



BOARD REPORT

REPORT No.: 2026-12AGM
MEETING DATE: APRIL 30, 2026
SUBJECT: 2025 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

RECOMMENDATION

THAT with respect to Report No. 2026-12AGM (Corporate Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the Audited Consolidated Financial Statements of The District of Thunder Bay Social Services Administration Board for the year ended December 31, 2025, as presented.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the draft year 2025 Audited Consolidated Financial Statements of TBDSSAB for Board approval.

BACKGROUND

The consolidated financial statements of TBDSSAB prepared by Administration are audited by the Board's external auditors on an annual basis. The consolidated statements provide the financial position as at December 31, 2025, as well as the results of TBDSSAB's operations.

The consolidated financial statements have been prepared using generally accepted accounting principles for public sector organizations, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The year 2025 draft Audited Consolidated Financial Statements were presented to the Audit Committee on April 24, 2026, for review and inquiry and are provided as Attachment #1.

COMMENTS

The consolidated financial statements consist of a Consolidated Statement of Financial Position, Consolidated Statement of Re-measurement Gains and Losses, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flows, and Notes to the Consolidated Financial

Statements. There are three (3) schedules providing additional details included after the Notes to the Consolidated Financial Statements.

The following discussion provides highlights of the most significant aspects of the consolidated financial statements.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position presents the financial condition of the organization as of December 31, 2025, with comparatives at December 31, 2024. The total financial assets controlled by TBDSSAB as at December 31, 2025, were \$75.9 million, with the majority of that being cash and cash equivalents (\$35.8 million), and marketable securities (\$34.5 million). The majority of the cash and cash equivalents, and marketable securities are secured for the purposes of TBDSSAB's reserve funds of \$44.7 million.

Explanations of significant year-over-year changes in asset and liability lines are provided below:

- Marketable Securities – increase by \$5.6M, mainly a result of \$2.1M in recognized income from reserve fund investments, as well as investment held at year-end with significant unrecognized gains.
- Payable to participating municipalities and funded agencies – Increase of \$1.3M as a result of Child Care ELCC Infrastructure and Start-up Grant Funds payable at year-end.
- Long-term debt – decrease of \$1.97 million representing reduction in principal repayments on housing portfolio mortgages, the loan for TBDSSAB's office headquarters, and the capital lease of computer equipment.
- Tangible capital assets – decrease of \$1.58 million as a result of amortization of \$1.94M, additions of \$935,426 and a loss on disposal of Bertrand Court of \$576,195 representing annual amortization of capital assets.

Consolidated Statement of Re-measurement Gains and Losses

The Consolidated Statement of Re-measurement Gains and Losses details changes in the fair market value of portfolio investments and derivatives.

This statement shows a net re-measurement gain for the year 2025 of \$795,167 as a result of amounts reclassified to the accumulated surplus resulting from disposition of investments. The statement shows an accumulated unrealized gain of \$2,118,956 at December 31, 2025.

Administration has prepared Report No. 2026-14, 2025 Investment Portfolio Performance, contained in the April 30, 2026, Regular Session Board Agenda package, which provides further detail regarding TBDSSAB's investment portfolio.

Consolidated Statement of Operations

The Consolidated Statement of Operations details revenues earned, and expenses incurred during the year. Generally, revenues in the form of Federal and Provincial grants are determined by applying various cost-sharing formulae to actual expenses.

For 2025, revenues exceeded expenses by \$5.3 million for the year and reflect the consolidation of all transactions across the organization.

The Municipal Levy and Provincial funding calculations do not consider PSAB reporting requirements, and as such, employee benefit obligations are recognized in the year paid rather than accrued, acquisition of tangible capital assets is expensed in the year of purchase with annual amortization not recognized, and expenses paid from reserve funds are not factored into the reconciliation.

After factoring out the PSAB consolidation entries from the \$5.3 million financial statement PSAB surplus (i.e. transactions related to reserve funds, the accrual of employee benefit obligations, and adjusting for tangible capital asset transactions), the net program levy surplus is \$2,680,700 (see Report No. 2026-13, 2025 Fourth Quarter Financial Report and Program Levy Surplus Disposition, contained in the Regular Board Agenda package). The details of the reconciliation between the PSAB surplus and the net program levy operating surplus is provided in the Schedule 1 section below.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows outlines the change in the cash position that occurred during the year, by sources and uses of cash and capital transactions. The cash balance at the beginning of the year was \$35.4 million with a net change of \$472,639 for a closing cash balance of \$35.8 million.

The change is a result of the following cashflow movements within the respective transaction categories:

Cash provided by operating transactions - \$9.02M

- Primarily because of the annual surplus of \$5.34M, including non-cash transactions add back of \$2.56M.

Cash used in capital transactions - \$935K

- The TBDSSAB's tangible capital asset capitalization policy sets thresholds and criteria for what capital budget transactions should be capitalized.

Cash used in investing transactions - \$5.64M

- Relates to activity associated with our investments held with TD and Encasa.

