

# **UNIVERSITY SETTLEMENT**

**Financial Statements**

**Year ended December 31, 2022**



**UNIVERSITY SETTLEMENT**  
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**December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
University Settlement

### *Opinion*

We have audited the financial statements of University Settlement ("US"), which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, revenue and expenses and cash flows for the year then ended, and notes to the 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 US as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 US 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 US'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing US'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:

## INDEPENDENT AUDITOR'S REPORT - cont'd

- ◆ 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 US'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 US'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 US 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.

*Adams & Miles LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Canada  
May 31, 2023



**UNIVERSITY SETTLEMENT**  
**Statement of Financial Position**  
**December 31, 2022**

	Operating Fund	Special Funds (Note 8)	Total 2022	Total 2021
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 804,836	\$ 16	\$ 804,852	\$ 678,096
Investments (Note 3)	-	495,001	495,001	1,401,036
Government grants receivable	173,643	-	173,643	54,025
Accounts receivable (Note 5)	58,269	-	58,269	26,297
Inter-fund balances (Note 8)	(561,466)	561,466	-	-
Prepaid expenses	65,298	-	65,298	104,801
	540,580	1,056,483	1,597,063	2,264,255
Investments (Note 3)	-	55,986	55,986	153,960
Intangible asset (Note 6)	-	58,825	58,825	-
Capital assets (Note 6)	136,362	-	136,362	133,135
	\$ 676,942	\$ 1,171,294	\$ 1,848,236	\$ 2,551,350
<b>Liabilities</b>				
Current				
Accounts payable and accrued liabilities	\$ 52,713	\$ -	\$ 52,713	\$ 177,802
Current portion of deferred grants and fees (Notes 7 and 9)	498,700	-	498,700	652,145
	551,413	-	551,413	829,947
Deferred grants and fees (Notes 7 and 9)	41,498	-	41,498	51,498
	592,911	-	592,911	881,445
<b>Net assets</b>				
Unrestricted	-	-	-	-
Invested in capital assets (Note 8)	84,031	-	84,031	70,805
Endowments (Note 8)	-	118,404	118,404	118,404
Restricted externally (Note 8)	-	180,936	180,936	196,772
Restricted internally (Note 8)	-	871,954	871,954	1,283,924
	84,031	1,171,294	1,255,325	1,669,905
	\$ 676,942	\$ 1,171,294	\$ 1,848,236	\$ 2,551,350

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



**UNIVERSITY SETTLEMENT**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2022**

	Operating Fund		Endowments	Special Funds		Total 2022	Total 2021
	Unrestricted	Invested in capital assets		Restricted externally	Restricted internally		
<b>Balance, beginning of year</b>	\$ -	\$ 70,805	\$ 118,404	\$ 196,772	\$ 1,283,924	\$ 1,669,905	\$ 1,640,715
Excess (deficiency) of revenue over expenses	(140,148)	(19,286)	-	(15,836)	(239,310)	(414,580)	29,190
Inter-fund transfers (Note 8)	172,920	(260)	-	-	(172,660)	-	-
Purchase of capital assets	(32,772)	32,772	-	-	-	-	-
<b>Balance, end of year</b>	\$ -	\$ 84,031	\$ 118,404	\$ 180,936	\$ 871,954	\$ 1,255,325	\$ 1,669,905



