

FINANCIAL STATEMENTS
For
BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX
For the year ended
DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

CITY OF TORONTO AND THE BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

Qualified Opinion

We have audited the financial statements of Board of Management for Applegrove Community Complex (the Complex), which comprise the statement of financial position as at December 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Complex as at December 31, 2018 and results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Complex derives revenue from donations and fundraising revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Complex and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, net revenue over expenses and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31, 2017 and 2018. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Complex in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 public sector accounting standards for government 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 the Complex'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 the Complex or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Complex's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Complex's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre 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.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 29, 2019.

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 162,038	\$ 200,516
Short-term investments (note 5)	51,764	83,970
Due from City of Toronto	22,601	11,766
Due from City of Toronto - vacation payable	15,744	25,191
Due from City of Toronto - sick pay gratuity	31,694	-
Accounts receivable	32,667	20,816
Prepaid expenses	<u>12,583</u>	<u>17,307</u>
	329,091	359,566
LONG-TERM RECEIVABLE FROM CITY OF TORONTO (note 7)	245,791	245,313
INVESTMENTS (note 5)	<u>85,428</u>	<u>50,874</u>
	<u>\$ 660,310</u>	<u>\$ 655,753</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 74,887	\$ 74,392
Deferred contributions (note 6)	51,003	75,336
City of Toronto working capital advance payable	<u>10,871</u>	<u>10,871</u>
	136,761	160,599
POST-EMPLOYMENT BENEFITS PAYABLE (note 7)	<u>245,791</u>	<u>245,313</u>
	<u>382,552</u>	<u>405,912</u>
NET ASSETS		
Restricted program funds	247,209	221,859
Unrestricted	<u>30,549</u>	<u>27,982</u>
	<u>277,758</u>	<u>249,841</u>
	<u>\$ 660,310</u>	<u>\$ 655,753</u>

Approved by the Board:


..... Chair


..... Treasurer

(See accompanying notes)

BOARD OF MANAGEMENT FOR APPLEROVE COMMUNITY COMPLEX

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2018

	<u>Restricted program fund</u>	<u>Unrestricted</u>	<u>Total 2018</u>	<u>Total 2017</u>
Net assets, beginning of year	\$ 221,859	\$ 27,982	\$ 249,841	\$ 204,375
Net revenue over expenses (expenses over revenue)	55,778	(27,861)	27,917	45,466
Transfer between funds	<u>(30,428)</u>	<u>30,428</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 247,209</u>	<u>\$ 30,549</u>	<u>\$ 277,758</u>	<u>\$ 249,841</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR APPLEROVE COMMUNITY COMPLEX

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2018

	<u>Program</u> (Schedule A)	<u>Administration</u> (note 8)	<u>2018</u>	<u>2017</u>
Revenue				
Grants				
City of Toronto	\$ 186,460	\$ 425,507	\$ 611,967	\$ 535,434
Government of Canada	63,104	-	63,104	45,894
Province of Ontario	32,437	-	32,437	51,606
Other grants	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>43,428</u>
	292,001	425,507	717,508	676,362
Program and membership fees	386,127	-	386,127	343,018
Donations and fundraising	15,696	-	15,696	17,118
Interest revenue	<u>4,361</u>	<u>44</u>	<u>4,405</u>	<u>2,184</u>
	<u>698,185</u>	<u>425,551</u>	<u>1,123,736</u>	<u>1,038,682</u>
Expenses				
Salaries and wages	463,827	305,957	769,784	703,441
Employee benefits	79,701	86,584	166,285	142,610
Materials and supplies	79,478	6,206	85,684	65,971
Purchase of services	<u>47,262</u>	<u>26,804</u>	<u>74,066</u>	<u>81,194</u>
	<u>670,268</u>	<u>425,551</u>	<u>1,095,819</u>	<u>993,216</u>
Net revenue over expenses	<u>\$ 27,917</u>	<u>\$ -</u>	<u>\$ 27,917</u>	<u>\$ 45,466</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net revenue over expenses	\$ 27,917	\$ 45,466
Increase (decrease) resulting from changes in:		
Due from City of Toronto	(10,835)	(6,312)
Due from City of Toronto - vacation payable	9,447	278
Due from City of Toronto - sick pay gratuity payable	(31,694)	-
Accounts receivable	(11,851)	7,603
Prepaid expenses	4,724	(12,988)
Long-term receivable from City of Toronto	(478)	5,853
Accounts payable and accrued liabilities	495	(23,746)
Deferred contributions	(24,333)	31,230
Post-employment benefits payable	<u>478</u>	<u>(5,853)</u>
	<u>(36,130)</u>	<u>41,531</u>
 CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of investments	83,080	84,254
Purchase of investments	<u>(85,428)</u>	<u>(84,844)</u>
	<u>(2,348)</u>	<u>(590)</u>
 INCREASE (DECREASE) IN CASH	 (38,478)	 40,941
 CASH AT BEGINNING OF YEAR	 <u>200,516</u>	 <u>159,575</u>
 CASH AT END OF YEAR	 <u>\$ 162,038</u>	 <u>\$ 200,516</u>

(See accompanying notes)

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

1. NATURE OF OPERATIONS

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

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

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

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

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

Board of Management

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

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

2. FINANCIAL STATEMENTS

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

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profit organizations ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB).

