



Finance and Administration Standing Committee Meeting
Additional Information

Tuesday, November 25, 2025, 7:00 p.m.
S.H. Blake Memorial Auditorium

Pages

6. Reports of Administration

6.2 2024 Audited Consolidated Financial Statements

*6.2.1 2024 Audited Consolidated Financial Statements

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Report 327-2025-Corporate Services-Finance seeking endorsement of the Finance and Administration Standing Committee relative to the draft Audited Consolidated Financial Statements and the Trust Fund Statements. **(Distributed separately on Monday, November 24)**

David Kubinec and Ania Berezowski of MNP LLP to provide a presentation.

Confidential Memorandum from Commissioner – Corporate Services & City Treasurer Keri Greaves dated November 17, 2025 relative to Report 327-2025-Corporate Services-Finance **(Distributed separately to Members of City Council, City Manager, City Solicitor, and Commissioner – Corporate Services & City Treasurer only on Friday, November 21).**

WITH RESPECT to Report 327-2025-Corporate Services-Finance, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT the draft Audited Consolidated Financial Statements and the Trust Fund Statements of The Corporation of the City of Thunder Bay, for the year ended December 31, 2024, be approved;

AND THAT any necessary by-laws be presented to City Council for ratification.

Standing Committee Report

REPORT NUMBER 327-2025-Corporate Services-Finance

DATE

PREPARED

November 14, 2025

FILE

STANDING

COMMITTEE

November 25, 2025

MEETING DATE

SUBJECT

2024 Audited Consolidated Financial Statements

PURPOSE - The purpose of this report is to seek endorsement from the Finance and Administration Standing Committee for the draft Audited Consolidated Financial Statements and the Trust Fund Statements.

WITH RESPECT to Report 327-2025-Corporate Services-Finance, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT the draft Audited Consolidated Financial Statements and the Trust Fund Statements of The Corporation of the City of Thunder Bay, for the year ended December 31, 2024, be approved;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

This report presents the draft Annual Financial Report 2024 which includes the draft Audited Consolidated Financial Statements and the Trust Fund Statements of the Corporation of the City of Thunder Bay, for the year ended December 31, 2024, for the Committee's review and due diligence as part of its financial oversight responsibilities.

KEY CONSIDERATIONS

Finance and Administration Standing Committee's Role

Prior to September 1, 2025, the City of Thunder Bay had an Audit Committee whose role was to provide oversight responsibilities for City Council and the ratepayers of the City of Thunder Bay related to:

- the financial reporting process
- the system of internal control
- the external audit process
- the internal audit process
- the City's process for monitoring compliance with laws and regulations

The Audit Committee was dissolved on September 1, 2025, and those oversight functions were transferred to the Finance and Administration Standing Committee in an effort to achieve greater efficiencies.

In accordance with the Procedural By-law 217-2025, the mandate of the Finance and Administration Standing Committee is to consult on matters relative to the financial stewardship and administrative functions of the municipality. This Standing Committee provides input, guidance, and recommendations related to fiscal planning, budgeting, financial reporting, and the overall governance framework and administrative functions prior to presentation and approval by City Council.

External Audit

Each year, the City's external auditor prepares and presents their Audit Plan to the Committee. The 2024 audit plan was presented to the Audit Committee on February 12, 2025. The audit is conducted in accordance with the plan with adjustments made as necessary and the resulting Audit Report is prepared and presented to the Committee.

The external auditor is responsible for expressing an opinion on the conformity of the consolidated financial statements with Canadian Public Sector Accounting Standards. In accordance with these standards, the City's external auditors must perform subsequent events review procedures up to the date on which City Council approves the draft consolidated financial statements.

Once City Council approves the draft consolidated financial statements, the City will receive the signed Audit Report. At that time, the financial statements will be considered final and will be posted on the City's web site.

Audited Consolidated Financial Statements

The consolidated financial statements for the City are prepared by Administration annually and audited by the City's independent external auditor.

The draft Audited Consolidated Financial Statements and Trust Fund Statements of the Corporation of the City of Thunder Bay, for the year ended December 31, 2024, have been prepared using generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity, including all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City including:

- Tbaytel (Municipal Service Board)
- Thunder Bay Community Economic Development Commission Inc.
- Thunder Bay Police Services Board
- Thunder Bay Public Library Board
- Victoriaville Centre Board of Management
- Victoria Avenue Business Improvement Area
- Waterfront District Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

The consolidated financial statements are comprised of four individual statements and detailed notes to the consolidated financial statements.

- **Consolidated Statement of Financial Position** – Reports the City's financial assets, financial liabilities, non-financial assets, and accumulated surplus as at December 31, 2024. This statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.
- **Consolidated Statement of Operations and Accumulated Surplus** – Summarizes the revenues and expenses for the 2024 fiscal year and indicates the accumulated surplus.
- **Consolidated Statement of Changes in Net Assets (Debt)** – Summarizes the change in net assets as a result of annual operations, tangible capital asset transactions, and changes in other non-financial assets.
- **Consolidated Statement of Cash Flows** – Summarizes the impact that operating, capital, financing, and investing activities had on the City's cash position during the year.
- **Notes to the Consolidated Financial Statements** – Provides additional and detailed information to support the financial statements. They are intended to provide clarification and explanations of specific items within the financial statements.

Change in Accounting Policy

Effective January 1, 2024, the City adopted several new Public Sector Accounting Standards. The first was PS 3400, Revenue, which distinguishes between exchange

and non-exchange transactions. This standard was applied prospectively and had no significant impact on the City's revenue recognition practices. The City also adopted PSG-8, Purchased Intangibles, which requires the capitalization of purchased intangible assets; this standard was applied prospectively with no impact on the financial statements. In addition, PS 3160, Public-Private Partnerships, which addresses the accounting treatment for infrastructure procured through P3 arrangements. This standard was also adopted prospectively and did not affect the financial statements.

Additional Notes

Beginning in 2024, a new child care operations note has been added to present the financial information for these operations, replacing the previous practice of preparing a separate audited set of special purpose child care financial statements. This change consolidates reporting within a single audit engagement and did not affect the City's overall financial results.

The draft Audited Consolidated Financial Statements and Trust Fund Statements of the Corporation of the City of Thunder Bay, for the year ended December 31, 2024, are presented within the draft 2024 Annual Financial Report (Attachment A). The draft 2024 Annual Financial Report is designed to comply with the Government Finance Officers Association (GFOA) standard for financial reporting in terms of format and content. In addition to the consolidated financial statements, the report provides commentary on the City's financial condition, a detailed analysis of financial results, and a five-year overview of key statistics and financials.

This past year, the City of Thunder Bay was recognized by GFOA, receiving the Canadian Award for Financial Reporting for its 2023 Annual Financial Report. The award program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports. Its attainment represents a significant accomplishment by a government and its management.

Financial Information Return

In addition to consolidated financial statements, the City also prepares an annual financial information return for submission to the province, based on the financial results contained in the consolidated financial statements. That information is also available publicly through the Province of Ontario's financial information website.

FINANCIAL IMPLICATION

There are no direct financial implications associated with the recommendations in the Report.

The Consolidated Statement of Operations and Accumulated Surplus presents an annual surplus of \$56.9 million for the 2024 year.

Consistent with other Canadian municipalities, the City prepares its budget using a modified cash basis, which considers required cash inflows and expected cash outflows for a given fiscal year. The unaudited, unconsolidated, financial results for the 2024 year were previously provided to City Council (Report 186-2025-Corporate Services-Finance) on the same basis as the municipal budget and indicated a favourable variance of \$38,600 in tax-supported operations which was transferred to the Stabilization Reserve and a favourable variance of \$1.6 million in rate-supported operations which was transferred to the respective rate-supported reserve funds. This presentation does not include the financial activities of the organizations listed above.

In contrast, the audited consolidated financial statements are prepared under the accrual basis of accounting and Public Sector Accounting Standards (PSAS). PSAS provides standards for the recognition of assets and liabilities in the Statement of Financial Position; for example, capital expenditures that provide long-term benefits are recognized as Tangible Capital Assets (non-financial assets) while debentures issued to finance capital projects are obligations that require future repayment and are therefore, recognized as Municipal Debenture Debt. Future employee benefit obligations and asset retirement obligations are reported as liabilities.

The difference in the two accounting methodologies results in reporting differences. The following is a reconciliation between the Consolidated Financial Statements and the Q4 results presented in Report 186-2025:

	<u>Total (rounded)</u>
2024 Audited Consolidated Financial Statement Surplus	\$56.9 million
Less consolidated entity results	(\$40.3 million)
Change related to employee benefit obligation (PSAB)	\$ 6.9 million
Change related to reserves and reserve funds (PSAB)	\$ 3.1 million
Change related to tangible capital assets net of long-term debt (PSAB)	(\$13.1 million)
Change related to asset retirement obligations (PSAB)	\$ 0.0 million
Other (PSAB)	(\$ 3.9 million)
Net transfers to reserve and reserve funds	<u>(\$ 9.6 million)</u>
Q4 Results	\$ 0.0 million

BACKGROUND

In accordance with the Municipal Act, 2001, Section 294.1, a municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

REFERENCE MATERIAL ATTACHED

Attachment A – Draft 2024 Annual Financial Report
(Includes the Draft Corporation of the City of Thunder Bay –
Consolidated Financial Statements – December 31, 2024)

REPORT PREPARED BY

Andrea Morrison, CPA, CA, Director, Finance – Corporate Services

REPORT SIGNED AND VERIFIED BY

Keri Greaves, CPA, Commissioner – Corporate Service & City Treasurer

Date 11/19/2025 (MM/DD/YEAR)



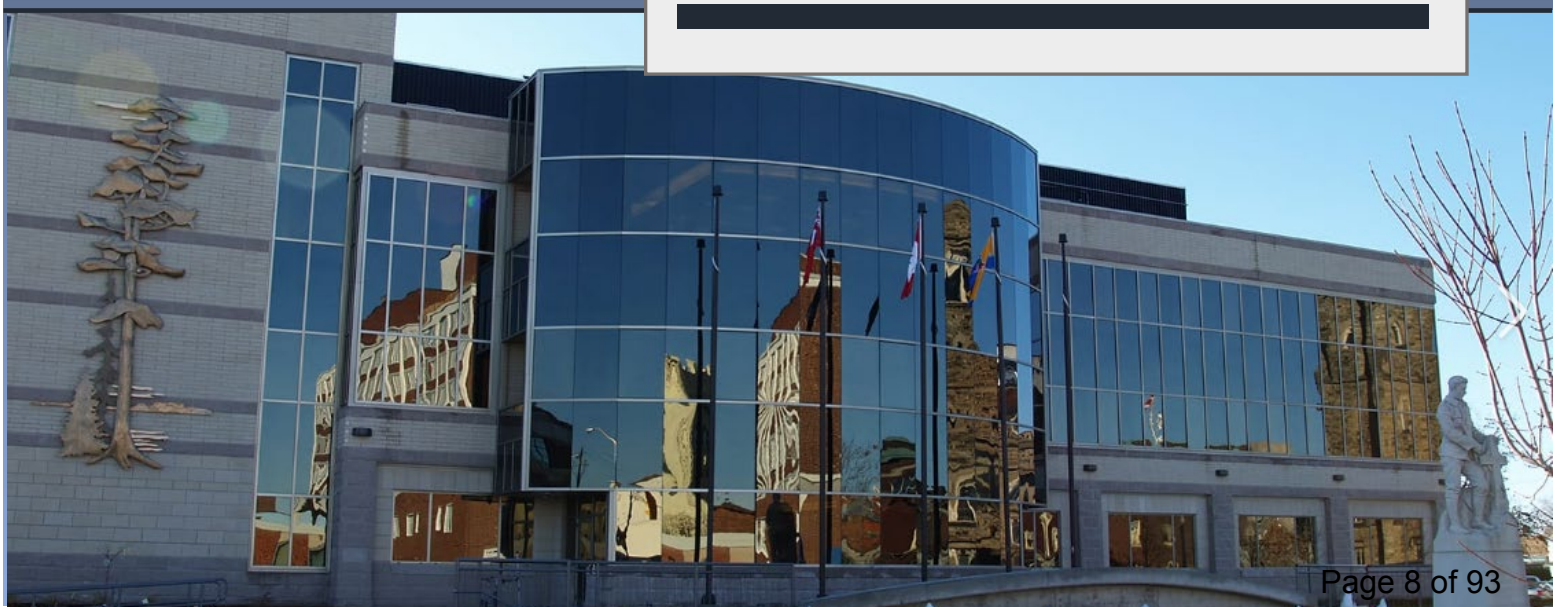
Draft

Annual Financial Report

For the year ended
December 31, 2024

The Corporation of the City of Thunder Bay,
Ontario, Canada

Prepared by: Finance Division – Corporate Services Department

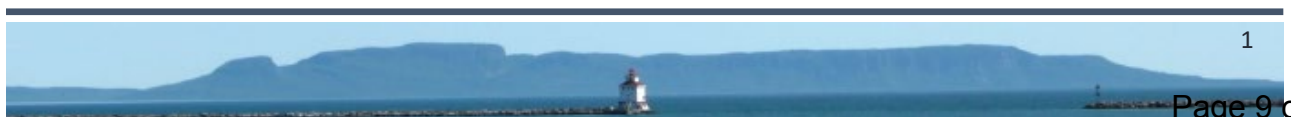


Land Acknowledgement

We respectfully acknowledge that the City of Thunder Bay is located on the ancestral lands of the Anishinaabeg (or Anishinaabe people) and traditional territory of the Ojibwa people of Fort William First Nation, signatories to the Robinson Superior Treaty of 1850, and original caretakers and stewards of this area. We honour their long-standing relationships with this land, which have sustained their cultures, ceremonies, and communities for generations.

We also recognize the contributions of a diversity of Indigenous peoples and communities, including Métis and Inuit, who now consider this land their home. The financial, cultural, and social contributions of all Indigenous peoples and communities in this area enrich and strengthen the fabric of Thunder Bay.

We remain committed to reconciliation by fostering meaningful relationships with Indigenous peoples, communities, and governments, while addressing the lasting impacts of historical and ongoing injustices. Together, we look toward a future built on respect, collaboration, and shared prosperity.



THE CORPORATION OF THE CITY OF THUNDER BAY
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INTRODUCTION

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Message from the City Treasurer

<<DATE>>

His Worship Mayor Ken Boshcoff
Members of Council
Residents and Ratepayers of the City of Thunder Bay



I am pleased to share the Corporation of the City of Thunder Bay's Annual Financial Report, including the audited Consolidated Financial Statements for the year ended December 31, 2024 in accordance with the *Municipal Act, 2001*.

This Report provides an overview of the City's financial condition through the elements of sustainability, flexibility, and resiliency as well as the financial performance for the 2024 year. This is our opportunity to share information with the City's stakeholders and other readers so they may understand and assess the City of Thunder Bay's financial activities and available resources.

The Consolidated Financial Statements have been prepared in accordance with Public Sector Accounting Standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Consolidated Financial Statements have been audited by MNP LLP.

Once again, the City of Thunder Bay maintained its AA+ credit rating with a stable outlook from S&P Global Ratings. As a key performance indicator, the credit rating recognizes the City's sound financial management practices and its ability to implement its strategic plan and budget.

I would like to thank City Council, City Administration, Boards and Agencies for their support and cooperation throughout the year. In particular, I would like to thank the staff in the Finance Division for their support and commitment to delivering timely and accurate financial information and promoting high standards of fiscal stewardship, accountability and transparency.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keri Greaves'.

Keri Greaves, CPA
Commissioner, Corporate Services & City Treasurer



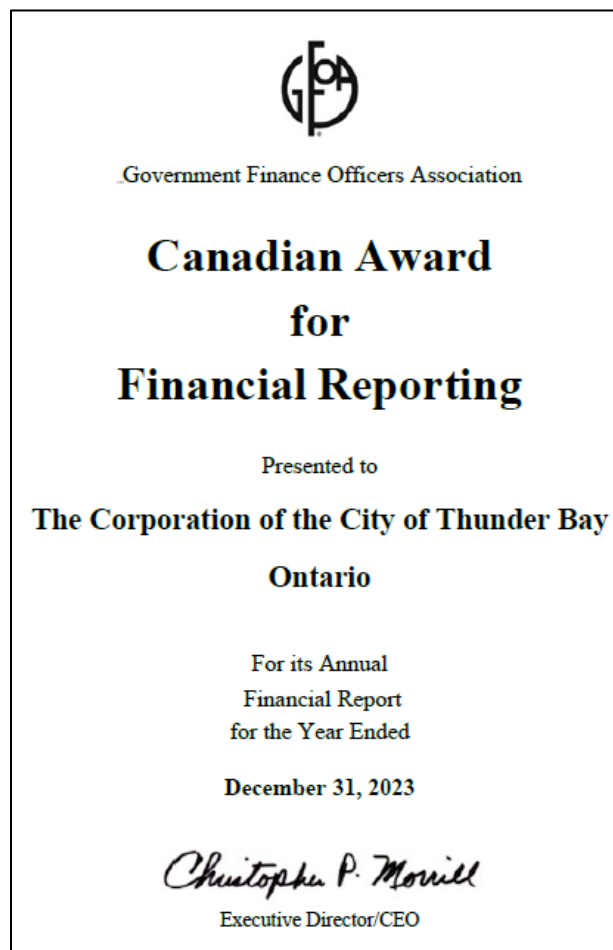
THE CORPORATION OF THE CITY OF THUNDER BAY
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Government Finance Officers Association Award

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Thunder Bay for its annual financial report for the fiscal year ended December 31, 2023. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. Administration believes the current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.



