

UNIVERSITY SETTLEMENT

Financial Statements

Year ended December 31, 2025

UNIVERSITY SETTLEMENT
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December 31, 2025

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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, 2025, and the statements of changes in fund balances, 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, 2025, 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' 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 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' 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 26, 2026




UNIVERSITY SETTLEMENT
Statement of Financial Position
December 31, 2025

	Operating Fund	Special Funds (Note 7)	Total 2025	Total 2024
Assets				
Current				
Cash	\$ 501,738	\$ 2,832	\$ 504,570	\$ 630,375
Investments (Note 3)	-	821,318	821,318	743,151
Government grants receivable	66,806	-	66,806	84,692
Accounts receivable	52,439	-	52,439	37,615
Inter-fund balances (Note 7)	(49,123)	49,123	-	-
Prepaid expenses	133,083	-	133,083	123,550
	704,943	873,273	1,578,216	1,619,383
Investments (Note 3)	-	117,692	117,692	179,570
Capital assets (Note 4)	145,644	45,446	191,090	199,609
Implementation costs of software service (Note 4)	-	16,283	16,283	28,048
	\$ 850,587	\$ 1,052,694	\$ 1,903,281	\$ 2,026,610
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 92,399	\$ -	\$ 92,399	\$ 112,947
Current portion of deferred grants and fees (Notes 6 and 8)	531,157	-	531,157	676,720
Current portion of capital lease obligation (Note 5)	10,437	-	10,437	9,804
	633,993	-	633,993	799,471
Deferred grants and fees (Notes 6 and 8)	11,499	-	11,499	21,498
Capital lease obligation (Note 5)	45,500	-	45,500	55,937
	690,992	-	690,992	876,906
Fund balances				
Unrestricted	92,220	-	92,220	11,142
Invested in capital assets (Note 7)	67,375	-	67,375	101,536
Endowments (Note 7)	-	129,386	129,386	125,562
Restricted externally (Note 7)	-	170,442	170,442	165,405
Restricted internally (Note 7)	-	752,866	752,866	746,059
	159,595	1,052,694	1,212,289	1,149,704
	\$ 850,587	\$ 1,052,694	\$ 1,903,281	\$ 2,026,610

Approved on behalf of the Board:


 _____ Director


 _____ Director

UNIVERSITY SETTLEMENT

Statement of Changes in Fund Balances

Year Ended December 31, 2025

	Operating Fund		Special Funds (Note 7)			Total 2025	Total 2024
	Unrestricted	Invested in capital assets	Endowments	Restricted externally	Restricted internally		
Balance, beginning of year	\$ 11,142	\$ 101,536	\$ 125,562	\$ 165,405	\$ 746,059	\$ 1,149,704	\$ 1,119,450
Excess (deficiency) of revenue over expenses	98,139	(51,222)	3,824	5,037	6,807	62,585	30,254
Capital lease obligation	(9,804)	9,804	-	-	-	-	-
Purchase of capital assets	(7,257)	7,257	-	-	-	-	-
Balance, end of year	\$ 92,220	\$ 67,375	\$ 129,386	\$ 170,442	\$ 752,866	\$ 1,212,289	\$ 1,149,704

