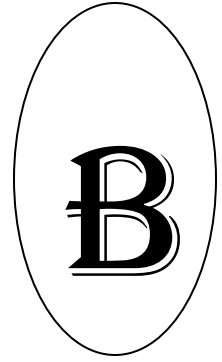




THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD



Attachment #1 to Report No. 2025-12AGM 2024 Audited Consolidated Financial
Statements **(Pages 1 - 35)**

Independent auditor's report

To the Members of the Board of Directors

Opinion

We have audited the consolidated financial statements of The District of Thunder Bay Social Services Administration Board ("the Board"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net assets, re-measurement gains and losses and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The District of Thunder Bay Social Services Administration Board as at December 31, 2024, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Thunder Bay, Canada

Chartered Professional Accountants
Licensed Public Accountants

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

As at December 31

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 3]</i>	35,359,061	25,388,993
Marketable securities <i>[note 3]</i>	28,888,966	26,135,193
Accounts receivable	2,217,349	1,632,790
Client benefit advances	1,780,399	1,692,454
Interest receivable	105,804	99,862
HST receivable	1,524,008	771,888
	69,875,587	55,721,180
LIABILITIES		
Accounts payable and accrued liabilities	3,122,075	2,796,221
Payable to participating municipalities and funded agencies <i>[note 4]</i>	1,304,707	4,814,376
Due to Province of Ontario <i>[note 5]</i>	17,221,400	7,703,223
Deferred revenue <i>[note 6]</i>	5,409,719	2,024,172
Long-term debt <i>[note 7]</i>	6,131,472	8,254,238
Employee benefits obligations <i>[note 8]</i>	2,791,989	2,927,475
Asset retirement obligation <i>[note 11]</i>	11,989,360	13,690,597
	47,970,722	42,210,302
NET ASSETS	21,904,865	13,510,878
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[Schedule 2]</i>	36,539,293	38,604,815
Prepaid expenses	1,203,603	939,059
	37,742,896	39,543,874
ACCUMULATED SURPLUS <i>[Schedule 3]</i>		
Accumulated operating surplus	58,323,972	53,452,713
Accumulated re-measurement gains (losses)	1,323,789	(397,961)
	59,647,761	53,054,752

Commitments and Contingent Liabilities *[notes 9 and 10]*

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

	2024 \$	2023 \$
ACCUMULATED RE-MEASUREMENT (LOSSES), BEGINNING OF YEAR	(397,961)	(1,729,795)
Unrealized gains (losses) attributable to:		
Portfolio investments	1,062,887	697,611
Derivatives	(72,674)	(63,481)
Amounts reclassified to the statement of operations:		
Disposition of investments	731,537	697,704
NET RE-MEASUREMENT GAINS FOR THE YEAR	1,721,750	1,331,834
ACCUMULATED RE-MEASUREMENT GAINS (LOSSES), END OF YEAR	1,323,789	(397,961)

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

	2024		2023
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 13]</i>		
REVENUES			
Provincial Grants			
Ontario Works	30,889,500	29,770,526	30,313,480
Child care and early years	15,517,300	14,869,397	14,552,739
Community housing	750,000	454,708	478,405
Homelessness prevention	16,844,900	15,156,009	13,638,659
	64,001,700	60,250,640	58,983,283
Federal Grants			
Child care and early years	11,495,600	9,225,958	8,461,667
Community housing	7,652,200	6,361,339	8,838,832
Direct-owned community housing building operations	2,196,000	2,196,045	2,518,302
	21,343,800	17,783,342	19,818,801
Levy to municipalities and TWOMO	25,233,000	25,233,000	24,330,500
Rents	11,535,500	11,564,604	10,832,176
Income earned on unrestricted funds	400,000	400,000	615,254
Income earned on reserve funds	750,000	1,528,731	1,360,438
Other	-	443,568	321,823
	37,918,500	39,169,903	37,460,191
TOTAL REVENUES	123,264,000	117,203,885	116,262,275

