

Financial statements

Board of Management for the
519 Church Street Community Centre

December 31, 2025

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Management’s Responsibility for the Financial Statements

The financial statements of the Board of Management for The 519 Church Street Community Centre ("The 519") are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The 519's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews The 519's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on The 519's financial statements.

Signed by:




Chairperson

Treasurer

Independent auditor's report

Doane Grant Thornton LLP11th Floor
200 King Street West
Toronto, ON
M5H 3T4T +1 416 777 6096
F +1 416 360 4949

To the City Council of the Corporation of the
City of Toronto and
The Board of Management for The 519 Church Street Community Centre

Qualified Opinion

We have audited the accompanying financial statements of The Board of Management for The 519 Church Street Community Centre ("The 519"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The 519 as at December 31, 2025 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 519 derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of The 519 and we were not able to determine whether any adjustments might be necessary to donations revenue, fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both 2025 and 2024 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects on this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The 519 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.

Other matter – Supplemental Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in notes 15 and 16 of the financial statements is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

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 519'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 519 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The 519'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 519'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 519'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 519 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Toronto, Canada
June 9, 2026

Chartered Professional Accountants
Licensed Public Accountants

Board of Management for the 519 Church Street Community Centre Statement of Financial Position

December 31

2025

2024

Assets**Current**

Cash and cash equivalents	\$ 2,357,974	\$ 3,011,082
Short-term investments (Note 3)	51,050	50,000
Due from City of Toronto (Note 9)	280,869	357,410
Accounts receivable	439,686	268,155
Inventories	13,314	1,352
Prepaid expenses	91,708	88,439
	<u>3,234,601</u>	<u>3,776,438</u>

Due from City of Toronto (Note 8)	397,698	428,716
Tangible capital assets (Note 4)	<u>290,888</u>	<u>250,634</u>

\$ 3,923,187 **\$ 4,455,788**

Liabilities**Current**

Accounts payable and accrued liabilities	625,754	715,860
Deferred contributions (Note 6)	<u>424,970</u>	<u>1,030,704</u>
	<u>1,050,724</u>	<u>1,746,564</u>

Deferred capital contributions (Note 7)	189,076	152,789
Post-employment benefits payable (Note 8)	<u>397,698</u>	<u>428,716</u>
	<u>1,637,498</u>	<u>2,328,069</u>

Net assets

Invested in tangible capital assets, internally restricted (Note 10)	101,812	97,845
Program reserve, internally restricted (Note 11)	582,959	582,959
50 th Anniversary – Legacy Fund, internally restricted (Note 11)	378,745	175,345
Capital reserve, internally restricted (Note 11)	114,440	114,440
Fund balances, externally restricted (Schedule A and Note 12)	82,738	98,588
Intermediary balances, externally restricted (Schedule B and Note 13)	5,128	34,708
Unrestricted	<u>1,019,867</u>	<u>1,023,834</u>
	<u>2,285,689</u>	<u>2,127,719</u>

\$ 3,923,187 **\$ 4,455,788**

Signed by:
Approved by the Board:

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Chairperson

Signed by:

Vanshika Dhawan

Treasurer

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See accompanying notes to the financial statements.

Board of Management for The 519 Church Street Community Centre

Statement of Changes in Net Assets

December 31, 2025

	Internally Restricted				Externally Restricted				
	Invested in Tangible Capital Assets	Program Revenue (Note 11)	50 th Anniversary – Legacy Fund (Note 11)	Capital Reserve (Note 11)	Fund Balances (Note 12)	Intermediary Balances (Note 13)	Unrestricted	Total 2025	Total 2024
Net assets, beginning of year	\$ 97,845	\$ 582,959	\$ 175,345	\$ 114,440	\$ 98,588	\$ 34,708	\$ 1,023,834	\$ 2,127,719	\$ 2,095,813
Excess of revenue over expenses	-	-	-	-	-	-	203,400	203,400	26,177
Excess (deficiency) of revenue over expenses – fund and intermediary balances	-	-	-	-	(15,850)	(29,580)	-	(45,430)	5,729
Transfer between funds	15,760	-	203,400	-	-	-	(219,160)	-	-
Amortization of tangible capital assets (net)	(11,793)	-	-	-	-	-	11,793	-	-
Net assets, end of year	\$ 101,812	\$ 582,959	\$ 378,745	\$ 114,440	\$ 82,738	\$ 5,128	\$1,019,867	\$ 2,285,689	\$ 2,127,719

See accompanying notes to the financial statements.