Financial Reporting

Consolidated Financial Statements

Management is responsible for the preparation of the financial statements and for the integrity and objectivity of the financial information contained in those statements. The financial statements contained in this report have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City Treasurer is responsible for the overall financial management of the City and must ensure that all corporate accounting records and financial reports conform to Council budgetary requirements, by-laws, policies, procedures, accounting principles and financial reporting requirements.

The Consolidated Financial Statements include all organizations that are owned or controlled by the City, which means the financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity.

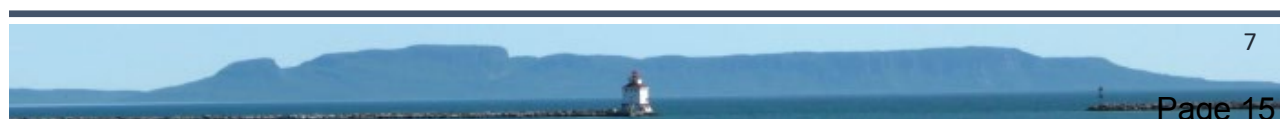
Interdepartmental and inter-organizational transactions and balances between the City and these organizations are eliminated. Thunder Bay Hydro Corporation is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City's, and inter-organizational transactions and balances are not eliminated.

Reconciling the Budget

The City of Thunder Bay Budget Policy supports the effective allocation of human, technological, and financial resources to achieve the City's goals and objectives. The City has established service levels in accordance with legislation, Council direction, or best practices. Where there has not been explicit direction, service levels reflect Administration's understanding of what residents have come to expect from the Municipality. Changes to service levels are reflected in the budget process through expansions, reductions, user fees and one-time items.

In accordance with the *Municipal Act, 2001*, the City of Thunder Bay 2024 Operating and Capital Budgets were approved by City Council in February 2024.

The Budget is prepared on a modified accrual basis of accounting which combines aspects of both cash basis and accrual basis of accounting. In contrast, the audited financial statements are prepared under the accrual basis of accounting and Public Sector Accounting Standards (PSAS).



THE CORPORATION OF THE CITY OF THUNDER BAY

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There are significant differences between the two reporting methods due to the treatment of employee obligations and other liabilities, reserve and reserve fund transactions, and tangible capital assets. The budget figures presented in the 2024 Consolidated Financial Statements have been reclassified to comply with PSAS reporting requirements. The standards require that all interfund transfers, capital expenditures, and debt principal repayments be removed, and amortization, employee future benefits, asset retirement obligations, and consolidated board budgets be included. Note 21 in the financial statements reconciles the approved budget with the budget figures as presented in the consolidated financial statements.

External Auditors

The *Municipal Act, 2001* requires the City to engage independent auditors to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the City's financial position and results from operations and cash flows in accordance with public sector accounting standards. The City of Thunder Bay's independent auditors, MNP LLP, have issued an unqualified Auditor's Report on the financial statements included in this report.

Finance and Administration Standing Committee

In 2025, the City implemented a revised governance structure that dissolved the former Audit Committee and transferred its responsibilities to the Finance and Administration Standing Committee. Under the new framework, the Standing Committee now fulfills the audit oversight role which includes:

- Ensuring the external audit function has been effectively carried out and that any matter which the independent auditors have brought to the attention of the Audit Committee has been addressed.
- Reviewing and discussing with management their responsibility for assessing the City's internal control systems and monitoring compliance with laws, regulations and policy.
- Reviewing the annual financial statements and considering whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Reviewing significant accounting and reporting issues, including complex or unusual transactions, highly judgemental areas, recent professional/regulatory pronouncements, and understanding their impact on the financial statements.
- Recommending to City Council, approval of the annual audited financial statements.



Corporate Structure

Thunder Bay City Council

- Mayor Ken Boshcoff
- Councillor Rajni Agarwal - At Large
- Councillor Albert Aiello - McIntyre Ward
- Councillor Mark Bentz - At Large
- Councillor Shelby Ch'ng - At Large
- Councillor Kasey Etrene - At Large
- Councillor Andrew Foulds - Current River Ward
- Councillor Trevor Giertuga - At Large
- Councillor Brian Hamilton - McKellar Ward
- Councillor Greg Johnsen - Neebing Ward
- Councillor Kristen Oliver - Westfort Ward
- Councillor Dominic Pasqualino - Northwood Ward
- Councillor Michael Zussino - Red River Ward

Executive Leadership Team

- | | |
|---|-----------------|
| • City Manager | John Collin |
| • Commissioner, Community Services | Kelly Robertson |
| • Commissioner, Corporate Services & City Treasurer | Keri Greaves |
| • Commissioner, Growth | Kerri Marshall |
| • Commissioner, Infrastructure & Operations | Kayla Dixon |
| • City Solicitor | Patty Robinet |
| • Director, Human Resources | Karie Ortgiese |
| • Director, Legislative Services & City Clerk | Krista Power |
| • Director, Strategy & Engagement | Cynthia Olsen |

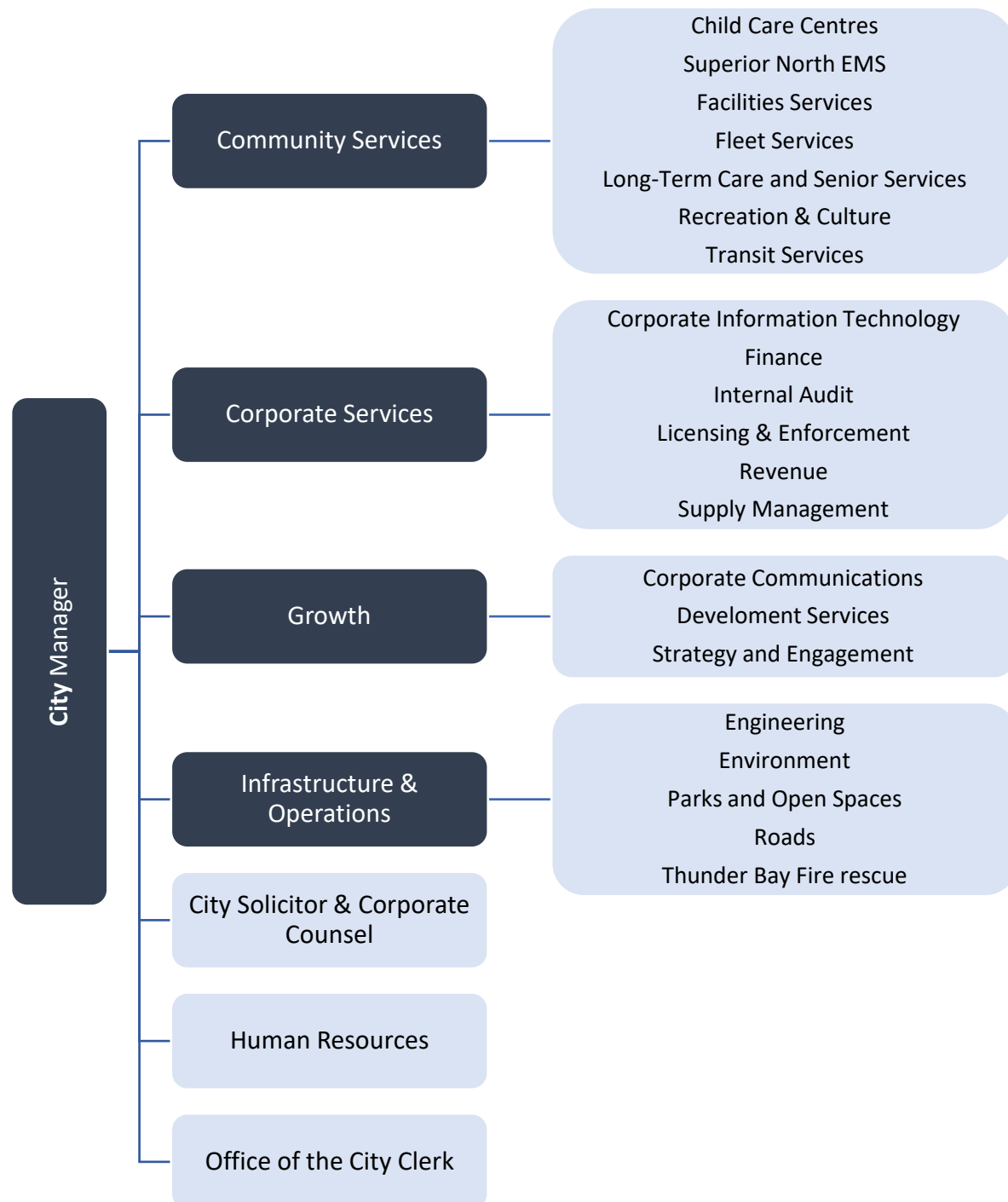
External Auditor

- MNP LLP



THE CORPORATION OF THE CITY OF THUNDER BAY
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Organizational Chart



FINANCIALS

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THE CORPORATION OF THE CITY OF THUNDER BAY

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Financial Condition

BMA Management Consulting Inc. [BMA] completes a comparative municipal study each year with participating Ontario municipalities. The 2024 study, released in January 2025 reflects financial data from 2023 and prior. The study includes financial indicators that help evaluate a municipality's financial outlook and performance.

Sustainability

Sustainability is the ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

Financial Position per Capita

The financial position per capita indicator measures the City's net financial position relative to the population and includes all the City's financial assets and liabilities. Negative results indicate that liabilities exceed financial assets and future revenues will be required to pay for past transactions and events. The following data shows that the City's liabilities exceed its financial assets, however the trend over the past five (5) years reflect continued improvement. The City's net debt is primarily resulting from municipal debenture debt related to tax supported and rate supported capital projects as well as capital projects for Tbaytel.

	2023	2022	2021	2020	2019
Thunder Bay	\$(106)	\$(193)	\$(165)	\$(620)	\$(1,010)
Ontario Average	\$850	\$919	\$988	\$921	\$728

Asset Consumption Ratio

The asset consumption ratio reflects the value of the tangible capital assets that have been consumed and provides an indication of the aged condition of the assets and the potential asset replacement needs. A higher ratio may indicate significant replacement needs. The Ministry of Municipal Affairs and Housing (MMAH) provides the following scale with respect to this metric.

Relatively New	<25%	Moderately Old	51%-75%
Moderately New	26%-50%	Old	>75%

The following data shows that the City of Thunder Bay's infrastructure, in aggregate, is moderately old. However, through effective asset renewal and replacement strategies in accordance with the Asset Management Plan the City will be able to manage and maintain its infrastructure.

	2023	2022	2021	2020	2019
Thunder Bay	60.9%	60.7%	60.7%	60.1%	59.2%
Ontario Average	43.7%	43.8%	43.4%	43.1%	42.6%



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Flexibility

Flexibility is the ability to issue debt responsibly without impacting the credit rating as well as the ability to generate required revenues. Reserves and reserve funds offer liquidity which enhances the City's flexibility in addressing operating requirements and in permitting the City to temporarily fund capital projects, allowing it time to secure debt financing.

Tax Discretionary Reserves as a Percentage of Taxation

The tax discretionary reserves as a percentage of taxation indicates the total value of funds held in reserves and reserve funds in relation to total taxation revenue. This is a strong indicator of financial stability.

	2023	2022	2021	2020	2019
Thunder Bay	77%	75%	82%	69%	61%
Ontario Average	97%	101%	98%	89%	83%

Reserves Per Capita

The reserves per capita measures total reserves and reserve funds divided by the population. The City's reserves and reserve funds are above average compared to the province.

	2023	2022	2021	2020	2019
Thunder Bay	\$1,848	\$1,721	\$1,761	\$1,442	\$1,216
Ontario Average	\$1,433	\$1,484	\$1,360	\$1,264	\$1,173

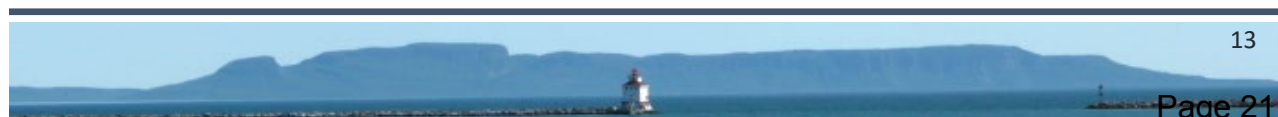
Debt Service Ratio

The debt service ratio compares the annual principal and interest costs to the City's own source revenue and is a measure of the City's ability to service its debt payments. As debt servicing costs increase, it reduces expenditure flexibility. The MMAH has prescribed a maximum debt service ratio of 25% for municipalities. The City has established a corporate debt service ratio maximum of 10% as part of its debt management strategy and is well within that threshold. This maximum ratio is also generally recommended by credit rating agencies.

	2023	2022	2021	2020	2019
Thunder Bay	6.3%	5.9%	6.1%	6.3%	5.9%
Ontario Average	4.4%	4.8%	4.6%	5.1%	5.2%

Total Debt Outstanding Per Capita

The total debt outstanding per capita measures total debt divided by the population. The City is significantly higher than the provincial average primarily due to long-term borrowing on behalf of Tbaytel and high levels of rate-supported debt.



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	2023	2022	2021	2020	2019
Thunder Bay	\$1,752	\$1,891	\$1,798	\$1,889	\$1,888
Ontario Average	\$751	\$720	\$672	\$685	\$732

Debt to Reserve Ratio

The debt to reserve ratio provides a measure for financial prudence by comparing total debt to discretionary reserves and reserve fund balances. Generally, credit rating agencies suggest debt should not exceed the total reserve and reserve fund balance. A measure above 1.0 indicates the City has more debt than reserve and reserve funds.

	2023	2022	2021	2020	2019
Thunder Bay	0.9	1.1	1.0	1.3	1.6
Ontario Average	0.7	0.6	0.6	0.7	0.8

Resiliency

Resiliency reflects the City's ability to withstand and adapt to external financial pressures, including reliance on funding sources outside its control and exposure to economic or operational risks.

Taxes Receivable as a % of Tax Levied

Taxes receivable as a % of tax levied is an indicator of the local economy and the ability of residents to pay their annual taxes. Credit rating agencies consider over 8% a negative factor.

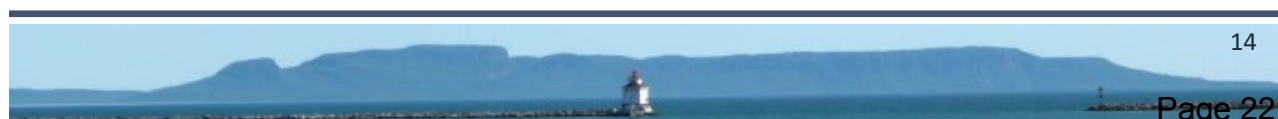
	2023	2022	2021	2020	2019
Thunder Bay	6.4%	5.6%	5.1%	5.7%	4.7%
Northern Ontario Average	5.5%	5.1%	5.2%	5.9%	4.9%

A rising percentage over time, as is the case for the City, may indicate a decline in the municipality's economic health.

Rates Coverage Ratio

The rates coverage ratio measures the City's ability to cover its costs through its own source revenue. According to the MMAH, a basic target is 40%-60%; an intermediate target is 60% - 90% and an advanced target is 90% or greater. The City's Rates Coverage Ratio is comparable to the Provincial average.

	2023	2022	2021	2020	2019
Thunder Bay	90.1%	87.8%	93.2%	90.6%	87.7%
Ontario Average	93.6%	90.6%	90.7%	91.8%	91.6%



2024 Financial Results

The Consolidated Financial Statements of the Corporation of the City of Thunder Bay for the year ended December 31, 2024 have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and have been audited by external auditors, MNP LLP. The Independent Auditor's Report reflects an unqualified opinion.