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

Consolidated Statement of Operations (continued)

Year ended December 31

	2024		2023
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 13]</i>		
EXPENSES			
Ontario Works <i>[note 14]</i>	34,684,124	32,805,263	33,780,458
Child care and early years <i>[note 15]</i>	28,302,254	25,440,259	24,285,180
Community housing <i>[note 16]</i>	16,316,878	15,388,009	17,577,801
Direct-owned community housing building operations <i>[note 17]</i>	27,366,744	23,543,086	24,648,287
Homelessness prevention <i>[note 18]</i>	16,844,900	15,156,009	14,038,659
TOTAL EXPENSES	123,514,900	112,332,626	114,330,385
REVENUES LESS EXPENSES	(250,900)	4,871,259	1,931,890
OTHER			
Distribution to municipalities	-	-	(72,203)
ANNUAL OPERATING SURPLUS (DEFICIT)	(250,900)	4,871,259	1,859,687
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	53,452,713	53,452,713	51,593,026
ACCUMULATED OPERATING SURPLUS, END OF YEAR	53,201,813	58,323,972	53,452,713

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 Assets

As at December 31

	2024		2023
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 13]</i>		
ANNUAL OPERATING SURPLUS	(250,900)	4,871,259	1,859,687
Acquisition of tangible capital assets <i>[Schedule 2]</i>	(250,000)	(121,202)	(356)
Amortization of tangible capital assets <i>[Schedule 2]</i>	2,064,700	2,080,133	2,204,043
Amortization of asset retirement obligation <i>[Schedule 2]</i>	-	106,591	49,234
Addition of prepaid expense	-	(1,203,603)	(939,059)
Use of prepaid expense	-	939,059	962,604
	1,563,800	6,672,237	4,136,153
Remeasurement gains	-	1,721,750	1,331,834
CHANGE IN NET ASSETS	1,563,800	8,393,987	5,467,987
NET ASSETS, BEGINNING OF YEAR	13,510,878	13,510,878	8,042,891
NET ASSETS, END OF YEAR	15,074,678	21,904,864	13,510,878

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

	2024	2023
	\$	\$
OPERATING		
Annual operating surplus	4,871,259	1,859,687
Uses		
Increase in accounts receivable	(584,559)	(867)
Increase in client benefit advances	(87,945)	-
Increase in interest receivable	(5,942)	(15,353)
Increase in HST receivable	(752,120)	(2,205)
Decrease in payable to participating municipalities and funded agencies	(3,509,669)	-
Decrease in due to Province of Ontario	-	(2,140,711)
Decrease in deferred revenue	-	(2,458,270)
Decrease in asset retirement obligation	(2,368,236)	-
Increase in prepaid expense	(264,544)	-
Decrease in employee benefits obligations	(135,486)	(46,891)
	(2,837,242)	(2,804,610)
Sources		
Decrease in client benefit advances	-	5,581
Increase in accounts payable and accrued liabilities	325,854	96,295
Increase in payable to participating municipalities and funded agencies	-	3,960,637
Increase in due to Province of Ontario	9,518,177	-
Increase in deferred revenue	3,385,547	-
Decrease in prepaid expense	-	23,545
	13,229,578	4,086,058
Non-cash charges to operations		
Amortization of tangible capital assets	2,080,133	2,204,043
Amortization of asset retirement obligation	106,591	49,234
Accretion of asset retirement obligation	666,999	705,112
	2,853,723	2,958,389
Cash provided by operating transactions	13,246,059	4,239,837
CAPITAL		
Acquisition of tangible capital assets	(121,202)	(356)
Cash used in capital transactions	(121,202)	(356)
INVESTING		
Increase in marketable securities	(2,753,773)	(467,424)
FINANCING		
Repayment of long-term debt	(2,122,766)	(2,468,494)
RE-MEASUREMENT		
Net unrealized gain	1,721,750	1,331,834
NET INCREASE IN CASH	9,970,068	2,635,397
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	25,388,993	22,753,596
CASH AND CASH EQUIVALENTS, END OF YEAR	35,359,061	25,388,993

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, 2024

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 Paipoonge
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

DRAFT

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

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

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. 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, 2024

[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, 2024

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 \$11,989,360. 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.