Board of Management for the 519 Church Street Community Centre Statement of Operations

December 31, 2025

	<u>Program</u>	<u>Administration</u>	<u>2025</u>	<u>2024</u>
Revenue				
Grants				
City of Toronto	\$ 1,761,135	\$ 2,630,374	\$ 4,391,509	\$ 3,844,666
Government of Canada	1,314,982	-	1,314,982	990,867
Others	873,322	-	873,322	615,550
United Way	408,862	-	408,862	532,472
Province of Ontario	<u>98,360</u>	<u>-</u>	<u>98,360</u>	<u>479,088</u>
	4,456,661	2,630,374	7,087,035	6,462,643
Fundraising	2,419,887	-	2,419,887	2,469,814
Donations	1,718,380	-	1,718,380	1,920,808
Workshops, education and training	271,388	-	271,388	261,423
Cafe	172,124	-	172,124	71,891
Interest	153,062	-	153,062	120,613
Rental fees	56,253	-	56,253	43,790
Amortization of deferred capital contributions	9,452	4,261	13,713	13,313
Other revenue	<u>71,997</u>	<u>-</u>	<u>71,997</u>	<u>85,745</u>
	<u>9,329,204</u>	<u>2,634,635</u>	<u>11,963,839</u>	<u>11,450,040</u>
Expenses				
Salaries and wages	4,653,592	1,249,044	5,902,636	5,238,738
Employee benefits	1,206,594	339,484	1,546,078	1,385,546
Purchase of services	2,120,654	818,319	2,938,973	3,253,316
Materials, supplies and services	1,123,719	223,527	1,347,246	1,520,569
Amortization of tangible capital assets	<u>21,245</u>	<u>4,261</u>	<u>25,506</u>	<u>25,695</u>
	<u>9,125,804</u>	<u>2,634,635</u>	<u>11,760,439</u>	<u>11,423,863</u>
Excess of revenue over expenses	<u>\$ 203,400</u>	<u>\$ -</u>	<u>\$ 203,400</u>	<u>\$ 26,177</u>

See accompanying notes to the financial statements.

Board of Management for the 519 Church Street Community Centre Statement of Cash Flows

Year ended December 31

2025

2024

Cash flow from (used in) operating activities

Operating activities

Excess of revenue over expenses	\$ 203,400	\$ 26,177
(Deficiency) excess of revenue over expenses - fund and intermediary balances	<u>(45,430)</u>	<u>5,729</u>
	157,970	31,906
Adjustments for non-cash items:		
Post-employment benefits	31,018	(22,488)
Amortization of tangible capital assets	25,506	25,695
Amortization of deferred capital contributions	<u>(13,713)</u>	<u>(13,313)</u>
	200,781	21,800
Increase (decrease) resulting from changes in:		
Due from City of Toronto	126,541	(196,646)
Accounts receivable	(221,531)	97,502
Inventories	(11,962)	4,022
Prepaid expenses	(3,269)	(41,919)
Accounts payable and accrued liabilities	(90,106)	(113,205)
Deferred contributions	(605,734)	(587,645)
Post-employment benefits payable	<u>(31,018)</u>	<u>22,488</u>
	<u>(636,298)</u>	<u>(793,603)</u>

Capital activities

Acquisition of tangible capital assets – program	(65,760)	(92,769)
Capital contributions received	<u>50,000</u>	<u>92,769</u>
	<u>(15,760)</u>	<u>-</u>

Investing activities

Purchase (redemption) of short-term investments	<u>(1,050)</u>	<u>25,000</u>
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Decrease in cash and cash equivalents (653,108) (768,603)

Cash and cash equivalents, beginning of year 3,011,082 3,779,685

Cash and cash equivalents, end of year \$ 2,357,974 \$ 3,011,082

See accompanying notes to the financial statements.

