

UNIVERSITY SETTLEMENT

Financial Statements

Year ended December 31, 2023



UNIVERSITY SETTLEMENT
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December 31, 2023

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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, 2023, 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, 2023, 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

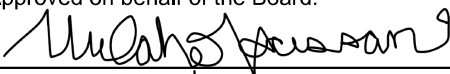

Toronto, Canada
May 28, 2024



UNIVERSITY SETTLEMENT
Statement of Financial Position
December 31, 2023

	Operating Fund	Special Funds	Total 2023	Total 2022
Assets				
Current				
Cash and cash equivalents	\$ 507,271	\$ 3,023	\$ 510,294	\$ 804,852
Investments (Note 3)	-	672,960	672,960	495,001
Government grants receivable	155,431	-	155,431	173,643
Accounts receivable (Note 4)	26,611	-	26,611	58,269
Inter-fund balances (Note 7)	(105,471)	105,471	-	-
Prepaid expenses	150,309	-	150,309	65,298
	734,151	781,454	1,515,605	1,597,063
Investments (Note 3)	-	175,000	175,000	55,986
Capital assets (Note 5)	153,749	-	153,749	136,362
Implementation costs of software service (Note 5)	-	51,578	51,578	58,825
	\$ 887,900	\$ 1,008,032	\$ 1,895,932	\$ 1,848,236
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 148,756	\$ -	\$ 148,756	\$ 52,713
Current portion of deferred grants and fees (Notes 6 and 7)	596,228	-	596,228	498,700
	744,984	-	744,984	551,413
Deferred grants and fees (Notes 6 and 7)	31,498	-	31,498	41,498
	776,482	-	776,482	592,911
Net assets				
Unrestricted	-	-	-	-
Invested in capital assets (Note 7)	111,418	-	111,418	84,031
Endowments (Note 7)	-	118,404	118,404	118,404
Restricted externally (Note 7)	-	155,976	155,976	180,936
Restricted internally (Note 7)	-	733,652	733,652	871,954
	111,418	1,008,032	1,119,450	1,255,325
	\$ 887,900	\$ 1,008,032	\$ 1,895,932	\$ 1,848,236

Approved on behalf of the Board:


 _____ Director

 _____ Director



UNIVERSITY SETTLEMENT
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Operating Fund		Special Funds (Note 7)			Total 2023	Total 2022
	Unrestricted	Invested in capital assets	Endowments	Restricted externally	Restricted internally		
Balance, beginning of year	\$ -	\$ 84,031	\$ 118,404	\$ 180,936	\$ 871,954	\$ 1,255,325	\$ 1,669,905
Deficiency of revenue over expenses	(36,801)	(28,902)	-	(24,960)	(45,212)	(135,875)	(414,580)
Inter-fund transfers (Note 7)	183,220	-	-	-	(183,220)	-	-
Inter-fund transfer for the purchase of software	(70,590)	-	-	-	70,590	-	-
implementation costs (Note 5)	(56,289)	56,289	-	-	-	-	-
Purchase of capital assets	(19,540)	-	-	-	19,540	-	-
Purchase of software implementation costs (Note 5)	-	-	-	-	-	-	-
Balance, end of year	\$ -	\$ 111,418	\$ 118,404	\$ 155,976	\$ 733,652	\$ 1,119,450	\$ 1,255,325