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.

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

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 8]*.

2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS

On January 1, 2024, TBDSSAB adopted Public Sector Accounting Standard PS 3400 - Revenue. New Section PS 3400 establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). TBDSSAB has adopted this new standard prospectively. The adoption of this new standard had no impact on the opening balances.

On January 1, 2024, TBDSSAB adopted new Public Sector Guideline PSG-8 - Purchased Intangibles. The main features of PSG-8 include a definition of purchased intangibles (which does not include those received through government transfer, contribution or inter-entity transactions), examples of items that are not purchased intangibles, reference to other guidance in the Handbook on intangibles and reference to the asset definition, general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles. TBDSSAB has adopted this new guideline prospectively. The adoption of this new guideline had no impact on TBDSSAB's consolidated financial statements.

On January 1, 2024, TBDSSAB adopted Public Sector Accounting Standard PS 3160 - Public Private Partnerships. New Section PS 3160 establishes standards on how to account for partnerships between public and private sector entities where infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better infrastructure; finance the infrastructure past the point where the infrastructure is ready for use and operate and/or maintain the infrastructure. Infrastructure typically includes items such as tangible capital assets (i.e., complex network systems), but may also include items that are intangible in nature. TBDSSAB has adopted this new standard prospectively. The adoption of this new standard had no impact on TBDSSAB's consolidated financial statements.

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

3. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$42,416,793 [2023 - \$39,470,922] to support reserve funds.

4. PAYABLE TO PARTICIPATING MUNICIPALITIES AND FUNDED AGENCIES

Payable to participating municipalities and funded agencies consists of:

	2024 \$	2023 \$
Participating municipalities		
City of Thunder Bay	48,483	-
City of Thunder Bay (child care operator)	-	63,963
Municipality of Greenstone (child care operator)	-	12,703
Municipality of Greenstone	14,072	-
Municipality of Neebing	3	-
Municipality of Oliver Paipooinge	-	(88,967)
Township of Conmee	(7,687)	-
Township of Gillies	(8,734)	-
Town of Marathon	(17,531)	-
Township of Nipigon	-	3
Township of O'Connor	(8,262)	-
Funded agencies		
Child care operators	693,704	403,496
Community housing providers	590,659	1,270,428
Homelessness Prevention Program	-	1,562,250
Social Services Relief Fund providers	-	1,590,250
	1,304,707	4,814,376

5. DUE TO (FROM) PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2024 \$	2023 \$
Due to Ministry of Children, Community and Social Services [MCCSS]	1,085,709	649,918
Due to Ministry of Education [MED]	18,258,780	13,846,515
Due from Ministry of Municipal Affairs and Housing [MMAH]	(2,123,089)	(6,793,210)
	17,221,400	7,703,233

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

December 31, 2024

6. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2024 \$	2023 \$
Community Housing		
Canada-Ontario Community Housing Initiative	581,914	-
Investment in Affordable Housing		
Homeownership	248,340	248,340
Revolving loan	643,336	836,250
Northern Home Repair [loan discharge]	11,202	12,062
Ontario Priorities Housing Initiative	553,550	299,521
Home for Good – Capital	8,888	35,068
Social Housing Capital Repair [CMHC]	2,767,709	-
SIF	25,008	25,008
Miscellaneous	56,955	49,005
Tenant rent	512,817	518,918
	5,409,719	2,024,172

7. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2024 \$	2023 \$
Debt payable on direct-owned housing	3,395,573	5,223,972
Debt payable on office headquarters	2,501,082	2,743,402
Capital leases payable	234,817	286,864
	6,131,472	8,254,238

[i] Long-term debt includes various amounts payable as at December 31, 2024 on direct-owned housing:

	2024 \$	2023 \$
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	616,500	1,178,684
Other lenders	2,779,073	4,045,288
	3,395,573	5,223,972

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, 2024 was \$7,842,347 [2023 - \$9,612,073].

