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**TROPICANA COMMUNITY  
SERVICES ORGANIZATION  
FINANCIAL STATEMENTS  
MARCH 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
Tropicana Community Services Organization  
SCARBOROUGH  
Ontario

### *Opinion*

We have audited the accompanying financial statements of Tropicana Community Services Organization which comprise the balance sheet as at March 31, 2025 and the statement of revenue, expenses and changes in fund balances, and statement of 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 the entity as at March 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *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 the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 these 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 the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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.

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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 entity'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 entity'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 entity 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.



NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

June 12, 2025

# Tropicana Community Services Organization

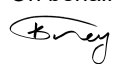
## Balance sheet

As at March 31,

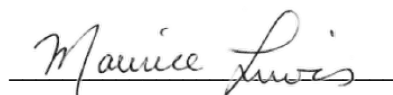
	Notes	2025 \$	2024 \$
<b>Assets</b>			
Current assets			
Cash - internally restricted		—	406,201
Cash - externally restricted		<b>4,070,479</b>	5,073,276
Term deposits - externally restricted		—	6,500,000
Accounts and other receivables		<b>185,715</b>	249,567
Deposits and prepaid expenses		<b>76,971</b>	85,510
Amount due from funders		—	470,015
Due to restricted funds from general fund - internal		<b>413,603</b>	—
Due to restricted funds from general fund - external		<b>762,475</b>	1,524,318
		<b>5,509,243</b>	14,308,887
Capital assets			
	2	<b>5,893,538</b>	5,823,255
		<b>11,402,781</b>	20,132,142
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		<b>1,177,039</b>	5,983,169
Current portion of long-term debt	3	<b>589,880</b>	49,260
Deferred contributions and revenue	5	<b>4,132,093</b>	7,852,649
Amount due to funders	4	<b>282,759</b>	—
Due from general fund to restricted funds - internal		<b>413,603</b>	—
Due from general fund to restricted funds - external		<b>762,475</b>	1,524,318
		<b>7,357,849</b>	15,409,396
Long-term debt			
	3	—	589,880
Deferred capital grants	6	<b>2,874,851</b>	3,006,425
		<b>2,874,851</b>	3,596,305
<b>Fund balances</b>			
General - unrestricted	7	<b>756,478</b>	159,370
Restricted		—	560,870
Capital building fund	8	<b>413,603</b>	406,201
		<b>1,170,081</b>	1,126,441
		<b>11,402,781</b>	20,132,142

Guarantees and Commitments (Note 11)

On behalf of the Board



President



Treasurer

The accompanying notes are an integral part of the financial statements

**Tropicana Community Services Organization**  
**Statement of revenue, expenses and changes in fund balances**  
Year ended March 31, 2025