Cash used in financing transactions - \$1.97M

- Specifically for the repayment of debt to CMHC and financial institutions.

Notes to the Consolidated Financial Statements

The Notes to the Consolidated Financial Statements provide additional and detailed information to support the financial statements. They intend to provide clarification and explanations of specific items within the financial statements.

No new notes have been added in the 2025 consolidated financial statements, however, “Note 12 – Budget Amounts” has been enhanced to provide financial statement users with a clearer understanding of how the Board approved budget is impacted by PSAB reporting requirements and reflected on the consolidated statement of operations.

The remaining notes, although updated for 2025, are consistent with previous years’ notes.

Schedules

There are three (3) schedules provided with the financial statements, all of which are presented to comply with PSAB requirements.

Schedule 1 details TBDSSAB revenues and expenses by program, with the expenses by classification. This additional information is intended to assist users of the financial statements to better understand TBDSSAB’s operations and to assist member municipalities with the completion of certain schedules of their Financial Information Returns.

- Corporate Management and Program Support revenues exceeded expenses by \$776,557 (income earned on reserve funds and other revenue) for the year 2025. Corporate Management and Program Support expenses are allocated to programs based on the method approved during the annual budget process.
- Integrated Social Services (ISS) Program Support revenues equaled expenses for the year 2025. ISS Program Support expenses are allocated to programs based on the method approved during the annual budget process.
- Social Assistance revenues exceeded expenses by \$419,630 for the year 2025. Ontario Works Program Delivery Funding expenses were under budget due, primarily, to staff vacancies throughout the year.
- Child Care and Early Years’ Program expenses exceeded revenue by \$923,891 for the year 2025. The surplus is a result of budgeted cost-sharing funds that were not fully utilized in the year.

- Community Housing expenses exceeded revenues by \$39,601 for the year 2025, an insignificant deficit in consideration to the operations.
- Direct-Owned Community Housing Building Operations revenues exceeded expenses by \$3,264,312 for the year 2025. This is due to Contributions to the Housing Portfolio Capital Reserve Fund not being recorded as expenses under PSAB financial reporting requirements. The loss on disposal of capital assets of \$576,195 reflects the disposal of Bertrand Court.
- Homelessness Prevention Programs expenses equaled revenue.

Schedule 2 provides information regarding the Board's tangible capital assets (TCA). The historical cost amount for each TCA class is shown along with additions and deductions for the year, and the amortization amounts by asset class.

Schedule 3 identifies the components of the organization's accumulated surplus:

- \$44.7 million, or 68%, of the accumulated surplus is held in various reserve funds to finance future projects and obligations;
- \$34.9 million, represents the amount that has been invested in tangible capital assets, the majority of which are buildings and land;
- \$13.9 million relates to the consolidated general deficit.

TBDSSAB's accumulated general surplus includes the 2025 program levy surplus of \$2,680,700, which is consistent with the budget and variance reporting format, and discussed in Report No. 2026-13, 2025 Fourth Quarter Financial Report and Program Levy Surplus Disposition, contained in the April 30, 2026, Regular Session Board Agenda package.

The table below summarizes the difference between the consolidated financial statement surplus (based on PSAB standards) and the program levy operating position, which removes the PSAB adjustments, to arrive at the in-year program levy operating position:

	Total (\$)
2025 Consolidated Audited Financial Statement Surplus	5,344,789
Change related to employee benefit obligations	(149,771)
Change in the FMV of the HQ swap loan derivative	(21,519)
Change in ARO Accretion costs	(602,552)
Change related to reserve funds	(2,686,205)
Utilization of reserve funds	3,312,201
2025 Program Levy Operating Surplus	2,680,700

STRATEGIC PLAN IMPACT

This report relates to the Board's strategic direction of Financial Stewardship, with a focus on ensuring accountability of TBDSSAB resources.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report.

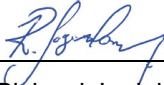

CONCLUSION

It is concluded that the draft Audited Consolidated Financial Statements for the year ended December 31, 2025, were presented to the Audit Committee on April 24, 2026, and it was the consensus of that Committee that the consolidated financial statements, as prepared by Administration, be presented to the Board for approval.