UNIVERSITY SETTLEMENT

Statement of Revenue and Expenses

Year Ended December 31, 2025

	Operating Fund	Special Funds (Note 7)	Total 2025	Total 2024
Revenue				
Federal government grants (Schedule, page 20)	\$ 1,715,320	\$ -	\$ 1,715,320	\$ 1,614,301
City of Toronto fees (Note 8) (Schedule, page 20)	1,663,727	-	1,663,727	1,142,419
Fees for services	1,049,882	-	1,049,882	1,233,388
City of Toronto grants (Note 8) (Schedule, page 20)	517,312	-	517,312	862,564
Fundraising, donations and foundation contributions	293,855	900	294,755	194,887
Provincial government grants (Schedule, page 20)	250,016	-	250,016	234,711
United Way contributions	210,756	-	210,756	210,756
Other (Note 8)	208,336	-	208,336	108,984
Rental	77,236	-	77,236	78,440
	5,986,440	900	5,987,340	5,680,450
Expenses				
Salaries	4,126,493	-	4,126,493	3,964,069
Benefits	633,039	-	633,039	608,450
Rent	257,597	-	257,597	244,767
Office (Note 4)	244,626	11,765	256,391	230,603
Program	151,492	-	151,492	150,318
Other purchased services	146,051	-	146,051	130,618
Insurance	97,483	-	97,483	110,284
Amortization	61,222	5,049	66,271	50,131
Audit and legal	58,424	-	58,424	41,020
Promotion and publicity	56,575	-	56,575	47,127
Other	27,065	9,454	36,519	37,781
Food services	31,461	-	31,461	32,448
Building	24,296	-	24,296	36,958
Recruitment and staff training	19,554	-	19,554	26,058
Transportation	8,864	-	8,864	10,912
Grange Kids write-off	-	-	-	7,611
	5,944,242	26,268	5,970,510	5,729,155
Excess (deficiency) of revenue over expenses before other revenue	42,198	(25,368)	16,830	(48,705)
Other revenue				
Investment income	5,951	39,829	45,780	41,195
Realized gains on sale of investments	180	1,207	1,387	-
Unrealized gains (losses) on investments	(1,412)	-	(1,412)	37,764
	4,719	41,036	45,755	78,959
Excess (deficiency) of revenue over expenses	\$ 46,917	\$ 15,668	\$ 62,585	\$ 30,254

UNIVERSITY SETTLEMENT
Statement of Cash Flows
Year ended December 31, 2025

	Operating Fund	Special Funds (Note 7)	Total 2025	Total 2024
Cash provided by (used in)				
Operating activities				
Excess of revenue over expenses	\$ 46,917	\$ 15,668	\$ 62,585	\$ 30,254
Realized gains on sale of investments	(180)	(1,207)	(1,387)	-
Unrealized (gains) losses on investments	1,412	-	1,412	(37,764)
Amortization, net of deferred grants amortization	51,222	16,814	68,036	63,661
	99,371	31,275	130,646	56,151
Changes in				
Government grants receivable	17,886	-	17,886	70,739
Accounts receivable	(14,824)	-	(14,824)	(14,337)
Inter-fund balances	(34,206)	34,206	-	-
Prepaid expenses	(9,533)	-	(9,533)	26,759
Accounts payable and accrued liabilities	(20,548)	-	(20,548)	(35,809)
Deferred grants and fees	(145,562)	-	(145,562)	83,825
Capital lease obligation	(9,804)	-	(9,804)	65,741
	(117,220)	65,481	(51,739)	253,069
Investing activities				
Purchase of capital assets	(7,257)	(50,496)	(57,753)	(95,990)
Proceeds on maturity and sale of investments	21,916	146,670	168,586	80,135
Purchase of investments	(23,148)	(161,751)	(184,899)	(117,133)
	(8,489)	(65,577)	(74,066)	(132,988)
Change in cash	(125,709)	(96)	(125,805)	120,081
Cash, beginning of year	627,447	2,928	630,375	510,294
Cash, end of year	\$ 501,738	\$ 2,832	\$ 504,570	\$ 630,375

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

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 Corporations 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 (Canada) and, accordingly, is exempt from income taxes.

2. Summary of significant accounting policies

The financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook and include the following significant accounting policies:

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. 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 are invested to create a source of income for US. The Special Funds include an internally restricted fund that report amounts invested in software related capital assets.

Refer to Note 7 for details regarding the Special Funds.

Investments

Investments consist of fixed income funds, Guaranteed Investment Certificates (GICs), Investment Savings Account 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.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

2. Summary of significant accounting policies - cont'd

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:

Computer equipment	5 years
Furniture and equipment	5 years
Playground equipment	10 years
Gym equipment	10 years
Computer software	2 to 10 years
Cleaning equipment	5 years
Piano	5 years
Network system and cabling	5 years

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

Capital assets under lease are amortized over the term of the lease.

Implementation costs of software services

US analyses its cloud computing arrangements to determine if a software element in the arrangement is a software intangible asset. Any such asset is accounted for as a software intangible asset; if the software element is not an asset, US accounts for it as a software service and expenses it as incurred. Expenditures on implementation activities that are directly attributable to preparing the software service for its intended use that do not give rise to a separate intangible asset are capitalized as an asset for implementation of software services; the asset for implementation of software services is expensed using the straight-line method over the expected period of access to the software service, which is estimated at three years.