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

The CMHC mortgages bear interest at rates between 0.7% and 2.0% [2023 – 0.7% and 2.6%]. These mortgages mature between 2024 and 2027.

The other long-term debt bears interest at rates between 1.8% and 6.1% [2023 – 1.8% and 6.1%]. These mortgages mature between 2024 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, 2024:

	2024	2023
	\$	\$
TBDSSAB office headquarters loan payable	2,566,000	2,880,993
Fair value adjustment of derivative	(64,918)	(137,591)
	2,501,082	2,743,402

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.

	2024	2023
	\$	\$
Desktop computers	69,398	115,664
Folder/insert machine	11,506	17,782
Laptop computers	94,268	49,039
Multi-function machines	59,645	104,379
	234,817	286,864

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 July, 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 \$4,545 including HST and interest calculated at 5.86%, maturing in December, 2024 and a new lease contract for the laptop computers is payable in monthly instalments of \$3,682 including HST and interest calculated at 7.07%, maturing in May, 2027.

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.

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

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	Direct-Owned Housing		Office	Capital	
	CMHC	Other	Headquarters	Leases	Total
	\$	\$	\$	\$	\$
2025	302,998	1,289,087	326,000	137,676	2,055,761
2026	184,179	1,070,653	335,000	83,676	1,673,508
2027	129,323	419,333	346,000	13,465	908,121
2028	-	-	356,000	-	356,000
2029	-	-	367,000	-	367,000
2030	-	-	379,000	-	379,000
2031	-	-	391,000	-	391,000
2032	-	-	66,000	-	66,000
	616,500	2,779,073	2,566,000	234,817	6,196,390

8. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2024	2023
	\$	\$
Post-employment retiree benefits	2,535,649	2,665,927
Vacation entitlements	256,340	261,548
	2,791,989	2,927,475

[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, 2024 of \$1,534,913 [2023 – \$1,498,400] was determined by an actuarial valuation prepared for the year ended December 31, 2024.

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

	2024	2023
	\$	\$
Accrued benefit liability, beginning of year	2,665,924	2,778,065
Expense for the year	3,269	7,908
Benefits paid for the year	(133,544)	(120,046)
Accrued benefit liability, end of year	2,535,649	2,665,927

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.

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Discount rate

The obligation as at December 31, 2024 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 4.5%. This rate reflects the assumed borrowing rate based on market bond yield information for high quality bonds as at December 31, 2024.

Medical and dental costs

Medical and dental costs were assumed to increase as follows:

Year	Health	Dental
2025	5.3%	5.6%
2030	5.3%	5.3%
2035	4.6%	4.6%
2040 and thereafter	4.0%	4.0%

[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, 2024 would amount to approximately \$256,340 [2023 - \$261,548].

[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 2024 amounted to \$1,026,829 [2023 - \$1,021,845]. 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, 2024, OMERS has reported a deficit of \$2.9 billion [2023 – deficit of \$4.2 billion].

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9. COMMITMENTS

- [i] TBDSSAB has commitments under various office building lease agreements expiring between 2025 and 2026. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2025	10,693
2026	891
Total	\$ 11,584

- [ii] TBDSSAB has commitments under various leases and service agreements for certain computer equipment and software expiring between 2025 and 2026. The following approximate annual payments are required under these agreements.

Year	Annual Payment
2025	112,154
2026	49,833
Total	\$ 161,987

- [iii] TBDSSAB has commitments under various vehicle lease agreements expiring in 2025 and 2028. The following approximate annual payments are required under these leases.

