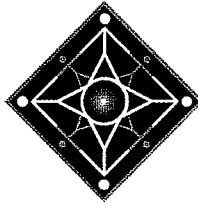


THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Financial Statements

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

December 31, 2009



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The management of The District of Thunder Bay Social Services Administration Board 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 CICA.

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 Board's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

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

The 2009 Financial Statements have been reported on by The District of Thunder Bay Social Services Administration Board's external auditors, Grant Thornton LLP, the auditors appointed by the Board. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Iain F. Angus
Chair
The District of Thunder Bay Social
Services Administration Board

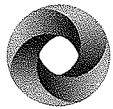
Mary Lucas
Chief Administrative Officer
The District of Thunder Bay Social
Services Administration Board

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

December 31, 2009

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Grant Thornton

Auditors' Report

Grant Thornton LLP

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To the Board Members, Members of Municipal Councils,

Inhabitants and Ratepayers as listed in Note 4.

We have audited the consolidated statement of financial position of The District of Thunder Bay Social Services Administration Board as at December 31, 2009 and the consolidated statements of operations, changes in net debt and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and its changes in net debt for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
March 10, 2010

Chartered Accountants
Licensed Public Accountants

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

Consolidated Statement of Financial Position

As at December 31

	2009 \$	2008 \$
FINANCIAL ASSETS		
Cash and cash equivalents	24,846,556	27,862,772
Marketable securities	6,217,951	5,415,837
Accounts receivable	275,583	369,734
Advances for client benefits	1,515,191	1,363,704
Receivable from participating municipalities and funded agencies [note 17]	1,299,709	-
Interest receivable	8,506	31,164
GST receivable	302,110	166,612
	34,465,606	35,209,823
LIABILITIES		
Accounts payable and accrued liabilities	2,515,010	1,725,144
Payable to participating municipalities and funded agencies [note 17]	-	414,938
Due to Province of Ontario [note 5]	310,516	466,949
Deferred revenue [note 6]	2,500,052	2,878,271
Long-term debt [note 7]	36,493,937	38,262,188
Employee benefits obligations [note 8]	1,192,075	825,762
	43,011,590	44,573,252
NET DEBT	(8,545,984)	(9,363,429)
NON-FINANCIAL ASSETS		
Tangible capital assets - net [Schedule 2]	44,007,450	44,800,338
Prepaid expenses	239,216	211,194
	44,246,666	45,011,532
ACCUMULATED SURPLUS [Schedule 3]	35,700,682	35,648,103

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

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

Consolidated Statement of Operations

Year ended December 31

	2009		2008
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Province of Ontario			
Ontario Works financial assistance	16,395,200	18,393,766	16,173,548
Ontario Works program delivery	2,468,900	2,713,708	2,498,204
Employment assistance services	2,319,400	2,541,607	2,561,364
Addiction services initiative	962,300	943,774	1,014,394
Child care	10,697,520	10,623,313	11,013,525
Social housing	13,478,351	12,953,144	10,881,703
Homelessness prevention	400,637	410,108	398,836
	46,722,308	48,579,420	44,541,574
Municipal levies	33,890,026	33,890,026	34,936,579
TBDHC revenues	10,237,712	10,364,750	10,156,291
Other revenue	-	170,806	841,625
NOSDA conference fees	-	-	14,247
Interest	-	57,246	244,336
	44,127,738	44,482,828	46,193,078
TOTAL REVENUES	90,850,046	93,062,248	90,734,652

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

Consolidated Statement of Operations

Year ended December 31

	2009		2008
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 19]</i>		
EXPENSES			
Ontario Works financial assistance	20,068,900	22,451,365	19,735,936
Ontario Works program delivery	4,891,900	5,156,128	4,669,788
Employment assistance services	2,941,800	3,130,122	3,185,377
Addiction services initiative	1,135,300	1,117,399	1,166,390
National child benefit	656,000	759,089	504,656
Child care <i>[note 13]</i>	12,835,100	12,727,826	13,502,066
Social housing <i>[note 14]</i>	26,352,197	25,827,125	23,170,643
Homelessness prevention <i>[note 15]</i>	416,470	434,973	435,619
Requisitions from the Ministry of Community and Social Services <i>[note 16]</i>	11,364,000	11,136,519	12,024,335
211 Project	48,000	48,000	48,000
Business model review	-	-	14,683
Social housing amalgamation	-	4,485	202,151
NOSDA conference	-	-	17,429
TWOMO election	-	1,050	-
Unallocated honorariums	7,675	6,365	10,750
TBDHC expenses	9,847,218	9,831,013	9,762,350
TOTAL EXPENSES	90,564,560	92,631,459	88,450,173
Revenues less expenses	285,486	430,789	2,284,479
OTHER			
Distribution to municipalities	-	(660,735)	(387,249)
	285,486	(229,946)	1,897,230
INTEREST EARNED ON RESERVE FUNDS	-	282,525	783,788
ANNUAL SURPLUS	285,486	52,579	2,681,018
ACCUMULATED SURPLUS, BEGINNING OF YEAR	35,648,103	35,648,103	32,967,085
ACCUMULATED SURPLUS, END OF YEAR	35,933,589	35,700,682	35,648,103

