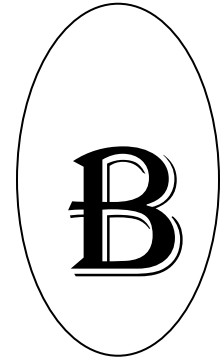




THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD



2025 Audited Consolidated Financial Statements

Attachment #1 to Report No. 2026-12AGM 2025 Audited Consolidated Financial
Statements **(Pages 1 - 37)**



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Financial Statements

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

December 31, 2025



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The management of The District of Thunder Bay Social Services Administration Board has prepared the accompanying consolidated financial statements and are responsible for their accuracy and integrity. The consolidated financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has developed and maintains a system of internal control designed to provide reasonable assurance that the Board assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements.

The Board of Directors reviews and approves the consolidated financial statements before such statements are published for the residents of the District of Thunder Bay. The external auditors have access to, and meet with the Board to discuss their audit and the results of their examination.

The 2025 Consolidated Financial Statements have been reported on by The District of Thunder Bay Social Services Administration Board's external auditors, Doane Grant Thornton LLP, the auditors appointed by the Board. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the consolidated financial statements.

Ken Ranta
Chief Executive Officer

Richard Jagielowicz, CPA, CA, CBV
Director - Corporate Services Division



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Contents

	Page
Independent Auditor's Report	1 – 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Re-measurement Gains	4
Consolidated Statement of Operations	5 – 6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cashflows	8
Notes to the Consolidated Financial Statements	9 – 32
Schedule 1 – Consolidated Schedule of Segment Disclosure	33 – 34
Schedule 2 – Consolidated Schedule of Tangible Capital Assets	35
Schedule 3 – Consolidated Schedule of Accumulated Surplus	36

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

As at December 31

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	35,831,700	35,359,061
Marketable securities	34,527,407	28,888,966
Accounts receivable	3,176,721	2,217,349
Client benefit advances	1,424,889	1,780,399
Interest receivable	85,559	105,804
HST receivable	897,185	1,524,008
	75,943,461	69,875,587
LIABILITIES		
Accounts payable and accrued liabilities	3,855,054	3,122,075
Payable to participating municipalities and funded agencies <i>[note 3]</i>	2,617,591	1,304,707
Due to Province of Ontario <i>[note 4]</i>	16,312,237	17,221,400
Deferred revenue <i>[note 5]</i>	5,547,521	5,409,719
Long-term debt <i>[note 6]</i>	4,161,186	6,131,472
Employee benefits obligations <i>[note 7]</i>	2,642,218	2,791,989
Asset retirement obligation <i>[note 10]</i>	11,386,808	11,989,360
	46,522,615	47,970,722
NET FINANCIAL ASSETS	29,420,846	21,904,865
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[Schedule 2]</i>	34,958,199	36,539,293
Prepaid expenses	1,408,672	1,203,603
	36,366,871	37,742,896
ACCUMULATED SURPLUS <i>[Schedule 3]</i>		
Accumulated operating surplus	63,668,761	58,323,972
Accumulated re-measurement gains	2,118,956	1,323,789
	65,787,717	59,647,761

Commitments and Contingent Liabilities *[notes 8 and 9]**The accompanying notes and schedules are an integral part of these financial statements*

 Board Chair

 Audit Committee Chair

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**
Consolidated Statement of Re-measurement Gains and Losses
Year ended December 31

	2025	2024
	\$	\$
ACCUMULATED RE-MEASUREMENT (LOSSES), BEGINNING OF YEAR	1,323,789	(397,961)
Unrealized gains (losses) attributable to:		
Portfolio investments	1,355,081	1,062,887
Derivatives	(21,519)	(72,674)
Amounts reclassified to the statement of operations:		
Disposition of investments	(538,395)	731,537
NET RE-MEASUREMENT GAINS FOR THE YEAR	795,167	1,721,750
ACCUMULATED RE-MEASUREMENT GAINS, END OF YEAR	2,118,956	1,323,789

The accompanying notes and schedules are an integral part of these financial statements

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Statement of Operations

Year ended December 31

	2025		2024
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Provincial Grants			
Ontario Works	30,121,100	28,259,044	29,770,526
Child care and early years	10,796,100	15,319,609	14,869,397
Community housing	348,400	582,345	454,708
Homelessness prevention	16,988,500	15,014,711	15,156,009
	58,254,100	59,175,709	60,250,640
Federal Grants			
Child care and early years	29,268,600	19,005,090	9,225,958
Community housing	3,807,300	4,572,471	6,361,339
Direct-owned community housing building operations	3,663,200	1,289,416	2,196,045
	36,739,100	24,866,977	17,783,342
Levy to municipalities and TWOMO	26,456,100	26,456,100	25,233,000
Rents	11,762,600	12,038,076	11,564,604
Income earned on unrestricted funds	400,000	724,912	400,000
Income earned on reserve funds	750,000	2,127,051	1,528,731
Other	582,300	587,703	443,568
	39,951,000	41,933,842	39,169,903
TOTAL REVENUES	134,944,200	125,976,528	117,203,885

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Statement of Operations (continued)

Year ended December 31

	2025		2024
	Budget	Actual	Actual
	\$	\$	\$
EXPENSES			
Ontario Works <i>[note 13]</i>	34,832,865	32,280,214	32,805,263
Child care and early years <i>[note 14]</i>	41,457,709	35,004,844	25,440,259
Community housing <i>[note 15]</i>	14,693,700	13,486,562	15,388,009
Direct-owned community housing building operations <i>[note 16]</i>	25,701,030	24,269,213	23,543,086
Homelessness prevention <i>[note 17]</i>	16,988,500	15,014,711	15,156,009
TOTAL EXPENSES	133,673,804	120,055,544	112,332,626
REVENUES LESS EXPENSES	1,270,396	5,920,984	4,871,259
OTHER			
Loss on disposal of tangible capital assets	-	(576,195)	-
ANNUAL OPERATING SURPLUS	1,270,396	5,344,789	4,871,259
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	58,323,972	58,323,972	53,452,713
ACCUMULATED OPERATING SURPLUS, END OF YEAR	59,594,368	63,668,761	58,323,972