The consolidated financial statements are comprised of all agencies, boards, and commissions which are owned or controlled by the City of Thunder Bay, including:

- Tbaytel (Municipal Service Board established by the Corporation of the City of Thunder Bay)
- Thunder Bay Community Economic Development Commission Inc.
- Thunder Bay Police Service Board
- Thunder Bay Public Library Board
- Victoriaville Centre Board of Management
- Victoria Avenue Business Improvement Area
- Waterfront District Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

There are 4 required consolidated financial statements:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Changes in Net Assets (Debt)
- Consolidated Statement of Cash Flows



THE CORPORATION OF THE CITY OF THUNDER BAY

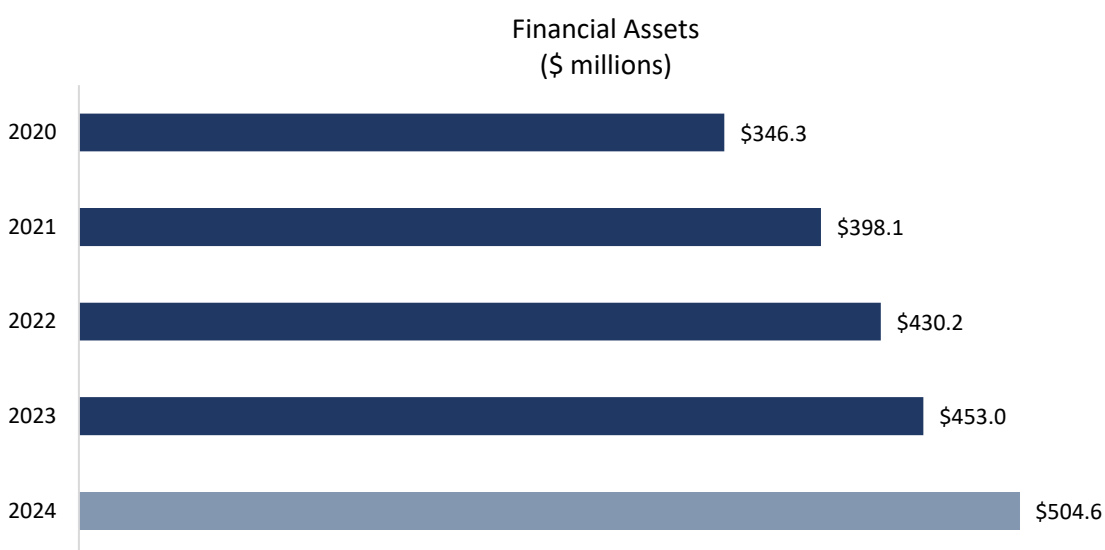
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Consolidated Statement of Financial Position

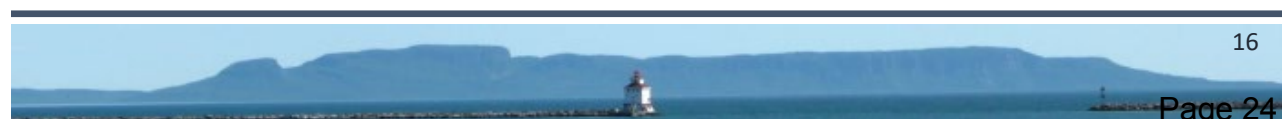
The Consolidated Statement of Financial Position reports the City's financial assets, financial liabilities, non-financial assets, and accumulated surplus as at December 31, 2024. This statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.

Financial Assets

Financial assets totaled \$504.6 million in 2024 [2023: \$453.0 million], which is an increase of \$51.6 million compared to the prior year.



Line Item (\$ millions)	2024 Actual	2023 Actual	\$ Change	% Change
¹ Cash	43.6	20.7	22.9	110.6%
² Investments	227.2	219.9	7.3	3.3%
³ Taxes Receivable	17.6	15.4	2.2	14.3%
⁴ Accounts Receivable	87.1	74.4	12.7	17.1%
⁵ User Charges Receivable	17.9	14.7	3.2	21.8%
⁶ Other Assets	4.5	4.8	(0.3)	(6.3%)
⁷ Long-Term Receivable	1.9	2.2	(0.3)	(13.6%)
⁸ Investment in Thunder Bay Hydro Corporation	104.8	100.9	3.9	3.9%
Total Financial Assets	504.6	453.0	51.6	11.4%



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

1. Cash

2024 Actual	2023 Actual	\$ Change	% Change
\$43.6	\$20.7	22.9	110.6%

Cash is the amount of money available on demand to pay for operating and capital activities. The City keeps sufficient cash on hand to manage its day-to-day business. Cash that is not needed in the short-term is invested to earn a higher rate of return. The increase in Cash for 2024 corresponds with a lower-than-normal prior year balance due to the timing of transfers of funds to the ONE Prudent Investment Program.

2. Investments

2024 Actual	2023 Actual	\$ Change	% Change
\$227.2	\$219.9	\$7.3	3.3%

Investments are securities held to earn income by way of dividends, interest, and capital gains. The City is enrolled in the ONE Prudent Investment Program, which provides access to a broad range of investment products. In 2024, the City earned an estimated average rate of return of 4.6% [2023: 4.0%] on its portfolio investments. The increase in Investments for 2024 is due in part to positive earning trends.

3. Taxes Receivable

2024 Actual	2023 Actual	\$ Change	% Change
\$17.6	\$15.4	\$2.2	14.3%

Taxes Receivable are uncollected property taxes owed to the City at the end of the year. Property taxes are the City's primary revenue source to finance its day-to-day operations. The 2024 balance represents 7.6% of the levy, up from 7.0% in the prior year. There were 4,666 accounts in arrears at the end of 2024, below the five-year average of 4,749. The City utilizes the collection processes available under legislation to collect outstanding taxes from residents and businesses in a fair and consistent manner.

4. Accounts Receivable

2024 Actual	2023 Actual	\$ Change	% Change
\$87.1	\$74.4	\$12.7	17.1%

Accounts Receivable are amounts owed to the City across its business operations, excluding property taxes, at the end of the year. Examples include grants receivable, and HST rebate. The increase in Accounts Receivable for 2024 is primarily due to an increase in receivables for Tbaytel along with a smaller increase in grant receivables due to the City, related to multi-year capital projects with external funding.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

5. User Charges Receivable

2024 Actual	2023 Actual	\$ Change	% Change
\$17.9	\$14.7	\$3.2	21.8%

User fees for various City programs and services such as water and sewer are approved by City Council through by-law. User Charges Receivable are the amounts owed to the City for these programs and services at the end of the year. The increase in User Charges Receivable for 2024 is due to a corresponding overall increase to user fee rates and an increase in water consumption.

6. Other Assets

2024 Actual	2023 Actual	\$ Change	% Change
\$4.5	\$4.8	(\$0.3)	(6.3%)

Other Assets represent the Tbaytel inventory held for resale. The small decrease in Other Assets for 2024 is due to the normal fluctuation in the volume of inventory on hand at year end.

7. Long-Term Receivable

2024 Actual	2023 Actual	\$ Change	% Change
\$1.9	\$2.2	(\$0.3)	(13.6%)

Long-Term Receivables are primarily special contractual arrangements and loans to third parties including local improvement charges, the ReGen Med Loan, and the lead pipe replacement loan program. The decrease in Long-Term Receivable for 2024 is primarily due to an increase in local improvement charges.

8. Investment in Thunder Bay Hydro Corporation

2024 Actual	2023 Actual	\$ Change	% Change
\$104.8	\$100.9	\$3.9	3.9%

The Thunder Bay Hydro Corporation is wholly owned by the City of Thunder Bay and provides regulated and unregulated electric utility services and complementary commercial services. The Investment in Thunder Bay Hydro Corporation includes the value of common shares, promissory note, and accumulated earnings and other income. The increase in Investment in Thunder Bay Hydro Corporation for 2024 is due to the increases in accumulated earnings.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

Liabilities

Liabilities totaled \$496.0 million in 2024 [2023: \$465.2 million], which is an increase of \$30.8 million compared to the prior year.



Line Item (\$ millions)	2024 Actual	2023 Actual	\$ Change	% Change
¹ Accounts Payable and Accrued Liabilities	101.3	80.2	21.1	26.3%
² Deferred Revenue	55.9	46.8	9.1	19.4%
³ Employee Future Benefits	120.5	113.7	6.8	6.0%
⁴ Municipal Debenture Debt	190.5	202.8	(12.3)	(6.1%)
⁵ Asset Retirement Obligation	27.8	21.7	6.1	28.1%
Total Liabilities	496.0	465.2	30.8	6.6%

1. Accounts Payable and Accrued Liabilities

2024 Actual	2023 Actual	\$ Change	% Change
\$101.3	\$80.2	\$21.1	26.3%

Accounts Payable and Accrued Liabilities are monies the City owes for goods, services, and construction, personnel services, and third-party remittances at the end of the year. The increase in Accounts Payable and Accrued Liabilities for 2024 is due to typical changes in trade accounts payable and accruals along with an increase in payroll liabilities.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

2. Deferred Revenue

2024 Actual	2023 Actual	\$ Change	% Change
\$55.9	\$46.8	\$9.1	19.4%

Deferred revenues are advanced payments received during the year that will be recognized as revenue in subsequent years when the related activity has taken place. Examples include prepaid taxes, grants, registration fees, and sewer and water connection deposits. Deferred revenue also includes obligatory reserve funds where payments have been received for restricted or conditional agreements and can only be used in accordance with those agreements or applicable legislation. Examples include Parkland Dedication, the Canada Community-Building Fund, Dedicated Gas Tax Fund, and Ontario Community Infrastructure Fund. The increase in Deferred Revenue for 2024 is due to an increase in the value of obligatory reserve fund balances.

3. Employee Future Benefits

2024 Actual	2023 Actual	\$ Change	% Change
\$120.5	\$113.7	\$6.8	6.0%

Employee Future Benefits are actuarial assessments of the City's future obligations for sick leave benefits, , post-employment benefits and Workplace Safety and Insurance Board costs as well as vacation pay. The increase in Employee Future Benefits for 2024 is due to updated condition and information regarding outstanding obligations.

4. Municipal Debenture Debt

2024 Actual	2023 Actual	\$ Change	% Change
\$190.5	\$202.8	(\$12.3)	(6.1%)

Municipal Debenture Debt is the principal balance of debentures and construction financing undertaken to support the City's capital infrastructure program. The decrease in Municipal Debenture Debt for 2024 is due to in-year principal repayments and is similar in value to the change from 2022 to 2023.

5. Asset Retirement Obligation

2024 Actual	2023 Actual	\$ Change	% Change
\$27.8	\$21.7	\$6.1	28.1%

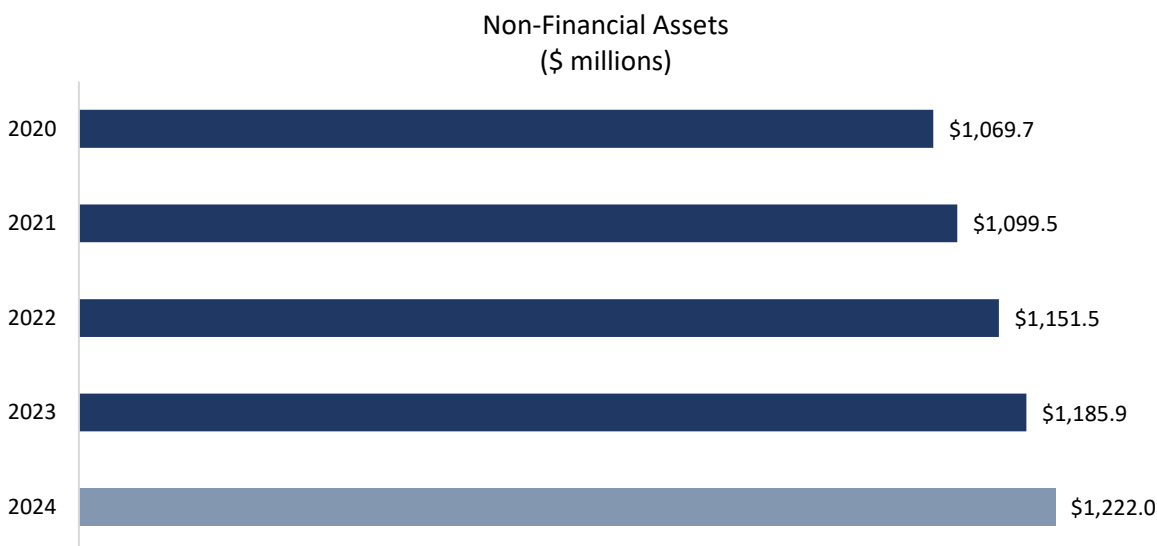
Asset Retirement Obligation is a legal obligation associated with the retirement of a tangible capital asset at the end of its life. The increase in the Asset Retirement Obligation for 2024 is due to the ongoing annual measurement of the obligation, most notably the landfill.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

Non-Financial Assets

Non-Financial Assets totaled \$1,222.0 million in 2024 [2023: \$1,185.9 million], which is an increase of \$36.1 million compared to the prior year.



Line Item (\$ millions)	2024 Actual	2023 Actual	\$ Change	% Change
¹ Tangible Capital Assets	1,203.5	1,163.5	40.0	3.4%
² Supplies Inventory	11.1	14.2	(3.1)	(21.8%)
³ Prepaid Expenses	7.4	8.2	(0.8)	(9.8%)
Total Non-Financial Assets	1,222.0	1,185.9	36.1	3.0%

1. Tangible Capital Assets

2024 Actual	2023 Actual	\$ Change	% Change
\$1,203.5	\$1,163.5	\$40.0	3.4%

Tangible Capital Assets represent the City's investment in general and infrastructure capital including land, land improvements, buildings, vehicles, machinery and equipment, vehicles, network assets, library collection, roads and bridges, and other linear assets. Capital projects are recorded as assets when the project is completed or goes into service. The increase in Tangible Capital Assets for 2024 is primarily due to an increase in Tbaytel network assets.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

2. Supplies Inventory

2024 Actual	2023 Actual	\$ Change	% Change
\$11.1	\$14.2	(\$3.1)	(21.8%)

Supplies Inventory represents the goods held on hand at year-end to support the delivery of services. The decrease in Supplies Inventory for 2024 is due to normal fluctuations in the amount of inventory on hand.

3. Prepaid Expenses

2024 Actual	2023 Actual	\$ Change	% Change
\$7.4	\$8.2	(\$0.8)	(9.8%)

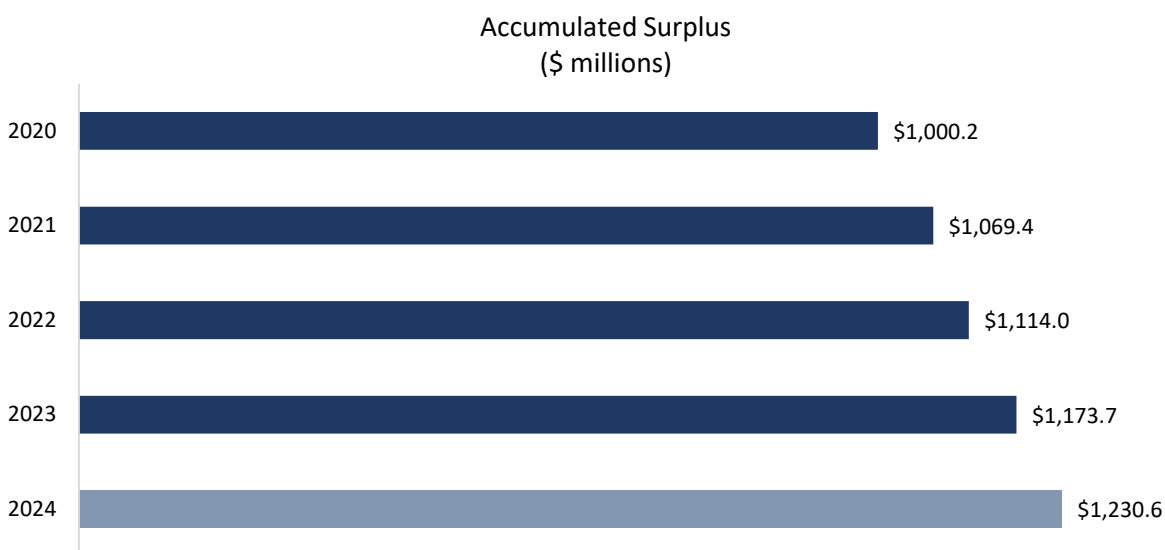
Prepaid Expenses represent payments made in the current year for things that will be consumed in future years. The decrease in Prepaid Expenses for 2024 is due to timing of payments for software agreements and vehicle licenses.



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

Accumulated Surplus

Accumulated Surplus totaled \$1,230.6 million in 2024 [2023: \$1,173.7 million], which is an increase of \$56.9 million compared to the prior year. The accumulated surplus represents the City's net economic resources to be used to carry out municipal activities.



Line Item (\$ millions)	2024 Actual	2023 Actual	\$ Change	% Change
Investment in Tangible Capital Assets	1,203.5	1,163.5	40.0	3.4%
Municipal Debenture Debt	(190.5)	(202.8)	12.3	(6.1%)
Investment in Thunder Bay Hydro Corporation	104.8	100.9	3.9	3.9%
General Fund	38.0	32.8	5.2	15.9%
Employee Future Benefits	(120.5)	(113.7)	(6.8)	6.0%
Asset Retirement Obligation	(27.8)	(21.7)	(6.1)	28.1%
Reserves and Reserve Funds	223.1	214.7	8.4	3.9%
Total Accumulated Surplus	1,230.6	1,173.7	56.9	4.8%



THE CORPORATION OF THE CITY OF THUNDER BAY

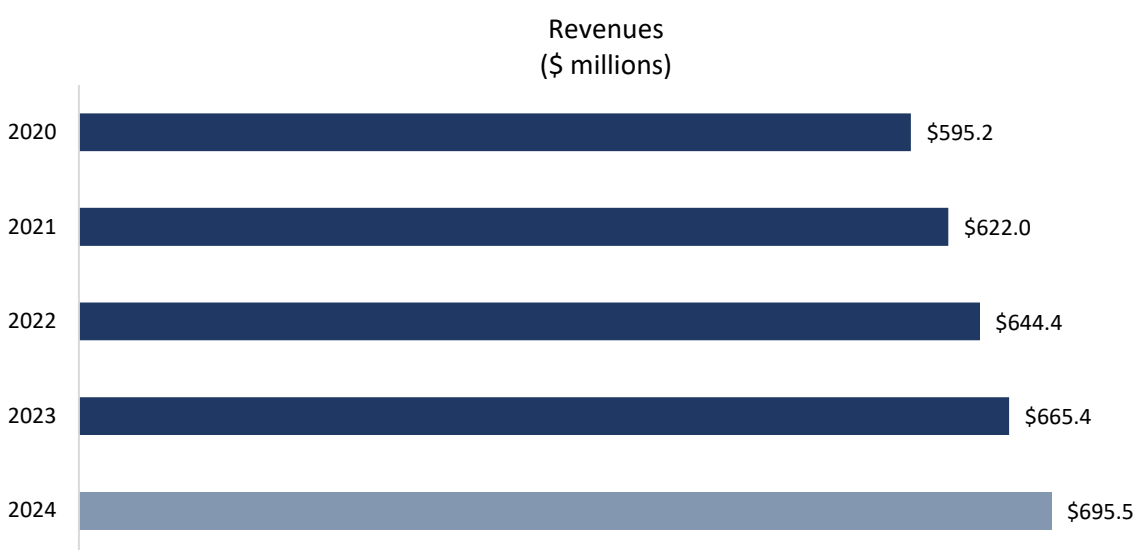
Annual Financial Report 2024

Consolidated Statement of Operations and Accumulated Surplus

The Consolidated Statement of Operations and Accumulated Surplus summarizes the revenues and expenses for the 2024 fiscal year and indicates the accumulated surplus. During the year, revenues exceeded expenses resulting in a \$56.9 million surplus [2023: \$59.7 million]. Variance explanations are discussed below.