	Notes	Unrestricted		Restricted		Internally Restricted		2025 Total	2024 Total
		General	Day Care	TEC	SBCCI	Total restricted	Capital Building Fund		
		\$	\$	\$	\$	\$	\$		
Revenue									
City of Toronto fees		—	1,142,626	—	—	1,142,626	—	1,142,626	1,250,152
City of Toronto grants		148,790	201,003	—	—	201,003	—	349,793	423,719
Provincial grants		1,165,908	—	4,530,843	—	4,530,843	—	5,696,751	6,293,071
Federal grants		76,645	—	89,473	7,184,514	7,273,987	—	7,350,632	6,397,047
United Way		550,854	—	112,711	—	112,711	—	663,565	629,849
Membership and donations		95,147	1,828	—	—	1,828	—	96,975	184,809
Parents fees/Fee for Service		26,758	181,140	—	—	181,140	—	207,898	211,780
Fund raising – general and others		27,500	—	135,950	—	135,950	—	163,450	214,065
Other income and expense recoveries		43,052	—	—	—	—	—	43,052	210,485
Interest income		179,154	—	—	—	—	—	179,154	150,321
Rental income		29,368	—	—	—	—	—	29,368	28,438
Amortization of deferred capital grants		92,911	—	—	—	—	—	92,911	50,733
	15	2,436,087	1,526,597	4,868,977	7,184,514	13,580,088	—	16,016,175	16,044,469
Expenses									
Advertising and promotion		255,958	8,854	73,806	116,287	198,947	—	454,905	420,957
Amortization		155,043	6,132	2,860	—	8,992	—	164,035	131,675
Equipment lease		12,357	2,290	17,559	1,836	21,685	—	34,042	39,020
Food		11,716	99,945	5,860	6,206	112,011	—	123,727	163,988
Insurance		23,961	23,592	27,773	9,917	61,282	—	85,243	73,060
Employment service reimbursement	15	503	—	1,323,902	—	1,323,902	—	1,324,405	1,969,301
Non-recoverable portion of Harmonized Sales Tax		27,725	10,281	21,752	26,365	58,398	—	86,123	87,729
Professional fees		202,969	63,843	219,666	278,180	561,689	—	764,658	777,658
Program supplies		31,664	27,945	149	—	28,094	—	59,758	336,050
Rent, utilities, renovations and cleaning		55,221	28,105	220,499	15,787	264,391	—	319,612	344,525
Salaries and benefits		1,602,257	1,322,160	2,041,144	266,291	3,629,595	—	5,231,852	6,476,008
Special projects	15	—	46,736	—	6,396,828	6,443,564	—	6,443,564	5,079,347
Stipend-YJC Program training	15	—	—	317,456	—	317,456	—	317,456	435,845
Stationery, office supplies and bank charges		190,243	33,320	55,323	82,237	170,880	—	361,123	321,095
Telephone		14,579	6,978	8,329	1,577	16,884	—	31,463	37,503
Travel		2,949	18	2,073	41,321	43,412	—	46,361	37,871
		2,587,145	1,680,199	4,338,151	7,242,832	13,261,182	—	15,848,327	16,731,632
Allocation – administration expenses		(593,663)	62,837	530,826	—	593,663	—	—	—
CWELCC affordability recovery expense for 2022		—	124,208	—	—	124,208	—	124,208	—
Adjusted total expenses		1,993,482	1,867,244	4,868,977	7,242,832	13,979,053	—	15,972,535	16,731,632
Excess (deficiency) of revenue over expenses		442,605	(340,647)	—	(58,318)	(398,965)	—	43,640	(687,163)
Interfund transfers	12	154,503	94,245	(308,941)	52,791	(161,905)	7,402	—	—
Fund balances, beginning of year		159,370	246,402	308,941	5,527	560,870	406,201	1,126,441	1,813,604
Fund balances, end of year		756,478	—	—	—	—	413,603	1,170,081	1,126,441

The accompanying notes are an integral part of the financial statements

**Tropicana Community Services Organization**  
**Statement of revenue, expenses and changes in fund balances**  
Year ended March 31, 2024