Board of Management for the 519 Church Street Community Centre

Notes to the financial statements

December 31, 2025

1. Nature of operations

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 part of the premises at No. 519 Church Street as a community recreation centre under the authority of the Municipal Act, known as 519 Church Street Community Centre ("The 519"). The 519 is a not-for-profit organization and, as such, is exempt from income tax.

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.

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profits ("PSAS-GNFPO"), including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Revenue recognition

The 519 follows the restricted fund 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 included as revenue under the specified fund in the year received. Restricted contributions not expended for which there is not a specified fund are deferred and recognized as revenue in the unrestricted fund in the year in which the related expenses are recognized. Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the statement of financial position

Workshop fees, space rental, catering and similar revenues are recognized when invoiced, as the services are provided.

Interest and other income are recognized when earned.

Board of Management for the 519 Church Street Community Centre

Notes to the financial statements

December 31, 2025

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit with financial institutions and savings funds with original maturities of less than three months at the date of acquisition.

Financial instruments

The 519 initially measures its financial assets and financial liabilities at fair value.

The 519 subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

Contributed material and services

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

Tangible capital assets

Capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Building fixtures	5 years, straight line basis
Furniture and equipment	3 to 5 years, straight line basis
Capital improvements	20 years, straight line basis

The carrying amount of an item in tangible capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

Employee related costs

The 519 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 519's employees. Due to the nature of the Plan, The 519 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.

Board of Management for the 519 Church Street Community Centre

Notes to the financial statements

December 31, 2025

2. Significant accounting policies (continued)

- b) The 519 also offers its 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 519 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.

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the useful life of its capital assets, significant accrued liabilities, the post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

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

3. Investments

Investments consist of guaranteed investment certificates (GICs) with interest rates of prime less 2.70% (2024 – prime less 2.95%) maturing 7 December 2026 (2024 – 8 December 2025).

Board of Management for the 519 Church Street Community Centre

Notes to the financial statements

December 31, 2025

4. Tangible capital assets

Tangible assets consist of the following:

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Administrative				
Building fixtures	\$ 47,577	\$ 17,795	\$ 29,782	\$ 7,769
Program				
Furniture and equipment	80,718	77,645	3,073	9,219
Capital improvements	<u>341,443</u>	<u>83,410</u>	<u>258,033</u>	<u>233,646</u>
	<u>\$ 469,738</u>	<u>\$ 178,850</u>	<u>\$ 290,888</u>	<u>\$ 250,634</u>

5. Credit facilities

The 519 has an operating demand loan with an authorized limit of \$350,000, of which \$Nil (2024 - \$Nil) was utilized at year-end. The demand loan bears interest at bank prime plus 2% and is secured by The 519's cash and cash equivalents and short-term investments.

6. Deferred contributions

Deferred contributions consist of the following:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,030,704	\$ 1,618,349
Add: contributions received	506,353	970,397
Less: recognized as revenue	<u>(1,112,087)</u>	<u>(1,558,042)</u>
Balance, end of year	<u>\$ 474,970</u>	<u>\$ 1,030,704</u>

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

7. Deferred capital contributions

Deferred capital contributions consist of the following:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 152,789	\$ 73,333
Add: capital contributions received	50,000	92,769
Less: amortization of deferred capital contributions	<u>(13,713)</u>	<u>(13,313)</u>
Balance, end of year	<u>\$ 189,076</u>	<u>\$ 152,789</u>

8. Post-employment benefits payable and long-term amount receivable

The 519 participates in a number of defined benefits 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 upon leaving The 519's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the employee upon termination, retirement or death. This sick bank plan was replaced by a Short-Term Disability Plan (STD) effective March 1, 2008, for all non-union employees of the City of Toronto. Upon the effective date, the 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 STD 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 519 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, 2024 with projections to December 31, 2027. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 4.4%, post-employment 4.0%, sick leave 4.1%