The accompanying notes and schedules are an integral part of these financial statements

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**
Consolidated Statement of Changes in Net Financial Assets
As at December 31

	2025		2024
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 12]</i>		
ANNUAL OPERATING SURPLUS	1,270,396	5,344,789	4,871,259
Acquisition of tangible capital assets <i>[Schedule 2]</i>	-	(935,426)	(121,202)
Amortization of tangible capital assets <i>[Schedule 2]</i>	1,914,211	1,914,211	2,080,133
Amortization of asset retirement obligation <i>[Schedule 2]</i>	26,114	26,114	106,591
Loss on disposal of tangible capital assets	-	576,195	-
Addition of prepaid expense	-	(1,408,672)	(1,203,603)
Use of prepaid expense	-	1,203,603	939,059
	3,210,721	6,720,814	6,672,237
Remeasurement gains	-	795,167	1,721,750
CHANGE IN NET FINANCIAL ASSETS	3,210,721	7,515,981	8,393,987
NET FINANCIAL ASSETS, BEGINNING OF YEAR	21,904,865	21,904,865	13,510,878
NET FINANCIAL ASSETS, END OF YEAR	25,115,586	29,420,846	21,904,865

The accompanying notes and schedules are an integral part of these financial statements

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Cash Flows

Year ended December 31

	2025	2024
	\$	\$
OPERATIONS		
Annual surplus	5,344,789	4,871,259
Items not involving cash		
Amortization of tangible capital assets	1,914,211	2,080,133
Amortization of asset retirement obligation	26,114	106,591
Accretion expense of asset retirement obligation	633,479	666,999
Adjustment to asset retirement obligations	-	(2,368,236)
Gain on disposal of asset retirement obligation	(1,236,031)	-
Loss on disposal of tangible capital assets	576,195	-
Employee benefits obligations	(149,771)	(135,486)
Remeasurement gains	795,167	1,721,750
	7,904,153	6,943,010
Net change in non-cash working capital balances		
Accounts receivable	(959,372)	(584,559)
Client benefit advances	355,510	(87,945)
Interest receivable	20,245	(5,942)
HST receivable	626,823	(752,120)
Prepaid expenses	(205,069)	(264,544)
Accounts payable and accrued liabilities	732,979	325,854
Payable to participating municipalities and funded agencies	1,312,884	(3,509,669)
Due to Province of Ontario	(909,163)	9,518,177
Deferred revenue	137,802	3,385,547
Cash provided by operating transactions	9,016,792	14,967,809
CAPITAL		
Acquisition of tangible capital assets	(935,426)	(121,202)
Cash used in capital transactions	(935,426)	(121,202)
INVESTING		
Increase in marketable securities	(5,638,441)	(2,753,773)
Cash used in investing transactions	(5,638,441)	(2,753,773)
FINANCING		
Repayment of long-term debt	(1,970,286)	(2,122,766)
Cash used in financing transactions	(1,970,286)	(2,122,766)
NET INCREASE IN CASH	472,639	9,970,068
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	35,359,061	25,388,993
CASH AND CASH EQUIVALENTS, END OF YEAR	35,831,700	35,359,061

The accompanying notes and schedules are an integral part of these financial statements

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

GENERAL

Effective April 1, 1999, pursuant to provincial legislation, The District of Thunder Bay Social Services Administration Board [TBDSSAB] was formed. TBDSSAB delivers provincially mandated services on behalf of the citizens of the District of Thunder Bay.

Its service area includes 15 municipalities which appoint representatives to the Board of Directors through their municipal Councils. As well, the Board of Directors includes an elected representative from the Territories without Municipal Organization [TWOMO]. The following are included within the District of Thunder Bay service area:

City of Thunder Bay
Municipality of Greenstone
Municipality of Neebing
Municipality of Oliver Paipouge
Municipality of Shuniah
Town of Marathon
Township of Conmee
Township of Dorion
Township of Gillies
Township of Manitouwadge
Township of Nipigon
Township of O'Connor
Township of Red Rock
Township of Schreiber
Township of Terrace Bay
TWOMO

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared by management in accordance with accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the operating fund and reserve funds of TBDSSAB and include the activities of its wholly-owned subsidiary, the Thunder Bay District Housing Corporation [TBDHC].

Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit, and short-term investments 90 days or less which are readily convertible into a known amount of cash and are subject to an insignificant risk to changes in fair value.

Marketable securities

Marketable securities include funds invested in pooled funds, fixed income securities, and equities which are held in trust and managed by an external fund manager. Investments are recorded at fair value using quoted prices in an active market with unrealized gains and losses being recognized in the consolidated statement of re-measurement gains and losses.

Accounts receivable

Under certain programs, TBDSSAB provides forgivable loans to eligible recipients, in which the principal and any accrued interest is forgiven after a specified number of years, if the recipient meets all identified conditions. A forgivable loan is only recorded as receivable if the recipient fails to meet the identified conditions and there is a reasonable expectation of its recovery.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses provides the Change in Net Assets for the year.

[i] Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as any asset retirement obligation related to the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

- Land improvements – up to 30 years
- Buildings – up to 50 years
- Machinery and equipment – up to 20 years
- Vehicles – 5 to 15 years
- Computer hardware and software – 3 to 10 years
- Furniture – 5 to 10 years

[ii] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

[iii] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

[iv] Prepaid expenses

Amounts paid in advance of the receipt of goods or services are recorded as prepaid expense.

Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

Asset retirement obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the TBDSSAB's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a straight-line basis over their estimated useful lives.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

Full annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include amounts owed to/from various funding agencies, obligations related to employee future benefits, asset retirement obligations and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$11,386,808. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

Eligible licensed child care centre's receive funding from the TBDSSAB to support the costs of providing child care services under the Child Care and Early Years Act, 2014. The centre's are responsible for assessing expenditures incurred to the Ministry of Education – Ontario Child Care and Early Years Funding Guidelines to determine any amounts repayable to the TBDSSAB. Upon receiving the centre's annual audited financial statements, the TBDSSAB will review and assess the centre's determination of amounts repayable for accuracy. Any adjustments necessary are recorded in the period in which they become known.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Reserves and Reserve Funds

Reserves and reserve funds represent amounts appropriated for general and specific purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved. The amounts in reserves are approved by TBDSSAB and are within the limits defined in the District Social Services Administration Boards Act.

Revenue recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulated liabilities are settled.

Other revenue is recognized when it is earned. Rental revenue is recognized when rent is receivable based on tenant occupancy. Prepaid rents are recorded as deferred revenue.

Employee related costs

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

- [i] Contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made.
- [ii] The costs of compensated absences, post-employment benefits, and workplace safety and insurance obligations are recognized when the event that obligates TBDSSAB occurs.
- [iii] The costs of post-employment benefits are actuarially determined using the projected benefits method and prorated on service and management's best estimate of retirement ages of employees, salary escalation, and expected health care costs. *[note 7]*.
- [iv] The unfunded accrued benefit obligation (ABO) and unamortized gains or losses for post-employment retiree benefits are expensed (recovered) in the year recognized.

2. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$42,972,656 [2024 - \$42,416,793] to support reserve funds.

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

3. PAYABLE TO PARTICIPATING MUNICIPALITIES AND FUNDED AGENCIES

Payable to (receivable from) participating municipalities and funded agencies consists of:

	2025	2024
	\$	\$
Participating municipalities		
City of Thunder Bay	2,256	48,483
Municipality of Greenstone	534	14,072
Municipality of Neebing	3	3
Municipality of Oliver Paipooonge	(100,059)	-
Township of Conmee	-	(7,687)
Township of Gillies	(4,578)	(8,734)
Town of Marathon	-	(17,531)
Township of Nipigon	(11,307)	-
Township of O'Connor	-	(8,262)
Township of Schreiber	885	-
Funded agencies		
Child care operators	2,519,851	693,704
Community housing providers	210,006	590,659
	2,617,591	1,304,707

4. DUE TO (FROM) PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2025	2024
	\$	\$
Due to Ministry of Children, Community and Social Services [MCCSS]	1,303,584	1,085,709
Due to Ministry of Education [MED]	20,392,904	18,258,780
Due from Ministry of Municipal Affairs and Housing [MMAH]	(5,384,251)	(2,123,089)
	16,312,237	17,221,400

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2025	2024
	\$	\$
Community Housing		
Canada-Ontario Community Housing Initiative	1,331,353	581,914
Investment in Affordable Housing		
Homeownership	248,340	248,340
Revolving loan	451,658	643,336
Northern Home Repair [loan discharge]	10,290	11,202
Ontario Priorities Housing Initiative	96,500	553,550
Home for Good – Capital	8,888	8,888
Social Housing Capital Repair [CMHC]	2,767,709	2,767,709
Social Infrastructure Fund	25,008	25,008
Miscellaneous	75,750	56,955
Tenant rent	532,025	512,817
	5,547,521	5,409,719

6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2025	2024
	\$	\$
Debt payable on direct-owned housing	1,805,312	3,395,573
Debt payable on office headquarters	2,196,602	2,501,082
Capital leases payable	159,272	234,817
	4,161,186	6,131,472

[i] Long-term debt includes various amounts payable as at December 31, 2025 on direct-owned housing:

	2025	2024
	\$	\$
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	313,507	616,500
Other lenders	1,491,805	2,779,073
	1,805,312	3,395,573

The land, buildings, appliances, and equipment of each project together with an assignment of the rents are pledged as collateral for the mortgage of each project. The net book value of the pledged assets as at December 31, 2025 was \$7,777,292 [2024 - \$7,842,347].

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

The CMHC mortgages bear interest at rates between 1.13% and 2.02% [2024 – 0.7% and 2.00%]. These mortgages mature between 2026 and 2027.

The other long-term debt bears interest at rates between 1.83% and 5.65% [2024 – 1.83% and 6.10%]. These mortgages mature between 2026 and 2027.

- [ii] Included in long-term debt is a swap rate takeout loan agreement on TBDSSAB office headquarters payable to the Royal Bank of Canada [RBC] as at December 31, 2025:

	2025	2024
	\$	\$
TBDSSAB office headquarters loan payable	2,240,000	2,566,000
Fair value adjustment of derivative	(43,398)	(64,918)
	2,196,602	2,501,082

The RBC retains a general security agreement over certain assets of TBDSSAB as collateral for this loan. The RBC loan on TBDSSAB office headquarters bears interest at 2.72% and matures in 2032.

- [iii] Included in long-term debt are capital leases for certain computer equipment.

	2025	2024
	\$	\$
Desktop computers	23,134	69,398
Folder/insert machine	5,230	11,506
Laptop computers	115,997	94,268
Multi-function machines	14,911	59,645
	159,272	234,817

The lease contract for the desktop computers is payable in monthly instalments of \$4,462 including harmonized sales tax [HST] and interest calculated at 5.91%, maturing in June 2026.

The lease contract for the folder/insert machine is payable in quarterly instalments of \$1,762 including HST and interest calculated at 5.79%, maturing in October 2026.

The lease contract for the laptop computers is payable in monthly instalments of \$3,682 including HST and interest calculated at 7.07%, maturing in April 2027 and an additional lease contract for the laptop computers is payable in monthly instalments of \$2,123 including HST and interest calculated at 2.5%, maturing in June 2028.