Revenues

Total Revenues were \$695.5 million in 2024 [2023: \$665.4 million], an increase of \$30.1 million compared to the prior year. The increase in Taxation revenues in 2024 is due to an increase in property taxes.



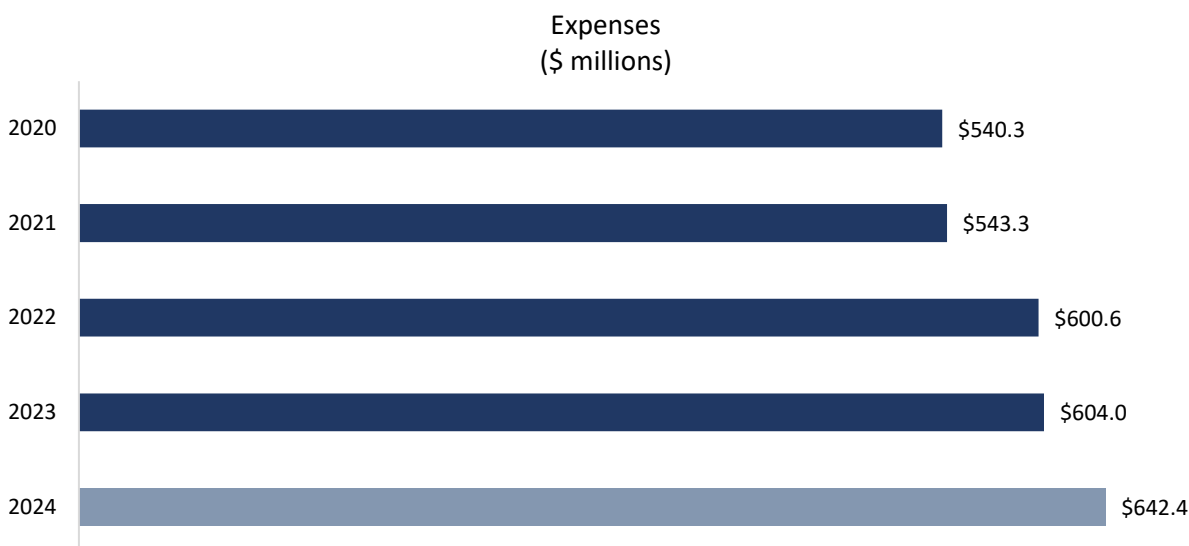
Line Item (\$ millions)	2024 Budget	2024 Actual	2023 Actual	\$ Variance Budget	% Variance Budget	\$ Change Prior Year	% Change Prior Year
Property Tax, Net	232.5	232.9	219.6	0.4	0.2%	13.3	6.1%
Fees and Service Charges	101.9	106.3	99.9	4.4	4.3%	6.4	6.4%
Government of Canada Grants	7.6	16.4	20.5	8.8	115.8%	(4.1)	(20.0%)
Province of Ontario Grants	72.9	84.5	78.5	11.6	15.9%	6.0	7.6%
Contributed Tangible Capital Assets	0.2	2.9	0.0	2.7	1,350.0%	2.9	n/a
Investment Income	8.9	12.0	9.6	3.1	34.8%	2.4	25.0%
Other	34.1	33.5	29.8	(0.6)	(1.8%)	3.7	12.4%
Tbaytel Fees and Service Charges	209.5	207.0	207.5	(2.5)	(1.2%)	(0.5)	(0.2%)
Total Revenues	667.6	695.5	665.4	27.9	4.2%	30.1	4.5%



THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

Expenses

Total Expenses were \$642.4 million in 2024 [2023: \$604.0 million], an increase of \$38.4 million compared to the prior year.



Line Item (\$ millions)	2024 Budget	2024 Actual	2023 Actual	\$ Variance Budget	% Variance Budget	\$ Change Prior Year	% Change Prior Year
General Government	29.2	31.9	30.1	2.7	9.2%	1.8	6.0%
Protection to Persons and Property	118.1	120.2	107.4	2.1	1.8%	12.8	11.9%
Transportation Services	76.0	74.4	68.2	(1.6)	(2.1%)	6.2	9.1%
Environmental Services	81.5	79.2	74.2	(2.3)	(2.8%)	5.0	6.7%
Health Services	46.4	44.0	47.1	(2.4)	(5.2%)	(3.1)	(6.6%)
Social and Family Services	51.1	51.3	45.1	0.2	0.4%	6.2	13.7%
Recreation and Cultural Services	61.0	62.9	58.5	1.9	3.1%	4.4	7.5%
Planning and Development	13.6	13.8	12.1	0.2	1.5%	1.7	14.0%
Tbaytel	168.7	164.7	161.3	(4.0)	(2.4%)	3.4	2.1%
Total Expenses	645.6	642.4	604.0	(3.2)	(0.5%)	38.4	6.4%

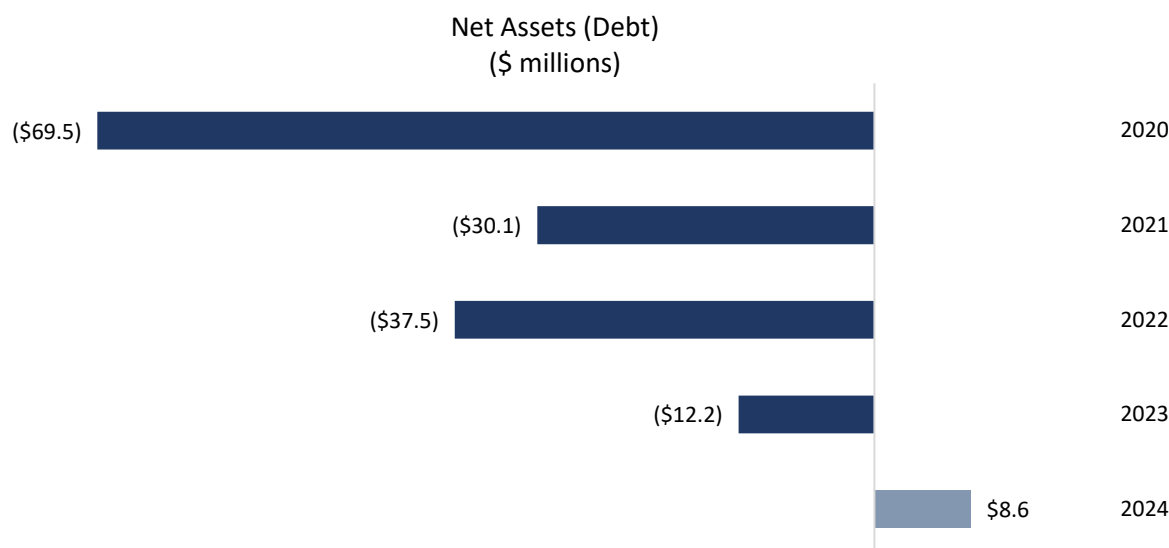


THE CORPORATION OF THE CITY OF THUNDER BAY

Annual Financial Report 2024

Consolidated Statement of Changes in Net Assets (Debt)

The Consolidated Statement of Net Assets (Debt) summarizes the change in net assets (debt) as a result of annual operations, tangible capital asset transactions, and changes in other non-financial assets. The City's net asset (debt) balance improved by \$20.8 million to \$8.6 million [2023: \$12.2 million net debt].



Line Item (\$ millions)	2024 Actual	2023 Actual
Annual Surplus	56.9	59.7
Acquisition of Tangible Capital Assets	(122.9)	(116.8)
Amortization of Tangible Capital Assets	85.1	81.8
Other	1.7	0.6
Change in Net Debt	20.8	25.3

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows summarizes the impact that operating, capital, financing, and investing activities had on the City's cash position during the year. The City's primary uses of cash include acquiring tangible capital assets, repayment of municipal debenture debt and purchasing investments with cash provided from operating activities. The net impact was an increase in cash of \$22.9 million to \$43.6 million [2023: \$20.7 million].

Trust Funds

The City also administers trust funds, which are not consolidated with the City's financial statements. Trust Funds Financial Statements for the year ending December 31, 2024 are presented separately.



FINANCIAL STATEMENTS

The Corporation of the City of Thunder Bay
Annual Financial Report 2024

The Corporation of the City of Thunder Bay
Consolidated Financial Statements

December 31, 2024





Statement of Administrative Responsibility

The management of The Corporation of the City of Thunder Bay have prepared the accompanying financial statements and are responsible for their accuracy and integrity. The 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 [PSAB] of the Chartered Professional Accountants Canada.

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

The City Manager and City Treasurer review the financial statements before such statements are submitted to Council and published for the residents of Thunder Bay. The external auditors have access to, and meet with Administration and Council to discuss their audit and the results of their examination.

The 2024 Financial Statements have been reported on by The Corporation of the City of Thunder Bay's external auditors, MNP LLP, the auditors appointed by Council. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Keri Greaves, CPA
General Manager Corporate Services
& City Treasurer

John Collin
City Manager

<<DATE>>



Independent Auditor's Report

To the Members of Council of The Corporation of the City of Thunder Bay:

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Thunder Bay and its subsidiaries (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net assets (debt), 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 consolidated financial position of the City as at December 31, 2024, and the results of its consolidated operations, its consolidated change in net assets (debt), and its consolidated 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 City 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.

Other Matter

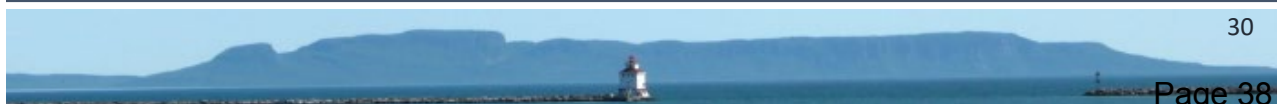
The consolidated financial statement for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on October 28, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Financial Report for the year ended December 31, 2024.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained the Annual Financial Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

Management is responsible for the preparation and fair presentation of the 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 City'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 City'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 City 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 City as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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, Ontario

Chartered Professional Accountants

Licensed Public Accountants

Draft - For Discussion Purposes Only



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2024	2023
As at December 31,	-	-
	\$	\$
Financial assets		
Cash	43,594,289	20,672,967
Investments (note 5)	227,174,614	219,938,808
Taxes receivable	17,645,318	15,351,300
Accounts receivable	87,041,381	74,416,997
User charges receivable	17,907,502	14,692,681
Other assets	4,519,004	4,807,004
Long term receivable	1,938,459	2,228,547
Investment in Thunder Bay Hydro Corporation (note 6)	104,839,829	100,894,048
	504,660,396	453,002,352
Liabilities		
Accounts payable and accrued liabilities	101,345,185	80,243,196
Deferred revenue (note 8)	55,864,099	46,774,394
Employee future benefits (notes 10, 11)	120,472,022	113,647,375
Municipal debenture debt (note 12)	190,495,208	202,822,908
Asset retirement obligation (note 13)	27,839,502	21,766,327
	496,016,016	465,254,200
Net assets (debt)	8,644,380	(12,251,848)
Non-financial assets		
Tangible capital assets (Schedule 1), (note 14)	1,203,470,544	1,163,522,716
Supplies inventory	11,079,070	14,205,620
Prepaid expenses	7,435,259	8,207,812
	1,221,984,873	1,185,936,148
Accumulated Surplus	1,230,629,253	1,173,684,300

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

	2024 Budget (Note 21)	2024	2023
For the year ended December 31,			
	\$	\$	\$
Revenues			
Property tax, net	232,500,029	232,861,338	219,556,558
Fees and service charges	101,963,700	106,311,395	99,885,158
Government of Canada grants (note 15)	7,615,748	16,375,284	20,501,027
Province of Ontario grants (note 15)	72,863,859	84,485,636	78,494,687
Contributed tangible capital assets	179,965	2,947,965	-
Investment income	8,912,404	12,046,276	9,636,676
Other	34,108,128	33,536,799	29,789,141
Tbaytel fees and service charges	209,470,000	206,957,000	207,524,000
	667,613,833	695,521,693	665,387,247
Expenses (note 20)			
General government	29,207,572	31,888,880	30,120,362
Protection to persons and property	118,058,475	120,247,463	107,413,723
Transportation services	75,992,369	74,370,177	68,179,714
Environmental services	81,508,398	79,201,210	74,193,229
Health services	46,420,187	43,975,981	47,106,885
Social and family services	51,129,452	51,309,234	45,093,002
Recreation and cultural services	61,014,772	62,902,313	58,477,230
Planning and development	13,569,890	13,788,063	12,048,411
Tbaytel	168,710,129	164,713,436	161,304,963
	645,611,244	642,396,757	603,937,519
Net revenues before the following	22,002,589	53,124,936	61,449,728
Loss on disposal of tangible capital assets	(94,000)	(428,478)	(294,144)
Write-down of tangible capital assets (note 14)	-	-	(1,729,005)
Loss on disposal of asset retirement obligation	-	(7,592)	-
Loss on write-down of asset retirement obligation	-	(310,306)	-
Earnings from Thunder Bay Hydro Corporation (note 6)	-	3,945,781	261,453
Annual surplus	21,908,589	56,944,953	59,688,032
Accumulated surplus, beginning of year	1,173,684,300	1,173,684,300	1,113,996,268
Accumulated surplus, end of year (Schedule 2)	1,195,592,889	1,230,629,253	1,173,684,300

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (DEBT)

As at December 31,	Budget 2024 (Note 21)	2024	2023
	\$	\$	\$
Annual surplus	21,908,589	56,944,953	59,688,032
Acquisition of tangible capital assets	(126,816,808)	(122,873,921)	(116,752,665)
Amortization of tangible capital assets	85,075,490	85,088,108	81,798,754
Contributed tangible capital assets	(179,965)	(2,947,965)	-
Proceeds on disposal of tangible capital assets	-	357,472	158,037
Loss on disposal of tangible capital assets	94,000	428,478	294,144
Write-down of tangible capital assets	-	-	1,729,005
	(41,827,283)	(39,947,828)	(32,772,725)
Net decrease (increase) in prepaid expenses	-	772,553	(3,335,327)
Net decrease in inventories	-	3,126,550	1,689,080
	-	3,899,103	(1,646,247)
Change in net debt	(19,918,694)	20,896,228	25,269,060
Net debt, beginning of year	(12,251,848)	(12,251,848)	(37,520,908)
Net assets (debt), end of year	(32,170,542)	8,644,380	(12,251,848)

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED STATEMENT OF CASH FLOWS

	2024	2023
For the Year Ended December 31,		
	\$	\$
Operating Activities		
Annual surplus	56,944,953	59,688,032
Non-cash changes to operations:		
Accretion of asset retirement obligation	763,885	768,368
Amortization of tangible capital assets	85,088,108	81,798,754
Capitalization of vested properties	-	79,978
Change in asset retirement obligation	5,309,290	-
Contributed tangible capital assets	(2,947,965)	-
Earnings from Thunder Bay Hydro Corporation (note 6)	(3,945,781)	(261,453)
Employment future benefits	6,824,649	(4,305,679)
Loss on disposal of tangible capital assets	428,478	294,144
Write-down of tangible capital assets	-	1,729,005
Changes in non-cash working capital balances:		
Accounts payable and accrued liabilities	22,681,327	6,026,475
Accounts receivable	(14,203,722)	(5,488,253)
Deferred revenue	9,089,705	9,004,759
Other assets	288,000	124,000
Prepaid expenses	772,553	(3,335,327)
Supplies inventory	3,126,550	1,689,080
Taxes receivable	(2,294,018)	(2,486,093)
User charges receivable	(3,214,821)	(614,257)
Cash provided by operating activities	164,711,191	144,711,533
Capital Activities		
Acquisition of tangible capital assets	(122,873,921)	(116,752,665)
Proceeds on disposal of tangible capital assets	357,472	158,037
Cash used in capital activities	(122,516,449)	(116,594,628)
Financing Activities		
Proceeds from municipal debenture debt	11,865,398	13,618,972
Repayment of municipal debenture debt	(24,193,100)	(27,656,157)
Repayment of Thunder Bay Hydro Corporation promissory note receivable	-	10,000,000
Cash used in financing activities	(12,327,702)	(4,037,185)
Investing Activities		
Net increase in investments	(7,235,806)	(33,174,313)
(Increase) decrease in long term receivable	290,088	(649,969)
Cash used in investing activities	(6,945,718)	(33,824,282)
Decrease in cash	22,921,322	(9,744,562)
Cash, beginning of the year	20,672,967	30,417,529
Cash, end of year	43,594,289	20,672,967

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as established by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountants Canada [CPAC]. Significant accounting policies adopted by the City are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These financial statements include:

Tbaytel (A Municipal Service Board established by the Corporation of the City of Thunder Bay)
Thunder Bay Community Economic Development Commission Inc
Thunder Bay Police Service Board
Thunder Bay Public Library Board
Victoria Avenue Business Improvement Area
Victoriaville Centre Board of Management
Waterfront District Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

The financial activities of certain entities associated with the City are not consolidated. The City's contributions to these entities are recorded in the Consolidated Statement of Operations and Accumulated Surplus. The entities that are not consolidated are as follows:

Lakehead Region Conservation Authority
Thunder Bay District Health Unit
The District of Thunder Bay Social Services Administration Board

Government Business Enterprise

Thunder Bay Hydro Corporation is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises where only the City's investment in the entity and the City's portion of net income and other changes in equity are recorded [note 6]. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City's, and inter-organizational transactions and balances are not eliminated.