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

8. Post-employment benefits payable and long term amount receivable (continued)

Information about The 519's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2025</u>	<u>2024</u>
Post-retirement benefits	\$ 212,468	\$ 184,727
Post-employment income benefits	189,141	242,931
Continuation of benefits to disabled employees	<u>74,310</u>	<u>83,777</u>
	475,919	511,435
Add: unamortized actuarial gain	<u>(78,221)</u>	<u>(82,719)</u>
Post employment benefit liability	<u>\$ 397,698</u>	<u>\$ 428,716</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 428,716	\$ 406,228
Current service cost	27,473	30,408
Interest cost	20,197	13,392
Amortization of actuarial gain	(8,352)	(21,012)
Benefits paid	<u>(70,336)</u>	<u>(300)</u>
Balance, end of year	<u>\$ 397,698</u>	<u>\$ 428,716</u>

A long-term receivable from the City of \$397,698 (2024 - \$428,716) has resulted from recording sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administration staff that may be incurred by The 519.

The 519 also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its eligible employees. The OMERS plan (the "Plan") is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$512,362 in 2025 (2024 - \$446,770).

The most recent actuarial valuation of the Plan as at December 31, 2025 indicated that the Plan is in a deficit position and the Plan's December 31, 2025 financial statements indicate a net deficit of \$6,127 million (a deficit of \$1,322 million plus adjustment of \$4,805 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, The 519's contributions accounted for an insignificant portion of the Plan's total employer contribution. Additional contributions, if any, required to address The 519's proportionate share of the deficit will be expensed during the period incurred.

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

9. Funds provided by City of Toronto

Funding for administration expenses 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 519 unless Council approval has been obtained for additional funding.

	Budget 2025	2025	2024
Administration expenses			
Salaries and wages	\$ 1,232,696	\$ 1,249,044	\$ 1,245,282
Employee benefits	333,336	339,484	279,622
Purchase of services	766,774	818,319	711,133
Materials, supplies and services	223,526	223,527	267,249
Amortization of tangible capital assets	-	4,261	4,261
	<u>\$ 2,556,332</u>	<u>\$ 2,634,635</u>	<u>\$ 2,507,547</u>
The 519's actual administration revenue:			
Administration budget		\$ 2,556,332	\$ 2,280,388
Council amendment		24,601	-
MM28.35 - Authorization to Release Section 37 Funds		51,544	-
		<u>2,632,477</u>	<u>2,280,388</u>
The 519's actual administration expenses:			
Administration expenses per statement of operations		\$ 2,634,635	\$ 2,507,547
Adjustments for:			
Post-employment benefits, not funded by the City until paid, that are included in long-term amount due from City of Toronto		31,018	(22,488)
Amortization of tangible capital assets		<u>(4,261)</u>	<u>(4,261)</u>
Actual administration expenses		<u>\$ 2,661,392</u>	<u>\$ 2,480,798</u>
Administration expenses over initial approved budget		<u>\$ (28,915)</u>	<u>\$ (200,410)</u>

The over expenditure of \$80,459 (2024 - \$200,410) is recorded in due from City of Toronto.

The Due from City of Toronto balance is comprised of:

	2025	2024
2023 deficit receivable	\$ -	\$ 157,000
2024 deficit receivable	200,410	200,410
2025 deficit receivable	28,915	-
2025 MM28.35 Section 37 funds receivable	51,544	-
	<u>\$ 280,869</u>	<u>\$ 357,410</u>

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

10. Invested in tangible capital assets

Investment in tangible capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Tangible capital assets	\$ 290,888	\$ 250,634
Amounts financed by deferred capital contributions	<u>(189,076)</u>	<u>(152,789)</u>
	<u>\$ 101,812</u>	<u>\$ 97,845</u>

Change in net assets invested in tangible capital assets is calculated as follows:

	<u>2025</u>	<u>2024</u>
Excess of revenue over expenses		
Amortization of deferred capital contributions	\$ 13,713	\$ 13,313
Amortization of tangible capital assets	<u>(25,506)</u>	<u>(25,695)</u>
	<u>\$ (11,793)</u>	<u>\$ 12,382</u>

11. Reserves, internally restricted

Program reserve

The 519's Program Reserve Policy was established by the Board to ensure the stability of The 519's mission, programs and ongoing operations and to provide a source of internal funds for planned and emerging organizational priorities such as programming, capacity building, special projects, human resource liabilities, and emergency needs. The funds set aside exclude grant funding and other defined contributions. As at December 31, 2025, The 519 had \$582,959 (2024 - \$582,959) set aside in the Program Reserve.