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. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the asset to its fair value. Any impairment of the asset is charged to income in the period in which the impairment occurs.

An impairment loss is not reversed if the fair value of the asset subsequently increases.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

2. Summary of significant accounting policies - cont'd

Revenue recognition

US is funded by Federal government grants, City of Toronto government fees and grants, the members of the community, Provincial government grants and United Way contributions. These financial statements reflect agreed arrangements approved by each granting agency with respect to the year ended December 31, 2025.

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, fundraising, 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 as the related capital assets are amortized into operations.

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

Revenue from fees for services, City of Toronto fees, rental and other sources 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.

Realized gains and losses are recognized when the investment is disposed. 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, 2025

2. Summary of significant accounting policies - cont'd

Financial instruments

US initially measures its financial assets and financial liabilities at fair value.

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, government grants receivable and accounts receivable.

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

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of the asset to US are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing of the asset. Capital assets recorded under capital leases are amortized on the same basis as described in the capital assets accounting policy. Payments under operating leases are expensed in the Statement of Revenue and Expenses as incurred.

Use of estimates

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.

UNIVERSITY SETTLEMENT
Notes to Financial Statements
Year ended December 31, 2025

3. Investments

Current investments:

	2025	2024
Fixed income funds (Canadian and foreign)	\$ 314,855	\$ 423,341
GICs	114,044	188,092
Investment Savings Account	229,104	84,000
Equity funds (Canadian and foreign)	163,315	47,718
	\$ 821,318	\$ 743,151

Non-current investments:

	2025	2024
Fixed income funds (Canadian and foreign)	\$ 117,692	\$ 117,692
GIC	-	61,878
	\$ 117,692	\$ 179,570

The GICs mature between June 2026 and October 2026 (2024 - September 2025 and October 2026) and earn interest at rates of 3.50% - 3.66% (2024 - 3.50% - 5.80%) annually.

One of these GICs in the amount of \$64,044 (2024 - \$61,878) is held as a security for the credit card facilities.

Fixed income funds of \$117,692 (2024 - \$117,692) presented as long-term, as they represent the original capital donated to US's endowment funds (Note 11).

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

4. Capital assets and implementation costs of software services

Included in the Operating Fund are capital assets:

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 95,754	\$ 40,828	\$ 54,926	\$ 74,077
Furniture and equipment	58,529	22,293	36,236	40,099
Playground equipment	92,454	73,987	18,467	27,713
Gym equipment	93,959	79,167	14,792	24,188
Computer software	72,752	62,616	10,136	19,687
Leasehold improvements	88,253	78,392	9,861	9,861
Cleaning equipment	13,793	12,567	1,226	3,984
Piano	15,000	15,000	-	-
	\$ 530,494	\$ 384,850	\$ 145,644	\$ 199,609

Included in computer equipment is a capital lease for five photocopier machines with a cost of \$68,101 (2024 - \$68,101) and accumulated amortization of \$12,164 (2024 - \$2,360). Amortization is based on the term of the lease of 6 years ending September 2030 (Note 5).

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 provided a grant of \$294,402 (2024 - \$344,402) for maintenance of the building.

Included in the Internally Restricted fund are other capital assets:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Network system and cabling	\$ 50,495	\$ 5,049	\$ 45,446	\$ -
Implementation costs of software services	90,130	73,847	16,283	28,048

Included in office expense is \$11,765 (2024 - \$23,530) of amortization related to the software implementation costs related to a cloud computing arrangement.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

5. Capital lease obligation

The capital lease obligation is recorded at an amount equal to the present value of the lease payments using the interest rate implicit in the lease. The implicit interest rate of the obligation is 6.30% with a maturity date of September 2030. The following is a schedule of future minimum lease payments under capital lease:

2026	\$	13,718
2027		13,718
2028		13,718
2029		13,718
2030		10,289
<hr/>		
Total future minimum lease payments		65,161
Less amount representing interest		(9,224)
<hr/>		
Present value of minimum net lease payments		55,937
Less current portion		10,437
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	\$	45,500

The interest expense paid on the lease during the year was \$3,914 (2024 - \$1,070). The net book value of the equipment securing the lease is \$55,937 (2024 - \$65,741). The obligation under capital lease is secured by a lien on the specific equipment under lease.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

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.