Accounting for School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards, are not reflected in these consolidated financial statements [note 3].

Trust Funds

Trust funds and their related operations administered by the City are not included in the consolidated financial statements but are reported separately in the Trust Fund Financial Statements [note 4].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The City follows the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized in the period in which the transactions or events that give rise to the revenues occurred. Expenses are recognized in the period in which the goods or services are acquired, whether or not payment has been made or invoices received.

Employment Benefits

The City has adopted the following policies with respect to employment benefit plans:

The costs of vacation entitlements are charged as expenses when earned;

The costs of post-employment benefits, sick leave entitlements and Workplace Safety and Insurance Act ("WSIB") entitlements are recognized when the event that obligates the City occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis;

The costs of post-employment benefits, sick leave entitlements and WSIB entitlements are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, expected health care costs and plan investment performance;

Accrued obligations and related costs of funded benefits are net of plan assets;

The City amortizes the amount of any actuarial gains or losses over the expected average remaining service lifetime of the active members of the group and prior service costs are recognized in the period of the plan changes.

The contributions to a defined benefit pension plan are expensed when contributions are due.

Government Transfers

Government transfers which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulation liabilities are settled.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The City accounts for its investments at cost plus accrued earnings. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary.

Investment Income

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the deferred revenue.

Financial Instruments

Financial instruments are recorded at either fair value, or cost, or amortized cost at initial recognition.

The City's financial instruments and measurement basis include:

Cash includes cash on hand and bank deposits and is reported at fair value.

Investments consist of pooled funds and a high interest savings account and are reported at cost.

Taxes receivable, accounts receivable, user charges receivable and long term receivable are measured at amortized cost less any allowance. Valuation allowances are made to reflect receivables at the lower of cost and net recoverable value when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations and Accumulated Surplus. Interest is accrued to the extent it is deemed collectible.

Accounts payable and accrued liabilities and municipal debenture debt are measured at cost or amortized cost.

All financial instruments are tested for impairment annually, or more frequently when changes in circumstances indicate the financial instrument could be impaired. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Accumulated Surplus.

Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

As the fair value of cash approximates carrying value and all other financial instruments have been measured at cost or amortized, there have been no re-measurement gains or losses and the statement of remeasurement gains or losses has been excluded.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

[i] Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

General capital

Land improvements	5 to 50 years
Buildings	10 to 60 years
Machinery and equipment	2 to 30 years
Vehicles	3 to 20 years
Network assets	6 to 45 years
Library collection	10 years

Infrastructure

Land improvements	5 to 50 years
Buildings	30 to 60 years
Linear assets	10 to 80 years
Machinery and equipment	2 to 30 years

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate they no longer contribute to the City's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the statement of operations.

[ii] Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-financial Assets (continued)

[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] Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

Taxation Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial education taxes on behalf of the Province of Ontario (the "Province") for education purposes. The authority to levy and collect property taxes is established under the *Municipal Act*, the *Assessment Act*, the *Education Act*, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year to fund the cost of education on a Province-wide basis.

Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation ("MPAC"), a not-for-profit corporation funded by all of Ontario's municipalities. The current value assessment ("CVA") of a property represents an estimated market value of a property as of a fixed date. Assessed values for all properties within the municipality are provided to the City in the returned assessment roll in December of each year.

The amount of property tax levied on an individual property is the product of the CVA of the property (assessed by MPAC) and the tax rate for the class (approved by Council), together with any adjustments that reflect Council-approved mitigation or other tax policy measures.

Property taxes are billed by the City twice annually. The interim billing, issued in January, is based on 50% of the total property's taxes in the previous year, and provides for the cash requirements of the City for the initial part of the year prior to Council's approval of the final operating budget and the approved property tax levy for the year. Final bills are issued in June, following Council's approval of the capital and operating budget for the year, the total property tax levy, and the property tax rates needed to fund the City's operations.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation Revenue (continued)

receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class.

Taxation revenues in any year may also be reduced by reduction in assessment values resulting from assessment and/or property tax appeals. Each year, an amount is identified within the annual operating budget to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (e.g. uncollectible amounts, write-offs, etc.).

User Charges

User charges relate to telecommunication, transit fees, utility charges (water, wastewater and solid waste), licensing fees, fees for use of various programs, and fees imposed based on specific activities. Revenue for user charges resulting from transactions with performance obligations are recognized as the City satisfies performance obligations by providing the promised goods or services to the payor. User charges from transactions with no performance obligations are recognized when the City has the authority to claim or retain an inflow of economic resources and when a past transaction or event gives rise to an asset.

Other Revenue

Other revenues resulting from transactions with performance obligations are recognized as the City satisfies performance obligations by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations are recognized when the City has the authority to claim or retain an inflow of economic resources and when a past transaction or event gives rise to an asset. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred revenue and reported as liabilities.

Deferred Revenue

Deferred revenue represents unfulfilled performance obligations. Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recorded as deferred revenue and are recognized as revenue in the year the performance obligations are satisfied, the related expenses are incurred or services are performed.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when 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 recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Contaminated Sites Liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the City is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation operations, maintenance and monitoring.

Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for uncollectible accounts, employee benefit liabilities, property tax assessment appeals, amortization of tangible capital assets, contingencies other accrued liability and amounts, timing and discount rate of asset retirement obligations. These estimates are based on management's best information and judgment. Actual amounts, which are accounted for as they become known, may differ significantly from these estimates.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2024, the City adopted PS 3400 Revenue. This standard establishes a framework on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. The adoption of PS 3400 was applied prospectively and had no significant impact on the presentation of the financial statements.

On January 1, 2024, the City adopted Public Sector Guideline 8 (PSG-8), Purchased Intangibles. PSG-8 requires the capitalization of purchased intangible assets. The adoption of PSG-8 was applied prospectively and there was no impact on the financial statements.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

2. CHANGE IN ACCOUNTING POLICY (continued)

On January 1, 2024, the City adopted PS 3160, Public Private Partnerships. PS 3160 establishes guidance for the recognition, measurement, and presentation of infrastructure procured through the public private partnership arrangements. The adoption of PS 3160 was applied prospectively and there was no impact on the financial statements.

3. OPERATIONS OF SCHOOL BOARDS

Taxation, other revenues and requisitions for the school boards amounting to **\$30,184,330** [2023 - \$29,907,266] are not reflected in these consolidated financial statements.

4. TRUST FUNDS

Trust funds administered by the City amounting to **\$16,360,793** [2023 - \$15,036,454] have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

Trust fund balances at December 31 are as follows:

	2024	2023
	\$	\$
Art in Public Places	-	10,286
Cemetery	1,216,057	1,205,993
Cemetery Marker Maintenance	580,252	542,566
Civic Employees Pension Trust Committee	1,998	1,998
Dawson Court Home for Aged	2,020	2,020
Employee Disability	13,979,881	12,896,359
Grandview Lodge Home for Aged	4,945	4,945
Lake Superior Regiment Memorial Hillcrest Park	38,769	36,923
Older Adults Centre	204,871	188,726
Pioneer Ridge Home for Aged	21,673	18,361
Provincial Land Tax	310,327	128,277
	16,360,793	15,036,454

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

5. INVESTMENTS

Investments are recorded at cost. The City's investments are comprised of the ONE Canadian, Corporate and Global Bond Funds, the ONE Canadian Equity Fund and ONE Global Equity Fund, and a high interest savings account.

	2024 \$		2023 \$	
	Cost	Market Value	Cost	Market Value
Canadian Bond Fund	19,110,528	19,804,539	18,450,411	18,892,847
Corporate Bond Fund	8,607,211	8,839,000	8,284,245	8,376,922
Global Bond Fund	43,513,311	41,299,582	41,708,945	39,509,539
Canadian Equity Fund	16,530,446	18,954,489	15,195,343	16,017,549
Global Equity Fund	34,164,234	41,241,445	33,646,727	37,021,575
Other	105,248,884	105,248,884	102,653,137	102,653,124
	227,174,614	235,387,939	219,938,808	222,471,556

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. INVESTMENT IN THUNDER BAY HYDRO CORPORATION

Thunder Bay Hydro Corporation

The Thunder Bay Hydro Corporation is wholly owned by the City and provides regulated and unregulated electric utility services and complementary commercial services. The following table provides condensed supplementary financial information for the Thunder Bay Hydro Corporation, and its majority-owned subsidiary SYNERGY NORTH Corporation and its wholly-owned subsidiaries Thunder Bay Hydro Utility Services Inc. and Thunder Bay Hydro Renewable Power Incorporated, prepared in accordance with Canadian generally accepted accounting principles as per Part I of the Chartered Professional Accountants Canada Handbook.

	2024 \$	2023 \$
Financial position		
Current assets	45,879,411	45,713,241
Capital assets	187,818,775	177,900,517
Long-term assets	18,235,693	17,337,291
Other assets	2,747,784	5,175,183
Total assets	254,681,663	246,126,232
Current liabilities	25,369,233	25,125,637
Long-term liabilities	110,825,259	101,993,801
Other liabilities	808,892	5,533,763
Total liabilities	137,003,384	132,653,201
Net assets	117,678,279	113,473,031
Proportionate share of other investor	(12,838,450)	(12,578,983)
City of Thunder Bay proportionate share	104,839,829	100,894,048
Results of operations		
Revenues	161,805,984	146,427,611
Operating expenses	(157,525,736)	(145,706,455)
Comprehensive income for the year	4,280,248	721,156
Less: Proportionate share of other investor	(259,467)	(134,633)
Less: Dividend to City of Thunder Bay	(75,000)	(325,070)
City of Thunder Bay proportionate share of income	3,945,781	261,453

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

6. INVESTMENT IN THUNDER BAY HYDRO CORPORATION (continued)

Thunder Bay Hydro Corporation (continued)

The City's investment in Thunder Bay Hydro Corporation is comprised of the following:

	2024 \$	2023 \$
1,061 common shares	41,931,625	41,931,625
Promissory note	16,490,500	16,490,500
Accumulated other comprehensive income	459,246	716,072
Accumulated earnings from date of transfer	45,958,458	41,755,851
	104,839,829	100,894,048

The promissory note is receivable from Thunder Bay Hydro Corporation and is interest bearing, unsecured and due on demand, subject to a Subordination Agreement providing for no acceleration rights. Interest is due quarterly at the Established Rate, (The Ontario Energy Board's Deemed Long-Term Debt Rate, which is adjusted on an annual basis) 2024 - 4.58%.

Thunder Bay Hydro Corporation's long-term liabilities include long-term debt. Expected principal repayments required over the next five years and thereafter assuming refinancing on maturity are as follows:

	\$
2025	3,093,799
2026	2,230,769
2027	3,290,442
2028	1,836,248
2029	1,833,480
Thereafter	55,269,626
Total	67,554,364

Related Party Transaction

Thunder Bay Hydro Corporation provides certain services to the City in the normal course of business at commercial rates.

Thunder Bay Hydro Corporation billed the City for electricity in the amount of **\$7,134,606** [2023-\$7,060,280]. At December 31, 2024, included in accounts payable and accrued liabilities is **\$1,760,073** [2023 - \$1,203,472] payable to Thunder Bay Hydro Corporation related to this expense. Also recorded was pole rental from Thunder Bay Hydro Corporation in the amount of **\$722,845** [2023 - \$688,104]. The City also contributed towards capital construction by Thunder Bay Hydro Corporation during the year in the amount of **\$52,038** [2023 - \$365,562]. The City received dividends of **\$75,000** in 2024 [2023 - \$325,070].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

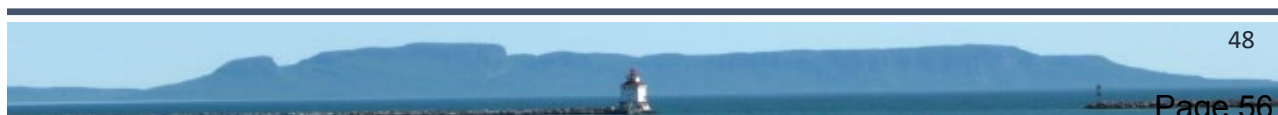
For the Year Ended December 31, 2024

7. BANK INDEBTEDNESS

The City has two unsecured demand revolving credit facilities, the first in the amount of **\$10,000,000** [2023 - \$10,000,000] for working capital and the second in the amount of **\$15,000,000** [2023 - \$15,000,000] for interim financing of capital projects, both of which **\$nil** [2023 - \$nil] was used at year-end and bear interest at the bank's prime rate less 0.88%.

Tbaytel's available revolving credit facilities include the following, the total of which shall not exceed \$12,000,000 CDN at any time:

- 1) Revolving demand facility in USD funds at a floating rate of U.S. bank base or 8.0% at December 31, 2024. An amount of which **\$nil** US [2023-\$nil US] is outstanding at December 31, 2024.
- 2) Revolving demand facility in CDN funds at a floating rate of bank prime less 0.5% or 4.95% at December 31, 2024. An amount of \$nil CDN [2023-\$nil] is outstanding at December 31, 2024.
- 3) USD letters of credit or CDN or USD letters of guarantee. An amount of **\$345,000** CDN [2023-\$345,000] is outstanding at December 31, 2024.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

8. DEFERRED REVENUE

Deferred revenue is as follows:

	2024 \$	2023 \$
Obligatory reserve funds		
Parkland Dedication	878,161	728,114
Building Faster Fund	623,644	-
Building Permits	3,506,691	2,921,501
Canada Community Building Fund	15,156,683	14,430,610
Dedicated Gas Tax	6,739,549	5,652,922
Ontario Community Infrastructure Fund	6,287,321	6,403,815
Ontario Municipal Commuter Cycling	118,957	113,725
MTO Transit Capital	173,422	165,795
Other	22,379,671	16,357,912
	55,864,099	46,774,394

The continuity of deferred revenue is as follows:

	2024 \$	2023 \$
Balance, beginning of year	46,774,394	37,769,635
Add:		
Building Faster Fund	609,623	-
Developer and property owners contributions	113,933	45,262
Canada Community Building Fund	6,950,706	7,142,297
Dedicated Gas Tax	1,439,172	1,531,267
Ontario Community Infrastructure Fund	10,000,000	10,000,000
Building Permits	440,666	2,864,124
Net contributions from current operations	6,021,758	447,708
Interest earned	1,278,329	905,980
	26,854,187	22,936,638
Less:		
Canada Community Building Fund contributions to capital	6,889,840	7,905,590
Dedicated Gas Tax contributions to capital	472,814	976,557
Ontario Community Infrastructure Fund contributions to capital	10,401,828	5,015,132
Building Permits used (operating)	-	34,600
	17,764,482	13,931,879
Balance, end of year	55,864,099	46,774,394

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

9. FINANCIAL INSTRUMENTS

The City's financial instruments consist of cash, investments, taxes receivable, accounts receivable, user charges receivable, long term receivable, accounts payable and accrued liabilities, and municipal debenture debt. The fair value of investments is disclosed in Investments (Note 5). At December 31, 2024, other than investments, there are no significant differences between carrying values and estimated market values.

Credit Risk

Credit risk is the risk of financial loss to the City if a third party fails to meet its contractual obligations. The City is exposed to credit risk through its cash, taxes receivable, accounts receivable, user charges receivable and long term receivable. This risk is minimized due to a large and diverse customer base and cash is held with a major chartered bank.

Approximately 50% of the accounts receivable balance relates to receivables of Tbaytel, which are included through consolidation. These receivables arise from Tbaytel's normal operating activities and are due from a diverse customer base. TBaytel has established credit policies, collection practices, and historical experience that indicate low credit risk associated with these balances.

The remaining receivables primarily consist of amounts due from federal and provincial granting agencies, HST recoverable, interest receivable, and Provincial Offences Act (POA) fines. These balances generally represent very low credit risk, as they are due from senior levels of government, regulated entities, or counterparties with a demonstrated history of payment.

For all other regular operating receivables, the City maintains established credit policies and collection practices and holds security on many of the receivables. Historical experience indicates that these balances present low credit risk, with only a very minimal amount of receivables over 60 days past due.