	Notes	Unrestricted		Restricted		Internally Restricted		2023 Total	
		General	Day care	TEC	SBCCI	Total restricted	Capital Building Fund		2024 Total
		\$	\$	\$	\$	\$	\$		\$
<b>Revenue</b>									
City of Toronto fees		—	1,250,152	—	—	1,250,152	—	905,884	
City of Toronto grants		185,768	237,951	—	—	237,951	—	472,657	
Provincial grants		970,559	—	5,322,512	—	5,322,512	—	5,911,525	
Federal grants		85,264	—	—	6,311,783	6,311,783	—	8,642,859	
United Way		549,047	—	80,802	—	80,802	—	551,540	
Membership and donations		184,328	481	—	—	481	—	216,727	
Parents fees/Fee for Service		50,266	161,514	—	—	161,514	—	180,114	
Fund raising – general and others		90,954	—	123,111	—	123,111	—	104,958	
Other income and expense recoveries		192,485	—	—	18,000	18,000	—	608,299	
Interest income		150,321	—	—	—	—	—	53,428	
Rental income		28,438	—	—	—	—	—	17,737	
Amortization of deferred capital grants		50,733	—	—	—	—	—	58,424	
	15	2,538,163	1,650,098	5,526,425	6,329,783	13,506,306	—	17,724,152	
<b>Expenses</b>									
Advertising and promotion		245,875	200	30,214	144,668	175,082	—	398,828	
Amortization		119,797	7,700	4,178	—	11,878	—	138,832	
Equipment lease		21,302	—	14,643	3,075	17,718	—	32,054	
Food		31,632	104,274	10,805	17,277	132,356	—	126,401	
Insurance		30,162	15,420	23,195	4,283	42,898	—	58,762	
Employment service reimbursement	15	—	214	1,967,874	1,213	1,969,301	—	1,697,680	
Non-recoverable portion of Harmonized Sales Tax		38,929	10,863	16,788	21,149	48,800	—	88,401	
Professional fees		503,776	55,893	99,333	118,656	273,882	—	847,079	
Program supplies		56,346	44,300	—	235,404	279,704	—	112,595	
Rent, utilities, renovations and cleaning		69,762	5,613	228,570	40,580	274,763	—	498,615	
Salaries and benefits		2,598,525	1,282,703	2,113,524	481,256	3,877,483	—	5,882,954	
Special projects	15	6,602	—	434	5,072,311	5,072,745	—	7,413,130	
Stipend-YJC Program training	15	—	—	435,845	—	435,845	—	370,185	
Stationery, office supplies and bank charges		222,265	11,477	68,367	18,986	98,830	—	317,408	
Telephone		21,365	6,175	7,988	1,975	16,138	—	38,960	
Travel		6,644	173	2,166	28,888	31,227	—	15,623	
		3,972,982	1,545,005	5,023,924	6,189,721	12,758,650	—	18,037,507	
Allocation – administration expenses		(705,400)	62,837	502,501	140,062	705,400	—	—	
Adjusted total expenses		3,267,582	1,607,842	5,526,425	6,329,783	13,464,050	—	18,037,507	
(Deficiency) excess of revenue over expenses		(729,419)	42,256	—	—	42,256	—	(313,355)	
Interfund transfers	12	(6,487)	—	—	—	—	6,487	—	
Fund balances, beginning of year		895,276	204,146	308,941	5,527	518,614	399,714	2,126,959	
<b>Fund balances, end of year</b>		159,370	246,402	308,941	5,527	560,870	406,201	1,813,604	

The accompanying notes are an integral part of the financial statements

# Tropicana Community Services Organization

## Statement of cash flows

Year ended March 31,

	2025 \$	2024 \$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	43,640	(687,163)
Items not affecting cash		
Amortization of deferred capital grant	(131,574)	(27,933)
Amortization of capital assets	164,035	131,675
	76,101	(583,421)
Changes in non cash working capital items		
Accounts and other receivables	63,852	(49,633)
Deposits and prepaid expenses	8,539	5,243
Amount due from funders	470,015	(277,932)
Accounts payable and accrued liabilities	(4,806,130)	4,544,139
Amount due to funders	282,759	-
Deferred revenue	(3,720,556)	6,129,252
	(7,625,420)	9,767,648
<b>Investing activity</b>		
Purchase of capital assets	(234,318)	(831,536)
<b>Financing activity</b>		
Capital grants received	-	70,900
Long-term debt	(49,260)	(47,726)
	(49,260)	23,174
Increase (decrease) in cash and term deposits	(7,908,998)	8,959,286
Cash and term deposits, beginning of year	11,979,477	3,020,191
<b>Cash and term deposits, end of year</b>	<b>4,070,479</b>	<b>11,979,477</b>
<b>Cash and term deposits comprise the following</b>		
Cash - internally restricted	-	406,201
Cash - externally restricted	4,070,479	5,073,276
Term deposits - externally restricted	-	6,500,000
	4,070,479	11,979,477
<b>Supplementary cash flow information</b>		
Interest paid	32,939	32,746

The accompanying notes are an integral part of the financial statements

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### NATURE OF OPERATIONS

Tropicana Community Services Organization (the "Organization") is a charitable organization providing culturally appropriate social services to individuals and organizations across Canada, focusing on the needs of youth and the Caribbean and Black communities.

Through the cooperative efforts of staff, volunteers and community partners, the Organization provides counseling and other support programs to have an enduring positive impact in building a healthier community, by enhancing self-reliance and self-worth.