Capital reserve

The 519's Capital Reserve was established by the Board to ensure access to funds required to pay for capital expenses below the \$50,000 to meet its obligations under the Relationship Framework. As at December 31, 2025, The 519 had \$114,440 (2024 - \$114,440) set aside in the Capital Reserve.

50th Anniversary – Legacy Fund

In celebration of The 519's 50th anniversary, the Board approved the creation of the 50th Anniversary – Legacy Fund to support long-term strategic initiatives that honour the organization's history and advance its future impact. The fund is intended to provide financial support for legacy projects, community engagement initiatives, and other strategic priorities that reflect The 519's commitment to equity, inclusion, and innovation. The Board approved a transfer of \$187,640 to this fund from the unrestricted fund. As at December 31, 2025, The 519 had \$362,985 (2024 - \$175,345) set aside in the Legacy Fund.

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

12. Fund balances, externally restricted

Fund balances can be summarized as follows:

	<u>2025</u>	<u>2024</u>
AIDS Vigil (a)	\$ (23,743)	\$ (5,251)
AIDS Memorial (b)	57,549	58,016
Kyle Scanlon Memorial (c)	15,523	23,074
Will Munro (d)	33,409	15,679
Sunday Drop-in Community Fund (e)	<u>-</u>	<u>7,070</u>
	<u>\$ 82,738</u>	<u>\$ 98,588</u>

Schedule A to these financial statements reflects the revenue, expenses and surplus of the above noted Fund balances.

(a) AIDS Vigil

This fund was established in 1998 to fund expenditures related to the AIDS Candlelight Vigil. This event is held annually in June to remember those who have died from AIDS.

(b) AIDS Memorial

Since 1990, the Board has accepted donations for the establishment of an AIDS Memorial. This is a joint project between the City, The 519, various funding agencies including other charitable foundations and individual and corporate donors. The AIDS Memorial Fund was established to fund expenditures related to the AIDS Memorial, which is located in Cawthra Park.

(c) Kyle Scanlon Memorial

Created in 2012 as a legacy in memory of Kyle Scanlon, a much-loved trans activist and staffer of The 519. The Kyle Scanlon Memorial Fund is intended to support projects and initiatives important to members of trans communities locally and provincially. In 2018, after community, family and staff consultation, the Board approved the terms of reference for the use of the funds which began in 2019.

(d) Will Munro

Established in 2010 by the friends and family of Will Munro, the Will Munro Fund for Queer and Trans People Living with Cancer will serve as a dedicated emergency relief fund offering financial assistance to LGBTQ people of all ages who are currently living with cancer in Ontario.

(e) Sunday Drop-in Community Fund

Established as a restricted-use fund in 2017, based on a gift from a donor, to provide emergency support and an annual commemorative event and celebration of The 519's Sunday Drop-in (SDI) program participants for a five-year duration.

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

13. Intermediary balances, externally restricted

Intermediary balances can be summarized as follows:

	<u>2025</u>	<u>2024</u>
ORAD (a)	\$ -	\$ 6,445
Senior Pride Network (b)	5,128	8,634
Black Femme Legal (c)	<u>-</u>	<u>19,629</u>
	<u>\$ 5,128</u>	<u>\$ 34,708</u>

Schedule B to these financial statements reflects the revenue expenses and surplus of the above noted Intermediary balances.

(a) ORAD

ORAD is a social and support group for Deaf Gay Men, Lesbians, Bisexuals and Trans People. Their project, Austin Unbound, brought the film regarding a Deaf man's choice to get a double mastectomy. The film was followed by a discussion with the filmmaker, Eliza Greenwood about issues faced by Austin. This provided an outreach opportunity to Deaf Transsexual and Transgender people, and an educational event for the membership of ORAD. The 519 acts as intermediary for this fund.