Year	Annual Payment
2025	58,293
2026	34,919
2027	34,919
2028	25,075
Total	\$ 153,206

- [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, 2024 is \$2,566,000 [2023 - \$2,881,000]. 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, 2024, is estimated to be \$64,917 [2023 – \$137,591].
- [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 7]. The lease expires on

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May 31, 2032, at which time the land and buildings revert back to the Corporation of the City of Thunder Bay.

10. 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, 2024, 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.

11. ASSET RETIREMENT OBLIGATION (ARO)

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, 2024, all liabilities for asset retirement obligations are reported at discounted costs. A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2024	2023
	\$	\$
Opening balance	13,690,597	12,985,485
Opening balance adjustment	(2,368,236)	-
Accretion expense	666,999	705,112
Closing balance	11,989,360	13,690,597

12. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2024	2023
	\$	\$
Reserve funds		
Balance, beginning of year	39,470,922	36,763,304
Revenue		
Transfers from current operations	3,263,100	3,167,400
Income earned	1,528,731	1,360,438
	4,791,831	4,527,838
Expenditures		
Transfers to current operations	1,845,960	1,820,219
Balance, end of year	42,416,793	39,470,922

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13. 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:

	Budget 2024 \$
Approved Budget:	
Surplus (deficit) cash basis	-
Add:	
Tangible capital asset additions	250,000
Debt principal repayments	2,289,100
Transfer to reserve funds	2,874,700
Less:	
Transfer from reserve funds	(3,600,000)
Budgeted surplus	1,813,800
Adjustments:	
Amortization of tangible capital assets	(2,064,700)
Annual operating deficit	(250,900)

14. ONTARIO WORKS

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
	[note 13]		
Financial assistance	24,102,600	23,316,280	23,556,002
Program delivery	10,581,524	9,488,983	10,224,456
	34,684,124	32,805,263	33,780,458

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15. CHILD CARE AND EARLY YEARS

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
	<i>[note 13]</i>		
Administration	674,954	427,479	612,017
Bad debt	-	10,825	-
Base funding for licensed home child care	82,800	82,800	82,800
Canada-Wide Early Learning and Child Care	10,493,500	8,013,920	6,765,438
CWELCC Incremental Funding	-	212,732	-
Capacity building	269,100	227,882	220,189
Fee subsidy	1,871,500	873,992	1,198,410
General operating	7,977,200	8,478,350	8,142,887
Ontario works formal	128,500	60,044	125,402
Ontario works informal	20,000	205	372
Pay equity	104,300	104,300	104,300
Play-based materials and equipment	-	390	46,508
Repairs and maintenance	21,800	-	36,757
Resource centres	-	291,100	-
Small water works	3,200	3,081	3,904
Special needs resourcing	1,543,600	1,543,600	1,543,600
Transformation	-	-	22,719
Wage enhancement	1,225,200	1,289,130	1,063,695
Workforce	-	49,626	701,441
Total	24,415,654	21,669,956	20,671,439
EarlyON			
Data analysis services	105,200	105,200	103,100
EarlyON child and family centres	2,414,600	2,373,010	2,194,349
Early years officer	105,200	105,200	77,325
Mental Health	45,700	-	45,724
Planning	38,500	9,483	16,833
Indigenous led – operating	1,177,400	1,177,410	1,177,410
Total EarlyON	3,886,600	3,770,303	3,614,741
Total child care and early years	28,302,254	25,440,259	24,285,180

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16. COMMUNITY HOUSING

The expenses by program for Community Housing are as follows:

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
	<i>[note 13]</i>		
Administration	-	756,661	587,683
Provincial reformed	5,146,078	5,189,208	5,573,616
Rent supplement – private landlord	2,871,200	2,818,601	2,689,892
Rent supplement – non-profit	807,700	755,396	775,326
Urban Native, Post-1985	1,047,700	1,063,331	1,139,848
Canada-Ontario Community Housing Initiative [COCHI]			
Administration	82,300	140,939	159,063
Rent supplement	912,100	864,482	828,709
Repairs	2,626,000	1,618,405	1,761,654
Capital – Affordable housing	-	-	1,652,000
Transitional operating	194,000	193,960	590,900
Investment in Affordable Housing [IAH]			
Rent supplement	-	-	73,223
Revolving loan	500,000	307,356	250,731
IAH Social Infrastructure Fund [SIF]			
Administration	-	-	1,979
Housing allowance	-	-	37,607
Ontario Priorities Housing Initiative [OPHI]			
Administration	31,200	29,416	29,291
Ontario renovates	968,800	558,895	556,531
Portable Housing Benefit	1,129,800	1,091,359	849,748
	16,316,878	15,388,009	17,577,801

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17. DIRECT-OWNED COMMUNITY HOUSING BUILDING OPERATIONS

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

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
	[note 13]		
Administration	5,855,036	4,299,664	5,796,361
Insurance	1,047,500	808,058	1,047,480
Interest on long-term debt	100,000	96,441	141,437
Loan principal payments	1,827,800	1,828,394	2,045,931
Amortization	-	670,949	453,834
Municipal taxes	5,467,300	5,684,632	5,409,521
Repairs, maintenance, and operating services	8,622,508	5,865,192	5,956,785
Utilities	4,446,600	4,289,756	4,228,395
	27,366,744	23,543,086	24,648,287

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 2024 SMAIR, TBDSSAB has attributed \$8,583,608 [2023 - \$8,106,641] to the Public Housing program and \$4,777,441 [2023 - \$4,969,343] to the Provincial Reformed program.

18. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
	[note 13]		
Homelessness Prevention Program			
Administration	797,000	806,723	847,361
Emergency shelter solutions	1,602,900	1,918,848	1,479,016
Capital (supportive housing)	9,047,700	7,168,167	4,904,600
Homelessness assistance	1,763,200	1,660,656	1,642,214
Housing with related supports	586,400	264,500	311,400
Community outreach and support services	2,943,000	3,232,394	3,159,097
	16,740,200	15,051,288	12,343,688
Home for Good			
Capital component	104,700	104,721	104,721
Social Services Relief Fund			
Capital	-	-	1,590,250
	16,844,900	15,156,009	14,038,659

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19. 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, and provided certain software licenses to TBDSSAB.

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.

	2024	2023
	\$	\$
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	48,483	81,963
Municipality of Greenstone	14,072	12,703

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

City of Thunder Bay	1,794,129	1,608,115
Municipality of Greenstone	871,764	688,290
Township of Schreiber	11,201	11,561

20. 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.

21. COMPARATIVE FIGURES

Certain of the 2023 comparative figures have been reclassified to conform to the presentation adopted in the current year.

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22. 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.

23. COVID-19

From late 2019 through to the end of 2024, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In 2020-2023, TBDSSAB administered several programs developed by the Province of Ontario in response to the pandemic, including the Social Services Relief Fund, Temporary Pandemic Pay for eligible front-line workers, and Emergency Child Care for eligible front-line workers. These programs were funded 100% by the Province of Ontario.

24. SEGMENTED INFORMATION

TBDSSAB supports people to improve their lives and become self-sufficient. We do this as 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.

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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 to 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*.

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.

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25. 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.

- 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 [2023 - \$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:

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2024					
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
Government	2,123,089	-	-	-	2,123,089
Other					
receivable	109,151	10	(46)	7,290,863	7,399,978
	2,232,240	10	(46)	7,290,863	9,523,067
Less: AFDA				5,182,629	5,182,629
	2,232,240	10	(46)	2,108,238	4,340,438
2023					
	Current	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
Government	6,793,210	-	-	-	6,793,210
Other					
receivable	197,458	172,068	184,382	5,535,441	6,089,349
	6,990,668	172,068	184,382	5,535,441	12,882,559
Less: AFDA	-	-	-	4,456,560	4,456,560
	6,990,668	172,068	184,382	1,078,881	8,425,999

[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:

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	2024				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Amounts payable	26,563,260	-	-	-	26,563,260
Debt	2,055,761	1,673,508	1,631,121	836,000	6,196,390
Total	28,619,021	1,673,508	1,631,121	836,000	32,759,650

	2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Amounts payable	26,921,407	-	-	-	26,921,407
Debt	2,289,092	2,015,360	1,633,107	2,454,277	8,391,836
Total	29,210,499	2,015,360	1,633,107	2,454,277	35,313,243

FINANCIAL INSTRUMENT CLASIFICACION

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;

	2024		
	Fair Value	Amortized Cost	Total
Cash	-	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)
	28,888,966	13,206,967	42,095,933

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

December 31, 2024

	2023		
	Fair Value	Amortized Cost	Total
Cash	-	25,388,993	25,388,993
Marketable securities	26,135,193	-	26,135,193
Accounts receivable	-	1,632,790	1,632,790
Client benefit advances	-	1,692,454	1,692,454
Interest receivable	-	99,862	99,862
HST Receivable	-	771,888	771,888
Accounts payable and accrued liabilities	-	(2,796,221)	(2,796,221)
Payable to participating municipalities and funded agencies	-	(4,814,376)	(4,814,376)
Due to Province of Ontario	-	(7,703,223)	(7,703,223)
Long-term debt	-	(8,254,238)	(8,254,238)
	26,135,193	6,017,929	32,153,122

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	2024			Total
	Level 1 - Equities	Level 2 – Fixed Income	Level 3	
Marketable Securities	7,252,327	21,636,636	-	28,888,963
Short term investments *	-	5,150,544	-	5,150,544
	7,252,327	26,787,180	-	34,039,507

Financial Instruments	2023			Total
	Level 1 - Equities	Level 2 – Fixed Income	Level 3	
Marketable Securities	6,463,383	19,671,810	-	26,135,193
Short term investments *	-	5,593,387	-	5,593,387
	6,463,383	25,265,197	-	31,728,580

The fair market value (FMV) of investments at December 31, 2024 is \$34,039,507 [2023: \$31,782,580] compared to the book value (cost) of \$32,780,634 [2023: \$32,260,181].

*Short term investments of \$5,150,544 (2023: \$5,593,387) are reclassified for financial statement purposes to cash and cash equivalents.

**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	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$			\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	(400,000)	(300,000)	-	-	3,676,500	3,667,600	1,283,900	1,271,500
Provincial grants	-	-	-	-	29,770,526	30,313,480	14,869,397	14,552,739
Federal grants	-	-	-	-	-	-	9,225,958	8,461,667
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	400,000	615,254	-	-	-	-	-	-
Income earned on reserve funds	436,930	186,696	-	-	-	-	46,373	68,729
Other	3,465	39,632	-	-	-	-	-	4,280
	440,395	541,582	-	-	33,447,026	33,981,080	25,425,628	24,358,915
Expenses								
Salaries, wages & employee benefits	3,438,764	3,769,283	2,251,872	2,171,791	3,597,599	3,834,709	398,428	495,230
Interest on long-term debt	59,254	82,050	-	-	-	-	-	-
Materials	1,726,523	1,846,145	45,739	32,274	441,196	499,082	43,454	34,749
Contracted services	293,172	170,426	-	-	-	2,040	8,307	8,446
Rents and financial expenses	9,414	13,860	-	-	125,767	126,338	10,825	-
External transfers	-	-	-	-	24,519,400	24,701,142	24,288,557	23,007,526
Loan principal payments / amortization	397,543	460,607	-	-	8,009	8,009	-	-
Allocation of internal administration	(5,924,670)	(6,342,371)	(2,297,611)	(2,204,065)	4,113,292	4,609,138	690,688	739,229
	-	-	-	-	32,805,263	33,780,458	25,440,259	24,285,180
Excess (deficiency) of revenues over expenses	440,395	541,582	-	-	641,763	200,622	(14,631)	73,735