The Organization is registered and designated as a charitable organization under the Income Tax Act of Canada.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### a) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

The **General Fund** accounts for activities related to the day-to-day operating transactions of the Organization's programs and ministries.

The **Day Care Fund** accounts for revenue and expenses related to Day Care Programs.

The **TEC Fund** accounts for revenue and expenses related to programs for Tropicana Employment Center.

The **SBCCI Fund** accounts for revenue and expenses related to Supporting Black Canadian Communities Initiative (SBCCI) program.

The **Capital Building Fund** records activities related to anticipated repairs, maintenance, and renewal of capital assets.

#### b) Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn. Term deposits with short-term maturity dates are held to be used in operations and are treated as cash equivalents.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### c) Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates:

	<u>Rate</u>	<u>Method</u>
Building	50 years	straight-line
Furniture and equipment	20%	declining balance
Computer equipment	33.33%	declining balance
Vehicle	10%	declining balance

Leasehold improvements are amortized on the straight-line basis over the term of the leases.

#### d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government subsidies are recognized as revenue when there is reasonable assurance that the Organization has complied with all the necessary conditions to obtain the subsidies. Membership fees are recognized as revenue proportionately over the fiscal year to which they relate. Donations and fund raising are recognized as revenue when earned. Parents fees/fee for service are recognized when services are provided and collection is reasonably assured. Seminar fees are recognized in the General Fund as revenue when seminars are held.

Rental income is recognized when earned on a monthly basis. Other revenues are recognized when earned and collection is reasonably assured. Interest revenue is recognized as it is earned and includes accrued interest.

#### e) Allocation of Expenses

The Organization does not allocate administration expenses to functions; instead, it records such expenses in a separate account and then re-allocates the total to the various programs based on amounts allowed in the budget by the funders.

#### f) Fund Balance

Upon completion of each program and subsequent final settlement with the primary funding agency, any remaining fund balance is transferred into the General Fund balance, or as contracted with the Funder, included in the appropriate restricted fund.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### g) Donated Services

The work of the Organization is dependent on the voluntary services of many members. Due to the difficulty of determining the fair value of these services, they are not recognized in these financial statements and no official receipts are therefore issued.

#### h) Financial Instruments

##### Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, and accounts and other receivables. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, amount due to funders, and long-term debt.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess (deficiency) of revenue over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

#### i) Deferred Government Assistance

Grants for the purchase of capital assets are accounted for as deferred capital grants and are amortized on the same basis as the equipment purchased using grant funds.

#### j) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets, amortization of deferred grants, additional funding receivable from funders, and estimated excess funding repayable to the City of Toronto (the "City").

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 2. CAPITAL ASSETS

Capital assets consist of the following:

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 700,000	\$ -	\$ 700,000	\$ 700,000
Building	6,167,723	1,234,878	4,932,845	4,201,814
Furniture and equipment	869,700	711,359	158,341	47,355
Computer equipment	829,111	822,906	6,205	9,113
Leasehold improvements	403,504	376,754	26,750	33,437
Vehicle	77,108	7,711	69,397	77,108
Construction in Progress	-	-	-	754,428
	<u>\$ 9,047,146</u>	<u>\$ 3,153,608</u>	<u>\$ 5,893,538</u>	<u>\$ 5,823,255</u>

The Organization purchased its own building on February 17, 2012. Amortization of the building commenced upon occupancy on July 1, 2013.

In 2012, the Ministry of Children, Community and Social Services (MCCSS) (the "Ministry") agreed to assist the Organization in providing funding for the acquisition and renovation of the premises now used to operate the program approved by and/or funded by the Ministry. The amount funded was \$2,000,000, of which \$700,000 was allocated for the purchase of the land and recorded in the Statement of changes in fund balances. The remaining \$1,300,000 was recorded as a deferred capital grant and is being amortized into revenue annually on the same basis as the amortization of the building (Note 6).

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 3. LONG-TERM DEBT

In March 2021, the Organization renewed a fixed rate loan agreement with Royal Bank of Canada. The original principal amount of \$781,330 bears an annual interest of 3.18% over a 60-month term. The loan is repayable by consecutive monthly blended payments of \$5,740, including interest, based on a 169-month amortization. All outstanding principal and interest is payable in full at the end of the term, being March 2026.