	2025	2024
Government grants - Federal, Provincial and City of Toronto	\$ 377,657	\$ 507,146
Fees for services	111,424	116,557
Funds held in trust	53,575	48,124
Foundation grants	-	26,391
Balance, end of year	542,656	698,218
Less: current portion	(531,157)	(676,720)
Due beyond one year	\$ 11,499	\$ 21,498
	2025	2024
Balance, beginning of year	\$ 698,218	\$ 624,393
Add: Amounts received during the year	5,411,498	5,371,495
Less: Amounts recognized as revenue during the year	(5,567,060)	(5,297,670)
Balance, end of year	\$ 542,656	\$ 698,218

Funds held in trust represent amounts administered by the Organization on behalf of affiliated grassroots groups that operate under its umbrella. As at the reporting date, the balance of \$53,575 consists of \$8,575 (2024 - \$48,124) related to the South Sudanese Parents of South Western Ontario (SSPSWO) program and \$45,000 (2024 - \$Nil) related to the Families First program. These funds are not available for general use by the Organization, as they are restricted for the specific purposes of the respective programs.

UNIVERSITY SETTLEMENT
Notes to Financial Statements
Year Ended December 31, 2025

7. Special funds and invested in capital assets

	December 31, 2024	Investment income and contributions	Expenses	Inter-fund transfer	December 31, 2025
Endowments (Note 11)					
<i>Music and Arts</i>					
Sylvia Schwartz	\$ 10,413	\$ 412	\$ (95)	\$ -	\$ 10,730
Shiu-Shum Lo Memorial	19,804	784	(181)	-	20,407
Margaret Grant	5,581	221	(51)	-	5,751
W.G. Hall Memorial	5,189	205	(47)	-	5,347
Aasta Levene Scholarship	79,534	3,147	(725)	-	81,956
<i>Recreation - Youth Leadership</i>					
Mary Fraser	5,041	199	(45)	-	5,195
	125,562	4,968	(1,144)	-	129,386
Restricted externally					
<i>Music and Arts</i>					
General	70,771	2,801	(645)	-	72,927
Florence & David Steinhauer	14,743	583	(134)	-	15,192
Mark Hill Memorial	7,745	306	(71)	-	7,980
Madeleine Emma Lasserre	2,289	91	(21)	-	2,359
<i>Recreation - Youth Leadership</i>					
Robert Kauppinen	5,633	223	(51)	-	5,805
Marshall A. Golden Memorial	4,869	193	(44)	-	5,018
<i>Other Programs</i>					
Subsidies and programs	59,355	2,349	(543)	-	61,161
	165,405	6,546	(1,509)	-	170,442
Restricted internally					
<i>Recreation - Camp</i>					
General	212,206	8,397	(1,934)	-	218,669
Edward Roth	3,133	124	(29)	-	3,228
<i>Recreation - Children & Youth</i>					
Ethyle M. Start	81,868	3,240	(746)	-	84,362
Youth Program	46,800	1,852	(427)	-	48,225
<i>Scholarship</i>					
General	40,318	1,595	(368)	-	41,545
<i>Music and Arts</i>					
Music Instrument	8,860	1,251	(81)	-	10,030
<i>General</i>					
Technological improvement reserve	277,553	10,981	(19,342)	-	269,192
Fanny V. Birdsall	36,022	1,425	(328)	-	37,119
Elizabeth J. Clarry	6,966	276	(64)	-	7,178
Mary Margaret Slater	6,966	276	(64)	-	7,178
Emil First	1,283	51	(12)	-	1,322
90th Anniversary	17,299	685	(158)	-	17,826
White Family Scholarship Fund	1,000	40	(9)	-	1,031
<i>Senior Citizen Fund</i>					
Cho-Tsing-Cheung	5,785	229	(53)	-	5,961
	746,059	30,422	(23,615)	-	752,866
Total	\$ 1,037,026	\$ 41,936	\$ (26,268)	\$ -	\$ 1,052,694

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

7. Special funds and invested in capital assets - cont'd

The inter-fund balances are non-interest bearing and are payable on demand.