The lease contract for the multi-function machines is payable in quarterly instalments of \$12,891 including HST and interest calculated at 7.15%, maturing in April 2026.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Principal payments due within each of the next seven years on long-term debt assuming refinancing at similar terms and conditions are approximately as follows:

	Direct-Owned Housing		Office Headquarters	Capital Leases	Total
	CMHC	Other			
	\$	\$	\$	\$	\$
2026	184,179	1,070,577	335,000	108,529	1,698,285
2027	129,328	421,228	346,000	38,319	934,875
2028	-	-	356,000	12,424	368,424
2029	-	-	367,000	-	367,000
2030	-	-	379,000	-	379,000
2031	-	-	391,000	-	391,000
2032	-	-	22,602	-	22,602
	313,507	1,491,805	2,196,602	159,272	4,161,186

7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2025	2024
	\$	\$
Post-employment retiree benefits	2,424,724	2,535,649
Vacation entitlements	217,494	256,340
	2,642,218	2,791,989

[i] TBDSSAB pays certain post-employment benefits on behalf of its retired employees and recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2025 of \$1,531,238 [2024 – \$1,534,913] was determined by an actuarial valuation prepared for the year ended December 31, 2025.

Information about TBDSSAB's post-employment retiree benefit liability recognized in the consolidated financial statements is as follows:

	2025	2024
	\$	\$
Accrued benefit liability, beginning of year	2,535,649	2,665,924
Expense for the year	5,187	3,269
Benefits paid for the year	(116,112)	(133,544)
Accrued benefit liability, end of year	2,424,724	2,535,649

The main actuarial assumptions employed for the valuation are as follows:

General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index, were assumed at 2% per annum.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Discount rate

The obligation as at December 31, 2025 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 4.55%. This rate reflects the assumed borrowing rate based on market bond yield information for high quality bonds as at December 31, 2025.

Medical and dental costs

Medical and dental costs were assumed to increase as follows:

Year	Health	Dental
2026	4.2%	4.3%
2031	5.1%	5.1%
2036	5.0%	5.0%
2041	4.3%	4.3%
2045 and thereafter	3.8%	3.8%

[ii] Vacation Entitlements

Vacation entitlements earned by the employees would be converted to a cash payment if they retire or leave TBDSSAB's employment. The liability for these accumulated days as at December 31, 2025 would amount to approximately \$217,494 [2024 - \$256,340].

[iii] Workplace Safety and Insurance Obligations

TBDSSAB is a Schedule 1 employer under the Workplace Safety and Insurance Act and as such, is protected by a system of collective liability. TBDSSAB pays premiums to the Workplace Safety and Insurance Board and, in exchange, the Workplace Safety and Insurance Board pays all benefits to injured workers out of monies pooled in the insurance fund.

[iv] Pension Agreement

TBDSSAB makes contributions to the Ontario Municipal Employees' Retirement System plan [OMERS], a multi-employer pension plan, on behalf of its employees. OMERS is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on length of service and rates of pay. Employees and employers contribute equally to the plan. Employer contributions for 2025 amounted to \$1,087,502 [2024 - \$1,026,829]. These contributions are included in the consolidated statement of operations.

TBDSSAB does not recognize any share of the pension plan deficit based on the fair market value of OMERS assets, as the plan is managed by OMERS and TBDSSAB does not share risk or control of decisions in the plan administration, benefits, or contribution. As at December 31, 2025, OMERS has reported a deficit of \$1.3 billion [2024 – deficit of \$2.9 billion].

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

8. COMMITMENTS

- [i] TBDSSAB has commitments under various office building lease agreements expiring in 2026. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2026	\$ 891

- [ii] TBDSSAB has commitments under various leases and service agreements for certain computer equipment and software expiring between 2026 and 2028. The following approximate annual payments are required under these agreements.

Year	Annual Payment
2026	108,529
2027	38,319
2028	12,424
Total	\$ 159,272

- [iii] TBDSSAB has commitments under various vehicle lease agreements expiring between 2026 and 2028. The following approximate annual payments are required under these leases.

Year	Annual Payment
2026	34,919
2027	34,919
2028	25,075
Total	\$ 94,913

- [iv] On February 1, 2012, TBDSSAB entered into a 20-year amortization, 5-year term indicative swap rate takeout loan agreement in the amount of \$6,000,000 with the RBC to finance the construction of TBDSSAB headquarters. This loan was renewed effective February 1, 2017, for the remaining 15-year term. The balance of the loan as at December 31, 2025, is \$2,240,000 [2024 - \$2,566,000]. The swap agreement exchanges TBDSSAB's Banker's Acceptance variable loan payments for an established fixed interest rate payment. The exchange of interest payments results in an effective interest rate of 2.32% plus a 0.40% stamping fee for an all-in interest rate of 2.72% for the 15-year term. The approximate gain (cost) of breaking the swap rate loan agreement prior to maturation, given the market interest rates as at December 31, 2025, is estimated to be \$43,398 [2024 – \$64,918].

- [v] In 1975, the Thunder Bay Community Projects Incorporated entered into an agreement with The Corporation of the City of Thunder Bay to lease land on which the Andras Court housing project was built. Through amalgamation, TBDSSAB has assumed all responsibilities under this lease. TBDSSAB is responsible for all operating costs of the property and for the mortgage payments on the property [note 6]. The lease expires on May 31, 2032, at which time the land and buildings revert to the Corporation of the City of Thunder Bay.

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

9. CONTINGENT LIABILITIES

The nature of TBDSSAB's activities is such that there is often litigation pending or in prospect at any time. With respect to claims at December 31, 2025, management believes TBDSSAB has valid defenses and appropriate insurance coverage in place. In the event that claims are successful, management believes that such claims are not expected to have a material effect on TBDSSAB's financial position.