## UNIVERSITY SETTLEMENT

### Statement of Revenue and Expenses

Year Ended December 31, 2022

	Operating Fund	Special Funds (Note 8)	Total 2022	Total 2021
<b>Revenue</b>				
Federal government grants (Schedule, page 19)	\$ 1,497,058	\$ -	\$ 1,497,058	\$ 1,438,940
City of Toronto grants (Notes 6 and 9) (Schedule, page 19)	1,115,778	-	1,115,778	876,595
Fees for services	968,309	-	968,309	696,589
City of Toronto fees (Schedule, page 19)	594,409	-	594,409	349,429
United Way contributions	254,352	-	254,352	306,225
Provincial government grants (Schedule, page 19)	218,938	-	218,938	200,054
Fundraising, donations and foundation contributions	140,384	-	140,384	98,680
Other (Note 9)	137,179	-	137,179	106,838
Rental	42,715	-	42,715	600
Government assistance (Note 4 and Schedule, page 19)	-	-	-	873,119
	4,969,122	-	4,969,122	4,947,069
<b>Expenses</b>				
Salaries	3,625,245	-	3,625,245	3,351,743
Benefits	470,238	-	470,238	570,065
Rent	298,450	-	298,450	281,461
Other (Note 8)	18,173	136,785	154,958	116,753
Office	215,246	-	215,246	199,080
Other purchased services	131,722	-	131,722	130,959
Program	119,211	-	119,211	90,547
Audit and legal	54,664	-	54,664	50,764
Promotion and publicity	41,355	-	41,355	15,088
Cleaning supplies	40,340	-	40,340	34,528
Amortization	29,286	11,765	41,051	21,356
Recruitment and staff training	27,211	-	27,211	25,341
Food services	23,421	-	23,421	19,258
Insurance	15,298	-	15,298	33,121
Transportation	891	-	891	680
	5,110,751	148,550	5,259,301	4,940,744
<b>Excess (deficiency) of revenue over expenses before other revenues (expenses)</b>				
	(141,629)	(148,550)	(290,179)	6,325
<b>Other revenue (expenses)</b>				
Investment income	3,267	21,864	25,131	26,709
Realized gains (losses) on sale of investments	(6,635)	(31,846)	(38,481)	4,236
Unrealized losses on investments	(14,437)	(96,614)	(111,051)	(8,080)
	(17,805)	(106,596)	(124,401)	22,865
<b>Excess (deficiency) of revenue over expenses</b>				
	\$ (159,434)	\$ (255,146)	\$ (414,580)	\$ 29,190



## UNIVERSITY SETTLEMENT

### Statement of Cash Flows

Year ended December 31, 2022

	Operating Fund	Special Funds (Note 8)	Total 2022	Total 2021
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Excess (deficiency) of revenue over expenses	\$ (159,434)	\$ (255,146)	\$ (414,580)	\$ 29,190
Loss on disposal of asset	-	-	-	13,397
Realized gains (losses) on sale of investments	6,635	31,846	38,481	(4,236)
Unrealized losses on sale of investments	14,437	96,614	111,051	8,080
Amortization, net deferred revenue amortization	19,286	11,765	31,051	12,189
	(119,076)	(114,921)	(233,997)	58,620
Changes in				
Government grants receivable	(119,618)	-	(119,618)	291,513
Accounts receivable	(31,972)	-	(31,972)	22,807
Inter-fund balances	561,631	(561,631)	-	-
Prepaid expenses	39,503	-	39,503	(2,829)
Accounts payable and accrued liabilities	(125,089)	-	(125,089)	112,878
Deferred grants and fees	(153,445)	-	(153,445)	65,389
	51,934	(676,552)	(624,618)	548,378
<b>Financing activities</b>				
Repayment of capital lease obligations	-	-	-	(10)
<b>Investing activities</b>				
Purchase of capital assets	(32,772)	(70,590)	(103,362)	(2,859)
Proceeds on sale of investments	142,745	955,554	1,098,299	832,177
Purchase of investments	(33,296)	(210,267)	(243,563)	(1,373,149)
	76,677	674,697	751,374	(543,831)
<b>Change in cash</b>	128,611	(1,855)	126,756	4,537
<b>Cash and cash equivalents, beginning of year</b>	676,225	1,871	678,096	673,559
<b>Cash and cash equivalents, end of year</b>	\$ 804,836	\$ 16	\$ 804,852	\$ 678,096





## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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#### 1. Purpose of the organization

University Settlement ("US") was incorporated without share capital under the laws of the Province of Ontario on May 16, 1944 and continues under the Ontario Not-for-profit act effective October 2021. US provides social, educational, recreational and cultural services to the people living and working in the West Central Downtown Toronto community and the North York community. US is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

#### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates include estimated useful lives of capital and intangible assets, capitalization of intangible asset costs and milestones related to deferred revenue recognition. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expenses in the Statement of Revenue and Expenses in the year in which they become known.