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

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

Consolidated Statement of Changes in Net Debt

Year ended December 31

	2009		2008
	Budget \$ [note 19]	Actual \$	Actual \$
ANNUAL SURPLUS	285,486	52,579	2,681,018
Amortization of tangible capital assets	1,571,677	1,571,677	1,558,621
Acquisition of tangible capital assets	(778,789)	(778,789)	(205,252)
Additions to prepaid expense	-	(239,216)	(211,194)
Use of prepaid expense	-	211,194	230,361
	1,078,374	817,445	4,053,554
NET DEBT, BEGINNING OF YEAR	(9,363,429)	(9,363,429)	(13,416,983)
NET DEBT, END OF YEAR	(8,285,055)	(8,545,984)	(9,363,429)

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31

	2009 \$	2008 \$
OPERATING		
Annual surplus	52,579	2,681,018
Uses		
Increase in accounts receivable	-	(174,145)
Increase in advances for client benefits	(151,487)	(199,455)
Increase in GST receivable	(135,498)	(27,654)
Increase in receivable from participating municipalities and funded agencies	(1,714,647)	-
Decrease in due to Province of Ontario	(156,433)	(501,980)
Decrease in deferred revenue	(378,219)	-
Increase in prepaid expense	(28,022)	-
	(2,511,727)	1,777,784
Sources		
Decrease in accounts receivable	94,151	-
Decrease in interest receivable	22,658	29,591
Increase in accounts payable and accrued liabilities	789,866	14,823
Increase in payable to participating municipalities and funded agencies	-	200,769
Increase in deferred revenue	-	1,839,842
Increase in employee benefits obligations	366,313	89,904
Decrease in prepaid expense	-	19,167
	1,272,988	2,194,096
Non-cash charges to operations		
Amortization of tangible capital assets	1,571,677	1,558,621
Working capital from Operations	332,938	5,530,501
CAPITAL		
Acquisition of tangible capital assets	(778,789)	(205,252)
INVESTING		
Net (increase) decrease in investments	(802,114)	75,827
FINANCING		
Mortgage principal repayments	(1,768,251)	(1,673,843)
NET INCREASE (DECREASE) IN CASH	(3,016,216)	3,727,233
CASH, BEGINNING OF YEAR	27,862,772	24,135,539
CASH, END OF YEAR	24,846,556	27,862,772

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

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

December 31, 2009

GENERAL

Effective April 1, 1999, pursuant to provincial legislation, The District of Thunder Bay Social Services Administration Board ("TBDSSAB") 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.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of The District of Thunder Bay Social Services Administration Board are prepared by management in accordance with accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA"). Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the operating fund and reserve funds of the Board and include the activities of its wholly-owned subsidiary; Thunder Bay District Housing Corporation ("TBDHC"). All interfund balances and transactions have been eliminated.

Basis of accounting

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, term deposits and money market funds. They are recorded at market value which best estimates the net realizable value.

Marketable securities

Marketable securities include funds invested by the TBDHC in pooled funds, which are held in trust and managed by an external fund manager.

The pooled funds are recorded at cost. Cost includes income re-invested. When there has been other than a temporary decline in the value of an individual pooled fund, the investment is adjusted to reflect market value. If there is a subsequent increase in the value, prior years' recognized losses are not reversed.