Invested in capital assets is comprised of:

	2025	2024
Capital assets	\$ 145,644	\$ 199,609
Deferred grants related to capital assets	(22,332)	(32,332)
Capital lease obligation	(55,937)	(65,741)
	<u>\$ 67,375</u>	<u>\$ 101,536</u>

8. Daycare grants and wage subsidies

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

	2025	2024
Special Needs One on One Grant	\$ 12,629	\$ 4,052
General Operating Grants	-	227,096
Minor Capital Grant	-	20,000
	<u>\$ 12,629</u>	<u>\$ 251,148</u>

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

8. Daycare grants and wage subsidies - cont'd

US has also recognized as revenue and deferred revenue (balance is included in Note 6) the following related to the Canada-Wide Early Learning & Child Care ("CWELCC") funding:

	2025	2024
Opening deferred revenue - CWELCC funding	\$ 283,000	\$ 323,419
Received in the year	1,276,451	567,356
Used in the fiscal year according to guidelines	(1,392,487)	(719,912)
2023 funding recognized	(103,363)	-
Recovery	(62,514)	(3,904)
Other adjustments	(1,087)	-
Deferred revenue	-	166,959
Received in the year for the subsequent year	121,719	116,041
Total deferred revenue - CWELCC funding	\$ 121,719	\$ 283,000

Included in City of Toronto fees is CWELCC emerging issues and cost escalation funding of \$Nil (2024 - \$204,128) and daycare fee subsidies of \$75,500 (2024 - \$188,283).

Included within Recreation and Wellness Schedule is Summer Day Program funding of \$14,776 (2024 - \$14,775).

During 2025, the City assessed fiscal years 2022 and 2023 information and determined that US had to repay \$57,728 and \$4,786, respectively. The remaining balance of \$103,363, previously recorded as deferred revenue as of fiscal year 2024, has been recognized as other revenue in the statement of revenue and expenses.

US received and recognized wage enhancement revenue of \$Nil (2024 - \$64,364) from the Provincial government which flowed through the City of Toronto.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

9. Lease commitments

US is committed to premises leases until June 2030. The minimum annual lease payments are as follows:

2026	\$ 263,643
2027	266,526
2028	202,574
2029	170,398
2030	87,302
	<hr/>
	\$ 990,443

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

10. Financial instruments

US is exposed to the following risks arising from the financial instruments held which are consistent with the prior year:

(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' investments in equity and fixed income 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

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.

UNIVERSITY SETTLEMENT

Notes to Financial Statements

Year ended December 31, 2025

11. Endowment Funds

Endowment funds totaling \$129,386 (2024 - \$125,562) include \$117,692 (2024 - \$117,692) of original capital donated. The remainder of \$11,694 (2024 - \$7,870) represents the accumulated investment income earned to be used pursuant to donors' wishes.

12. Comparative amounts

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

13. 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 2025 and 2024 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.

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Government Revenue

	2025	2024
Federal government grants		
Immigration, Refugees and Citizenship Canada	\$ 1,572,308	\$ 1,500,507
Health Canada	63,648	58,522
Employment and Social Development Canada	60,682	43,570
New Horizons	18,682	11,702
	1,715,320	1,614,301
City of Toronto fees		
Children's Services (Note 8)	1,467,987	913,181
Toronto Employment and Social Services	195,740	229,238
	1,663,727	1,142,419
City of Toronto grants		
Property Grant (Note 4)	294,402	344,402
Community Services Partnership	166,505	160,874
Toronto Arts Council	29,000	26,500
General Operating Grants (Note 8)	12,629	251,148
Children's Services	14,776	15,276
Wage Enhancement (Note 8)	-	64,364
	517,312	862,564
Provincial government grants		
Ministry of Children, Community and Social Services	166,381	163,632
Ministry for Seniors and Accessibility	63,635	51,079
Seniors Community Grant Program	20,000	20,000
	250,016	234,711
	\$ 4,146,375	\$ 3,853,995