##### **Fund accounting**

The accounts of US are maintained in accordance with the principles of fund accounting and accordingly the resources are classified for accounting and reporting purposes into funds determined by the purpose for which those funds are held. US follows the restricted fund method of accounting for contributions. The types of funds held are:

Operating Fund - Revenue and expenses related to services provided are reported in the Operating Fund. Unrestricted contributions are recognized as revenue in the year they are earned. The Operating Fund includes amounts invested in capital assets.

Special Funds - The special funds include endowments, externally restricted and internally restricted funds. The endowment fund reports contributions that are subject to the requirement that the principal remain intact and invested to create a source of income for US.

Refer to Note 8 for details regarding these funds.

##### **Cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments.



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies - cont'd

### Investments

Investments consist of fixed income funds, guaranteed investment certificates (GICs), debt securities and equity funds.

Investments are recorded at fair value. Fair values are referenced to published price quotations in an active market at year-end.

Transaction costs associated with the acquisition of investments and investment fees are expensed when incurred.

### Intangible asset

The Intangible asset is recorded at cost. US provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible asset over its estimated useful life of 3 years which represents the length of the contract

### Capital assets

Capital assets are recorded at cost. US provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives:

Cleaning equipment	5 years
Computer equipment	5 years
Computer software	2 to 10 years
Piano	5 years
Playground equipment	10 years
Gym equipment	10 years

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

Repairs and maintenance costs are expensed when incurred.

### Impairment of long-lived assets

US tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies - cont'd

### Revenue recognition

US is funded by the members of the community, Municipal government fees and grants, Federal government grants, United Way contributions and Provincial government grants. These financial statements reflect agreed arrangements approved by each granting agency with respect to the year ended December 31, 2022.

Unrestricted grants and contributions are recognized in the Statement of Revenue and Expenses as revenue in the year it is received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

US uses the restricted fund method for accounting for externally restricted grants and contributions. Externally restricted grants and contributions are recognized as revenue in the appropriate fund in the year they are received, if a fund has been established. Externally restricted contributions where no externally restricted fund exists is deferred and recognized as revenue in the year in which the related expenses are incurred.

Grants received for the purchase of capital assets are recognized into revenue of the operating fund and are amortized into the Statement of Revenue and Expenses over the same number of years that the related capital assets are amortized into operations.

Endowment contributions are recognized as revenue of the endowment fund when received.

Revenue from City of Toronto fees, fees for services, rental, productive enterprises and other is recognized when the service is provided.

Fundraising revenue is recognized as it is earned or received.

Unrestricted donations are recognized when received.

Investment revenue includes interest, dividend and realized and unrealized gains and losses on investments owned at year-end. Interest income is recognized when earned. Dividends are recorded once declared by the payer. The realized gains and losses are recognized when the investment is disposed. The unrealized gains and losses are recognized as changes in the fair value occur.

### Government assistance

In the prior year, US applied for financial assistance under the Canada Emergency Wage Subsidy (CEWS). Subsidy amounts are recognized as government assistance when received or receivable and the related salary expense and benefit has been incurred.



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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## 2. Summary of significant accounting policies - cont'd

### **Contributed services**

In its day-to-day operations, the organization uses the services of volunteers and board members. These services include, but are not limited to, professional services that would otherwise need to be purchased if this expertise did not exist. Due to the difficulty of determining the fair value of the contributed services, these are not recognized in the financial statements.

### **Controlled entity's financial statements**

US controls Grange Kids, a separate legal entity (Note 5). The financial statements of Grange Kids have not been consolidated in these financial statements. Excerpts of the financial statements of Grange Kids are reported in Note 11.

### **Financial instruments**

US initially measures its financial assets and financial liabilities at fair value except for certain related party balances.

US subsequently measures its financial assets and financial liabilities at amortized cost, except investments, which are subsequently measured at fair value. Changes in fair value are recognized in the Statement of Revenue and Expenses.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, government grants receivable and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.