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

December 31, 2009

Non-financial assets

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

[i] Tangible capital assets

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

- Land improvements – 15 to 25 years
- Buildings – up to 50 years
- Machinery and equipment – 5 to 20 years
- Vehicles – 5 to 15 years
- Computer hardware and software – 3 to 10 years

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

[ii] Contribution of tangible capital assets

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

[iii] Leases

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

[iv] Prepaid expenses

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

Revenue recognition

Revenue is recognized as it is received or becomes receivable and expended according to the terms of applicable funding agreements. Investment income, management service fees and

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

December 31, 2009

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

Employee related costs

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

- [i] Contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made.
- [ii] The costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs.
- [iii] The costs of the workplace safety and insurance obligations are calculated by the Workplace Safety and Insurance Board. The costs and related liability are recorded in the current year based on the latest available valuation report [note 8 [c]].

2. CHANGE IN ACCOUNTING POLICIES

Tangible Capital Assets and Financial Reporting Presentation

Effective January 1, 2009, the Board changed its accounting and financial reporting to conform to the revised guidelines in the Public Sector Accounting Handbook on financial reporting presentation (Section PS 1200) and tangible capital accounting (PS 3150). Current year data is presented on the new basis. Prior year data has been restated on the same basis wherever possible, to be comparable with the current year data. The most significant change is the reporting on tangible capital assets for the first time, and the inclusion of the Consolidated Statement of Changes in Net Debt.

3. FINANCIAL INSTRUMENTS

The Board's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, interest receivable, accounts payable and accrued liabilities, receivable from (payable to) participating municipalities and funded agencies, due to Province of Ontario and long-term debt. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risk arising from these financial statements.

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

December 31, 2009

**4. PARTICIPATING MUNICIPALITIES AND TERRITORIES WITHOUT
MUNICIPAL ORGANIZATION**

City of Thunder Bay
Town of Marathon
Township of Conmee
Township of Dorion
Township of Gillies
Township of Manitouwadge
Township of Nipigon
Township of O' Connor
Township of Red Rock
Township of Schreiber
Township of Terrace Bay
Municipality of Greenstone
Municipality of Neebing
Municipality of Oliver Paipoonge
Municipality of Shuniah
District of Thunder Bay territories without municipal organization

5. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2009	2008
	\$	\$
Due to Ministry of Community and Social Services ["MCSS"]	150,846	268,977
Due to Ministry of Children and Youth Services	62,853	193,019
Due to Ministry of Municipal Affairs and Housing ["MMAH"]	96,817	4,953
	310,516	466,949

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

December 31, 2009

6. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2009	2008
	\$	\$
Consolidated Homeless Prevention	60,003	60,003
Employment assistance services	3,953	-
Northern Home Repair [Wave 1]	995,489	971,375
Northern Home Repair [Wave 2]	522,165	-
Northern Home Repair loan discharge	8,400	5,700
ODSP participating	85,158	72,113
Rent bank	53,977	18,342
Social housing capital repair program	31,366	1,522,204
Social Housing Renovation & Retrofit Program	100,000	-
Strong Communities rent supplement	30,050	84,843
TBDHC	609,491	143,691
	2,500,052	2,878,271

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

December 31, 2009

7. LONG-TERM DEBT

Long-term debt consists of various mortgages payable as at December 31, 2009 on TBDHC properties.

	2009 \$	2008 \$
Mortgages payable to:		
Canada Mortgage and Housing Corporation ["CMHC"]	20,489,026	21,491,194
Scotiabank	10,475,950	11,214,885
Others	5,528,961	5,556,109
	36,493,937	38,262,188

The land, buildings, appliances and equipment of each project, together with an assignment of the rents, are pledged as collateral for the mortgage of each project. The net book value of the pledged assets as at December 31, 2009 was \$32,404,807 [2008 - \$33,340,556].

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

	CMHC \$	Scotiabank \$	Other Lenders \$	Total \$
2010	1,057,509	444,608	364,006	1,866,123
2011	1,109,041	465,216	388,556	1,962,813
2012	1,163,266	486,748	414,842	2,064,856
2013	1,220,742	509,363	443,087	2,173,192
2014	1,281,006	532,954	473,325	2,287,285
2015	1,344,659	557,660	505,772	2,408,091
2016	1,411,604	583,487	524,141	2,519,232
2017	1,450,866	610,577	337,853	2,399,296
2018	1,213,918	638,871	229,200	2,081,989
2019	1,191,404	668,492	244,694	2,104,590
Subsequent to 2019	8,045,011	4,977,974	1,603,485	14,626,470
	20,489,026	10,475,950	5,528,961	36,493,937

[a] The CMHC mortgages bear interest at rates between 3.5% and 9.5% [2008 – 3.9% and 9.5%]. These mortgages mature between 2011 and 2029.