The City maintains an allowance for doubtful accounts for potential credit losses based on management's estimates and assumptions on economic conditions, customer analysis and historical payment trends. Subsequent recoveries of receivables previously provisioned are recorded in the Statement of Operations and Accumulated Surplus. Management regularly reviews the collectability of accounts receivable and records an allowance for doubtful accounts when objective evidence of impairment exists. The reported receivable balances reflect this allowance, and as at year-end, management has concluded that overall credit risk exposure is minimal and that the allowance for doubtful accounts is not significant.

There have not been any changes from the prior year in the City's exposure to credit risk or the policies, procedures or methods used to manage and measure risk.

Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and accrued liabilities and municipal debenture debt. The City's budgeting process helps determine the funds required for normal operating requirements on an on-going basis. The City ensures there are sufficient funds to meet its short term requirements, taking into account its anticipated cash flows from operations, the holding of cash and investments, and ability to access credit facilities.

Accounts payable are primarily due and settled within 90 days of receipt of an invoice. The contractual maturities of municipal debenture debt are disclosed in Note 12.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

9. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures or methods used to manage and measure risk.

Market Risk

Market risk is the risk that the fair value of 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.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The City has limited exposure to fluctuating values of foreign currency. The City may purchase goods and services, payable in US dollars, and purchases US currency to meet the related payable commitments when required. The impact of these transactions is not material to the financial statements.

Monetary assets and liabilities denominated in foreign currency are translated at the prevailing rate of exchange at year end. Revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the Consolidated Statement of Operations and Accumulated Surplus.

There have not been any changes from the prior year in the City's exposure to currency risk or the policies, procedures or methods used to manage and measure risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The City is subject to interest rate risk on municipal debenture debt (the possibility that market rates for debt with similar terms will decrease below the fixed rate) but minimizes the risk by issuing long term fixed rate debenture debt.

The City has revolving credit facilities with variable interest rates that allow for short term borrowings for working capital purposes and interim financing of capital projects. This risk is minimized by continuously monitoring cash flow balances to minimize the interest expense. Interest earned on cash balances also mitigates the cost of borrowing up to the amount of cash on hand.

The City is also exposed to interest rate risk on interest rates received on investments. The impact of fluctuations varies as the amount of investments change. The City holds a portfolio managed by ONE Joint Investment Board which operates under the regulations of the Municipal Act and holds a high interest savings account with ONE Investment.

There have not been any changes from the prior year in the City's exposure to interest rate risk or the policies, procedures or methods used to manage and measure risk.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

9. FINANCIAL INSTRUMENTS (continued)

Other Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The City is exposed to price risk through its investments which include equity pooled funds. To mitigate this risk, the investment portfolio is managed by ONE Joint Investment Board and investments are made in accordance with an approved Investment Policy Statement.

There have not been any changes from the prior year in the City's exposure to other price risk or the policies, procedures or methods used to manage and measure risk.

10. PENSION AGREEMENTS

The City makes contributions to the Ontario Municipal Employees Retirement System Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employee contributions are matched by the City.

During the year ended December 31, 2024, the City contributed **\$20,433,881** [2023 - \$19,397,932] for current service, which is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus. These contributions were matched with employee contributions for both years.

Because OMERS is a multi-employer plan, the City does not recognize any share of pension plan deficit of **\$2.9** billion [2023- a deficit of \$4.2 billion] based on fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

11. EMPLOYMENT FUTURE BENEFITS

The City provides certain employee benefits which will require funding in future periods.

	2024	2023
	\$	\$
Sick leave benefits	8,509,100	8,270,800
Vacation pay	5,024,922	4,985,075
Post-employment benefits	46,218,600	45,629,900
WSIB	60,719,400	54,761,600
	120,472,022	113,647,375

[a] Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may be entitled to a cash payment when they retire or leave the City's employment or pay for sick leave in excess of the current year entitlement. The City recognizes these costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2024 of **\$8,509,100** [2023-\$8,270,800] was determined by an actuarial valuation prepared for the year ended December 31, 2022, and updated for 2024. An amount of **\$2,274,854** [2023- \$2,174,813] has been set aside in a sick pay liability reserve fund to offset this liability.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

11. EMPLOYMENT FUTURE BENEFITS (continued)

The main actuarial assumptions employed for the valuation of vested and non-vested sick leave benefits are as follows:

Interest (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 4.60% [2023 - 4.60%].

Salary levels

Future general salary and wage levels were assumed to increase at 3.00% per annum, reflecting the expected Consumer Price Index adjusted for productivity, merit and promotion.

[b] Vacation entitlements earned by the employees are converted to a cash payment when they retire or leave the City's employment.

[c] The City pays certain post-retirement 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 **\$39,111,836** [2023 - \$37,780,920] was determined by an actuarial valuation prepared for the year ended December 31, 2023 and updated for 2024. An amount of **\$5,971,099** [2023 - \$5,708,508] has been set aside in a post-retirement benefits reserve fund to offset this liability.

Information about the City's post-retirement non-pension benefit plan is as follows:

	2024	2023
	\$	\$
Accrued benefit liability recognized in the financial statements	46,218,600	45,629,900
Unrecognized actuarial gain	(7,106,764)	(7,848,980)
Accrued benefit liability	39,111,836	37,780,920
Expense for the year	2,991,120	2,805,700
Benefits paid for the year	(2,242,400)	(2,310,400)

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

Interest (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 4.10% to 4.60% [2023 - 4.10% to 4.60%].

Medical and dental costs

Medical costs were assumed to increase by 4.50% to 5.00% in 2024, with further annual increases gradually declining to 4.00% to 4.50% in 2039 and each year thereafter. Dental costs were assumed to increase at 4.50% to 5.10% in 2024 declining to 4.00% to 4.50% in 2039. Drug costs were assumed be 7.65% in 2024 reducing by 0.175% each year to ultimate rate of 4.50% in 2042.

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

11. EMPLOYMENT FUTURE BENEFITS (continued)

[d] The City elected to be under Schedule 2 of the Workplace Safety and Insurance Act and hence, effectively self-insures its workers' compensation claims. The estimated future benefit costs (including administration costs) at December 31, 2024 of **\$60,719,400** [2023 - \$54,761,600] were determined by an actuarial valuation prepared for the year ended December 31, 2023 and updated for 2024. An amount of **\$2,217,484** [2023 - \$2,286,228] has been set aside in a WSIB reserve fund to offset this liability.

12. MUNICIPAL DEBENTURE DEBT

[a] The balance of municipal debt reported on the Consolidated Statement of Financial Position totaling **\$190,495,208** [2023 - \$202,822,908] is comprised of debenture debt and construction financing outstanding at year-end incurred by the City.

The balance of municipal debenture debt is **\$183,715,698** [2023 - \$194,109,046], bearing interest rates ranging from 1.49% to 5.06% and maturing from 2025 to 2044.

The balance of construction financing is **\$6,779,510** [2023 - \$8,713,862] and is comprised of short-term advancements on a debenture based on incurred costs. All construction financing will be converted to a long-term debenture when project costs are complete.

The breakdown of the balance owing is as follows:

	2024 \$	2023 \$
Debenture debt		
Tax supported	47,711,518	49,798,465
Rate supported	101,079,180	106,135,581
Tbaytel	34,925,000	38,175,000
Total debenture debt	183,715,698	194,109,046
Construction financing		
Tax supported	2,332,681	2,411,005
Rate supported	4,446,829	6,302,857
Total construction financing	6,779,510	8,713,862
Total debt	190,495,208	202,822,908

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

12. MUNICIPAL DEBENTURE DEBT (continued)

[b] Principal repayments of municipal debenture debt are due as follows:

	\$
2025	22,743,420
2026	18,813,424
2027	16,626,710
2028	14,952,232
2029	14,203,397
2030 and thereafter	96,376,515
Total	183,715,698

[c] The long-term liabilities in [a] issued in the name of the City have been approved by by-law. The 2025 annual principal and interest payments required to service these liabilities are within the 2025 annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing of \$136,025,485. The City has available \$101,820,541, based on this annual debt repayment limit.

[d] Total payments for the year for municipal debenture debt are as follows:

	2024 \$	2023 \$
Principal payments	24,193,100	27,656,157
Interest payments	6,361,176	6,548,783
Total	30,554,276	34,204,940



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

13. ASSET RETIREMENT OBLIGATIONS

The City's financial statements include asset retirement obligations for future asbestos remediation, decommissioning of towers, landfill closure and post-closure care requirements, retirement of underground fuel storage tanks and restoration of leased lands. The related asset retirement costs are amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate range of 4.5%-4.6% (2023 – 4.6%). The estimated total undiscounted future expenditures are \$52,241,656 (2023 - \$40,853,047), which are to be incurred over the next 51 years. The liability is expected to be settled by 2075.

	2024 \$	2023 \$
Asset retirement obligation, beginning of the year	21,766,327	20,917,981
Liabilities incurred during the year	-	79,978
Liabilities settled during the year	(631,677)	-
Changes in estimate of liabilities	5,940,967	-
Increase due to accretion expense	763,885	768,368
Asset retirement obligation, end of year	27,839,502	21,766,327

14. TANGIBLE CAPITAL ASSETS

Schedule 1 provides information on the tangible capital assets of the City of Thunder Bay by major asset class, including cost, accumulated amortization and the net book value of the assets.

During the year no interest was capitalized [2023 - \$nil], there were write-downs of tangible capital assets of **\$nil** [2023 - \$1,729,005] and contributed tangible capital assets of **\$2,947,965** [2023 - \$nil]. Contributed tangible capital assets consist of linear and network assets.

Certain assets have been recorded at a nominal value due to the difficulty in determining an appropriate value. These assets include road allowances relating to the roads network, certain land segments acquired through land swaps and some parkland segments.

Works of art, artifacts, natural resources, cultural and historic assets are not recorded as assets in the financial statements as a reasonable estimate of the future economic benefits associated with such property cannot be made.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

15. GOVERNMENT TRANSFERS

	2024	2023
	\$	\$
Revenues		
Government of Canada grants	16,375,284	20,501,027
Province of Ontario grants	84,485,636	78,494,687
Total Revenues	100,860,920	98,995,714
Expenses		
External transfers to others	26,758,404	24,946,272
Total Expenses	26,758,404	24,946,272

16. CONTINGENCIES

[a] There were numerous claims and litigation in dispute at December 31, 2024 for which the amount of settlement, if any, is indeterminable at this time. The settlements, if any, will be expensed in the Consolidated Statement of Operations in the year in which the amount is determinable. No provision has been made in these consolidated financial statements in respect of the above claims and litigation.

[b] The Ontario Mining Act (the "Act") sets out the requirements for the closure and post-closure maintenance of mine sites. In accordance with the Act, the City has responsibilities related to the closure and post-closure maintenance of the Shuniah Mine site located on City property. The extent of any future post-closure maintenance requirements, and any associated costs, cannot be reasonably determined at this time. As a result, no provision has been recorded in the consolidated financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

17. COMMITMENTS

[a] The City has various operating leases pertaining to certain premises and equipment and service agreements. The future minimum lease payments over the next five years are as follows:

	\$
2025	7,083,963
2026	5,428,060
2027	2,701,820
2028	1,142,464
2029	442,679

[b] Tbaytel has provided a letter of guarantee from the Royal Bank to WSIB in the amount of \$345,000 [2023-\$345,000].

[c] Tbaytel has a Strategic Business Relationship Agreement with Rogers which provides TBaytel access to Rogers' Spectrum, Core network and other services. Payments over the next two years are \$8,652,000 and \$8,976,000.

[d] The Thunder Bay Community Economic Development Commission Inc. has committed a total of \$3,073,145 to various organizations. Scheduled payments are made at the time these organizations meet previously agreed upon criteria.

18. PUBLIC LIABILITY INSURANCE

The City is self-insured for public liability claims up to \$1,000,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

Self-insured claims settled and accrued during the year amounting to **\$1,207,146** [2023 - \$1,292,553] are reported as an expense in the Consolidated Statement of Operations and Accumulated Surplus.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

19. NON-CONSOLIDATED ENTITIES

Thunder Bay District Health Unit

The Thunder Bay District Health Unit is established under the Health Protection and Promotion Act, and provides programs and services in accordance with the legislative mandate for Boards of Health in Ontario and delivers a wide range of services to citizens of the District of Thunder Bay.

The following table provides condensed supplementary financial information for the Thunder Bay District Health Unit prepared in accordance with Canadian public sector accounting standards.

	2024	2023
		(as restated)
	\$	\$
Financial position		
Financial assets	9,360,220	8,459,810
Financial liabilities	(8,256,844)	(7,258,228)
Net financial assets	1,103,376	1,201,582
Non-financial assets	5,004,364	4,752,816
Accumulated surplus	6,107,740	5,954,398

	2024	2023
		(as restated)
	\$	\$
Results of operations		
Revenues other than municipal levies	20,093,818	20,533,326
Municipal levies	3,579,746	3,475,449
Expenses	(23,520,222)	(23,379,295)
Annual surplus	153,342	629,480

The City's share of the municipal levies was **\$2,860,952** [2023 - \$2,777,595].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

19. NON-CONSOLIDATED ENTITIES (continued)

The District of Thunder Bay Social Services Administration Board

Effective April 1, 1999, pursuant to provincial legislation, The District of Thunder Bay Social Services Administration Board was formed to accommodate the provincial government's requirement to consolidate the delivery of Social Services. The Board delivers provincially mandated services on behalf of the citizens of the District of Thunder Bay.

The following table provides condensed supplementary financial information for The District of Thunder Bay Social Services Administration Board, including its wholly-owned subsidiary, Thunder Bay District Housing Corporation, prepared in accordance with Canadian public sector accounting standards.

	2024	2023
	\$	\$
Financial position		
Financial assets	69,875,587	55,721,180
Long-term debt	(6,131,472)	(8,254,238)
Other liabilities	(41,839,250)	(33,956,064)
Net assets	21,904,865	13,510,878
Non-financial assets	37,742,896	39,543,874
Accumulated surplus	59,647,761	53,054,752

	2024	2023
	\$	\$
Results of operations		
Revenues other than municipal levies	89,598,586	89,634,260
Municipal levies	25,233,000	24,330,500
Other income	2,372,299	2,297,515
Expenses	(112,332,626)	(114,402,588)
Annual surplus	4,871,259	1,859,687

The City's share of the municipal levies was \$17,753,560 [2023 - \$17,160,907].



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

20. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens. Segmented information has been prepared by major functional classification of activities provided, consistent with the consolidated statement of operations and accumulated surplus and provincially legislated requirements. For each reported segment, revenues and expenses represent both amounts attributable to the segment and amounts that are allocated on a reasonable basis.

The segmented information is provided in Schedule 3 to the consolidated financial statements and includes the following segments:

General Government

General Government comprises various administrative services, including Finance & Corporate Services, Legal Services, Realty Services, City Manager's Department, Facilities & Fleet Services, Mayor and Council, and Emergency Planning including emergency evacuations.

Protection to Persons and Property

Protection to persons and property is comprised of Police Services, Fire Services, Protective Inspection and Control, Thunder Bay Court Services and Emergency Measures. The mandate of Police Services is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law. The Fire Services department is responsible for fire suppression, fire prevention programs, training and education related to prevention, detection or extinguishment of fires. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. Thunder Bay Court Services administers prosecutions and the collection of related fines and fees under the authority of the Provincial Offences Act. Also included in Protection to Persons and Property is the City's contribution to the Lakehead Region Conservation Authority.

Transportation Services

Transportation services include Roadways, Winter Control, Transit, Parking and Street Lighting. Roadways covers the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, bridges, culverts, sidewalks, crossing guards and traffic lights. Winter Control includes snowplowing, sanding and salting, snow removal and flood control. The Transit division is responsible for providing local public transportation service including specialized public transportation. Parking Services is responsible for the planning, development and maintenance of parking lots, meters and parkades, including enforcement of parking regulations. Street Lighting plans, develops and maintains the street lighting system.

Environmental Services

Environmental services consist of Waterworks, Sanitary Sewer, Storm Sewer, Waste Collection and Disposal and Recycling. Waterworks provides drinking water to the citizens of Thunder Bay. Sanitary Sewer collects and treats wastewater. Storm Sewer provides surface water management. Waste Collection, Disposal and Recycling includes the collection of solid waste, landfill site operations and waste minimization programs.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

20. SEGMENTED INFORMATION (continued)

Health Services

Health Services includes Cemeteries, Ambulance Services, and the City's contribution to the Thunder Bay District Health Unit.

Social and Family Services

Social and Family Services include General Assistance, Senior Services and Child Care. General Assistance includes the City's contribution to the District of Thunder Bay Social Services Administration Board. Under Senior Services, the City operates a long term care facility, the 55+ Centre, and provides services to seniors, including meals on wheels, friendly visiting program and Jasper Apartments. Child Care includes the operating and maintenance of childcare centres.

Recreation and Cultural Services

Recreation and Cultural Services include Parks, Recreation Programs and Facilities, Thunder Bay Public Library and contributions to Cultural Organizations. The City provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs, the development and maintenance of various recreational facilities (including golf courses and the marina), and the maintenance of parks and open spaces. The Thunder Bay Public Library is dedicated to providing community access to local and global information resources that support lifelong learning, research and leisure activities. The City contributes to various cultural organizations under specific funding programs.

Planning and Development

Development services manages urban development for business interest, environmental concerns, heritage matters, local neighbourhoods and residential housing and the downtown through city planning and community development and approval of all land development plans. Also included in Planning and Development are the activities of the Thunder Bay Community Economic Development Commission Inc., two Business Improvement Areas (BIAs), and Victoriaville Centre.