**UNIVERSITY SETTLEMENT**  
**Notes to Financial Statements**  
**Year ended December 31, 2022**

**3. Investments**

Current investments:

	2022	2021
Fixed income funds	\$ 375,549	\$ 1,040,682
Equity funds	119,452	304,188
GIC	-	56,166
	<b>\$ 495,001</b>	<b>\$ 1,401,036</b>

Non-current investments:

	2022	2021
GIC	\$ 55,986	\$ -
Debt securities	-	153,960
	<b>\$ 55,986</b>	<b>\$ 153,960</b>

The GIC matures in October 2024 (2021 - October 2022) and earns interest at a rate of 4.35% (2021 - 0.50%) annually. The debt securities earned interest at variable rates and was to mature December 2028.

**4. Government assistance**

Included in government assistance is a recovery of \$Nil (2021 - \$873,119) for government assistance received under the CEWS program.



**UNIVERSITY SETTLEMENT**  
**Notes to Financial Statements**  
**Year ended December 31, 2022**

**5. Related party balances and related party transactions**

During the 2019 fiscal year, a new legal entity, Grange Kids, was incorporated to operate after-school programming that was previously operated by US. The effective date was September 1, 2019. Grange Kids is a related party as US has the ability to exercise direct control over Grange Kids, through common Board members and the operations of Grange Kids are dependent on US as it uses US's resources to operate its programming. During the current year, Grange Kids did not operate any after-school programming.

Included in accounts receivable as at year-end is \$6,468 (2021 - \$5,324) owing from Grange Kids. The accounts receivable due from Grange Kids are unsecured with no fixed terms of repayment which is not the same terms as accounts receivable from non-related parties.

**6. Intangible and capital assets**

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Cleaning equipment	\$ 5,155	\$ 5,155	\$ -	\$ -
Leasehold improvements	82,031	78,391	3,640	3,640
Computer equipment	37,900	18,082	19,818	-
Computer software	45,875	26,645	19,230	22,570
Piano	15,000	10,510	4,490	7,500
Playground equipment	92,454	46,250	46,204	55,449
Gym equipment	93,959	45,467	48,492	43,976
	<b>\$ 372,374</b>	<b>\$ 236,012</b>	<b>\$ 136,362</b>	<b>\$ 133,135</b>

In 1958, US conveyed to the City of Toronto (the "City") the land at 23 Grange Road. In return, the City built the recreation centre, which is now operated by US. The City also agreed to pay the annual maintenance incurred on the building. During the year, the City paid \$294,402 (2021 - \$294,402) for maintenance of the building.

Intangible asset includes a cloud computing arrangement with a cost of \$70,590 (2021 - \$Nil) and accumulated amortization of \$11,765 (2021 - \$Nil). Amortization is based on the estimated useful life of the cloud computing arrangement of 3 years.



**UNIVERSITY SETTLEMENT**  
**Notes to Financial Statements**  
**Year ended December 31, 2022**

**7. Deferred grants and fees**

The deferred grants represent restricted grants and contributions received in the current year where no restricted funds have been established and that relate to subsequent years, grants related to capital assets which will be amortized into revenue over the life of the asset and fees that represent amounts received in advance for services provided subsequent to year-end.

	2022	2021
Various government grants - Federal, Provincial and City of Toronto	\$ 480,743	\$ 593,755
Fees for services	43,955	31,063
Foundation grants	15,500	78,825
Balance, end of year	540,198	703,643
Less: current portion	(498,700)	(652,145)
Due beyond one year	\$ 41,498	\$ 51,498
	2022	2021
Balance, beginning of year	\$ 703,643	\$ 647,421
Add: Amounts received during the year	4,241,879	4,507,990
Less: Amounts recognized as revenue during the year	(4,405,324)	(4,451,768)
Balance, end of year	\$ 540,198	\$ 703,643



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year Ended December 31, 2022