As security, the bank has a first ranking interest in all personal property of the Organization and also has a first fixed charge on the land and building (Note 2).

Long-term debt consists of the following:

	2025	2024
Principal amount outstanding	\$ 589,880	\$ 639,140
Less: Current portion	<u>589,880</u>	<u>49,260</u>
	<u>\$ -</u>	<u>\$ 589,880</u>

Principal repayment requirements for the next year is as follows:

2026	<u>\$ 589,880</u>
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### 4. AMOUNT DUE TO FUNDERS

Amount due to funders represents the net excess funding expected to be repaid to funders in the next fiscal year.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 5. DEFERRED CONTRIBUTIONS AND REVENUE

The change in deferred contributions and revenue is as follows:

	2025	2024
Balance - Beginning	\$ 7,852,649	\$ 1,723,396
Less: amount recognized as revenue in the year	(3,897,213)	(2,866,550)
Add: amount received related to future years	<u>176,657</u>	<u>8,995,803</u>
Balance - Ending	<u>\$ 4,132,093</u>	<u>\$ 7,852,649</u>

The ending balance is comprised of the following:

	2025	2024
Day Care fees for future service	\$ 106,502	\$ 161,171
Pre-apprenticeship	70,044	69,094
RBC Future Launch	2,473	2,473
SBCCI	3,678,029	7,370,164
Other programs	<u>275,045</u>	<u>249,747</u>
	<u>\$ 4,132,093</u>	<u>\$ 7,852,649</u>

The Organization administers certain projects under the terms of trustee agreements. Revenue is recognized for these projects to the extent of expenses incurred, with the unspent amounts included in deferred revenue.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 6. DEFERRED CAPITAL GRANTS

Deferred capital grants consist of the following:

	2025	2024
Ministry of Children, Community and Social Services	\$ 1,300,000	\$ 1,300,000
Federal Economic Development Agency	612,709	612,709
Ontario Trillium Foundation	775,253	775,253
Toronto Foundation	160,000	160,000
Employment and Social Development Canada	<u>781,798</u>	<u>781,798</u>
	\$ 3,629,760	\$ 3,629,760
Less: Accumulated amortization	<u>754,909</u>	<u>623,335</u>
	<u>\$ 2,874,851</u>	<u>\$ 3,006,425</u>

### 7. UNRESTRICTED FUND

The unrestricted fund includes the Organization's net investment in capital assets and its unrestricted net assets are follows:

	2025	2024
Investment in capital assets	\$ 2,428,807	\$ 2,177,690
Unrestricted net assets	<u>(1,672,329)</u>	<u>(2,018,320)</u>
	<u>\$ 756,478</u>	<u>\$ 159,370</u>

The Organization's investment in capital assets is comprised as follows:

	2025	2024
Net book value of capital assets (Note 2)	\$ 5,893,538	\$ 5,823,255
Long-term debt (Note 3)	(589,880)	(639,140)
Deferred capital grants (Note 6)	<u>(2,874,851)</u>	<u>(3,006,425)</u>
	<u>\$ 2,428,807</u>	<u>\$ 2,177,690</u>

### 8. INTERNALLY RESTRICTED FUND

The internally restricted fund consists of the Capital building fund that was established by the Board with the aim to record contributions and expenses related to future anticipated repairs and maintenance of the building. The Organization may not use these internally restricted amounts for any other purposes without Board approval.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 9. TRANSFER PAYMENT ANNUAL RECONCILIATION ("TPAR")

The Organization has seven Service Contracts/CFSA (Child and Family Services Act) approvals with the Ministry of Children, Community and Social Services. The contracts require the completion of an annual program reconciliation report (TPAR) that summarizes by service, all revenues and expenses and identifies any resulting surpluses or deficits. These reports show the following services to be in surplus (deficit) position for the year ended March 31, 2025:

