

Association of Community Centres Settlement of Operating Results for Year Ended 2024 and 2025

Date: July 3, 2026

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

On an annual basis, the City of Toronto receives the audited financial statements from 10 community centres which collectively are known as the City's Association of Community Centres (AOCCs). The audited financial statements assist the City to determine whether operating subsidy payments need to be provided to or clawed back from the AOCCs to settle their operating deficits or surpluses. City staff report annually on the AOCCs' operating surpluses and deficits once the respective Boards financial statements have been audited and approved by Council. The audited financial statements are based on the Public Sector Accounting Board (PSAB) requirements for government not-for-profit entities while the operating deficits or surpluses align with the modified cash basis of accounting.

This report recommends settlement with the Association of Community Centres for 2024 and 2025 based on their audited financial results as of December 31, 2024 and December 31, 2025, with operating surpluses payable to the City and operating deficits funded by the City upon Council's approval.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommend that:

1. City Council direct the 2024 operating surpluses of four of the centres (Applegrove Community Complex, Ralph Thornton Community Centre, Central Eglinton Community Centre, and Swansea Town Hall Community Centre) totalling \$118,971 be paid to the City of Toronto and be used to partially fund the payment of operating deficits of \$406,589 for six centres (Cecil Street Community Centre, Community Centre 55, Eastview Neighbourhood Community Centre, Scadding Court Community Centre, Waterfront Neighbourhood Centre, and 519 Church Street Community Centre), resulting in a net operating deficit of \$287,618 to be paid to the AOCCs by the City, as illustrated in Appendix A of this report.

2. City Council direct the 2025 operating surpluses of four of the centres (Applegrove Community Complex, Cecil Street Community Centre, Community Centre 55, and Swansea Town Hall Community Centre) totalling \$203,621 be paid to the City of Toronto and be used to fund the payment of operating deficits of \$105,737 for five centres (Central Eglinton Community Centre, Eastview Neighbourhood Community Centre, Ralph Thornton Community Centre, Scadding Court Community Centre, and 519 Church Street Community Centre), resulting in a net operating surplus of \$97,884 to be received by the City, as illustrated in Appendix B of this report.

FINANCIAL IMPACT

2024 Results

The Association of Community Centres (AOCCs) is comprised of 10 community centres with a combined 2024 Net Operating Budget of \$11,293,403. Based on fiscal 2024 financial results, four centres will return their surpluses totalling \$118,971 to the City, and six centres will receive supplementary subsidies from the City to eliminate the deficits totalling \$406,589. The total financial impact resulting from these activities will be a net payable of \$287,618 to the AOCCs by the City, reflecting a combined net variance of approximately 2.1%. A summary of net funding to the AOCCs and surpluses payable to the City is detailed in Appendix A.

2025 Results

The AOCCs had a combined 2025 Net Operating Budget of \$13,018,758. Based on fiscal 2025 financial results, four centres will return their surpluses totalling \$203,621 to the City, and five centres will receive supplementary subsidies from the City to eliminate the deficits totalling \$105,737. One centre (Waterfront Neighbourhood Centre) had a net zero 2025 operating outcome. The total financial impact resulting from these activities will be a net payable of \$97,884 to the City from the AOCCs, reflecting a combined net variance of approximately 0.8%. A summary of net funding to the AOCCs and surpluses payable to the City is detailed in Appendix B.

The combined settlement of the 2024 and 2025 operating results will lead to a net payable of \$189,734 to the AOCCs by the City. Supporting details are provided in Appendix C of this report.