Tbaytel

Tbaytel was established as a Municipal Service Board to govern, control, maintain, operate and manage the City's provision of telecommunication services.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

21. BUDGET INFORMATION

Budgets are established to set tax rates or to finance projects which may be carried out over one or more years. Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements and are not audited. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	2024 \$
Revenues	
Approved Budget	
Operating	469,257,200
Capital	104,700,000
Consolidated Boards	205,103,179
	779,060,379
Adjustments	
Transfer from reserves to operating	(6,211,700)
Obligatory Reserve Funds	(19,107,100)
In year budget adjustments - capital	14,765,467
Financial statement presentation adjustments	4,061,187
Reduction due to tangible capital asset accounting	(104,700,000)
Reclassification of taxation	(254,400)
Total Revenues	667,613,833
Expenses	
Approved Budget	
Operating	469,257,200
Capital	104,700,000
Consolidated Boards	169,656,179
	743,613,379
Adjustments	
Amortization of tangible capital assets	47,986,352
Accretion of ARO	384,966
Transfer to reserves	(38,830,200)
Reduction due to tangible capital asset accounting	(104,700,000)
Capital out of revenue	(20,187,900)
Post employment benefit expense	6,904,647
Financial statement presentation adjustments	(3,481,465)
Reclassification of taxation	(254,400)
Debt principal payments	(20,676,200)
Operating expenses budgeted in capital expensed in current year	34,852,065
Total Expenses	645,611,244
Loss on disposal of tangible capital assets	(94,000)
Annual Surplus	21,908,589

THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

22. FLOOD DISASTER

On May 28, 2012, the City of Thunder Bay experienced a severe rainfall event, which resulted in the flooding of the Atlantic Avenue Secondary Sewage Treatment Plant (the "Plant") and basement flooding in certain areas of the City. On June 8, 2012, the Province of Ontario declared the City of Thunder Bay a disaster area for the purposes of the Ontario Disaster Relief Assistance Program ("ODRAP").

The City is currently in a dispute with its insurer, which has denied the claim based upon a disagreement over the proper allocation of repair costs for purposes of coverage under the insurance policy. The City believes that the basis for the denial of the claim is invalid and has initiated legal action against its insurers and the claims adjusters. As this amount is in dispute and the outcome of the action is indeterminable, in accordance with PSAB standards the City has not recognized the balance in dispute and will record the amount of any recovery when received.

23. FUTURE ACCOUNTING CHANGES

The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026. The revised Conceptual Framework will replace the existing Conceptual Framework, which consists of PS 1000 Financial Statement Concepts, and PS 1100 Financial Statement Objectives. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

Financial Statement Presentation, PS 1202 is effective for fiscal years beginning on or after April 1, 2026. PS 1202 revises and replaces PS 1201 Financial Statements Presentation and is adopted at the same time as the revised Conceptual Framework. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

24. COMPARATIVE AMOUNTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

25. The Corporation of the City of Thunder Bay Child Care Centres

Combined Statement of Operations

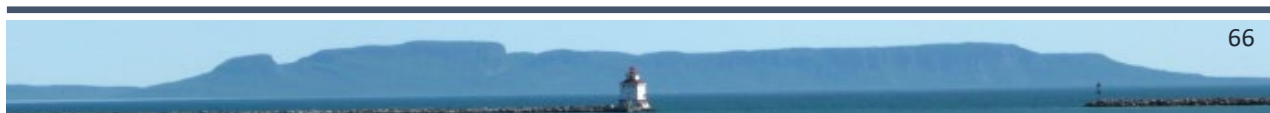
	2024 Budget \$	2024 \$	2023 \$
December 31, 2024			
Revenue			
Thunder Bay District Social Services Administration Board			
Fee subsidy	703,400	181,533	266,269
General operating	477,700	807,830	807,830
Financial stability funding	-	68,602	14,216
CWELCC funding	-	644,140	506,770
	1,181,100	1,702,105	1,595,085
Parent fees	1,229,200	873,143	740,057
Support partner	-	2,259	27,095
CTB accessibility fund	-	-	25,000
CTB capital reserve	-	68,850	760,047
2023 property tax (capital)	-	-	268,443
Federal grant (enabling accessibility)	-	-	90,947
Miscellaneous	-	1,421	1,503
	2,410,300	2,647,778	3,508,177
Expenditures			
Administration	397,300	390,227	305,206
Capital expenses	-	68,850	1,144,436
Cleaning	9,100	8,780	6,908
Equipment purchases	11,500	9,397	3,758
Insurance	25,800	1,252	996
Maintenance	112,600	113,054	90,594
Office	25,710	32,432	21,232
Professional fees	4,400	4,484	4,945
Rent	76,400	75,563	72,813
Supplies	149,500	212,058	143,295
Travel and training	3,600	7,488	2,284
Utilities	16,200	19,277	20,712
Wages and benefits	2,961,800	2,780,771	2,400,590
	3,793,910	3,723,633	4,217,769
Net deficit	(1,383,610)	(1,075,855)	(709,592)

THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 1

	General Capital							Infrastructure						Total	
As at December 31,	Land	Land Improvements	Buildings	Machinery & Equipment	Vehicles	Network Assets	Library Collection	Land	Land Improvements	Building	Linear Assets	Machinery & Equipment	Assets Under Construction (AUC)	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
Cost															
Balance, beginning of year	27,562,345	85,903,374	260,775,300	128,914,693	93,530,596	740,912,000	4,511,695	1,480,698	15,035,025	262,993,640	1,232,084,626	18,953,571	39,180,940	2,911,838,503	2,807,724,821
Add: Additions	18	1,886,620	6,646,732	8,925,392	9,180,776	40,381,000	194,603	-	5,316,467	-	21,196,466	1,464,000	27,681,847	122,873,921	116,752,665
Add: Contributed tangible capital assets	-	-	-	-	-	2,768,000	-	-	-	-	179,965	-	-	2,947,965	-
Add: Transfers from AUC	-	-	-	2,913,762	-	13,651,000	-	-	-	-	2,527,152	891,302	(19,983,216)	-	-
Less: Disposals	1	442,583	253,093	1,336,048	4,518,487	1,954,000	180,187	-	-	-	2,315,247	355,918	-	11,355,564	10,909,978
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,729,005
Balance, end of year	27,562,362	87,347,411	267,168,939	139,417,799	98,192,885	795,758,000	4,526,111	1,480,698	20,351,492	262,993,640	1,253,672,962	20,952,955	46,879,571	3,026,304,825	2,911,838,503
Accumulated Amortization															
Balance, beginning of year	-	45,799,979	122,632,228	96,667,338	55,841,431	454,426,000	3,758,295	-	8,833,678	126,427,871	826,624,499	7,304,468	-	1,748,315,787	1,676,974,830
Add: Amortization	-	3,174,333	7,401,416	8,784,886	6,459,262	29,119,000	224,516	-	104,909	7,344,636	21,377,159	1,097,991	-	85,088,108	81,798,754
Less: Accumulated Amortization on disposals	-	442,583	149,581	1,314,707	4,318,850	1,828,000	180,187	-	-	-	2,033,052	302,654	-	10,569,614	10,457,797
Balance, end of year	-	48,531,729	129,884,063	104,137,517	57,981,843	481,717,000	3,802,624	-	8,938,587	133,772,507	845,968,606	8,099,805	-	1,822,834,281	1,748,315,787
Net Book Value of Tangible Capital Assets	27,562,362	38,815,682	137,284,876	35,280,282	40,211,042	314,041,000	723,487	1,480,698	11,412,905	129,221,133	407,704,356	12,853,150	46,879,571	1,203,470,544	1,163,522,716



THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

Schedule 2

As at December 31,	2024	2023
	\$	\$
Surplus		
Investment in tangible capital assets	1,203,470,544	1,163,522,716
Municipal debenture debt	(190,495,208)	(202,822,908)
Investment in Thunder Bay Hydro Corporation	104,839,829	100,894,048
General fund	37,988,894	32,829,607
Employee future benefits	(120,472,022)	(113,647,375)
Asset retirement obligation	(27,839,502)	(21,766,327)
	1,007,492,535	959,009,761
Reserves		
Capital reserves	33,428,991	31,116,350
Other	16,527,096	15,704,215
Stabilization	11,702,574	12,204,825
Working Capital	4,300,000	4,300,000
	65,958,661	63,325,390
Reserve funds		
Capital reserve funds	84,218,326	83,498,088
Economic development	4,485,879	3,602,971
Indoor Turf	14,160,682	11,152,170
Post-employment benefits	5,971,099	5,708,508
Recreation	3,733,367	3,336,998
Renew Thunder Bay	28,101,742	27,247,599
Vested property rehabilitation	5,894,385	5,369,505
Vested sick leave	2,274,854	2,174,813
WSIB	2,217,484	2,286,228
Other	6,120,239	6,972,269
	157,178,057	151,349,149
Total reserves and reserve funds	223,136,718	214,674,539
Accumulated Surplus	1,230,629,253	1,173,684,300

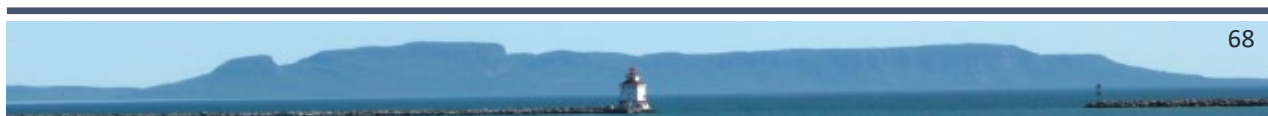


THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 3

	General Government		Protection to Persons and Property		Transportation Services		Environmental Services		Health Services	
For the year ended December 31,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Property tax, net	232,861,338	219,556,558	-	-	-	-	-	-	-	-
Fees and service charges	4,960,915	4,710,931	2,555,856	2,218,205	9,217,555	7,961,877	67,234,086	64,804,739	167,687	189,218
Government of Canada grants	8,476,511	11,909,587	104,361	507,502	2,370,779	1,851,015	949,261	676,665	-	-
Province of Ontario grants	32,942,211	27,195,675	5,272,509	5,439,909	4,312,594	4,211,511	1,170,709	1,545,353	22,873,481	21,831,187
Contributed tangible capital assets	179,965	-	-	-	-	-	-	-	-	-
Investment income	7,060,734	5,423,316	27,227	21,004	334,418	253,927	2,209,835	1,844,047	140,802	118,921
Other	6,501,980	5,975,062	6,522,734	4,532,535	1,212,536	1,751,710	806,892	887,296	3,342,075	3,146,998
Tbaytel fees and service charges	-	-	-	-	-	-	-	-	-	-
Total Revenues	292,983,654	274,771,129	14,482,687	12,719,155	17,447,882	16,030,040	72,370,783	69,758,100	26,524,045	25,286,324
Expenses										
Salary, wages and employee benefits	37,831,846	35,174,559	99,178,446	97,765,312	20,973,378	20,632,832	17,523,068	16,721,285	30,196,412	29,283,224
Long term debt interest	200,077	130,531	102,917	111,076	743,016	747,207	3,909,406	4,031,882	194,511	208,837
Materials	33,601,374	33,886,597	5,554,646	5,942,895	7,593,383	5,949,354	12,497,353	10,015,236	3,407,184	3,715,520
Contracted services	8,143,546	7,368,595	2,965,827	2,702,242	8,278,879	4,150,907	14,006,411	13,454,861	1,010,033	1,070,554
Rents & financials	3,026,747	2,318,771	456,231	466,863	1,048,017	1,052,091	2,821,006	2,751,095	680,884	503,841
External transfers to others	-	-	1,993,037	1,891,806	-	-	-	-	2,860,952	2,777,595
Interfunctional and program support	(52,130,220)	(49,801,228)	3,511,049	3,192,325	16,727,042	16,919,778	11,625,542	10,889,228	2,052,086	1,945,393
Unfunded liabilities	181,408	5,151	3,741,516	(7,457,766)	394,302	73,435	231,827	(357,024)	1,825,887	5,931,825
Amortization of tangible capital assets	1,034,102	1,037,386	2,743,794	2,798,970	18,612,160	18,654,110	16,586,597	16,686,666	1,748,032	1,670,096
Total expenses	31,888,880	30,120,362	120,247,463	107,413,723	74,370,177	68,179,714	79,201,210	74,193,229	43,975,981	47,106,885
Net revenues (expenses)	261,094,774	244,650,767	(105,764,776)	(94,694,568)	(56,922,295)	(52,149,674)	(6,830,427)	(4,435,129)	(17,451,936)	(21,820,561)

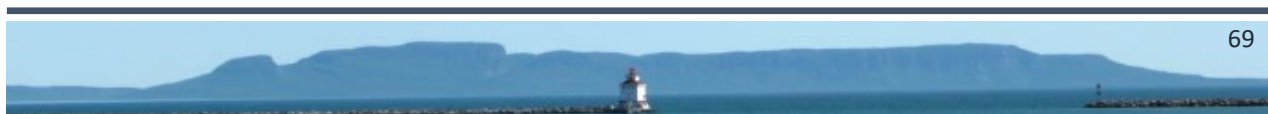


THE CORPORATION OF THE CITY OF THUNDER BAY

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

Schedule 3

	Social and Family Services		Recreation and Cultural Services		Planning and Development		Tbaytel		Total	
For the year ended December 31,	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Property tax, net	-	-	-	-	-	-	-	-	232,861,338	219,556,558
Fees and service charges	9,275,571	8,574,467	11,175,277	9,730,297	1,724,448	1,695,424	-	-	106,311,395	99,885,158
Government of Canada grants	101,083	131,694	3,892,471	4,220,664	480,818	1,141,600	-	62,300	16,375,284	20,501,027
Province of Ontario grants	15,107,643	12,888,197	2,572,975	3,625,507	233,514	1,717,348	-	40,000	84,485,636	78,494,687
Contributed tangible capital assets	-	-	-	-	-	-	2,768,000	-	2,947,965	-
Investment income	122,341	101,363	1,071,649	808,353	416,270	351,745	663,000	714,000	12,046,276	9,636,676
Other	-	-	607,951	386,551	1,279,631	1,404,289	13,263,000	11,704,700	33,536,799	29,789,141
Tbaytel fees and service charges	-	-	-	-	-	-	206,957,000	207,524,000	206,957,000	207,524,000
Total Revenues	24,606,638	21,695,721	19,320,323	18,771,372	4,134,681	6,310,406	223,651,000	220,045,000	695,521,693	665,387,247
Expenses										
Salary, wages and employee benefits	24,397,007	21,133,708	23,099,981	21,747,232	3,920,998	3,439,628	38,130,000	37,217,000	295,251,136	283,114,780
Long term debt interest	-	83,384	140,249	102,689	-	-	1,071,000	1,133,181	6,361,176	6,548,787
Materials	4,205,993	5,029,558	10,978,822	9,238,566	4,405,987	4,066,683	88,545,436	88,618,963	170,790,178	166,463,372
Contracted services	1,391,311	1,013,989	3,479,876	5,384,058	2,612,754	1,808,870	-	-	41,888,637	36,954,076
Rents & financials	165,204	99,693	841,165	717,891	164,217	252,093	151,000	180,819	9,354,471	8,343,157
External transfers to others	17,753,560	17,160,907	3,803,421	2,866,294	347,434	249,670	-	-	26,758,404	24,946,272
Interfunctional and program support	2,575,565	2,320,175	13,906,472	12,899,057	1,732,464	1,635,272	-	-	-	-
Unfunded liabilities	418,258	(2,154,558)	105,523	(285,425)	5,926	12,683	-	-	6,904,647	(4,231,679)
Amortization of tangible capital assets	402,336	406,146	6,546,804	5,806,868	598,283	583,512	36,816,000	34,155,000	85,088,108	81,798,754
Total expenses	51,309,234	45,093,002	62,902,313	58,477,230	13,788,063	12,048,411	164,713,436	161,304,963	642,396,757	603,937,519
Net revenues (expenses)	(26,702,596)	(23,397,281)	(43,581,990)	(39,705,858)	(9,653,382)	(5,738,005)	58,937,564	58,740,037	53,124,936	61,449,728



The Corporation of the City of Thunder Bay

Trust Funds Financial Statements

December 31, 2024



To The Corporation of the City of Thunder Bay

Qualified Opinion

We have audited the statement of financial position of The Corporation of the City of Thunder Bay Trust Funds (the "Trust Funds"), as at December 31, 2024, and the statements of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2024, and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Qualified Opinion

The trust funds of The Corporation of the City of Thunder Bay derive receipts from donations and deposits (withdrawals) for residents of homes for the aged, as well as, donations for other purposes, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the trust funds. Therefore, we were unable to determine whether any adjustments might be necessary to donation receipts and surplus for the year, assets, liabilities and accumulated surplus. The audit opinion on the statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the 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 qualified opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statements are prepared to assist The Corporation of the City of Thunder Bay in assessing the Trust Funds' financial information. As a result, the statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

The financial statement for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those statements on October 24, 2024 for the reasons described in the Basis for Qualified opinion paragraph.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds' 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 Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Thunder Bay, Ontario

Chartered Professional Accountants

Licensed Public Accountants

THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
Year ended December 31, 2024