	V.A.W. (Counsel. Service)	(Perf. Mngt. Framework)	(Capacity Building)	C.A.C. (Transitional Support)	SNAP (Stop Now and Plan)	Mentoring program	Black Youth Justice Services	2025	2024
Revenue per TPAR	\$ 176,032	\$ 2,100	\$ 4,000	\$ 71,867	\$ 508,488	\$ 190,903	\$ 120,192	\$ 1,073,582	\$ 917,224
Expenses per TPAR	<u>172,545</u>	<u>2,065</u>	<u>3,918</u>	<u>77,098</u>	<u>498,360</u>	<u>202,317</u>	<u>120,192</u>	<u>1,076,495</u>	<u>1,200,127</u>
Surplus (deficit) per TPAR	<u>\$ 3,487</u>	<u>\$ 35</u>	<u>\$ 82</u>	<u>\$ (5,231)</u>	<u>\$ 10,128</u>	<u>\$ (11,414)</u>	<u>\$ -</u>	<u>\$ (2,913)</u>	<u>\$ (282,903)</u>

# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

### 10. TORONTO CHILDREN'S SERVICES WAGE GRANTS

The following grants received and expense amount are included in the Day Care column amounts on the Statement of revenue, expenses, and changes in fund balances.

		Wage subsidy	P.E. Prior 98	P.E. 99-05	Wage improvement funding	Pay Equity/ Wage Enhancement	2025	2024
Deferred from prior years	(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants received								
Infant/Toddler		\$ -	\$ -	\$ -	\$ -	\$ 25,972	\$ 25,972	\$ 10,872
Pre-school/School Age		-	-	-	-	18,068	18,068	8,278
	(2)	\$ -	\$ -	\$ -	\$ -	\$ 44,040	\$ 44,040	\$ 19,150
Expense								
Infant/Toddler		\$ -	\$ -	\$ -	\$ -	\$ 25,972	\$ 25,972	\$ 10,872
Pre-school/School Age		-	-	-	-	18,068	18,068	8,278
	(3)	\$ -	\$ -	\$ -	\$ -	\$ 44,040	\$ 44,040	\$ 19,150
Wage subsidies returned to Children's Services this fiscal year	(4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wage subsidies deferred to future years	(1) + (2) - (3) - (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 11. GUARANTEES AND COMMITMENTS

#### a) Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees are as follows:

- i) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- ii) Indemnity has been provided to all directors and or officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to association with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.
- iii) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 11. GUARANTEES AND COMMITMENTS - Continued

#### b) Commitments

The Organization has the following minimum lease commitments under operating leases, the latest expiry date of which is May 31, 2029:

2026	\$	108,545
2027		108,545
2028		88,669
2029		85,227
2030		<u>13,460</u>
	\$	<u>404,446</u>

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 12. INTERFUND TRANSFERS

The Organization made the following transfers:

- a) Transfer of \$7,402 (2024 - \$6,487) from the General Fund to the Capital Building Fund to set aside funds for future capital work.
- b) Transfer of \$94,245 (2024 - \$Nil) from the General Fund to the Day Care Fund to cover the fund's deficit. This transfer was the remaining balance needed after accounting for the opening balance of \$246,402.
- c) Transfer of \$308,941 (2024 - \$Nil) from the TEC Fund to the General Fund to consolidate remaining unrestricted balances into the General Fund.
- d) Transfer of \$52,791 (2024 - \$Nil) from the General Fund to the SBCCI Fund to cover the fund's deficit. This transfer was the remaining balance needed after accounting for the opening balance of \$5,527.

The impact to the General Fund on account of these transfers is as follows:

	2025	2024
General Fund - Beginning	\$ 159,370	\$ 895,276
Excess (deficiency) of revenues over expenses	442,605	(729,419)
Interfund transfers:		
a) Capital Building Fund transfer	(7,402)	(6,487)
b) Day Care Fund transfer	(94,245)	-
c) TEC Fund transfer	308,941	-
d) SBCCI Fund transfer	<u>(52,791)</u>	<u>-</u>
General Fund - Ending	<u>\$ 756,478</u>	<u>\$ 159,370</u>

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 13. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at March 31, 2025:

##### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization is not exposed to significant credit risk as its accounts receivable mainly consist of government grants, the collection of which is considered to be reasonably certain.