#### 8. Interfund balances and restrictions on net assets

	2021	Investment income (loss) and contributions	Inter-fund transfer	Expenses	2022
<b>Endowments</b>					
<i>Music and Arts</i>					
Sylvia Schwartz	\$ 9,819	\$ -	\$ -	\$ -	\$ 9,819
Shiu-Shum Lo Memorial	18,675	-	-	-	18,675
Margaret Grant	5,263	-	-	-	5,263
W.G. Hall Memorial	4,893	-	-	-	4,893
Aasta Levene Scholarship	75,000	-	-	-	75,000
<i>Recreation - Youth Leadership</i>					
Mary Fraser	4,754	-	-	-	4,754
	118,404	-	-	-	118,404
<b>Restricted externally</b>					
<i>Music and Arts</i>					
General	77,203	(5,559)	-	(655)	70,989
Florence & David Steinhauer	15,125	(1,090)	-	(128)	13,907
Mark Hill Memorial	7,905	(569)	-	(67)	7,269
Madeleine Emma Lasserre	2,267	(163)	-	(19)	2,085
<i>Recreation - Youth Leadership</i>					
Robert Kauppinen	5,577	(401)	-	(47)	5,129
Marshall A. Golden Memorial	4,980	(359)	-	(42)	4,579
<i>Other Programs</i>					
Subsidies and programs	83,715	(6,027)	-	(710)	76,978
	196,772	(14,168)	-	(1,668)	180,936
<b>Restriction internally</b>					
<i>Recreation - Camp</i>					
General Camp	590,294	(42,494)	(172,660)	(5,010)	370,130
Edward Roth	3,101	(223)	-	(26)	2,852
<i>Recreation - Children &amp; Youth</i>					
Ethyle M. Start	81,066	(5,836)	-	(688)	74,542
Youth Program	46,341	(3,336)	-	(393)	42,612
<i>Scholarship</i>					
General Scholarship	43,547	(3,135)	-	(370)	40,042
<i>Music and Arts</i>					
Music Instrument	8,774	(632)	-	(74)	8,068
<i>General</i>					
Technological improvement reserve	437,207	(31,474)	-	(139,695)	266,038
Fanny V. Birdsall	35,669	(2,568)	-	(303)	32,798
Elizabeth J. Clarry	6,899	(497)	-	(59)	6,343
Mary Margaret Slater	6,899	(497)	-	(59)	6,343
Emil First	1,270	(91)	-	(11)	1,168
90th Anniversary	17,129	(1,233)	-	(145)	15,751
<i>Senior Citizen Fund</i>					
Cho-Tsing-Cheung	5,728	(412)	-	(49)	5,267
	1,283,924	(92,428)	(172,660)	(146,882)	871,954
<b>Total</b>	<b>\$ 1,599,100</b>	<b>\$ (106,596)</b>	<b>\$ (172,660)</b>	<b>\$ (148,550)</b>	<b>\$ 1,171,294</b>





**UNIVERSITY SETTLEMENT**  
**Notes to Financial Statements**  
**Year ended December 31, 2022**

**8. Inter-fund balances and restrictions on net assets - cont'd**

In the current year, the Board of Directors transferred \$172,920 from the internally restricted funds to the unrestricted fund to cover the unrestricted operating deficit (2021 - \$52,846 from the unrestricted fund to the internally restricted funds).

The inter-fund balances bear no interest and are payable on demand.

Invested in capital assets is comprised of:

	2022	2021
Capital assets	\$ 136,362	\$ 133,135
Deferred revenue related to capital assets	(52,331)	(62,330)
	<b>\$ 84,031</b>	<b>\$ 70,805</b>

**9. Daycare operating grant and wage subsidies**

US has recognized as revenue the following amounts from the City of Toronto's Children's Services:

	2022	2021
Operating grants	\$ 390,294	\$ 253,928
Safe Restart	214,535	108,676
	<b>\$ 604,829</b>	<b>\$ 362,604</b>

US received \$24,000 and \$271,881 in 2022 and 2021, respectively, for Safe Restart funding of which \$190,535 was deferred in 2021 until it was spent in 2022. In fiscal 2022, US spent the amount received in 2022 plus the amount remaining from 2021. The total amount of Safe Restart Funding recognized into operations in 2022 was \$214,535 (2021- \$108,676).

US has also recognized as revenue and deferred revenue the following related to the Canada-Wide Early Learning funding:



**UNIVERSITY SETTLEMENT**  
**Notes to Financial Statements**  
**Year ended December 31, 2022**

**9. Daycare operating grant and wage subsidies - cont'd**

	Revenue replacement funding	Implementation funding
Received in the 2022 fiscal year for 2022	\$ 200,908	\$ 13,500
Used in the fiscal year according to guidelines - refunds or reduced fees to parents	(49,237)	-
Used in the fiscal year according to guidelines - other	(93,944)	(13,500)
Deferred revenue	57,727	-
Received in the 2022 fiscal year for 2023	143,514	-
Total Deferred revenue - Canada Wide Early Learning funding	\$ 201,241	\$ -

The implementation grant is recognized in other revenue.