	<u>Total</u>	<u>Older Adults Centre</u>	<u>Cemeteries</u>	<u>Cemetery Marker Mtce.</u>	<u>Dawson Court Home for Aged</u>	<u>Grandview Lodge Home for Aged</u>	<u>Pioneer Ridge Home for Aged</u>	<u>Lake Superior Memorial Hillcrest Pk</u>	<u>Employee Disability</u>	<u>Civic Employees Pension Trust Committee</u>	<u>Art in Public Places</u>	<u>Provincial Land Tax</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Assets</u>												
Cash	340,797	-	122	-	2,020	4,945	21,673	-	1,710	-	-	310,327
Investments (note 2)	16,019,991	204,871	1,215,935	580,252	-	-	-	38,769	13,978,166	1,998	-	-
Accrued interest	5	-	-	-	-	-	-	-	5	-	-	-
	<u>16,360,793</u>	<u>204,871</u>	<u>1,216,057</u>	<u>580,252</u>	<u>2,020</u>	<u>4,945</u>	<u>21,673</u>	<u>38,769</u>	<u>13,979,881</u>	<u>1,998</u>	<u>-</u>	<u>310,327</u>
<u>Liabilities and accumulated surplus</u>												
Due to revenue fund	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated surplus	<u>16,360,793</u>	<u>204,871</u>	<u>1,216,057</u>	<u>580,252</u>	<u>2,020</u>	<u>4,945</u>	<u>21,673</u>	<u>38,769</u>	<u>13,979,881</u>	<u>1,998</u>	<u>-</u>	<u>310,327</u>
	<u>16,360,793</u>	<u>204,871</u>	<u>1,216,057</u>	<u>580,252</u>	<u>2,020</u>	<u>4,945</u>	<u>21,673</u>	<u>38,769</u>	<u>13,979,881</u>	<u>1,998</u>	<u>-</u>	<u>310,327</u>

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
STATEMENT OF CONTINUITY
Year ended December 31, 2024

		<u>Older Adults</u>		<u>Cemetery</u>	<u>Dawson</u>	<u>Grandview</u>	<u>Pioneer</u>	<u>Lake</u>		<u>Civic</u>		
	<u>Total</u>	<u>Centre</u>	<u>Cemeteries</u>	<u>Marker Mtce.</u>	<u>Court Home</u>	<u>Lodge Home</u>	<u>Ridge Home</u>	<u>Superior</u>	<u>Employee</u>	<u>Employees</u>	<u>Art in Public</u>	<u>Provincial Land</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accumulated surplus, beginning of year	15,036,454	188,726	1,205,993	542,566	2,020	4,945	18,361	36,923	12,896,359	1,998	10,286	128,277
<u>Receipts</u>												
Contribution from premiums	6,559,951	-	-	-	-	-	-	-	6,559,951	-	-	-
PLT deposits	73,659,086	-	-	-	-	-	-	-	-	-	-	73,659,086
Deposit	55,135	-	-	-	-	-	55,135	-	-	-	-	-
Donations	26,545	26,545	-	-	-	-	-	-	-	-	-	-
Sale of plots	10,064	-	10,064	-	-	-	-	-	-	-	-	-
Marker fees	10,300	-	-	10,300	-	-	-	-	-	-	-	-
Earned interest	774,498	9,600	60,545	27,386	-	-	-	1,846	655,518	-	-	19,603
	81,095,579	36,145	70,609	37,686	-	-	55,135	1,846	7,215,469	-	-	73,678,689
<u>Expenditures</u>												
Residents' withdrawals, net	51,823	-	-	-	-	-	51,823	-	-	-	-	-
PLT Transfers to Ministry	73,272,408	-	-	-	-	-	-	-	-	-	-	73,272,408
Disability claims	5,805,185	-	-	-	-	-	-	-	5,805,185	-	-	-
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	10,286	-	-	-	-	-	-	-	-	-	10,286	-
Net investment earnings	60,545	-	60,545	-	-	-	-	-	-	-	-	-
General Operating costs	570,993	20,000	-	-	-	-	-	-	326,762	-	-	224,231
	79,771,240	20,000	60,545	-	-	-	51,823	-	6,131,947	-	10,286	73,496,639
Accumulated surplus, end of year	16,360,793	204,871	1,216,057	580,252	2,020	4,945	21,673	38,769	13,979,881	1,998	-	310,327

The accompanying notes are an integral part of these financial statements.



THE CORPORATION OF THE CITY OF THUNDER BAY
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared by management using the recognition and measurement principles of Canadian public sector accounting standards. Receipts and disbursements are reported using the accrual basis of accounting which recognizes revenues as they become available and measurable, and disbursements as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Investments

Investments are accounted for at cost plus accrued earnings. The carrying value of an investment is written down to its net recoverable amount if a decline in value is judged to be other than temporary. Investment income earned is reported as revenue in the period earned.

2. Investments

The total investments, by the trust funds of \$16,019,991 (2023 - \$14,881,101) reported on the balance sheet at carrying value, have a market value of \$16,019,991 (2023 - \$14,881,101). The investments are comprised of the ONE High Interest Savings Account.



STATISTICS

The Corporation of the City of Thunder Bay
Annual Financial Report 2024

THE CORPORATION OF THE CITY OF THUNDER BAY

Annual Financial Report 2024

General Statistics

	2024	2023	2022	2021	2020
¹ Population	115,747	114,707	113,356	112,315	112,330
¹ Area in Acres	81,051	81,051	81,051	81,051	81,051
¹ Number of Households	48,405	48,405	48,405	48,405	47,180
² Average Household Income	\$98,708	\$96,022	\$93,040	\$92,986	\$91,670
¹ Land Area (sq. km)	328	328	328	328	328
¹ Population Density per sq km	353	350	346	342	342

¹ Source: Statistics Canada, 2025

²Source: BMA Municipal Study, Manifold Data Mining

Economic Statistics

	2024	2023	2022	2021	2020
¹ Employment Rate	56.1%	59.9%	58.4%	57.0%	55.5%
¹ Participation Rate	61.0%	62.7%	61.6%	61.6%	60.2%
¹ Unemployment Rate	4.0%	4.4%	5.2%	7.5%	8.1%
² Weighted Median Dwelling Value (\$)	229,441	229,441	229,441	229,441	229,441
¹ Number of Building Permits Issued	1,008	1,142	1,280	1,723	1,442
¹ Construction Value of Building Permits Issued (\$ million)	287.2	476.1	183.4	161.4	96.0

¹Source: Statistics Canada, 2025

²Source: BMA Municipal Study, Manifold Data Mining

Top ten employers in the City of Thunder Bay based on total employees:

- Alstom
- City of Thunder Bay
- Confederation College
- Government of Ontario
- Lakehead District School Board
- Lakehead University
- St. Joseph's Care Group
- Thunder Bay Catholic District School Board
- Thunder Bay Pulp and Paper / Resolute Forest Products
- Thunder Bay Regional Health Sciences Centre

Source: Environics Analytics, 2023-24



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Municipal Taxation

Taxable Assessment (\$ millions)	2024	2023	2022	2021	2020
Residential	9,282.8	9,239.2	9,194.5	9,163.9	9,116.6
New Multi-Residential	37.7	33.1	28.4	25.0	17.0
Multi-Residential	462.1	464.7	460.1	464.3	462.6
Commercial	1,746.8	1,729.1	1,710.7	1,719.3	1,715.1
Industrial	58.4	61.0	63.5	63.0	67.0
Large Industrial	59.5	62.7	64.5	64.8	72.4
Landfill	0.7	0.7	0.7	0.7	0.7
Pipelines	38.1	38.1	38.0	37.8	37.8
Farmlands	3.8	3.9	2.6	2.5	4.1
Managed Forest	1.9	1.5	1.5	1.2	1.4
Total Taxable Assessment	11,691.8	11,634.0	11,564.5	11,542.5	11,494.7

Source: City of Thunder Bay Corporate Services Department (MPAC)

Tax Rates (%)*	2024	2023	2022	2021	2020
Residential	1.793305	1.708921	1.634104	1.591080	1.562626
New Multi-Residential	1.793305	1.708921	1.634104	1.591080	1.562626
Multi-Residential	3.417208	3.249284	3.115208	3.029160	3.092150
Commercial	4.127805	3.960723	3.859032	3.822133	3.912686
Industrial	4.768894	4.568834	4.391455	4.289451	4.328485
Large Industrial	5.358032	5.127664	5.101147	5.160283	5.438979
Landfill	5.117446	4.899456	4.706179	4.595034	4.621527
Pipelines	5.420999	5.187392	4.980269	4.861162	4.882390
Farmlands	0.448327	0.427231	0.408527	0.397771	0.390658
Managed Forest	0.448327	0.427231	0.408527	0.397771	0.390658

**Includes education tax levy component.*

Source: City of Thunder Bay Corporate Services Department



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Property Taxes	2024	2023	2022	2021	2020
Tax Levy (\$ million)	231.3	218.4	208.0	203.1	199.4
Net Municipal Levy per Capita (\$)	1,998	1,904	1,835	1,808	1,775
Tax Arrears (\$ million)	17.6	15.4	12.9	11.5	12.8
Tax Arrears as a % of Tax Levy	7.6%	7.0%	6.2%	5.7%	6.4%

Source: City of Thunder Bay Corporate Services Department

Top ten largest Corporate (commercial and industrial) property taxpayers (2024)

- HOOPP Realty Inc.
- 3022056 Canada Inc.
- Skyline Retail Real Estate Investment Trust
- Thunder Bay Pulp and Paper Inc.
- Gateway Casino & Entertainment Ltd.
- Southbridge Health Care GP Inc.
- Jennum Thunder Bay Properties Inc.
- 1333440 Ontario Ltd.
- Viterra Inc.
- Prime Site Properties Inc.

Source: City of Thunder Bay Corporate Services Department



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Financial Results

Consolidated Statement of Financial Position

(\$ millions)	2024	2023	2022	2021	2020
Financial Assets					
Cash	43.6	20.7	30.4	35.8	35.8
Investments	227.2	219.9	186.8	160.5	121.6
Taxes Receivable	17.6	15.4	12.9	11.5	12.8
Accounts Receivable	87.1	74.4	68.9	61.5	47.5
User Charges Receivable	17.9	14.7	14.1	13.9	14.0
Other Assets	4.5	4.8	4.9	3.9	6.4
Long Term Receivable	1.9	2.2	1.6	1.8	1.9
Investment in Thunder Bay Hydro Corporation	104.8	100.9	110.6	109.3	106.3
Total Financial Assets	504.6	453.0	430.2	398.2	346.3
Liabilities					
Accounts Payable and Accrued Liabilities	101.3	80.2	74.2	69.9	74.1
Deferred Revenue	55.9	46.8	37.8	36.1	27.2
Employee Future Benefits	120.5	113.7	117.9	101.6	96.8
Municipal Debenture Debt	190.5	202.8	216.9	203.8	212.2
Asset Retirement Obligation	27.8	21.7	20.9	16.9	5.5
Total Liabilities	496.0	465.2	467.7	428.3	415.8
Net Assets (Debt)	8.6	(12.2)	(37.5)	(30.1)	(69.5)
Non-Financial Assets					
Tangible Capital Assets	1,203.5	1,163.5	1,130.7	1,084.0	1,058.7
Supplies Inventory	11.1	14.2	15.9	10.9	7.1
Prepaid Expenses	7.4	8.2	4.9	4.6	3.9
Total Non-Financial Assets	1,222.0	1,185.9	1,151.5	1,099.5	1,069.7
Accumulated Surplus	1,230.6	1,173.7	1,114.0	1,069.4	1,000.2



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Long Term Debt

	2024	2023	2022	2021	2020
Long Term Debt (\$ millions)					
Tax-Supported Debt	50.1	52.2	58.7	63.5	69.5
Rate-Supported Debt	105.5	112.4	116.8	95.6	94.8
Tbaytel	34.9	38.2	41.4	44.7	47.9
Total	190.5	202.8	216.9	203.8	212.2

Long Term Debt Per Capita (\$)					
Tax-Supported Debt	432	455	517	565	618
Rate-Supported Debt	912	980	1,030	851	844
Tbaytel	302	333	365	398	427
Total	1,646	1,768	1,912	1,814	1,889

Debt Charges for the Year (\$ millions)					
Principal Payments	24.2	27.7	25.5	24.9	24.0
Interest Charges	6.4	6.5	5.7	6.2	6.7
Total	30.6	34.2	31.2	31.1	30.7

Annual Debt Repayment Limit (\$ millions)	100.4	95.7	91.9	94.1	93.7
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Tangible Capital Assets

(\$ millions)	2024	2023	2022	2021	2020
Cost					
General Capital	1,420.0	1,342.1	1,262.7	1,179.7	1,109.9
Infrastructure	1,559.4	1,530.5	1,502.0	1,464.2	1,440.5
Assets Under Construction	46.9	39.2	43.0	45.4	42.0
Total Cost	3,026.3	2,911.8	2,807.7	2,689.3	2,592.4

Accumulated Amortization					
General Capital	826.0	779.1	736.0	693.5	649.4
Infrastructure	996.8	969.2	941.0	911.8	884.3
Total Accumulated Amortization	1,822.8	1,748.3	1,677.0	1,605.3	1,533.7

Net Book Value of Tangible Capital Assets	1,203.5	1,163.5	1,130.7	1,084.0	1,058.7
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Tangible Capital Asset Acquisitions	122.9	116.8	122.4	106.7	94.8
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THE CORPORATION OF THE CITY OF THUNDER BAY
Annual Financial Report 2024

Consolidated Statement of Operations and Accumulated Surplus

(\$ millions)	2024	2023	2022	2021	2020
Revenues by Source					
Property Tax, Net	232.9	219.6	209.1	203.9	201.1
Government of Canada Grants	16.4	20.5	18.6	21.5	18.6
Province of Ontario Grants	84.5	78.5	78.3	76.7	74.9
Contributed Tangible Capital Assets	2.9	0.0	0.7	0.0	0.2
Fees and Service Charges	106.3	99.9	94.0	87.8	83.1
Other	33.5	29.8	30.5	22.9	18.4
Investment Income	12.0	9.6	6.3	4.3	3.3
Tbaytel Fees and Service Charges	207.0	207.5	206.9	204.9	195.6
Total Revenues	695.5	665.4	644.4	622.0	595.2
Expenses by Function					
General Government	31.9	30.1	25.6	22.7	29.0
Protection to Persons and Property	120.2	107.4	127.3	107.9	103.8
Transportation Services	74.4	68.2	68.6	60.4	59.1
Environmental Services	79.2	74.2	70.9	64.1	64.1
Health Services	44.0	47.1	41.3	38.0	33.7
Social and Family Services	51.3	45.1	44.0	41.0	39.2
Recreation and Cultural Services	62.9	58.5	54.3	45.5	44.1
Planning and Development	13.8	12.1	10.4	8.1	8.0
Tbaytel	164.7	161.3	158.2	155.6	159.3
Total Expenses	642.4	604.0	600.6	543.3	540.3
Net Revenues Before the Following	53.1	61.4	43.8	78.7	54.9
Loss on Disposal of Tangible Capital Assets	(0.4)	(0.3)	(0.4)	(1.2)	(0.7)
Write-down of Tangible Capital Assets	0.0	(1.7)	(0.2)	0.0	(0.1)
Write-down of Asset Retirement Obligation	0.3	0.0	0.0	0.0	0.0
Earnings from Thunder Bay Hydro Corporation	3.9	0.3	1.4	3.0	3.0
Annual Surplus	56.9	59.7	44.6	80.5	57.1
Accumulated Surplus, Beginning of Year	1,173.7	1,114.0	1,069.4	1,000.2	943.1
Adjustment for Asset Retirement Obligation				(11.4)	
Accumulated Surplus, End of Year	1,230.6	1,173.7	1,114.0	1,069.4	1,000.2



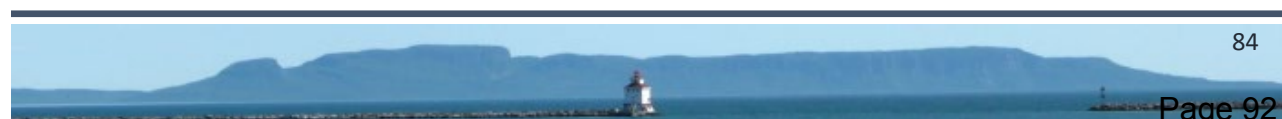
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Consolidated Expenses by Object

(\$ millions)	2023	2023	2022	2021	2020
Salary, Wages, and Employee Benefits	295.2	283.1	268.9	253.0	242.9
Long Term Debt Interest	6.4	6.5	5.8	6.2	6.7
Materials	170.8	166.5	161.8	144.2	156.3
Contracted Services	41.9	37.0	35.9	26.7	22.5
Rents and Financials	9.3	8.4	8.2	5.4	6.0
External Transfers to Others	26.8	24.9	25.8	23.5	23.9
Unfunded Liabilities	6.9	(4.2)	16.3	4.8	2.5
Amortization of Tangible Capital Assets	85.1	81.8	77.9	79.5	79.5
Total Expenses	642.4	604.0	600.6	543.3	540.3

Reserve and Reserve Fund Balances

(\$ millions)	2024	2023	2022	2021	2020
Tax-Supported	174.1	164.4	152.9	159.9	135.9
Rate-Supported	49.0	50.3	44.5	39.7	26.0
Total Reserves and Reserve Funds	223.1	214.7	197.4	199.6	161.9



Finance Division

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