Fund accounting

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

(a) Applegrove Drop-in

The fund includes revenues and expenses for the Applegrove Parent/Child Drop-in including trips, special needs, fundraising and charitable donations designated to this program.

(b) Applegrove Connection

The fund includes revenues and expenses for the Applegrove Connection family resource program including special needs, fundraising and charitable donations designated to this program.

(c) After-School Program

The fund includes revenues and expenses for the school year program for children ages 6 to 12 including March Break and Professional Activity (P.A.) day programming, trips, fundraising and charitable donations designated to this program.

(d) Teen Program

The fund includes revenues and expenses for the school year program for youth ages 13 to 18 including charitable donations designated to this program.

(e) Perinatal Program

The fund includes revenues and expenses for the Helping Our Babies Grow program including charitable donations designated to this program.

(f) Therapeutic Play

The fund includes revenues and expenses for the Over the Rainbow therapeutic play program including charitable donations designated to this program.

(g) Summer Camp and Leadership

The fund consolidates revenues and expenses for the Applegrove Summer Adventure Day Camp and the Applegrove Leadership Adventure including fundraising and charitable donations designated to this program.

(h) Seniors Program

The fund includes revenues and expenses for the Older Adults program including trips, OACAO funding, EPC funding and charitable donations designated to this program.

(i) Other

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

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Revenue recognition

The Complex follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized and are recorded as deferred contributions in the statement of financial position.

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

Monetary donations are recorded as received.

Financial instruments

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

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

Financial assets measured at amortized cost include cash, short-term investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and City of Toronto working capital advance payable.

Employee related costs

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

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

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

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

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

Contributed materials and services

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

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Use of estimates

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

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

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Complex's financial instruments.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Complex will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities.

The Complex manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Complex believes its overall liquidity risk to be minimal as the Complex's financial assets are considered to be highly liquid.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Complex's cash and short-term investments earn interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible.

Credit risk

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

Management believes that the Complex's credit risk with respect to accounts receivable and amounts due from City of Toronto is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Changes in risk

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

5. INVESTMENTS

Short-term investment consists of a term deposit with interest rate of 1.75% maturing in June 2019. The Corporation also holds investments consisting of two term deposits with an interest rate of 2.35%, maturing in November 2020.

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

6. DEFERRED CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 75,336	\$ 44,106
Add: Grants received	693,175	707,592
Less: Amounts recognized as grant revenue	<u>(717,508)</u>	<u>(676,362)</u>
Balance, end of year	<u>\$ 51,003</u>	<u>\$ 75,336</u>

7. POST-EMPLOYMENT BENEFITS PAYABLE AND LONG-TERM RECEIVABLE FROM CITY OF TORONTO

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

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

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2018 with projections to December 31, 2019, 2020 and 2021. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 5.5%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 3.4%, post-employment 3.1%, sick leave 3.2%

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

	<u>2018</u>	<u>2017</u>
Sick leave benefits	\$ -	\$ 34,508
Post-retirement benefits	<u>126,905</u>	<u>133,923</u>
	126,905	168,431
Add: Unamortized actuarial gain	<u>118,886</u>	<u>76,882</u>
Post-employment benefit liability	<u>\$ 245,791</u>	<u>\$ 245,313</u>

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

7. **POST-EMPLOYMENT BENEFITS PAYABLE AND LONG-TERM RECEIVABLE FROM CITY OF TORONTO** - Cont'd.

The continuity of the accrued benefit obligation is as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 245,313	\$ 251,166
Current service cost	4,894	4,003
Interest cost	5,448	4,878
Plan amount	1,005	(975)
Amortization of actuarial gain	(8,891)	(11,759)
Expected benefits paid	<u>(1,978)</u>	<u>(2,000)</u>
Balance, end of year	<u>\$ 245,791</u>	<u>\$ 245,313</u>

A long-term receivable of \$245,791 (2017 - \$245,313) from the City has resulted from recording sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City is responsible for the benefit liabilities of management staff that may be incurred by the Complex.

The Complex also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of certain employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$50,786 in 2018 (2017 - \$38,688).

The most recent actuarial valuation of the OMERS plan as at December 31, 2018 indicates the Plan is in a surplus position and the plan's December 31, 2018 financial statements indicate a net deficit of \$2.79 billion (a deficit of \$4.19 billion netted against unrecognized investment returns of \$1.40 billion that will be recognized over the next four years). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future benefits. The Complex's contributions are insignificant to the Plan's total employer contribution. Additional contributions, if any, required to address the Complex's proportionate share of the deficit will be expensed during the period incurred.