Finally, US received and recognized as wage enhancement revenue \$30,712 (2021 - \$36,588) from the City of Toronto.

**10. Lease commitments**

US is committed to premise leases terminating through June 2025. The minimum annual lease payments includes commitments related to the lease renewal subsequent to year-end. The minimal annual lease payments are as follows:

2023	\$ 233,720
2024	236,597
2025	132,279
	<b>\$ 602,596</b>

US is responsible for a proportionate share of building operating costs.



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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#### 11. Controlled entity's financial statements

The financial statements of Grange Kids, an entity controlled by US, has not been consolidated in these financial statements. Grange Kids' financial statements are prepared under the same accounting policies as US. Grange Kids was incorporated without share capital under the Canada Not-For-Profit Corporations Act. Grange Kids provides children and youth after-school educational and support services. Grange Kids is a registered charity under the Income Tax Act and accordingly is exempt from income taxes. Grange Kids utilizes the resources and premises of US at 23 Grange Road. Transactions with Grange Kids are described in Note 5 to these financial statements. There are no restrictions on the funds received by Grange Kids from US.

Summaries of the controlled entity's financial position as at December 31, 2022 and 2021 and results of its operations and its cash flows for the 2022 and 2021 fiscal years are as follows:

	2022	2021
Total assets	\$ 739	\$ 739
Total liabilities	(6,468)	(5,324)
Net deficiency	(5,729)	(4,585)
Expenses	(1,143)	(4,585)

#### 12. Financial instruments

US is exposed to the following risks in respect of certain types of the financial instruments held:

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. US's investments in equity funds expose US to market risk as such investments are subject to price changes of the underlying securities in the open market. US does not use derivative financial instruments to alter the effects of this risk.

(b) Interest rate risk

US manages the interest rate price risk exposure of its fixed income investments by using a laddered portfolio with varying terms of maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations. Investments in equity securities are not exposed to significant interest rate risk. US does not have any debts subject to interest rate risk.



## UNIVERSITY SETTLEMENT

### Notes to Financial Statements

Year ended December 31, 2022

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#### 12. Financial instruments - cont'd

It is management's opinion that US is not exposed to any significant liquidity, credit or currency risks.

#### 13. Allocations

##### **Composition and allocation of administrative expenses**

In the current and prior year, US's net administrative expenses include administrative staff salaries, office, building occupancy, promotion and publicity and other miscellaneous costs. In the attached schedules to the financial statements, the net administrative costs were allocated across the various programs based on the rationale that these costs are associated with contributing to the agency as a whole and are not geared towards any specific or particular program.

The basis of allocation of net administrative expenses for both fiscal 2022 and 2021 was based on the percentage of total expenses incurred by each program over total expenses for all programs excluding administrative and the Language Instruction for Newcomers to Canada/Information and Orientation (LINC/I/O) program.

The LINC/I/O program is charged a set administrative cost as the program is primarily funded by a single funder and does not generate enough revenue to be charged fully for its share of administrative costs.

#### 14. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Government Revenue

	2022	2021
<b>Federal government grants</b>		
Citizenship and Immigration Canada	\$ 1,389,078	\$ 1,333,140
Health Canada	63,193	60,020
New Horizons	25,427	13,359
Human Resources and Skills Development	19,360	32,421
	1,497,058	1,438,940
<b>City of Toronto grants</b>		
General Operating and Safe Restart Grant (Note 9)	604,830	362,604
Property Grant (Note 6)	294,402	294,402
Community Services Partnership	144,560	141,725
Wage Enhancement (Note 6)	30,712	36,588
Toronto Arts Council	26,500	26,500
Children's Services	14,774	14,776
	1,115,778	876,595
<b>City of Toronto fees</b>		
Children's Services (Note 9)	412,085	163,134
Toronto Employment and Social Services	182,324	186,295
	594,409	349,429
<b>Provincial government grants</b>		
Ministry of Children, Community and Social Services	159,607	150,549
Ministry for Seniors and Accessibility	59,331	49,505
	218,938	200,054
<b>Government assistance</b>	-	873,119
	\$ 3,426,183	\$ 3,738,137