10. ASSET RETIREMENT OBLIGATION

TBDSSAB discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

As of December 31, 2025, all liabilities for asset retirement obligations (ARO) are reported at discounted costs. A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2025	2024
	\$	\$
Opening balance	11,989,360	13,690,597
Opening balance adjustment	-	(2,368,236)
Disposal of ARO	(1,236,031)	-
Accretion expense	633,479	666,999
Closing balance	11,386,808	11,989,360

11. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2025	2024
	\$	\$
Reserve funds		
Balance, beginning of year	42,416,793	39,470,922
Revenue		
Transfers from current operations	3,421,067	3,263,100
Income earned	2,036,621	1,528,731
	5,457,689	4,791,831
Expenditures		
Transfers to current operations	3,186,825	1,845,960
Balance, end of year	44,687,656	42,416,793

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

12. BUDGET AMOUNTS

The budget approved for the current year was prepared on a cash basis and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the approved and reported budget amounts is presented below:

	Approved Fiscal Plan	Adjustment	Fiscal Plan per Financial Statements
	\$	\$	\$
REVENUES			
Provincial Grants			
Ontario works	30,211,100	(90,000)	30,121,100
Child care and early years	10,796,100	-	10,796,100
Community housing	348,400	-	348,400
Homelessness prevention	16,988,500	-	16,988,500
	<u>58,344,100</u>	<u>(90,000)</u>	<u>58,254,100</u>
Federal Grants			
Child care and early years	29,268,600	-	29,268,600
Community housing	3,867,300	(60,000)	3,807,300
Direct-owned community housing building operations	2,199,000	1,464,200	3,663,200
	<u>35,334,900</u>	<u>1,404,200</u>	<u>36,739,100</u>
Levy to municipalities and TWOMO	26,811,100	(355,000)	26,456,100
Rents	11,762,600	-	11,762,600
Income earned on unrestricted funds	182,500	217,500	400,000
Income earned on reserve funds	-	750,000	750,000
Other	582,300	-	582,300
	<u>39,338,500</u>	<u>612,500</u>	<u>39,951,000</u>
TOTAL REVENUES	<u>133,017,500</u>	<u>1,926,700</u>	<u>134,944,200</u>

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

	Approved Fiscal Plan \$	Adjustment \$	Fiscal Plan per Financial Statements \$
EXPENSES			
Ontario works	34,748,900	83,965	34,832,865
Child care and early years	41,449,700	8,009	41,457,709
Community housing	14,693,700	-	14,693,700
Direct-owned community housing building operations	25,136,700	564,330	25,701,030
Homelessness prevention	16,988,500	-	16,988,500
TOTAL EXPENSES	133,017,500	656,304	133,673,804
Annual Surplus	-	2,583,004	1,270,396
Interfund transfers	(1,926,700)	(1,926,700)	
Debt repayments	1,917,500	1,917,500	
Accretion expense	-	(633,479)	
Amortization	-	(1,940,325)	
Approved Surplus	(9,200)	(2,583,004)	

13. ONTARIO WORKS

The expenses by program description under the Ontario Works service agreement are outlined below:

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
	<i>[note 12]</i>		
Financial assistance	23,546,200	21,877,123	23,316,280
Program delivery	11,286,665	10,403,091	9,488,983
	34,832,865	32,280,214	32,805,263

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

14. CHILD CARE AND EARLY YEARS

The expenses by program description under the child care and early years service agreement are outlined below:

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
	<i>[note 12]</i>		
Administration	811,409	1,232,315	427,479
Bad debt	-	-	10,825
Base funding for licensed home child care	82,800	82,800	82,800
Canada-Wide Early Learning and Child Care	28,270,200	24,336,245	8,013,920
CWELCC Incremental Funding	-	-	212,732
Capacity building	269,100	78	227,882
ELCC Infrastructure Fund	-	1,820,515	-
Fee subsidy	1,000,000	761,255	873,992
General operating	5,436,400	223,000	8,478,350
Ontario works formal	-	5,950	60,044
Ontario works informal	-	-	205
Pay equity	-	-	104,300
Play-based materials and equipment	-	-	390
Resource centres	-	247,906	291,100
Small water works	3,200	3,081	3,081
Special needs resourcing	1,698,000	1,698,000	1,543,600
Start-up grant	-	427,789	-
Wage enhancement	-	234,249	1,289,130
Workforce	-	-	49,626
Total	37,571,109	31,073,183	21,669,956
EarlyON			
Data analysis services	105,200	105,200	105,200
EarlyON child and family centres	2,414,600	2,486,445	2,373,010
Early years officer	105,200	105,200	105,200
Mental Health	45,700	45,724	-
Planning	38,500	11,892	9,483
Indigenous led – operating	1,177,400	1,177,200	1,177,410
Total EarlyON	3,886,600	3,931,661	3,770,303
Total child care and early years	41,457,709	35,004,844	25,440,259

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

15. COMMUNITY HOUSING

The expenses by program for Community Housing are as follows:

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
	<i>[note 12]</i>		
Administration	-	474,177	756,661
Provincial reformed	4,887,800	5,282,561	5,189,208
Rent supplement – private landlord	2,820,800	2,314,430	2,818,601
Rent supplement – non-profit	749,400	685,802	775,396
Urban Native, Post-1985	808,800	719,829	1,063,331
Canada-Ontario Community Housing Initiative [COCHI]			
Administration	129,800	80,815	140,939
Rent supplement	1,052,800	1,004,937	864,482
Repairs	2,170,000	303,999	1,618,405
Transitional operating	106,300	226,545	193,960
Investment in Affordable Housing [IAH]			
Rent supplement	-	-	73,223
Revolving loan	300,000	289,410	250,731
Ontario Priorities Housing Initiative [OPHI]			
Administration	19,800	43,600	29,416
Repairs	377,000	828,401	558,895
Portable Housing Benefit	1,271,200	1,232,056	1,091,359
	14,693,700	13,486,562	15,388,009

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

16. DIRECT-OWNED COMMUNITY HOUSING BUILDING OPERATIONS

The expenses for direct-owned Community Housing building operations are as follows:

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	<i>[note 12]</i>		
Administration	5,532,100	4,501,778	4,299,664
Insurance	1,055,800	1,050,640	808,058
Interest on long-term debt	59,500	60,697	96,441
Loan principal payments	-	-	1,828,394
Amortization	2,155,830	919,799	5,684,632
Municipal taxes	5,889,800	5,833,737	5,684,632
Repairs, maintenance, and operating services	6,439,700	7,769,736	5,865,192
Utilities	4,568,300	4,132,826	4,289,756
	25,701,030	24,269,213	23,543,086

Each year TBDSSAB is required to provide the MMAH a Service Manager Annual Information Return [SMAIR] which, among other things, confirms the expenditures for the year by program. A portion of these expenditures are included in the summary of Direct-Owned Housing and Administration. For the purposes of the 2025 SMAIR, TBDSSAB has attributed \$9,271,165 [2024 - \$8,583,608] to the Public Housing program and \$4,132,700 [2024 - \$4,777,441] to the Provincial Reformed program.

17. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	<i>[note 12]</i>		
Homelessness Prevention Program			
Administration	822,600	823,518	806,723
Emergency shelter solutions	2,068,200	2,210,473	1,918,848
Capital (supportive housing)	7,946,200	6,554,600	7,168,167
Homelessness assistance	2,082,500	1,786,103	1,660,656
Housing with related supports	280,900	357,864	264,500
Community outreach and support services	3,683,400	3,177,432	3,232,394
	16,883,800	14,909,990	15,051,288
Home for Good			
Capital component	104,700	104,721	104,721
	16,988,500	15,014,711	15,156,009

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

18. RELATED PARTY TRANSACTIONS

Measurement basis

Related party transactions are in the normal course of operations and stated at the exchange amount. The expenses represent purchased services and rents under contracts approved by TBDSSAB.

Related corporations

TBDSSAB is related to the following corporations:

The Corporation of the City of Thunder Bay acted as a delivery agent for child care programs.

The Municipality of Greenstone acted as a delivery agent for child care programs and provided rental accommodations to TBDSSAB. TBDSSAB provided Community Homelessness Prevention Initiative food security funds to the Municipality of Greenstone.

The Township of Schreiber provided rental accommodations to TBDSSAB.

	2025	2024
	\$	\$
Amounts owing to related parties, included in payable to participating municipalities and funded agencies. The following amounts are non-interest bearing with repayment terms based on the year-end settlement process:		
City of Thunder Bay	2,256	48,483
Municipality of Greenstone	534	14,072
Township of Schreiber	885	-

Amounts paid to related parties for purchased services and rent, included in expenses:

City of Thunder Bay	3,194,943	1,794,128
Municipality of Greenstone	1,043,061	871,764
Township of Schreiber	10,556	11,201

19. PROVINCIAL AND FEDERAL GRANTS

Revenue from the Province of Ontario and Canadian Government has been calculated according to the terms of the governing statutes and is subject to final approval by the Province and Federal Government. Ultimate determination of amounts is dependent upon the reconciliation of funding by the Province of Ontario and Canadian Government. Adjustment to the accounting records is made at the time of final settlement.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

20. ADEQUACY OF HOUSING CAPITAL RESERVE FUND

TBDSSAB is required to establish capital reserve funds for financing future major repairs and replacements. Building Condition Assessments [BCA] were conducted by Egis Canada Ltd. during the period 2023 to 2024. Based on the data provided through the BCAs the capital reserve fund balance as at December 31, 2024 and the level of annual capital reserve contributions in effect for the year 2024, that over a 30-year period, the capital reserve funds would be deficient. The capital reserve funds were evaluated on the basis of expected repair and replacement costs and life expectancy of the building projects. Such evaluation is based on numerous assumptions and future events.

TBDSSAB approved Reserve and Reserve Fund Strategy has been established to prolong the adequacy of financial resources by controlling the amount of capital projects undertaken each year and maintaining the annual contributions to capital reserve funds.

21. SEGMENTED INFORMATION

TBDSSAB supports people to improve their lives and become self-sufficient. TBDSSAB is the service system manager for vital, quality social services needed by individuals and families living in the District of Thunder Bay including child care and early years, community housing, homelessness prevention programs and through the delivery of social assistance. For reporting purposes, TBDSSAB's financial activities are organized and reported by program. Certain programs that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Corporate Management and Program support

Corporate Management and Program Support includes Board governance, the organization's strategic leadership, communications and engagement, and human resources support, as well as the Corporate Services Division, which adds value to the organization through its strategic goal of creating and managing internal system integrity to support informed decision making across the organization.

Integrated Social Services Program Support

Integrated Social Services Program Support includes the Integrated Social Services Division Director's Office, Social Policy and Data Research, and the Intake and Eligibility area at the Headquarter Office Building.

Social Assistance

Through the Ontario Works program, TBDSSAB provides financial and employment assistance to individuals in temporary financial need. The goals are to assist participants in achieving independence and self-reliance and to transition the participants into the workforce.

Child Care and Early Years Programs

TBDSSAB administers funding to child care operators within the district in accordance with the *Child Care and Early Years Act, 2014*.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Community Housing

TBDSSAB Community Housing program is responsible for the direct management of the public housing portfolio, the administration of the Non-profit and Urban and Native Housing projects within the district, administration of various federal and provincial housing programs, and the administration and maintenance of the central waiting list within the district.

Direct-Owned Community Housing Building Operations

TBDSSAB Direct-Owned Community Housing Building Operations is responsible for operating and maintaining the direct-owned housing properties, as well as providing supports to tenants within the housing portfolio.

Homelessness Prevention Programs

TBDSSAB administers the provincially funded Homelessness Prevention Program funding that is designed to prevent, address, and reduce homelessness for those at risk or experiencing homelessness.

For each reported segment, revenue and expenses represent both the amounts that are directly attributable to the segment as well as amounts that can reasonably be allocated to the segment.

Administration costs are allocated to the programs based on an estimate of their consumption of administrative services. The accounting policies utilized in these segments are consistent with those followed in the preparation of the consolidated financial statements.

The segmented financial information is included on the Consolidated Schedule of Segment Disclosure in Schedule 1.

22. FINANCIAL INSTRUMENTS

[i] 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 other price risk. TBDSSAB is not exposed to significant currency risk but is exposed to interest rate risk and other price risk as follows:

- Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. TBDSSAB is exposed to this risk through its interest-bearing investments and debt. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

- Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). TBDSSAB is exposed to other price risk related to its investments in equity instruments. As described in the credit risk section, TBDSSAB's investment policy operates within the constraints of the investment guidelines laid out in the Housing Services Act, 2011 and Municipal Act, 2001 which puts limits on the types of investments the Board may invest in. The investments are limited to equity instruments in long-term Canadian institutions.