UNIVERSITY SETTLEMENT

Statement of Revenue and Expenses

Year Ended December 31, 2023

	Operating Fund	Special Funds (Note 7)	Total 2023	Total 2022
Revenue				
Federal government grants (Schedule, page 18)	\$ 1,596,539	\$ -	\$ 1,596,539	\$ 1,497,058
City of Toronto fees (Note 8) (Schedule, page 18)	1,146,518	-	1,146,518	594,409
Fees for services	1,080,600	-	1,080,600	968,309
City of Toronto grants (Note 8) (Schedule, page 18)	811,823	-	811,823	1,115,778
Provincial government grants (Schedule, page 18)	214,638	-	214,638	218,938
United Way contributions	210,756	-	210,756	254,352
Fundraising, donations and foundation contributions	178,925	-	178,925	140,384
Other	147,425	-	147,425	137,179
Rental	56,247	-	56,247	42,715
	5,443,471	-	5,443,471	4,969,122
Expenses				
Salaries	3,870,962	-	3,870,962	3,625,245
Benefits	595,051	-	595,051	470,238
Rent	243,654	-	243,654	237,012
Office (Note 5)	204,381	26,787	231,168	227,011
Insurance	132,167	-	132,167	76,736
Program	123,532	-	123,532	119,211
Other	27,443	90,055	117,498	154,958
Other purchased services	93,879	-	93,879	131,722
Promotion and publicity	63,241	-	63,241	41,355
Amortization	38,901	-	38,901	29,286
Audit and legal	37,359	-	37,359	54,664
Food services	28,748	-	28,748	23,421
Recruitment and staff training	27,932	-	27,932	27,211
Cleaning supplies	19,174	-	19,174	40,340
Transportation	8,816	-	8,816	891
	5,515,240	116,842	5,632,082	5,259,301
Deficiency of revenue over expenses before other revenues (expenses)	(71,769)	(116,842)	(188,611)	(290,179)
Other revenue (expenses)				
Investment income	4,112	27,516	31,628	25,131
Realized gains (losses) on sale of investments	-	-	-	(38,481)
Unrealized gains (losses) on investments	1,954	19,154	21,108	(111,051)
	6,066	46,670	52,736	(124,401)
Deficiency of revenue over expenses	\$ (65,703)	\$ (70,172)	\$ (135,875)	\$ (414,580)



UNIVERSITY SETTLEMENT

Statement of Cash Flows

Year ended December 31, 2023

	Operating Fund	Special Funds (Note 7)	Total 2023	Total 2022
Cash provided by (used in)				
Operating activities				
Deficiency of revenue over expenses	\$ (65,703)	\$ (70,172)	\$ (135,875)	\$ (414,580)
Realized gains (losses) on sale of investments	-	-	-	38,481
Unrealized (gains) losses on sale of investments	(1,954)	(19,154)	(21,108)	111,051
Amortization, net deferred grants amortization	28,902	26,787	55,689	31,051
	(38,755)	(62,539)	(101,294)	(233,997)
Changes in				
Government grants receivable	18,212	-	18,212	(119,618)
Accounts receivable	31,658	-	31,658	(31,972)
Inter-fund balances	(325,490)	325,490	-	-
Prepaid expenses	(85,011)	-	(85,011)	39,503
Accounts payable and accrued liabilities	96,043	-	96,043	(125,089)
Deferred grants and fees	97,528	-	97,528	(153,445)
	(205,815)	262,951	57,136	(624,618)
Investing activities				
Purchase of capital assets	(56,289)	-	(56,289)	(32,773)
Purchase of implementation of software costs	-	(19,540)	(19,540)	(70,589)
Proceeds on maturity and sale of investments	-	-	-	1,098,299
Purchase of investments	(35,461)	(240,404)	(275,865)	(243,563)
	(91,750)	(259,944)	(351,694)	751,374
Change in cash and cash equivalents	(297,565)	3,007	(294,558)	126,756
Cash and cash equivalents, beginning of year	804,836	16	804,852	678,096
Cash and cash equivalents, end of year	\$ 507,271	\$ 3,023	\$ 510,294	\$ 804,852



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

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 continued 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 by management 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 the estimated useful lives of capital assets and implementation costs of software services and milestones and reconciliations 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. Actual results may be different from these estimates.

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. 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 7 for details regarding these funds.

Cash and 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, 2023

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.

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
Furniture and equipment	5 years
Gym equipment	10 years
Piano	5 years
Playground equipment	10 years

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

Implementation costs of software services

US capitalizes expenditures on implementation activities that are directly attributable to preparing software services for their intended use. US recognizes the expenditures on implementation activities over the expected period of access to the related software service.

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, 2023

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, 2023.

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.

Unrestricted grants, donations 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.

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 and other is recognized when the service is provided.

Fundraising revenue is recognized as it is earned or received.

Investment income includes interest and dividends. Interest income is recognized when earned. Dividends are recorded when they become receivable, which is the date they are declared.

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.

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.