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Administration

	2025	2024
Revenue		
Fundraising and foundation contributions	\$ 139,442	\$ 121,487
Other	79,176	83,291
United Way contribution	42,156	42,156
Provincial government grants	28,581	28,581
Federal government grants	18,683	11,702
Net investment income	4,719	9,106
Rental	723	260
	313,480	296,583
Expenses		
Salaries	722,583	703,745
Office	112,292	104,653
Benefits	102,171	121,664
Other purchased services	95,696	90,333
Insurance	61,805	100,298
Promotion and publicity	43,796	38,731
Audit and legal	42,292	41,020
Amortization	28,702	26,582
Other	12,899	7,096
Transportation	7,445	8,817
Recruitment and staff training	6,153	6,863
Program costs	4,518	1,137
Building	140	-
Bad debts expense	-	7,611
LINC/I/O recovery	(201,671)	(193,127)
	1,038,821	1,065,423
Net administration expense for allocation	\$ (725,341)	\$ (768,840)
Expense allocation to programs		
Day Care	\$ 332,258	\$ 329,967
Recreation and Wellness	140,487	158,514
Music and Arts School	96,398	101,529
Maintenance	63,325	88,972
Seniors, Settlement & Social Services and Newcomer Settlement Program	59,947	64,582
Employment and Training	32,926	25,276
	\$ 725,341	\$ 768,840

Refer to Note 13 for details on allocation basis.

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Maintenance

	2025	2024
Revenue		
City of Toronto grants (Note 4)	\$ 294,402	\$ 344,402
Provincial government grants	7,490	7,490
	301,892	351,892
Expenses		
Salaries	218,543	257,618
Benefits	40,642	51,397
Building	16,824	36,950
Insurance	7,198	9,986
Amortization	2,759	2,759
Program (recovery)	145	(183)
Office	103	187
Other	-	181
	286,214	358,895
Excess (deficiency) of revenue over expenses before allocation of indirect expenses	15,678	(7,003)
Allocation of indirect expenses (Note 13)		
Administrative	63,325	88,972
Deficiency of revenue over expenses	\$ (47,647)	\$ (95,975)

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Recreation and Wellness

	2025	2024
Revenue		
Fees for services	\$ 567,114	\$ 620,391
Federal government grants	124,331	102,092
City of Toronto grants	90,869	88,297
Rental income	76,513	78,180
United Way contribution	60,000	60,000
Provincial government grants	30,363	30,363
City of Toronto grant - Summer Day Program (Note 8)	14,776	14,775
Fundraising and foundation contributions	5,288	9,251
Other	1,236	390
	970,490	1,003,739
Expenses		
Salaries	505,146	512,426
Benefits	50,711	48,881
Program	23,848	24,525
Amortization	20,515	10,045
Other purchased services	18,305	22,147
Office	6,846	8,562
Recruitment and staff training	6,753	10,703
Promotion and publicity	2,188	2,119
Other	651	-
	634,963	639,408
Excess of revenue over expenses before allocation of indirect expenses	335,527	364,331
Allocation of indirect expenses (Note 13)		
Administrative	140,487	158,514
Excess of revenue over expenses	\$ 195,040	\$ 205,817

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Day Care

	2025	2024
Revenue		
City of Toronto fees	\$ 1,467,987	\$ 913,181
Fees for services	161,825	282,545
Other (Note 8)	113,362	10,000
City of Toronto grants (Note 8)	12,629	315,512
Fundraising, donations and foundation contributions	2,002	2,100
	1,757,805	1,523,338
Expenses		
Salaries	1,146,608	1,057,943
Benefits	192,439	164,907
Food services	31,461	32,448
Office	29,926	7,144
Program	29,217	47,482
Insurance	23,686	-
Legal Fees	16,131	-
Other purchased services	10,837	8,508
Amortization	9,245	9,245
Building	7,209	-
Recruitment and staff training	4,864	3,340
Transportation	98	-
	1,501,721	1,331,017
Excess of revenue over expenses before allocation of indirect expenses	256,084	192,321
Allocation of indirect expenses (Note 13)		
Administrative	332,258	329,967
Deficiency of revenue over expenses	\$ (76,174)	\$ (137,646)