**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	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	8,728,500	8,533,900	11,944,100	11,157,500	-	-	25,233,000	24,330,500
Provincial grants	454,708	478,405	-	-	15,156,009	13,638,659	60,250,640	58,983,283
Federal grants	6,361,339	8,838,832	2,196,047	2,518,302	-	-	17,783,344	19,818,801
Rents	-	-	11,564,604	10,832,176	-	-	11,564,604	10,832,176
Income earned on unrestricted funds	-	-	-	-	-	-	400,000	615,254
Income earned on reserve funds	25,209	37,548	1,020,218	1,067,465	-	-	1,528,730	1,360,438
Other	49	17,774	440,053	260,137	-	-	443,567	321,823
	15,569,805	17,906,459	27,165,022	25,835,580	15,156,009	13,638,659	117,203,885	116,262,275
Expenses								
Salaries, wages & employee benefits	535,024	491,245	3,859,225	3,485,205	-	-	14,080,912	14,247,463
Interest on long-term debt	-	-	96,441	141,437	-	-	155,695	223,487
Materials	1,210,899	1,475,673	17,822,237	16,906,346	-	-	21,290,048	20,794,269
Contracted services	108,235	457,760	66,916	8,592	-	-	476,630	647,264
Rents and financial expenses	20,134	-	267,690	150,051	-	-	433,830	290,249
External transfers	13,017,167	14,911,144	51,386	8,823	13,501,386	12,499,198	75,377,896	75,127,833
Loan principal payments / amortization	-	-	112,063	2,531,204	-	-	517,615	2,999,820
Allocation of internal administration	496,550	241,979	1,267,128	1,416,629	1,654,623	1,539,461	-	-
	15,388,009	17,577,801	23,543,086	24,648,287	15,156,009	14,038,659	112,332,626	114,330,385
Excess (deficiency) of revenues over expenses	181,796	328,658	3,621,936	1,187,293	-	(400,000)	4,871,259	1,931,890

**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	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	10,011,225	356,222	91,992,341	147,686	1,854,023	431,529	5,934,731	501,099	111,228,856	111,228,500
Add:										
Additions during the year	-	-	-	-	121,202	-	-	-	121,202	356
Less:										
Deductions during the year	-	-	(549,465)	-	-	-	-	-	(549,465)	-
BALANCE, END 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
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	356,222	66,101,894	147,686	1,761,493	431,529	3,825,217	-	72,624,041	70,370,764
Add:										
Amortization during the year	-	-	1,521,231	-	86,670	-	472,232	-	2,080,133	2,204,043
ARO Amortization during the year	-	-	106,591	-	-	-	-	-	106,591	49,234
Less:										
Accumulated amortization on deductions	-	-	(549,465)	-	-	-	-	-	(549,465)	-
BALANCE, END OF YEAR	-	356,222	67,180,251	147,686	1,848,163	431,529	4,297,449	-	74,261,300	72,624,041
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, BEGINNING OF YEAR	10,011,225	-	25,890,447	-	92,530	-	2,109,514	501,099	38,604,815	40,857,736
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, END OF YEAR	10,011,225	-	24,262,625	-	127,062	-	1,637,282	501,099	36,539,293	38,604,815

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

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	2024	2023
	\$	\$
RESERVE FUNDS		
Capital regeneration	7,251,210	7,160,966
Community housing	2,025,638	2,000,429
Early years	3,659,351	3,679,795
Employment compensation and benefits	1,122,410	1,108,442
Housing portfolio capital	22,413,658	19,885,519
Levy stabilization	3,510,488	3,430,319
Office building capital	2,434,038	2,205,452
Total - Reserve Funds	42,416,793	39,470,922
SURPLUSES (DEFICITS)		
Invested in tangible capital assets	30,407,821	30,350,577
General	(13,176,853)	(16,766,747)
Total - Surpluses	17,230,968	13,583,830
ACCUMULATED SURPLUS	59,647,761	53,054,752