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

2. Summary of significant accounting policies - cont'd

Controlled entity's financial statements

US controls Grange Kids, a separate legal entity (Note 4). 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 10.

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.

3. Investments

Current investments:

	2023	2022
Fixed income funds (Canadian and foreign)	\$ 490,502	\$ 375,549
GIC	139,411	-
Equity funds	43,047	119,452
	<u>\$ 672,960</u>	<u>\$ 495,001</u>

Non-current investments:

	2023	2022
GIC	<u>\$ 175,000</u>	<u>\$ 55,986</u>

The GIC's mature between October 2024 and September 2025 (2022 - October 2024) and earn interest at rates of 4.35% - 5.80% (2022 - 4.35%) annually.



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

4. Related party balances and related party transactions

Effective September 1, 2019, a new legal entity, Grange Kids, was incorporated to operate after-school programming that was previously operated by US. 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 being dependent on US for resources to operate its programming. During the current year, Grange Kids did not operate any after-school programming.

Included in accounts receivable at year-end is \$7,611 (2022 - \$6,468) 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.

5. Capital assets and implementation costs of software services

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Cleaning equipment	\$ 13,793	\$ 7,050	\$ 6,743	\$ -
Computer equipment	45,959	16,558	29,401	19,818
Computer software	47,980	40,000	7,980	19,230
Furniture and equipment	30,802	3,081	27,721	-
Gym equipment	93,959	60,374	33,585	42,980
Leasehold improvements	88,253	78,392	9,861	3,640
Piano	15,000	13,500	1,500	4,490
Playground equipment	92,454	55,496	36,958	46,204
	<u>\$ 428,200</u>	<u>\$ 274,451</u>	<u>\$ 153,749</u>	<u>\$ 136,362</u>

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 (2022 - \$294,402) for maintenance of the building.

Implementation costs of software services includes a cloud computing arrangement with a cost of \$90,130 (2022 - \$70,590) and accumulated amortization of \$38,552 (2022 - \$11,765). Included in office expense is \$26,787 (2022 - \$11,765) of amortization related to the software implementation costs. 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, 2023

6. 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.

	2023	2022
Various government grants - Federal, Provincial and City of Toronto	\$ 572,255	\$ 480,743
Fees for services	54,907	43,955
Foundation grants	564	15,500
Balance, end of year	627,726	540,198
Less: current portion	(596,228)	(498,700)
Due beyond one year	\$ 31,498	\$ 41,498
	2023	2022
Balance, beginning of year	\$ 540,198	\$ 703,643
Add: Amounts received during the year	4,984,605	4,241,879
Less: Amounts recognized as revenue during the year	(4,897,077)	(4,405,324)
Balance, end of year	\$ 627,726	\$ 540,198



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year Ended December 31, 2023

7. Special funds

	2022	Investment income and contributions	Expenses	Inter-fund transfer	2023
Endowments					
<i>Music and Arts</i>					
Sylvia Schwartz	\$ 9,819	\$ 391	\$ (391)	\$ -	\$ 9,819
Shiu-Shum Lo Memorial	18,675	744	(744)	-	18,675
Margaret Grant	5,263	210	(210)	-	5,263
W.G. Hall Memorial	4,893	195	(195)	-	4,893
Aasta Levene Scholarship	75,000	2,988	(2,988)	-	75,000
<i>Recreation - Youth Leadership</i>					
Mary Fraser	4,754	189	(189)	-	4,754
	118,404	4,717	(4,717)	-	118,404
Restricted externally					
<i>Music and Arts</i>					
General	70,989	2,828	(7,081)	-	66,736
Florence & David Steinhauer	13,907	554	(558)	-	13,903
Mark Hill Memorial	7,269	290	(255)	-	7,304
Madeleine Emma Lasserre	2,085	83	(10)	-	2,158
<i>Recreation - Youth Leadership</i>					
Robert Kauppinen	5,129	204	(21)	-	5,312
Marshall A. Golden Memorial	4,579	182	(169)	-	4,592
<i>Other Programs</i>					
Subsidies and programs	76,978	3,067	(24,074)	-	55,971
	180,936	7,208	(32,168)	-	155,976
Restriction internally					
<i>Recreation - Camp</i>					
General Camp	370,130	14,747	(1,549)	(183,220)	200,108
Edward Roth	2,852	114	(12)	-	2,954
<i>Recreation - Children & Youth</i>					
Ethyle M. Start	74,542	2,970	(312)	-	77,200
Youth Program	42,612	1,698	(178)	-	44,132
<i>Scholarship</i>					
General Scholarship	40,042	1,595	(3,618)	-	38,019
<i>Music and Arts</i>					
Music Instrument	8,068	321	(34)	-	8,355
<i>General</i>					
Technological improvement reserve	266,038	10,602	(73,970)	90,130	292,800
Fanny V. Birdsall	32,798	1,307	(137)	-	33,968
Elizabeth J. Clarry	6,343	253	(27)	-	6,569
Mary Margaret Slater	6,343	253	(27)	-	6,569
Emil First	1,168	47	(5)	-	1,210
90th Anniversary	15,751	628	(66)	-	16,313
<i>Senior Citizen Fund</i>					
Cho-Tsing-Cheung	5,267	210	(22)	-	5,455
	871,954	34,745	(79,957)	(93,090)	733,652
Total	\$ 1,171,294	\$ 46,670	\$ (116,842)	\$ (93,090)	\$ 1,008,032