[ii] Credit Risk

Credit risk is the risk of financial loss to TBDSSAB if a debtor fails to discharge their obligation. TBDSSAB is exposed to this risk arising from its cash, investments, grants receivable and accounts receivable. TBDSSAB holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, TBDSSAB's cash accounts are insured up to \$100,000 [2024 - \$100,000].

TBDSSAB's investment policy operates within the constraints of the investment guidelines laid out in the *Housing Services Act, 2011* and *Municipal Act, 2001* which puts limits on the types of investments TBDSSAB may invest in, lays out composition of its investment portfolio, specifies the bond quality limits and issuer type limits and general guidelines for geographical exposure.

Accounts receivable is primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. TBDSSAB measures its exposure to credit risk based on how long the amounts have been outstanding. An allowance for doubtful accounts (AFDA) is set up based on TBDSSAB's historical experience regarding collections. In the current and prior years, all of the allowance for doubtful accounts related to the other receivables. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

	2025 (\$)				Total
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	
Accounts receivable	1,154,385	154,297	235,451	7,034,116	8,578,249
Interest receivable	85,559	-	-	-	85,559
HST receivable	-	-	-	897,185	897,185
Receivable from municipalities and funded agencies	115,944	-	-	-	115,944
Due from Province of Ontario	-	-	-	5,384,152	5,384,152
	1,355,888	154,297	235,451	13,315,552	15,061,188
Less: AFDA	-	-	-	(5,401,528)	(5,401,528)
	1,355,888	154,297	235,451	7,914,024	9,659,660

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

	2024 (\$)				Total
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	
Accounts receivable	144,680	18,798	8,887	7,399,978	7,572,343
Interest receivable	105,804	-	-	-	105,804
HST receivable	-	-	-	1,524,008	1,524,008
Receivable from municipalities and funded agencies	42,214	-	-	-	42,214
Due from Province of Ontario	-	-	-	2,123,089	2,123,089
	292,698	18,798	8,887	11,047,075	11,367,458
Less: AFDA	-	-	-	(5,182,629)	(5,182,629)
	292,698	18,798	8,887	5,864,446	6,184,829

[iii] Liquidity risk

Liquidity risk is the risk that TBDSSAB will not be able to meet all cash outflow obligations as they come due. TBDSSAB mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities:

	2025 (\$)				Total
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	
Accounts payable and accrued liabilities	3,855,054	-	-	-	3,855,054
Payable to municipalities and funded agencies	2,501,647	-	-	-	2,501,647
Due to Province of Ontario	20,392,904	-	-	-	20,392,904
Long-term debt	1,698,285	934,875	1,114,424	413,602	4,161,186
	28,447,890	834,875	1,114,424	413,602	30,910,791

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

	2024 (\$)				Total
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	
Accounts payable and accrued liabilities	3,122,075	-	-	-	3,122,075
Payable to municipalities and funded agencies	1,262,493	-	-	-	1,262,493
Due to Province of Ontario	19,344,489	-	-	-	19,344,489
Long-term debt	2,055,761	1,673,508	1,631,121	771,082	6,131,472
	25,784,818	1,673,508	1,631,121	771,082	29,860,529

FINANCIAL INSTRUMENT CLASSIFICATION

The following table provides the carrying amount information of TBDSSAB financial instruments by category. The maximum exposure to credit risk for the financial assets would be the carrying values shown below;

	2025 (\$)		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	35,831,700	-	35,831,700
Marketable securities	34,527,407	-	34,527,407
Accounts receivable	-	3,176,721	3,176,721
Client benefit advances	-	1,424,889	1,424,889
Interest receivable	-	85,559	85,559
HST receivable	-	897,185	897,185
Accounts payable and accrued liabilities	-	(3,855,054)	(3,855,054)
Payable to participating municipalities and funded agencies	-	(2,617,591)	(2,617,591)
Due to Province of Ontario	-	(16,312,237)	(16,312,237)
Long-term debt	-	(4,161,186)	(4,161,186)
	70,359,107	(21,361,714)	48,991,393

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

	2024 (\$)		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	35,359,061	-	35,359,061
Marketable securities	28,888,966	-	28,888,966
Accounts receivable	-	2,217,349	2,217,349
Client benefit advances	-	1,780,399	1,780,399
Interest receivable	-	105,804	105,804
HST receivable	-	1,524,008	1,524,008
Accounts payable and accrued liabilities	-	(3,122,075)	(3,122,075)
Payable to participating municipalities and funded agencies	-	(1,304,707)	(1,304,707)
Due to Province of Ontario	-	(17,221,400)	(17,221,400)
Long-term debt	-	(6,131,472)	(6,131,472)
	64,248,027	(22,152,094)	42,095,933

The following table provides an analysis of financial instruments that are subsequently measured at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Instruments	2025 (\$)			
	Level 1	Level 2	Level 3	Total
	Fixed Income	Equities		
Cash and cash equivalents	2,040,499	-	-	2,040,499
Marketable securities	26,358,702	8,168,705	-	34,527,407
	28,399,201	8,168,705	-	36,567,906

Financial Instruments	2024 (\$)			
	Level 1	Level 2	Level 3	Total
	Fixed Income	Equities		
Cash and cash equivalents	5,150,544	-	-	5,150,544
Marketable securities	21,636,636	7,252,327	-	28,888,963
	26,787,180	7,252,327	-	34,039,507

The fair market value (FMV) of investments at December 31, 2025 is \$36,567,906 [2024: \$34,039,507] compared to the book value (cost) of \$34,492,345 [2024: \$32,780,634].