BOARD OF MANAGEMENT FOR APPLEROVE COMMUNITY COMPLEX

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2018

8. FUNDS PROVIDED BY THE CITY OF TORONTO - ADMINISTRATION

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

	2018 <u>Budget</u> (unaudited)	<u>2018</u>	<u>2017</u>
Administration expenses:			
Salaries and wages	\$ 279,564	\$ 305,957	\$ 274,468
Employee benefits	77,124	86,584	66,972
Materials and supplies	7,556	6,206	8,558
Purchase of services	<u>24,124</u>	<u>26,804</u>	<u>31,347</u>
	<u>\$ 388,368</u>	<u>\$ 425,551</u>	<u>\$ 381,345</u>
 Complex's actual administration revenue:			
Administration budget		\$ 388,368	\$ 382,186
Interest revenue		<u>44</u>	<u>80</u>
		<u>\$ 388,412</u>	<u>\$ 382,266</u>
 Complex's actual administration expenses:			
Administration expenses per statement of operations		\$ 425,551	\$ 381,345
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long-term receivable from City of Toronto		(478)	5,853
Sick pay gratuity benefits, paid for by the Complex, that is receivable and included in due from City of Toronto		(31,694)	
Vacation pay liability, not funded by the City until paid, that are included in due from City of Toronto - vacation payable		<u>9,447</u>	<u>279</u>
Actual administration expenses		<u>\$ 402,826</u>	<u>\$ 387,477</u>
 Administration expenses over initial approved budget		<u>\$ (14,414)</u>	<u>\$ (5,211)</u>

The over expenditure of \$14,414 (2017 - \$5,211) is recorded in due from City of Toronto, of which \$12,438 relates to one-time over-expenditure requests approved in December 2018.

9. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

BOARD OF MANAGEMENT FOR APPLGROVE COMMUNITY COMPLEX
MAJOR PROGRAM ACTIVITIES AND FUNDRAISING
YEAR ENDED DECEMBER 31, 2018

	Internally restricted funds							General		Total
	Applegrove Drop-in	Applegrove Connection	After School Program	Teen Program	Perinatal Program	Therapeutic Play	Summer Camp and Leadership Program	Seniors Program	Other	
Program revenue										
Grants										
City of Toronto	\$ 141,356	\$ 27,804	\$ -	\$ -	\$ -	\$ -	\$ 17,300	\$ -	\$ -	\$ 186,460
Government of Canada	-	-	-	-	32,730	-	30,374	-	-	63,104
Province of Ontario	-	-	-	-	-	-	-	32,437	-	32,437
Other grants	450	300	650	200	200	-	6,000	2,200	-	10,000
	<u>141,806</u>	<u>28,104</u>	<u>650</u>	<u>200</u>	<u>32,930</u>	<u>-</u>	<u>53,674</u>	<u>34,637</u>	<u>-</u>	<u>292,001</u>
Membership/user fees/other	-	-	325,704	-	-	-	55,135	3,263	6,386	390,488
Donations and fundraising	2,252	182	391	-	-	-	532	1,746	10,593	15,696
	<u>144,058</u>	<u>28,286</u>	<u>326,745</u>	<u>200</u>	<u>32,930</u>	<u>-</u>	<u>109,341</u>	<u>39,646</u>	<u>16,979</u>	<u>698,185</u>
Program expenditures										
Salaries and wages	100,914	17,757	180,917	5,887	6,855	20,207	78,522	25,478	27,290	463,827
Employee benefits	28,278	7,133	23,857	927	970	2,529	8,163	3,868	3,976	79,701
Materials and supplies	14,151	1,304	13,510	276	23,650	992	14,464	8,940	2,191	79,478
Purchase of services	734	5,398	24,423	-	788	338	2,161	2,037	11,383	47,262
	<u>144,077</u>	<u>31,592</u>	<u>242,707</u>	<u>7,090</u>	<u>32,263</u>	<u>24,066</u>	<u>103,310</u>	<u>40,323</u>	<u>44,840</u>	<u>670,268</u>
Net revenue over expenses (expenses over revenue)	(19)	(3,306)	84,038	(6,890)	667	(24,066)	6,033	(677)	(27,861)	27,917
Net assets, beginning of year	-	-	125,667	-	2,751	44,565	31,624	17,252	27,982	249,841
Transfers (Board approved)	19	3,306	(40,643)	6,890	-	-	-	-	30,428	-
Net assets, end of year	\$ -	\$ -	\$ 169,062	\$ -	\$ 3,418	\$ 20,499	\$ 37,657	\$ 16,575	\$ 30,549	\$ 277,758

The transfer from the After School Program to cover the deficit of the Applegrove Drop-in, Applegrove Connection, Teen Program and the General fund was based on the Minutes of the Board for January 28, 2019.