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Administration

	2022	2021
<b>Revenue</b>		
Fundraising and foundation contributions	\$ 79,820	\$ 45,450
Other (Note 9)	78,773	22,020
United Way contribution	50,873	61,244
Provincial government grants	28,581	28,581
Federal government grants	25,427	13,359
Rental	728	-
Government assistance	-	174,192
Net investment income (loss)	(17,805)	1,594
	246,397	346,440
<b>Expenses</b>		
Salaries	612,225	599,564
Office	97,248	55,197
Other purchased services	96,897	94,264
Rent	61,438	52,777
Audit and legal	54,664	50,764
Promotion and publicity	34,360	12,030
Recruitment and staff training	11,515	10,391
Amortization	8,295	-
Insurance	4,073	25,266
Other	3,253	3,240
Transportation	647	111
Program costs (recovery)	584	1,164
Cleaning supplies	-	48
Benefits (recovery)	(14,751)	109,779
LINC/I/O recovery	(172,160)	(173,757)
	798,288	840,838
Net administration expense for allocation	\$ (551,891)	\$ (494,398)
<b>Expense allocation to programs</b>		
Day Care	\$ 219,086	\$ 208,291
Recreation and Wellness	127,170	96,292
Music and Arts School	81,003	68,864
Maintenance	67,961	55,968
Seniors, Settlement & Social Services and Newcomer Settlement Program	43,130	51,723
Employment and Training	13,541	13,260
	\$ 551,891	\$ 494,398

Refer to Note 13 for details on allocation basis.



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Maintenance

	2022	2021
<b>Revenue</b>		
City of Toronto grants (Note 6)	\$ 294,402	\$ 294,402
Provincial government grants	7,490	7,490
Government assistance	-	84,199
	301,892	386,091
<b>Expenses</b>		
Salaries	254,162	215,325
Benefits	50,929	41,338
Cleaning supplies	39,991	34,664
Insurance	11,225	7,855
Other	2,217	894
	358,524	300,076
<b>Excess (deficiency) of revenue over expenses before allocation of indirect expenses</b>	<b>(56,632)</b>	<b>86,015</b>
<b>Allocation of indirect expenses (Note 13)</b>		
Administrative	67,961	55,968
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (124,593)</b>	<b>\$ 30,047</b>



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Recreation and Wellness

	2022	2021
<b>Revenue</b>		
Fees for services	\$ 411,103	\$ 97,939
City of Toronto grants	94,954	92,145
Federal government grants	82,554	92,441
United Way contribution	62,590	66,990
Rental income	41,987	600
Provincial government grants	30,363	30,363
Other	22,558	641
Fundraising and foundation contributions	11,434	10,380
Government assistance	-	87,561
	757,543	479,060
<b>Expenses</b>		
Salaries	527,808	372,134
Benefits	57,093	47,731
Program	28,209	25,646
Office	23,701	38,574
Other purchased services	22,098	12,141
Recruitment and staff training	6,911	10,209
Amortization	4,131	8,321
Promotion and publicity	854	974
Other	-	546
	670,805	516,276
<b>Excess (deficiency) of revenue over expenses before allocation of indirect expenses</b>	86,738	(37,216)
<b>Allocation of indirect expenses (Note 13)</b>		
Administrative	127,170	96,292
<b>Deficiency of revenue over expenses</b>	\$ (40,432)	\$ (133,508)





## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Day Care

	2022	2021
<b>Revenue</b>		
City of Toronto grants	\$ 635,542	\$ 399,192
City of Toronto fees	412,085	163,134
Fees for services	296,385	415,213
Other	10,120	9,628
Government assistance	-	394,575
	<b>1,354,132</b>	<b>1,381,742</b>
<b>Expenses</b>		
Salaries	910,765	873,568
Benefits	171,416	162,769
Program	24,573	18,609
Food services	23,401	19,258
Amortization	9,246	10,012
Other purchased services	5,433	20,242
Office	5,428	8,231
Recruitment and staff training	4,364	4,072
	<b>1,154,626</b>	<b>1,116,761</b>
<b>Excess of revenue over expenses before allocation of indirect expenses</b>	<b>199,506</b>	<b>264,981</b>
<b>Allocation of indirect expenses (Note 13)</b>		
Administrative	219,086	208,291
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (19,580)</b>	<b>\$ 56,690</b>