UNIVERSITY SETTLEMENT
Notes to Financial Statements
Year ended December 31, 2023

7. Special funds - cont'd

In the current year, the Board of Directors transferred \$183,220 (2022 - \$172,920) from the internally restricted funds to the unrestricted fund to cover the unrestricted operating deficit.

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

Invested in capital assets is comprised of:

	2023	2022
Capital assets	\$ 153,749	\$ 136,362
Deferred grants related to capital assets	(42,332)	(52,331)
	\$ 111,417	\$ 84,031

8. Daycare grants and wage subsidies

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

	2023	2022
General Operating Grants	\$ 283,909	\$ 390,295
Safe Restart Grant	-	214,535
	\$ 283,909	\$ 604,830

Included in General Operating Grants is Professional Learning Strategy and Special Needs 1-on-1 grants (2022 - Special Needs 1-on-1 grant).



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

8. Daycare grants and wage subsidies - cont'd

US has also recognized as revenue and deferred revenue the following related to the Canada-Wide Early Learning & Child Care ("CWELCC") funding:

	Affordability funding	Implementation funding / Cost escalation
Opening deferred revenue	\$ 201,241	\$ -
Received in the 2023 fiscal year for 2023	421,710	97,075
Used in the fiscal year according to guidelines	(452,288)	(97,075)
Vacancy variable costs/recovery	(4,786)	-
Deferred revenue	165,877	-
Received in the 2023 fiscal year for 2024	141,306	16,236
Total deferred revenue - Canada Wide Early Learning & Child Care funding	\$ 307,183	\$ 16,236

The CWELCC implementation and budget and cost escalation funding of \$97,075 (2022 - \$13,500) is recognized in other revenue.

Included within recreation and wellness is Summer Day Program funding of \$14,775 (2022 - \$14,775).

US received and recognized as wage enhancement revenue \$37,839 (2022 - \$30,712) from the City of Toronto.

9. Lease commitments

US is committed to premise leases until 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:

2024	\$ 236,597
2025	132,279
	\$ 368,876

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



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

10. 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 4 to these financial statements. There are no restrictions on the funds received by Grange Kids from US.

Summaries of the unaudited controlled entity's financial position as at December 31, 2023 and 2022 and results of its operations and its cash flows for the 2023 and 2022 fiscal years are as follows:

	2023	2022
Total assets	\$ 739	\$ 739
Total liabilities	(7,611)	(6,468)
Net deficiency	(6,872)	(5,729)
Expenses	(1,143)	(1,143)
Change in cash	-	-

11. Financial instruments

US is exposed to the following risk 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.



UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2023

11. Financial instruments - cont'd

(b) 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. 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. US does not have any debts subject to interest rate risk.

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

12. Allocations

Composition and allocation of administrative expenses

In the current and prior year, US's net administrative expenses include administrative staff salaries and benefits including human resources, office including IT, insurance, 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 allocation of net administrative expenses for both fiscal 2023 and 2022 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.