DECISION HISTORY

The approval by City Council of the 2025 audited financial statements for the Association of Community Centres involves multiple phases subject to the completion of the annual audit process undertaken by the external auditor. City Council received all ten of the 2025 Audited Financial Statements, Management Letters (where applicable), and Independent Auditor's Reports through the following City Council meeting:

<https://secure.toronto.ca/council/#/committees/2582/27252>

The approval by City Council of the 2024 audited financial statements for the Association of Community Centres involves multiple phases subject to the completion of the annual audit process undertaken by the external auditor. City Council received all ten of the 2024 Audited Financial Statements, Management Letters (where applicable), and Independent Auditor's Reports through the following City Council meetings:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.AU9.14>
<https://secure.toronto.ca/council/agenda-item.do?item=2025.AU10.7>

At its meeting of December 9, 10, 2015, City Council adopted the report, entitled "Association of Community Centres Settlement of Operating Results for Year 2014" and requested the City Manager to write to the Association of Community Centre Boards and reinforce with the Boards the request to seek Executive Director, Financial Planning (delegated by City Council in 2008) approval for over expenditures before incurring them and remind them of their responsibility to comply with the City's financial policies.

<https://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85658.pdf>

At its meeting of April 14, 15, and 16, 2003, City Council adopted Policy and Finance Committee Report 3, Clause 11, entitled "Governance Review of the Association of Community Centres (AOCCs)". Among others, Council determined that the City continue to provide core administration funding to the AOCCs; the Centres' Boards are expected to operate within the approved budgets; that administrative surpluses be returned to the City and administrative deficits be funded by the City, upon Council approval.

<https://www.toronto.ca/legdocs/2003/agendas/council/cc030414/pof3rpt/cl011.pdf>

At its meeting of July 24, 25 and 26, 2001, City Council adopted Policy and Finance Committee Report 11, Clause 6, entitled "Association of Community Centres (AOCCs), Community Centres Deficits". Among others, Council directed that the Chief Financial Officer and Treasurer report on the AOCCs surplus/deficit upon receipt of the annual audited financial statements, as the practice in the former City of Toronto.

<https://www.toronto.ca/legdocs/2001/agendas/council/cc010724/pof11rpt/cl006.pdf>

COMMENTS

Settlement of 2024 and 2025 Operating Results

The financial statements for AOCCs were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) applicable to the Public Sector Accounting Board (PSAB) requirements for government not-for-profit entities. Accounting and reporting under PSAB require entities to recognize tangible capital assets, as well as accrue all known liabilities on the Statement of Financial Position, including unpaid employee benefits such as accrued vacation pay.

As mentioned, the City of Toronto is responsible for funding core administrative costs, which include these employee benefits. Accordingly, a corresponding receivable from the City is recorded on the Statement of Financial Position for each Community Centre.

For the year ended December 31, 2024

A review of the audited financial statements for the year ended December 31, 2024, indicates that four community centres reported surpluses amounting to \$118,971 while six community centres realized year-end deficits amounting to \$406,589, resulting in a net overall deficit of \$287,618. Details are summarized in Appendix A of this report.

The key year-end financial results are driven by:

519 Church Street Community Centre - The deficit of \$200,410 on a \$2,280,388 net budget is due to retaining 24/7 security to address longstanding issues regarding community and neighbourhood safety and to mitigate potential threats from anti-2SLGBTQ+ actors.

Cecil Street Community Centre - The deficit of \$101,068 on a \$1,296,164 net budget is primarily due to increased personnel costs and unplanned maintenance and repair expenditures. Key contributing factors include the hiring of a Community Safety Ambassador, additional custodial staffing to support facility safety during events, restroom repairs due to plumbing issues, repairs to kitchen exhaust system, replacement of boiler ignitor, and costs associated with frequent graffiti incidence removal.

Waterfront Neighbourhood Centre - The deficit of \$48,260 on a \$1,661,731 net budget is primarily attributed to expanded security coverage to seven days per week. This increase was implemented to address heightened safety concerns expressed by both community members and staff, following a rise in incidents in the surrounding area.

Applegrove Community Complex - The surplus of \$30,204 on a \$728,382 net budget is primarily due to lower Toronto District School Board permit fees due to summer relocation, lower cybersecurity costs and lower benefits related to staffing changes.

Swansea Town Hall Community Centre - The surplus of \$80,277 on a \$641,579 net budget is primarily due to savings in salaries and benefits and materials and supplies.

For the year ended December 31, 2025

A review of the audited financial statements for the year ended December 31, 2025, indicates that four community centres reported surpluses amounting to \$203,621, one centre reported net zero, while five community centres realized year-end deficits amounting to \$105,737, resulting in a net overall surplus of \$97,884. Details are summarized in Appendix B of this report.