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Seniors, Settlement & Social Services (S & SS) and Newcomer Settlement Program (NSP)

	S & SS	NSP	Total 2022	Total 2021
<b>Revenue</b>				
Provincial government grants	\$ 63,028	\$ 64,873	\$ 127,901	\$ 109,017
United Way contribution	78,300	-	78,300	111,000
City of Toronto grants	64,379	-	64,379	64,354
Other	21,970	-	21,970	-
Fundraising and foundation contributions	1,000	-	1,000	-
Fees for services	716	-	716	-
	229,393	64,873	294,266	284,371
<b>Expenses</b>				
Salaries	85,978	81,594	167,572	223,209
Benefits	11,728	26,116	37,844	32,855
Office	12,005	-	12,005	17,231
Program	9,069	-	9,069	3,392
Promotion and publicity	1,647	-	1,647	-
Other	8	25	33	630
	120,435	107,735	228,170	277,317
<b>Excess (deficiency) of revenue over expenses before allocation of indirect expenses</b>	108,958	(42,862)	66,096	7,054
<b>Allocation of indirect expenses (Note 13)</b>				
Administrative	43,130	-	43,130	51,723
<b>Excess (deficiency) of revenue over expenses</b>	\$ 65,828	\$ (42,862)	\$ 22,966	\$ (44,669)



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Language Instruction for Newcomers to Canada/Information and Orientation

#### Program (LINC//O)

	2022	2021
<b>Revenue</b>		
Federal government grants	\$ 1,389,078	\$ 1,333,140
<b>Expenses</b>		
Salaries	784,676	732,641
Rent	234,992	228,383
Benefits	129,586	139,873
Office	62,469	61,699
Other	11,846	11,662
Recruitment and staff training	4,512	2,657
Program costs	1,852	1,294
	1,229,933	1,178,209
LINC//O overhead recovery	172,160	173,757
<b>Deficiency of revenue over expenses</b>	\$ (13,015)	\$ (18,826)



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Music and Arts School

	2022	2021
<b>Revenue</b>		
Fees for services	\$ 260,104	\$ 183,437
United Way contribution	62,590	66,991
Fundraising and foundation contributions	48,010	42,400
Toronto Art Council grants	26,500	26,500
Provincial government grants	20,780	20,780
Other	3,878	-
Government assistance	-	112,950
	421,862	453,058
<b>Expenses</b>		
Salaries	309,409	276,982
Program	59,985	43,224
Benefits	34,687	30,271
Office	10,157	10,565
Promotion and publicity	4,034	1,885
Other purchased services	2,896	1,245
Amortization	2,750	3,375
Rent	2,020	300
Recruitment and staff training	946	803
Transportation	-	570
	426,884	369,220
<b>Excess (deficiency) of revenue over expenses before allocation of indirect expenses</b>	(5,022)	83,838
<b>Allocation of indirect expenses (Note 13)</b>		
Administrative	81,003	68,864
<b>Excess (deficiency) of revenue over expenses</b>	\$ (86,025)	\$ 14,974



## UNIVERSITY SETTLEMENT

### Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2022

#### Employment and Training

	2022	2021
<b>Revenue</b>		
City of Toronto fees	\$ 182,324	\$ 186,295
Provincial government grants	3,824	3,824
Government assistance	-	19,641
	186,148	209,760
<b>Expenses</b>		
Salaries	58,629	58,321
Amortization	4,865	-
Office	4,480	7,320
Benefits	3,388	5,451
	71,362	71,092
<b>Excess of revenue over expenses before allocation of indirect expenses</b>	114,786	138,668
<b>Allocation of indirect expenses (Note 13)</b>		
Administrative	13,541	13,260
<b>Excess of revenue over expenses</b>	\$ 101,245	\$ 125,408