13. 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, 2023

Government Revenue

	2023	2022
Federal government grants		
Citizenship and Immigration Canada	\$ 1,478,017	\$ 1,389,078
Health Canada	58,522	63,193
Human Resources and Skills Development	35,000	19,360
New Horizons	25,000	25,427
	1,596,539	1,497,058
City of Toronto fees		
Children's Services (Note 8)	838,443	412,085
Toronto Employment and Social Services	308,075	182,324
	1,146,518	594,409
City of Toronto grants		
Property Grant (Note 5)	294,402	294,402
General Operating and Safe Restart Grants (Note 8)	283,909	604,830
Community Services Partnership	154,389	144,560
Wage Enhancement	37,839	30,712
Toronto Arts Council	26,508	26,500
Children's Services	14,776	14,774
	811,823	1,115,778
Provincial government grants		
Ministry of Children, Community and Social Services	163,381	159,607
Ministry for Seniors and Accessibility	51,257	59,331
	214,638	218,938
	\$ 3,769,518	\$ 3,426,183



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Administration

	2023	2022
Revenue		
Other	\$ 114,157	\$ 78,773
Fundraising and foundation contributions	66,804	79,820
United Way contribution	42,156	50,873
Provincial government grants	28,581	28,581
Federal government grants	25,000	25,427
Net investment income (loss)	6,066	(17,805)
Rental	847	728
	283,611	246,397
Expenses		
Salaries	686,524	612,225
Insurance	122,586	65,511
Benefits (recovery)	107,151	(14,751)
Office	65,279	97,248
Other purchased services	52,860	96,897
Promotion and publicity	39,437	34,360
Audit and legal	37,359	54,664
Recruitment and staff training	12,390	11,515
Amortization	11,831	8,295
Transportation	5,130	647
Other	4,514	3,253
Program costs	23	584
LINC/I/O recovery	(179,302)	(172,160)
	965,782	798,288
Net administration expense for allocation	\$ (682,171)	\$ (551,891)
Expense allocation to programs		
Day Care	\$ 264,907	\$ 219,086
Recreation and Wellness	167,954	127,170
Music and Arts School	98,637	81,003
Maintenance	75,737	67,961
Seniors, Settlement & Social Services and Newcomer Settlement Program	53,887	43,130
Employment and Training	21,049	13,541
	\$ 682,171	\$ 551,891

Refer to Note 12 for details on allocation basis.



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Maintenance

	2023	2022
Revenue		
City of Toronto grants (Note 5)	\$ 294,402	\$ 294,402
Provincial government grants	7,490	7,490
	301,892	301,892
Expenses		
Salaries	253,179	254,162
Benefits	50,349	50,929
Cleaning supplies	17,505	39,991
Insurance	9,581	11,225
Other	7,249	2,217
Amortization	1,895	-
	339,758	358,524
Deficiency of revenue over expenses before allocation of indirect expenses	(37,866)	(56,632)
Allocation of indirect expenses (Note 12)		
Administrative	75,737	67,961
Deficiency of revenue over expenses	\$ (113,603)	\$ (124,593)



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Recreation and Wellness

	2023	2022
Revenue		
Fees for services	\$ 555,875	\$ 411,549
City of Toronto grants	84,258	80,179
Federal government grants	93,522	82,554
United Way contribution	60,000	62,590
Fundraising and foundation contributions	54,286	11,434
Rental income	51,550	41,987
Provincial government grants	30,363	30,363
Summer Day Program (Note 8)	14,775	14,775
Other	2,353	22,558
	946,982	757,989
Expenses		
Salaries	585,579	527,808
Benefits	65,591	57,093
Program	32,922	28,209
Office	29,536	23,701
Other purchased services	15,225	22,098
Amortization	12,940	4,131
Recruitment and staff training	6,520	6,911
Other	3,940	-
Promotion and publicity	1,200	854
	753,453	670,805
Excess of revenue over expenses before allocation of indirect expenses	193,529	87,184
Allocation of indirect expenses (Note 12)		
Administrative	167,954	127,170
Excess (deficiency) of revenue over expenses	\$ 25,575	\$ (39,986)