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Schedule of Segment Disclosure

Year ended December 31

Schedule 1

	Corporate Management and Program Support		Integrated Social Services Program Support		Social Assistance		Child Care and Early Years Programs	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$			\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	(400,000)	(400,000)	-	-	4,440,800	3,676,500	1,372,900	1,283,900
Provincial grants	-	-	-	-	28,259,044	29,770,526	15,319,609	14,869,397
Federal grants	-	-	-	-	-	-	19,005,090	9,225,958
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	724,912	400,000	-	-	-	-	-	-
Income earned on reserve funds	446,370	436,930	-	-	-	-	231,136	46,373
Other	5,275	3,465	-	-	-	-	-	-
	776,557	440,395	-	-	32,699,844	33,447,026	35,928,735	25,425,628
Expenses								
Salaries, wages & employee benefits	3,757,728	3,438,764	2,377,760	2,251,872	3,595,968	3,597,599	470,700	398,428
Interest on long-term debt	64,772	59,254	-	-	-	-	-	-
Materials	2,003,578	1,726,523	40,765	45,739	572,046	441,196	86,491	43,454
Contracted services	174,494	293,172	-	-	11,241	-	6,636	8,307
Rents and financial expenses	14,200	9,414	-	-	122,678	125,767	-	10,825
External transfers	-	-	-	-	22,363,686	24,519,400	33,550,337	24,288,557
Loan principal payments / amortization	409,965	397,543	-	-	8,009	8,009	-	-
Allocation of internal administration	(6,424,737)	(5,924,670)	(2,418,525)	(2,297,611)	5,606,586	4,113,292	890,680	690,688
	-	-	-	-	32,280,214	32,805,263	35,004,844	25,440,259
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenses	776,557	440,395	-	-	419,630	641,763	923,891	(14,631)

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Schedule of Segment Disclosure

Year ended December 31

**Schedule 1
(continued)**

	Community Housing		Direct-Owned Community Housing Building Operations		Homelessness Prevention Programs		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	8,164,200	8,728,500	12,878,200	11,944,100	-	-	26,456,100	25,233,000
Provincial grants	582,345	454,708	-	-	15,014,711	15,156,009	59,175,709	60,250,640
Federal grants	4,572,471	6,361,339	1,289,416	2,196,047	-	-	24,866,977	17,783,344
Rents	-	-	12,038,076	11,564,604	-	-	12,038,076	11,564,604
Income earned on unrestricted funds	-	-	-	-	-	-	724,912	400,000
Income earned on reserve funds	127,945	25,209	1,321,600	1,020,218	-	-	2,127,051	1,528,730
Other	-	49	582,428	440,053	-	-	587,703	443,567
	13,446,961	15,569,805	28,109,720	27,165,022	15,014,711	15,156,009	125,976,528	117,203,885
Expenses								
Salaries, wages & employee benefits	554,151	535,024	4,158,693	3,859,225	-	-	14,915,000	14,080,912
Interest on long-term debt	-	-	60,697	96,441	-	-	125,469	155,695
Materials	773,254	1,210,899	18,869,769	17,822,237	358,524	-	22,704,427	21,290,048
Contracted services	37,767	108,235	60,166	66,916	-	-	290,304	476,630
Rents and financial expenses	(4,709)	20,134	(188,498)	267,690	-	-	(56,329)	433,830
External transfers	12,141,469	13,017,167	(9,002)	51,386	12,692,410	13,501,386	80,738,900	75,377,896
Loan principal payments / amortization	-	-	919,799	112,063	-	-	1,337,773	517,615
Allocation of internal administration	(15,370)	496,550	397,589	1,267,128	1,963,777	1,654,623	-	-
	13,486,562	15,388,009	24,269,213	23,543,086	15,014,711	15,156,009	120,055,544	112,332,626
Gain (loss) on disposal of capital assets	-	-	(576,195)	-	-	-	(576,195)	-
Excess (deficiency) of revenues over expenses	(39,601)	181,796	3,264,312	3,621,936	-	-	5,344,789	4,871,259

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Schedule of Tangible Capital Assets

Year ended December 31

Schedule 2

	Land	Land Improvements	Building	Vehicles	Computer	Furniture	Machinery & Equipment	Assets Under Construction	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	10,011,225	356,222	91,442,876	147,686	1,975,225	431,529	5,934,731	501,099	110,800,593	111,228,856
Add:										
Additions during the year	-	-	791,797	-	74,560	-	-	69,069	935,426	121,202
Less:										
Deductions during the year	(62,761)	-	(697,450)	-	-	-	-	(501,099)	(1,261,310)	(549,465)
BALANCE, END OF YEAR	9,948,464	356,222	91,537,223	147,686	2,049,785	431,529	5,934,731	69,069	110,474,709	110,800,593
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	356,222	67,180,251	147,686	1,848,163	431,529	4,297,449	-	74,261,300	72,624,041
Add:										
TCA Amortization during the year	-	-	1,449,973	-	99,093	-	365,145	-	1,914,211	2,080,133
ARO Amortization during the year	-	-	26,114	-	-	-	-	-	26,114	106,591
Less:										
Accumulated amortization on deductions	-	-	(685,115)	-	-	-	-	-	(685,115)	(549,465)
BALANCE, END OF YEAR	-	356,222	67,971,223	147,686	1,947,256	431,529	4,662,594	-	75,516,510	74,261,300
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, BEGINNING OF YEAR	10,011,225	-	24,262,625	-	127,062	-	1,637,282	501,099	36,539,293	38,604,815
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, END OF YEAR	9,948,464	-	23,566,000	-	102,529	-	1,272,137	69,069	34,958,199	36,539,293

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	2025	2024
	\$	\$
RESERVE FUNDS		
Capital regeneration	7,709,218	7,251,210
Community housing	2,093,583	2,025,638
Early years	3,890,486	3,659,351
Employment compensation and benefits	878,305	1,122,410
Housing portfolio capital	23,536,126	22,413,658
Levy stabilization	3,921,714	3,510,488
Office building capital	2,658,224	2,434,038
Total - Reserve Funds	44,687,656	42,416,793
SURPLUSES (DEFICITS)		
Invested in tangible capital assets	34,958,199	36,539,293
General	(13,858,138)	(19,308,325)
Total - Surpluses	21,100,061	17,230,968
ACCUMULATED SURPLUS	65,787,717	59,647,761