(b) Senior Pride Network

The Senior Pride Network is an association committed to promoting the delivery of appropriate positive community and health services for older Gay, Lesbian, Bisexual, Transgender, Transsexual, Intersexed and 2 Spirited people in Toronto. The 519 acts as intermediary for this fund.

(c) Black Femme Legal

Black Femme Legal is a Black femme led organization offering legal education, information and advice services in support of Black queer and trans women, femmes and gender expansive folk across the 2SLGBTQI+ community in Ontario. The 519 acted as an intermediary for Black Femme Legal's Law Foundation of Ontario grant funding in the 2023 fiscal year.

14. Financial instruments

The 519 is exposed to and manages various financial risks resulting from operations. Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The 519's main financial risk exposures and its financial risk management policies are as follows:

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

14. Financial instruments (continued)

Credit risk

The 519 is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The 519's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents, short-term investments, due from City of Toronto and accounts receivable. The 519's cash and cash equivalents and short-term investments are deposited with a Canadian Chartered bank and, as a result, management believes the risk of loss on these items to be remote. Management believes that The 519's credit risk with respect to accounts receivable and amount due from City of Toronto is minimal. The 519 manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Liquidity risk

Liquidity risk is the risk that The 519 cannot meet a demand for cash or fund its obligations as they become due. The 519's financial liabilities are comprised of accounts payable and accrued liabilities. The 519 manages its liquidity risk by monitoring its cash flow requirements on a regular basis. The 519 believes its overall liquidity risk to be minimal as The 519's financial assets are considered to be highly liquid.

The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 581,323	\$ -	\$ -	\$ -	\$ 581,323

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i. Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The 519's financial instruments are all denominated in Canadian dollars and The 519 transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

14. Financial instruments (continued)

Market risk (continued)

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The 519's cash and cash equivalents and short-term investments earn interest at prevailing market rates. As a result the interest rate exposure related to these financial instruments is a result of interest rate movements.

iii. Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The 519 is not exposed to significant other price risk.

Changes in risk

There have been no significant changes in The 519's risk exposures from the prior year.

15. EarlyON Program funding and operations

	<u>2025</u>	<u>2024</u>
Received from City of Toronto in fiscal year	\$ 298,427	\$ 298,427
Used in this fiscal year according to guidelines	<u>(298,427)</u>	<u>(298,427)</u>
Unused balance	<u>\$ -</u>	<u>-</u>
Summary of operations:		
Revenue		
City of Toronto	\$ 298,427	\$ 298,427
Expenses		
Salaries and wages	190,238	190,238
Employee benefits	48,051	48,375
Program related	10,000	10,000
Food	10,000	10,000
Office related	10,000	10,000
Administration	29,638	29,314
Professional development	500	500
	<u>298,427</u>	<u>298,427</u>
Excess (deficiency) of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

Board of Management for the 519 Church Street Community Centre Notes to the financial statements

December 31, 2025

16. Ministry of Justice funding and operations

	<u>2025</u>	<u>2024</u>
Revenue		
Ministry of Justice	\$ 266,625	\$ 189,565
Expenses		
Salaries, wages and benefits	303,481	284,150
Evaluation	78,249	72,560
Program delivery	35,462	93,216
Administration	17,800	17,800
Professional fees	15,985	13,657
Honorariums	18,986	10,725
	<u>425,663</u>	<u>313,741</u>
Deficiency of revenue over expenses	\$ (159,038)	\$ (124,176)

17. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Board of Management for the 519 Church Street Community Centre Schedule of Operations and Changes in Fund Balances

