For Information

2025 Uncollectible Accounts Receivable

Date: May 26, 2026
To: Audit, Finance and Risk Management Committee
From: Interim Chief Financial Officer

Summary

The Uncollectible Accounts Receivable report is submitted annually to the Audit, Finance and Risk Management Committee for its information in accordance with the TTC's Authorization for Expenditures and Other Commitments Policy.

The total value of uncollectible accounts written off for 2025 amounted to $5,707,251.40, and the total annual receivables amounted to $334 million, yielding a collection rate of 98.29%.

This report provides information on accounts receivable amounts written off as uncollectible in 2025 under delegated authority.

Background and Analysis

When staff have been unable to obtain payment in the course of normal collection efforts, accounts under $3,000 are referred to an external collection agency for collection. The debt is also registered against the customer's credit history and reported to the major credit bureaus by the collection agency. Only after all attempts to collect, both internally and through the TTC's external collection agency are exhausted, is an account written off.

Uncollectible accounts larger than $3,000 are forwarded to the TTC's Legal Department or Employee Relations for further handling. Where appropriate, legal action is taken to collect unpaid accounts. However, in some cases, court action or filing an employer grievance is not considered cost-effective due to the unlikelihood of recovery and the file may be forwarded to the collection agency. If all reasonable attempts to collect an outstanding amount have been unsuccessful, and it is not cost-effective to invest any further resources in collection, the accounts will be written off.

The TTC's Authorization for Expenditures and Other Commitments Policy allows senior staff, as delegated by the Chief Executive Officer, to write-off individual uncollectible amounts up to $50,000 and the CEO has authority up to $500,000. Individual amounts over $500,000 require Board approval.

The Audit, Finance and Risk Management Committee last received a report on uncollectible accounts approved for write-off at the senior staff level covering 2024 at its meeting on June 9, 2025, with additional information in a supplementary report on September 22, 2025. These reports can be referenced by the following links:

[2024 Uncollectible Accounts Receivable](#)
[2024 Uncollectible Accounts Receivable – Additional Info](#)

A summary of write-off amounts and collection rates over the past five years is outlined below in Table 1:

Table 1: Summary of Write-Offs and Collection Rates 2021-2025

Write-Off History – Past Five Years			
Year	Annual Billings	Amount Written Off	Collection Rate
2025	$334,000,000.00	$5,707,251.40	98.29%
2024	$335,000,000.00	$635,252.34	99.82%
2023	$302,000,000.00	$42,188.25	99.99%
2022	$191,000,000.00	$11,904.70	99.99%
2021	$193,000,000.00	0[1]	N/A

1 *Due to the impact of COVID-19, many customers were provided with payment flexibility. Please see 2021 report for more information: 2021 Accounts Receivable Considered Uncollectible.*

In 2025, a total of $5,707,251.40 was written off, primarily due to the financial fallout from the COVID-19 pandemic. The bulk of the amount is a result of subway retailers experiencing a drastic drop in revenue as subway ridership plummeted due to the COVID-19 government-mandated quarantine. In particular, the insolvency of two of the major subway concession tenants, Gateway Market Canada Inc. and Tobmar Investments International Inc. ($4,850,005.99), and various independent retailers ($841,520.63). The balance ($15,725.41) of the amount is due to other items, such as employee overpayments and other miscellaneous charges.

Although the write-offs were completed in 2025, they relate to impacts stemming from COVID-19 beginning in 2020. All amounts written off in 2025 had been fully reserved through bad debt expense in prior years. Accordingly, these write-offs have no impact on the 2025 financial statements.

[1] *Due to the impact of COVID-19, many customers were provided with payment flexibility. Please see 2021 report for more information: 2021 Accounts Receivable Considered Uncollectible.*

Gateway Market Canada Inc. (“Gateway”) and Tobmar Investments International Inc. (“Tobmar”) – $4,850,005.36

The largest portion ($4.85 million) of the amount relates to Gateway and Tobmar, both retail tenants of the TTC. Each company filed a Notice of Intention (NOI) to make a proposal under the Bankruptcy and Insolvency Act (Canada) after sustained revenue losses led to significant amounts being owed to creditors, including rent arrears due to the TTC for retail spaces, prompting a restructuring to address outstanding payments and continue operations.

The 2025 write-off concludes a multi-year recovery process for debts incurred by each of Gateway and Tobmar during the COVID-19 pandemic. Following each company’s filing of a NOI on April 19, 2022, at its meeting on February 28, 2023, the TTC Board accepted each company’s proposal, which subsequently received court approval on July 24, 2023. After internal review, completed in late 2024, it was determined that $4.85 million would be written off. This amount covers outstanding balances accumulated between early 2020 and April 2022.

COVID relief funding (Safe Restart Agreement) received from the Province of Ontario substantially mitigated the financial impact of uncollectible amounts due from each of Gateway and Tobmar.

Subway Vendor/Concession Independent Retailers – $841,520.63

Independent subway concession operators experienced prolonged financial impacts resulting from COVID-related decline in ridership. The individual tenant names have been intentionally omitted to maintain confidentiality. Some tenants qualified for the Canada Emergency Rent Subsidy (CERS) and other government relief programs, with related funds forwarded to the TTC. To support business continuity, staff negotiated repayment plans for arrears accrued between March 2020 and November 2022 and established restructured monthly rental rates effective December 2022. At its meeting on December 3, 2024, the TTC Board approved the write-off plan and the re-negotiated rental rates. In 2025, $841,520.63 was written off to eliminate outstanding balances related to the period from March 2020 to November 2022.

Diversity, Equity, and Inclusion Matters
None associatied with this report.

Innovation and Sustainability Considerations
None associated with this report.

Corporate Plan Alignment
None associated with this report.

Financial Impact

Amounts totalling $5,707,251.40 were written off in 2025 in accordance with the TTC's Authorization for Expenditures and Other Commitments Policy, after the completion of appropriate collection efforts.

These amounts were provided for in the TTC's allowance for doubtful accounts and expensed in previous years and there is no impact on 2025 financials statements.

Contact

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Attachments

Attachment 1 – Decision History

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At its February 28, 2023, meeting, the TTC Board approved acceptance of the proposal for Gateway and Tobmar:
Gateway Market Canada Inc. and Tobmar Investments International Inc.

At its December 3, 2024, meeting, the TTC Board approved negotiated rents and write-offs for multiple subway retail tenants:
Subway Vendor Lease Agreements