REFERENCE MATERIALS

Attachment #1 Year 2025 Audited Consolidated Financial Statements of The District of Thunder Bay Social Services Administration Board (draft) Distributed Separately – Not Attached to Report

Attachment #2 Historical Consolidated Financial Statements Yearly Comparison

PREPARED BY:	Richard Jagielowicz, CPA, CA, CBV, Director, Corporate Services Division
SIGNATURE	
APPROVED BY	Richard Jagielowicz, CPA, CA, CBV, Director, Corporate Services Division
SIGNATURE	
SUBMITTED BY:	Ken Ranta, Chief Executive Officer

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

Consolidated Statement of Financial Position

As at December 31

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
FINANCIAL ASSETS					
Cash and cash equivalents	35,831,700	35,359,061	25,388,993	22,753,596	22,274,995
Marketable securities	34,527,407	28,888,966	26,135,193	25,667,769	22,497,071
Accounts receivable	3,176,721	2,217,349	1,632,790	1,631,923	993,521
Client benefit advances	1,424,889	1,780,399	1,692,454	1,698,035	1,576,614
Interest receivable	85,559	105,804	99,862	84,509	15,297
HST receivable	897,185	1,524,008	771,888	769,683	768,748
	75,943,461	69,875,587	55,721,180	52,605,515	48,126,246
LIABILITIES					
Accounts payable and accrued liabilities	3,855,054	3,122,075	2,796,221	2,699,926	2,485,898
Payable to participating municipalities and funded agencies	2,617,591	1,304,707	4,814,376	853,739	1,111,650
Due to Province of Ontario	16,312,237	17,221,400	7,703,223	9,843,934	6,689,017
Deferred revenue	5,547,521	5,409,719	2,024,172	4,482,442	5,672,528
Long-term debt	4,161,186	6,131,472	8,254,238	10,722,732	13,593,365
Employee benefits obligations	2,642,218	2,791,989	2,927,475	2,974,366	2,856,468
Asset retirement obligation	11,386,808	11,989,360	13,690,597	12,985,485	-
	46,522,615	47,970,722	42,210,302	44,562,624	32,408,926
NET ASSETS	29,420,846	21,904,865	13,510,878	8,042,891	15,717,320
NON-FINANCIAL ASSETS					
Tangible capital assets - net	34,958,199	36,539,293	38,604,815	40,857,736	42,533,851
Prepaid expenses	1,408,672	1,203,603	939,059	962,604	745,652
	36,366,871	37,742,896	39,543,874	41,820,340	43,279,503
ACCUMULATED SURPLUS					
Accumulated operating surplus	63,668,761	58,323,972	53,452,713	51,593,026	58,674,063
Accumulated re-measurement gains (losses)	2,118,956	1,323,789	(397,961)	(1,729,795)	322,650
	65,787,717	59,647,761	53,054,752	49,863,231	58,996,713

**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**
Consolidated Statement of Operations

Year ended December 31

	2025	2024	2023	2022	2021
	Actual	Actual	Actual	Actual	Actual
	\$	\$	\$	\$	\$
REVENUES					
Provincial Grants					
Ontario Works	28,259,044	29,770,526	30,313,480	30,171,940	27,997,062
Child care and early years	15,319,609	14,869,397	14,552,739	18,230,879	15,364,903
Community housing	582,345	454,708	478,405	841,963	811,381
Homelessness prevention	15,014,711	15,156,009	13,638,659	8,709,508	11,303,759
TWOMO election	-	-	-	25,000	-
	59,175,709	60,250,640	58,983,283	57,979,290	55,477,105
Federal Grants					
Child care and early years	19,005,090	9,225,958	8,461,667	3,101,041	1,413,741
Community housing	4,572,471	6,361,339	8,838,832	5,855,403	6,884,793
Direct-owned community housing building operations	1,289,416	2,196,045	2,518,302	2,473,400	2,918,000
	24,866,977	17,783,342	19,818,801	11,429,844	11,216,534
Levy to municipalities and TWOMO	26,456,100	25,233,000	24,330,500	23,054,300	22,691,800
Rents	12,038,076	11,564,604	10,832,176	11,148,078	10,451,751
Income earned on unrestricted funds	724,912	400,000	615,254	100,000	100,000
Income earned on reserve funds	2,127,051	1,528,731	1,360,438	802,843	921,304
Other	587,703	443,568	321,823	656,088	765,292
	41,933,842	39,169,903	37,460,191	35,761,309	34,930,147
TOTAL REVENUES	125,976,528	117,203,885	116,262,275	105,170,443	101,623,786
EXPENSES					
Ontario Works <i>[note 13]</i>	32,280,214	32,805,263	33,780,458	33,815,153	31,267,639
Child care and early years <i>[note 14]</i>	35,004,844	25,440,259	24,285,180	19,598,910	18,547,559
Community housing <i>[note 15]</i>	13,486,562	15,388,009	17,577,801	15,698,541	16,293,602
Direct-owned community housing building operations <i>[note 16]</i>	24,269,213	23,543,086	24,648,287	22,423,088	20,663,422
Homelessness prevention <i>[note 17]</i>	15,014,711	15,156,009	14,038,659	8,718,780	11,358,759
TWOMO election	-	-	-	25,000	-
TOTAL EXPENSES	120,055,544	112,332,626	114,330,385	100,279,472	98,130,981
REVENUES LESS EXPENSES	5,920,984	4,871,259	1,931,890	4,890,971	3,492,805
OTHER	(576,195)	-	(72,203)	-	-
ANNUAL OPERATING SURPLUS (DEFICIT)	5,344,789	4,871,259	1,859,687	4,890,971	3,492,805