Year ended December 31, 2025

	AIDS Vigil		AIDS Memorial		Kyle Scanlon Memorial		Will Munro		Sunday Drop-In Community Fund		Total Fund Balances	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue												
Donation, grants and fundraising	\$4,128	\$7,950	\$3,160	\$1,094	\$700	\$6,074	\$24,331	\$3,848	\$ -	\$ -	\$32,318	\$18,965
Expenses												
Professional services	1,730	509	3,628	2,437	-	-	-	-	7,070	-	12,427	2,946
Material, supplies and services	20,891	11,802	-	-	8,250	8,102	6,600	6,565	-	973	35,741	27,442
	22,621	12,311	3,628	2,437	8,250	8,102	6,600	6,565	7,070	973	48,168	30,388
Excess (deficiency) of revenue over expenses	(18,493)	(4,361)	(468)	(1,343)	(7,550)	(2,029)	17,731	(2,718)	(7,070)	(973)	(15,850)	(11,423)
Balance, beginning of year	(5,251)	(890)	58,017	59,360	23,073	25,102	15,679	18,396	7,070	8,043	98,588	110,011
Balance end of year	(\$23,743)	(\$5,251)	\$57,549	\$58,017	\$15,523	\$23,073	\$33,409	\$15,679	\$1	\$7,070	\$82,739	\$98,588

Board of Management for the 519 Church Street Community Centre Schedule of Operations and Changes in Intermediary Balances

Year ended December 31, 2025

	ORAD		Senior Pride Network		Alliance for Equity of Blind Canadians		Black Femme Legal		Total Intermediary Fund Balances	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue										
Donation, grants and fundraising	\$ -	\$ -	\$ 5	\$ 360	\$ -	\$ -	\$ -	\$100,000	\$ 5	\$100,360
Expenses										
Professional services	-	-	422	-	-	-	19,155	71,346	26,022	71,346
Material, supplies and services	6,445	-	3,088	1,151	-	1,783	475	8,928	3,563	11,862
	-	-	3,510	1,151	-	1,783	19,630	80,273	29,585	83,208
Excess (deficiency) of revenue over expenses	(6,445)	-	(3,505)	(791)	-	1783	(19,630)	19,727	(29,580)	17,152
Balance, beginning of year	6,445	6,445	8,633	9,425	-	1,783	19,630	(97)	34,708	17,556
Balance end of year	\$ -	\$ 6,445	\$ 5,128	\$ 8,634	\$ -	\$ -	\$ -	\$(19,630)	\$ 5,128	\$ 34,708

Management and the Board of Management 519 Church Street
Community Centre
519 Church St.
Toronto, ON M4Y 2C9

Doane Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949
www.GrantThornton.ca

May 25, 2026

In connection with our audit of the financial statements of 519 Church Street Community Centre (the "Organization") as of December 31, 2025 and for the year then ended, we considered internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures. The purpose of our audit was to express an opinion on the financial statements, not to identify internal control matters. Therefore, we express no opinion on the effectiveness of internal control, and it would be inappropriate to conclude that no internal control matters, including significant control deficiencies, exist beyond those included in this communication.

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

Control deficiencies

Lack of segregation duties

In common with other organizations with a small accounting team, we noted an issue surrounding segregation of duties. The Finance Manager generates a report containing all journal entries he posted and sends this report to the Finance Director for approval. As the Finance Manager generates the report that gets sent to the Finance Director for approval, the Finance Manager can alter the report before sending it to the Finance Director. We recommend that the Finance Director or another person not involved in posting the entries be granted read-only access in the accounting system to generate the report themselves and review the entries by signing with the date of review. Adequate segregation of duties is required to ensure that the Organization's assets are properly safeguarded.

Management comments:

We acknowledge the observation regarding segregation of duties and agree it is a common challenge in organizations with small finance teams.

To clarify, all routine journal entries are prepared and posted by the Finance Coordinator and Finance Analyst and are reviewed and approved by the Finance Manager. Only year-end entries and adjustments are posted by the Finance Manager, and these are reviewed and approved by the Finance Director, who does not post or create any entries.

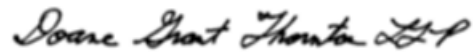
Conclusion

The matters reported in this communication are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate to management and, in the case of significant deficiencies, those charged with governance. Had we performed more extensive procedures on internal control, including procedures subsequent to May 25, 2026, we might have identified more deficiencies or reached different conclusions about the deficiencies included in this communication.

This communication is intended solely for the information and use of management, those charged with governance, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely,

Doane Grant Thornton LLP

A handwritten signature in black ink that reads "Doane Grant Thornton LLP".

David Fioretti, CPA, CA

Principal