The key year-end financial results are driven by:

Swansea Town Hall Community Centre - The surplus of \$103,869 on a \$590,249 net budget is primarily due to incremental revenue from room rentals and lower salary and benefits expense as a result of staffing vacancies.

Applegrove Community Complex - The surplus of \$43,955 on a \$802,579 net budget is primarily due to lower salaries and benefits expense stemming from staffing changes.

Scadding Court Community Centre - The deficit of \$53,146 on a \$1,318,717 net budget is primarily due to increased salaries and benefits resulting from parental leave coverage.

CONTACT

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SIGNATURE

Stephen Conforti
Chief Financial Officer & Treasurer

ATTACHMENTS

Appendix A - Association of Community Centres Summary of Net Payable to City/Community Centres for 2024

Appendix B - Association of Community Centres Summary of Net Payable to City/Community Centres for 2025

Appendix C - Association of Community Centres Summary of Net Payable to City/Community Centres for 2024 and 2025

Appendix A - Association of Community Centres Summary of Net Payable to City/Community Centres for 2024

Association of Community Centres Summary of Net Payable to City / Community Centres for 2024			
Community Centre	Net Surplus	Net (Deficit)	Total Net Adjusted Settlement to City/(Centre)
Applegrove Community Complex	30,204		30,204
Cecil Street Community Centre		(101,068)	(101,068)
Central Eglinton Community Centre	21		21
Community Centre 55		(17,195)	(17,195)
Eastview Neighbourhood Community Centre		(21,504)	(21,504)
Ralph Thornton Community Centre	8,469		8,469
Scadding Court Community Centre		(18,152)	(18,152)
Swansea Town Hall Community Centre	80,277		80,277
Waterfront Neighbourhood Centre		(48,260)	(48,260)
519 Church Street Community Centre		(200,410)	(200,410)
TOTAL	\$ 118,971	\$ (406,589)	\$ (287,618)

Appendix B - Association of Community Centres Summary of Net Payable to City/Community Centres for 2025

Association of Community Centres Summary of Net Payable to City / Community Centres for 2025			
Community Centre	Net Surplus	Net (Deficit)	Total Net Adjusted Settlement to City/(Centre)
Applegrove Community Complex	43,955		43,955
Cecil Street Community Centre	47,684		47,684
Central Eglinton Community Centre		(7,041)	(7,041)
Community Centre 55	8,113		8,113
Eastview Neighbourhood Community Centre		(186)	(186)
Ralph Thornton Community Centre		(16,449)	(16,449)
Scadding Court Community Centre		(53,146)	(53,146)
Swansea Town Hall Community Centre	103,869		103,869
Waterfront Neighbourhood Centre		-	-
519 Church Street Community Centre		(28,915)	(28,915)
TOTAL	\$ 203,621	\$ (105,737)	\$ 97,884

Appendix C - Association of Community Centres Summary of Net Payable to City/Community Centres for 2024 and 2025

Association of Community Centres Summary of Net Payable to City / Community Centres for 2024 and 2025			
Community Centre	2024 Net Surplus/ (Deficit)	2025 Net Surplus/ (Deficit)	Total Net Adjusted Settlement to City/(Centre)
Applegrove Community Complex	30,204	43,955	74,159
Cecil Street Community Centre	(101,068)	47,684	(53,384)
Central Eglinton Community Centre	21	(7,041)	(7,020)
Community Centre 55	(17,195)	8,113	(9,082)
Eastview Neighbourhood Community Centre	(21,504)	(186)	(21,690)
Ralph Thornton Community Centre	8,469	(16,449)	(7,980)
Scadding Court Community Centre	(18,152)	(53,146)	(71,298)
Swansea Town Hall Community Centre	80,277	103,869	184,146
Waterfront Neighbourhood Centre	(48,260)		(48,260)
519 Church Street Community Centre	(200,410)	(28,915)	(229,325)
TOTAL	\$ (287,618)	\$ 97,884	\$ (189,734)