##### b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, amount due to funders and long-term debt. The Organization manages this risk by managing its working capital and by generating sufficient cash flow from operations.

The nature of the indemnification agreements (Note 11(a)) prevents the Organization from making a reasonable estimate of the maximum potential exposure due to the difficulties in assessing the amount of liability, due to the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

##### c) 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 comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is exposed to interest rate risk as follows:

##### i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Organization manages this risk on investments by investing in short term investments, which limits exposure to this risk. The Organization's mortgage is at a fixed rate which allows the Organization to manage future cash flows.

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 14. PROJECT CLASSIFICATION

The Organization has several restricted and unrestricted projects to complete. The funds for restricted projects are to be used for those specific projects only. The following are programs carried out by the Organization during the year:

<u>Unrestricted</u>	<u>Program/Project</u>
Administration	Community Engagement Finance Information Technology Human Resources Food & Toy Drive Harvest Share Program Scholarships Marketing, Communications, Public Relations & Government Relations Volunteer Program Fundraising & Donor Relations
Community Engagement	Food & Toy Drive Food Bank (formerly Harvest Share) Scholarship Program Volunteer Program
Culturally Appropriate Counselling	Individual & Family Counselling Newcomer Settlement Program (Pay Equity) Transition & Housing Support Success Through Aggression Replacement Training (START) Violence Against Women (VAW) Stop Now and Plan (SNAP) EYOW (Enhance Youth Outreach Worker)
Development & Education	Tutoring/Afterschool Homework Support STEAM/STEM Programing Camp Tropicana – Summer & March Break Steelpan Mentorship (YMP) IT Lab

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# TROPICANA COMMUNITY SERVICES ORGANIZATION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

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### 14. PROJECT CLASSIFICATION - Continued

<u>Restricted</u>	<u>Program/Project</u>
Childcare Centers	Infant, Toddler, Preschool Full Day Kindergarten, School-Age
Tropicana Employment Centre (TE	Employment Service Youth Job Connection Youth Job Connection Summer Canada Ontario Job Grant Pre-Apprenticeship - Autobody & Collision Repair Early Childhood Education Program netWorks Program Prep IES and IES Program
Supporting Black Canadian Communities Initiative	Organization Capacity Building Funding for B3 organizations

### 15. FLOW-THROUGH FUNDING

The Organization receives funding from supporting contributors that is designated to be passed on to other organizations or specific beneficiaries for specific purposes. This funding is considered to be "flow-through funding". The Organization has no discretion over the use of the funds and serves solely as an intermediary between the funding contributor and the end user.

Flow-through contributions are recorded as a deferred liability when received and recognized revenue when the funds are disbursed to the designated recipients.

Total revenue consists of the following:

	2025	2024
Total revenue	\$ 16,016,175	\$ 16,044,469
Less: flow-through funding		
SBCCI sub-grant payments	(6,048,607)	(4,755,226)
Employment service reimbursements	(1,324,405)	(1,969,301)
Stipend-YJC Program training	<u>(317,456)</u>	<u>(435,845)</u>
Funding available for operations	<u>\$ 8,325,707</u>	<u>\$ 8,884,097</u>

### 16. COMPARATIVES FIGURES

Certain comparative figures have been reclassified in order to conform with the presentation adopted in the current year.

# Tropicana Community Services Organization







## Mar25 fs FINAL

Final Audit Report

2025-06-24

Created:	2025-06-24
By:	Bridget James (bjames@tropicanacommunity.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA7IMN9n_jxohGgl_Pf1sToSiL96ZHOS6m

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2025-06-24 - 7:49:15 PM GMT
-  Document emailed to president@bod-tcso.ca for signature  
2025-06-24 - 7:50:01 PM GMT
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2025-06-24 - 11:05:28 PM GMT
-  Signer president@bod-tcso.ca entered name at signing as Anthony Grey  
2025-06-24 - 11:06:08 PM GMT
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Signature Date: 2025-06-24 - 11:06:10 PM GMT - Time Source: server
-  Agreement completed.  
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