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

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

	S&SS	NSP	Total 2025	Total 2024
Revenue				
Provincial government grants	\$ 87,332	\$ 71,647	\$ 158,979	\$ 143,674
City of Toronto grants	75,635	-	75,635	73,078
United Way contribution	48,600	-	48,600	48,600
Other	14,031	-	14,031	14,688
Fundraising and foundation contributions	7,350	-	7,350	3,015
	232,948	71,647	304,595	283,055
Expenses				
Salaries	150,014	52,524	202,538	197,523
Benefits	26,077	13,948	40,025	39,630
Program	16,203	-	16,203	8,495
Other purchased services	6,769	-	6,769	101
Office	3,599	-	3,599	9,360
Other	1,093	-	1,093	115
Recruitment and staff training	590	-	590	-
Promotion and publicity	130	-	130	5,284
	204,475	66,472	270,947	260,508
Excess (deficiency) of revenue over expenses before allocation of indirect expenses				
	28,473	5,175	33,648	22,547
Allocation of indirect expenses (Note 13)				
Administrative	59,947	-	59,947	64,582
Excess (deficiency) of revenue over expenses				
	\$ (31,474)	\$ 5,175	\$ (26,299)	\$ (42,035)

UNIVERSITY SETTLEMENT**Schedule of Revenue, Expenses and Allocation**

Year Ended December 31, 2025

Language Instruction for Newcomers to Canada/Information and Orientation

Program (LINC//O)

	2025	2024
Revenue		
Federal government grants	\$ 1,572,308	\$ 1,500,507
Expenses		
Salaries	867,212	857,969
Rent	249,162	239,870
LINC//O overhead	201,671	193,127
Benefits	153,529	143,238
Office	71,810	64,419
Other	12,423	12,265
Transportation	430	1,315
Recruitment and staff training	411	4,658
Other purchased services	310	-
Program costs	260	1,511
Promotion and publicity	175	287
Building	124	12
	1,557,517	1,518,671
Excess (deficiency) of revenue over expenses	\$ 14,791	\$ (18,164)

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

Music and Arts School

	2025	2024
Revenue		
Fees for services	\$ 320,943	\$ 330,453
Fundraising and foundation contributions	70,224	56,158
United Way contribution	60,000	60,000
Toronto Arts Council grants	29,000	26,500
Provincial government grants	20,780	20,780
Other	530	615
	501,477	494,506
Expenses		
Salaries	310,605	291,454
Program	60,277	66,494
Benefits	36,563	30,669
Other purchased services	10,437	9,448
Office	9,372	5,030
Promotion and publicity	6,347	707
Rent	2,020	3,890
Recruitment and staff training	71	352
Amortization	-	1,500
	435,692	409,544
Excess of revenue over expenses before allocation of indirect expenses	65,785	84,962
Allocation of indirect expenses (Note 13)		
Administrative	96,398	101,529
Deficiency of revenue over expenses	\$ (30,613)	\$ (16,567)

UNIVERSITY SETTLEMENT**Schedule of Revenue, Expenses and Allocation****Year Ended December 31, 2025****Employment and Training**

	2025	2024
Revenue		
City of Toronto fees	\$ 195,740	\$ 229,238
Provincial government grants	3,824	3,824
	199,564	233,062
Expenses		
Salaries	119,542	85,393
Benefits	14,320	8,063
Insurance	4,794	-
Promotion and publicity	3,940	-
Office	3,807	8,500
Program costs	1,312	-
Recruitment and staff training	712	-
Transportation	391	-
	148,818	101,956
Excess of revenue over expenses before allocation of indirect expenses	50,746	131,106
Allocation of indirect expenses (Note 13)		
Administrative	32,926	25,276
Excess of revenue over expenses	\$ 17,820	\$ 105,830

UNIVERSITY SETTLEMENT

Schedule of Revenue, Expenses and Allocation

Year Ended December 31, 2025

South Sudanese Parents of South Western Ontario

	2025	2024
Revenue		
Fundraising and foundation contributions	\$ 69,549	\$ 1,876
Expenses		
Salaries	33,716	-
Program	15,709	857
Office	6,870	12
Rent	6,414	1,007
Other purchased services	3,700	-
Benefits	2,640	-
Transportation	500	-
	69,549	1,876
Excess of revenue over expenses	\$ -	\$ -

