses for the Applegrove Parent/Child EarlyON Drop-in including operating grant funding, 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 operating grant funding, 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 grant funding and charitable donations designated to this program.
- e) Food Hub Program
The fund includes revenues and expenses for the food access and delivery program including grant funding and charitable donations designated to this program.
- f) Summer Camp and Leadership Program
The fund consolidates revenues and expenses for the Applegrove Summer Adventure Day Camp and the Applegrove Leadership Adventure including grant funding, 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 grant funding 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.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

2. Significant Accounting Policies (continued)

Fund accounting (continued)

j) Other

This fund accounts for all of the Complex's activities other than those listed above. It includes individual charitable donations not designated for specific programs, agency fundraising, etc.

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

Internally restricted reserves represent the funds that have been designated by the Board of Directors (the "Board") for specific purposes. The Board determines the appropriate use of these funds in accordance with their restrictions.

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.

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 due to City of Toronto.

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.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

2. Significant Accounting Policies (continued)

Employee related costs (continued)

- 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.

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
Equipment	5 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.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

3. Investments

Investments consist of term deposits with interest rates between 3.00% and 3.05% (2024 - 4.55% and 4.65%) maturing between November 2026 to May 2027 (2024 - May 2025 to June 2025).

4. Tangible capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 40,002	\$ 40,002	\$ -	\$ 8,000
Equipment	<u>27,636</u>	<u>16,927</u>	<u>10,709</u>	<u>12,576</u>
	<u>\$ 70,690</u>	<u>\$ 59,981</u>	<u>\$ 10,709</u>	<u>\$ 20,576</u>

5. Deferred contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 110,186	\$ 118,842
Add: contributions received	543,179	485,624
Less: amounts recognized as grant revenue	<u>(484,791)</u>	<u>(494,280)</u>
Balance, end of year	<u>\$ 168,574</u>	<u>\$ 110,186</u>

6. Deferred capital contributions

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

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 13,592	\$ 23,110
Add: capital contributions received	2,721	1,888
Less: amortization recognized as revenue	<u>(10,758)</u>	<u>(11,406)</u>
Balance, end of year	<u>\$ 5,555</u>	<u>\$ 13,592</u>

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

7. 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.

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, 2024 with projections to December 31, 2027. 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 4.3%, post-employment 3.8%, sick leave 4.1%

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

	<u>2025</u>	<u>2024</u>
Post-retirement benefits	\$ 109,364	\$ 111,219
Add: Unamortized actuarial gain	<u>51,880</u>	<u>64,319</u>
Post-employment benefit liability	<u>\$ 161,244</u>	<u>\$ 175,538</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 175,538	\$ 186,704
Current service cost	1,152	1,793
Interest cost	4,707	5,655
Amortization of actuarial gain	(14,349)	(8,024)
Benefits paid	<u>(5,804)</u>	<u>(10,590)</u>
Balance, end of year	<u>\$ 161,244</u>	<u>\$ 175,538</u>

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

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

A long-term receivable from the City of \$161,244 in 2025 (2024 - \$175,538) has resulted from recording 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 Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its employees. The OMERS plan (the "Plan") is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$58,936 in 2025 (2024 - \$62,553).

The most recent actuarial valuation of the Plan as at December 31, 2025 indicated that the Plan is in a deficit position and the Plan's December 31, 2025 financial statements indicate a net deficit of \$6,127 million (a deficit of \$1,322 million plus adjustment of \$4,805 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 Centre's contributions accounted for an insignificant portion of the Plan's total employer contribution. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

8. 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.

	2025 Budget (unaudited)	<u>2025</u>	<u>2024</u>
Administration expenses:			
Salaries and wages	\$ 415,178	\$ 392,161	\$ 372,744
Purchase of services	222,587	219,151	194,697
Employee benefits	148,107	124,833	105,184
Materials and supplies	12,194	12,099	10,852
Amortization of tangible capital assets	-	8,000	8,000
	<u>798,066</u>	<u>\$ 756,244</u>	<u>\$ 691,477</u>
Council amendment	4,510		
	<u>\$ 802,576</u>		
Complex's actual administration revenue:			
Administration budget		\$ 802,576	\$ 728,382
Interest revenue		<u>706</u>	<u>229</u>
		<u>\$ 803,282</u>	<u>\$ 728,611</u>