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Day Care

	2023	2022
Revenue		
City of Toronto fees	\$ 838,443	\$ 412,085
City of Toronto grants	321,748	635,542
Fees for services	226,869	296,385
Other	11,050	10,120
	1,398,110	1,354,132
Expenses		
Salaries	947,256	910,765
Benefits	159,071	171,416
Food services	28,748	23,401
Program	21,248	24,573
Office	10,593	5,428
Amortization	9,245	9,246
Other purchased services	7,811	5,433
Recruitment and staff training	4,415	4,364
	1,188,387	1,154,626
Excess of revenue over expenses before allocation of indirect expenses	209,723	199,506
Allocation of indirect expenses (Note 12)		
Administrative	264,907	219,086
Deficiency of revenue over expenses	\$ (55,184)	\$ (19,580)



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

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

	S & SS	NSP	Total 2023	Total 2022
Revenue				
Provincial government grants	\$ 54,955	\$ 68,647	\$ 123,602	\$ 127,901
City of Toronto grants	70,132	-	70,132	64,379
United Way contribution	48,600	-	48,600	78,300
Other	19,210	-	19,210	21,970
Fundraising and foundation contributions	3,070	-	3,070	1,000
Fees for services	-	-	-	716
	195,967	68,647	264,614	294,266
Expenses				
Salaries	110,863	50,399	161,262	167,572
Benefits	22,552	10,676	33,228	37,844
Program	16,620	-	16,620	9,069
Office	14,654	-	14,654	12,005
Promotion and publicity	10,701	3,298	13,999	1,647
Other	1,347	539	1,886	33
Transportation	90	-	90	-
	176,827	64,912	241,739	228,170
Excess (deficiency) of revenue over expenses before allocation of indirect expenses	19,140	3,735	22,875	66,096
Allocation of indirect expenses (Note 12)				
Administrative	53,887	-	53,887	43,130
Excess (deficiency) of revenue over expenses	\$ (34,747)	\$ 3,735	\$ (31,012)	\$ 22,966



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Language Instruction for Newcomers to Canada/Information and Orientation

Program (LINC/I/O)

	2023	2022
Revenue		
Federal government grants	\$ 1,478,016	\$ 1,389,078
Expenses		
Salaries	833,329	784,676
Rent	240,894	234,992
LINC/I/O overhead	179,302	172,160
Benefits	140,313	129,586
Office	70,728	62,469
Other	16,337	11,846
Program costs	3,834	1,852
Recruitment and staff training	3,323	4,512
Transportation	1,143	-
	1,489,203	1,402,093
Deficiency of revenue over expenses	\$ (11,187)	\$ (13,015)



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Music and Arts School

	2023	2022
Revenue		
Fees for services	\$ 297,856	\$ 259,659
United Way contribution	60,000	62,590
Fundraising and foundation contributions	53,715	48,010
Toronto Arts Council grants	26,508	26,500
Provincial government grants	20,780	20,780
Other	1,705	3,878
	460,564	421,417
Expenses		
Salaries	322,833	309,409
Program	53,911	59,985
Benefits	34,925	34,687
Other purchased services	9,157	2,896
Office	8,869	10,157
Promotion and publicity	6,276	4,034
Amortization	2,990	2,750
Rent	2,760	2,020
Recruitment and staff training	772	946
	442,493	426,884
Excess (deficiency) of revenue over expenses before allocation of indirect expenses	18,071	(5,467)
Allocation of indirect expenses (Note 12)		
Administrative	98,637	81,003
Deficiency of revenue over expenses	\$ (80,566)	\$ (86,470)



UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2023

Employment and Training

	2023	2022
Revenue		
City of Toronto fees	\$ 308,075	\$ 182,324
Rental	3,850	-
Provincial government grants	3,824	3,824
	315,749	186,148
Expenses		
Salaries	81,003	58,629
Office	9,000	4,480
Benefits	4,423	3,388
Amortization	-	4,865
	94,426	71,362
Excess of revenue over expenses before allocation of indirect expenses	221,323	114,786
Allocation of indirect expenses (Note 12)		
Administrative	21,049	13,541
Excess of revenue over expenses	\$ 200,274	\$ 101,245