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

8. Funds provided by the City of Toronto – Administration (continued)

Complex's actual administration expenses:

Administration expenses per statement of operations	\$ 756,244	\$ 691,477
Adjustments for:		
Post-employment benefits, not funded by the City until paid, that are included in long-term receivable from City of Toronto	14,294	11,166
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	<u>(3,211)</u>	<u>3,764</u>
Actual administration expenses	<u>\$ 759,327</u>	<u>\$ 698,407</u>
Administration expenses under (over) initial approved budget	<u>\$ 43,955</u>	<u>\$ 30,204</u>

The under expenditure of \$43,955 (2024 – under expenditure of \$30,204) is recorded in due to/from City of Toronto – surplus/deficit.

The Due to City of Toronto – surplus balance is comprised of:

	<u>2025</u>	<u>2024</u>
2017 insurance adjustment	\$ (248)	\$ (248)
2019 surplus payable	(50)	(50)
2023 deficit recoverable	-	19,150
2024 surplus payable	(30,204)	(30,204)
2025 surplus payable	<u>(43,955)</u>	<u>-</u>
	<u>\$ (74,457)</u>	<u>\$ (11,352)</u>

9. 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.

Applegrove Community Complex

Notes to the Financial Statements

Year ended December 31, 2025

9. Financial instruments (continued)

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	\$ 168,385	\$ -	\$ -	\$ -	\$ 168,385

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.

Applegrove Community Complex

Schedule A – Program funds statement of operations and changes in net assets

Year ended December 31, 2025

	Unrestricted program funds										Total
	Applegrove Drop-in	Applegrove Connection	After School Program	Teen Program	Food Hub Program	Summer Camp and Leadership Program	Seniors Program	Perinatal Program	Program General	Other	
Program revenue											
Grants											
City of Toronto	\$ 153,262	\$ 29,603	\$ -	\$ -	\$ 145,164	\$ 7,980	\$ -	\$ -	\$ -	\$ -	\$ 336,009
Government of Canada	-	-	-	-	-	44,454	-	35,447	-	-	79,901
Province of Ontario	-	-	-	-	-	-	66,664	-	-	-	66,664
Other grants	-	-	-	-	-	-	3,500	-	-	-	3,500
	<u>153,262</u>	<u>29,603</u>			<u>145,164</u>	<u>52,434</u>	<u>70,164</u>	<u>35,447</u>			<u>486,074</u>
Program and membership fees	3,430	-	351,701	11,554	7,126	107,608	20,033	-	-	120	501,572
Donations and fundraising	345	-	2,541	-	3,321	2,646	670	50	-	34,237	43,810
Interest revenue	-	-	-	-	-	-	-	-	-	4,098	4,098
Amortization of deferred capital contributions	2,028	-	-	-	-	-	730	-	-	-	2,758
	<u>159,065</u>	<u>29,603</u>	<u>354,242</u>	<u>11,554</u>	<u>155,611</u>	<u>162,688</u>	<u>91,597</u>	<u>35,497</u>	<u>-</u>	<u>38,455</u>	<u>1,038,312</u>
Program expenditures											
Salaries and wages	126,309	11,887	198,779	7,800	34,737	105,850	46,801	10,369	10,115	6,458	559,107
Purchase of services	4,749	34	33,861	-	90,165	11,448	5,333	451	-	9,919	155,960
Materials and supplies	12,582	914	26,253	3,068	24,866	23,717	20,923	14,139	-	19,564	146,026
Employee benefits	29,184	4,638	25,063	912	4,534	10,886	13,981	3,017	4,760	985	97,960
Amortization of tangible capital assets	2,027	-	-	-	1,309	521	731	-	-	-	4,588
	<u>174,851</u>	<u>17,473</u>	<u>283,956</u>	<u>11,780</u>	<u>155,611</u>	<u>152,422</u>	<u>87,769</u>	<u>27,978</u>	<u>14,875</u>	<u>36,926</u>	<u>963,641</u>
Excess (deficiency) of revenue over expenses	<u>\$ (15,786)</u>	<u>\$ 12,130</u>	<u>\$ 70,286</u>	<u>\$ (226)</u>	<u>\$ -</u>	<u>\$ 10,266</u>	<u>\$ 3,828</u>	<u>\$ 7,519</u>	<u>\$ (14,875)</u>	<u>\$ 1,529</u>	<u>\$ 74,671</u>