[b] The Scotiabank mortgages bear interest at rates between 4.5% and 4.7% [2008 – 4.5% and 4.7%]. These mortgages mature between 2012 and 2017.

[c] Other financial institution mortgages bear interest at rates between 3.3% and 9.3% [2008 - 4.7% and 9.3%]. These mortgages mature between 2011 and 2024.

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

December 31, 2009

8. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of the Board and its wholly-owned subsidiary, TBDHC are as follows:

	2009	2008
	\$	\$
Liability for sick leave benefits	513,958	432,610
Severance/termination benefits	131,161	112,538
Vacation pay	383,109	108,428
Workplace Safety and Insurance Board obligations	163,847	172,186
	1,192,075	825,762

[a] Liability for Sick Leave Benefits

Under the sick leave benefit plans, unused sick leave can accumulate for certain employees who may become entitled to a cash payment when they retire or leave the Board's employment. The liability for these accumulated days, to the extent that they have vested and could be taken by them on retirement or paid to his/her estate upon death amounted to approximately \$513,958 [2008 - \$432,610].

[b] Severance/Termination Costs

Under the severance/termination plan, weeks accumulate for each year of service and employees may become entitled to a cash payment when they leave TBDHC's employment. The liability for these accumulated weeks represents the extent to which the benefits for employees have vested and could be taken in cash by them on termination.

[c] Workplace Safety and Insurance Obligations

The TBDSSAB and TBDHC are both Schedule 2 employers under the Workplace Safety and Insurance Act and as such, assume responsibility for financing its workplace safety insurance costs. The accrued obligation represents the actuarial valuation of claims to be insured based on the history of claims with TBDHC employees. The liability accrued at December 31, 2009 of \$163,847 reflects the valuation as at December 31, 2008.

[d] Pension Agreement

Employees are members of the Ontario Municipal Employees' Retirement Fund ["OMERS"], a multi-employer pension plan. OMERS is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on length of service and rates of pay. From January 1, 2009 to December 31, 2009, employees contributed at levels of up to 9.5% of earnings. The Board makes contributions equal to the employee contributions to the plan. Required contributions by the TBDSSAB and TBDHC for 2009 amounted to \$537,798 [2008 - \$158,541]. These contributions are included in the Consolidated Statement of Operations. No pension liability for this type of plan is included in the financial statements.

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

December 31, 2009

9. COMMITMENTS

The Board leases office premises under various operating leases, none of which extend beyond December, 2010. The total monthly premises rent for all locations was \$50,092 as at December 31, 2009.

The Board leases certain computer equipment under an operating lease at a rate of \$3,398 per month. The lease expires in October, 2010.

The Board leases multi-function photocopiers which are charged at varying rates on a per-copy basis, with leases expiring in May, 2012. The amount of the commitment cannot be reasonably estimated.

In 1985, NPHC entered into an agreement with the Corporation of the City of Thunder Bay to lease the Royal Edward Hotel property on a net lease basis for a period of thirty years. TBDHC is responsible for all operating costs of the property and the mortgage payments on the property [note 7] and is subject to certain conditions regarding the construction of improvements.

The schedule for future lease payments is as follows:

<u>Years</u>	<u>Annual Lease Payment</u>
2009 - 2014	\$ 25,000

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

December 31, 2009

10. CONTINGENT LIABILITIES

[a] Legal Actions

The nature of TBDHC's activities is such that there is usually litigation pending or in prospect at any time. With respect to claims at December 31, 2009, management believes TBDHC has valid defenses and appropriate insurance coverage in place. If the event that claims are successful, management believes that such claims are not expected to have a material effect on TBDSSAB's financial position.

[b] Capital Contribution Credits earned by TBDHC

CMHC reduced the mortgages otherwise payable by 10% of the approved capital costs of the Sequoia Park and Andras Court properties. The credits are being earned on a straight-line basis over 50 years in accordance with CMHC's policy.

Application of these credits will continue only for as long as TBDHC is managed and operated within the terms of the agreement between CMHC, the MMAH and the TBDHC. Default under the agreement shall disqualify the TBDHC and the credits unearned together with the accrued interest will become due and payable.

The amount of the credits recorded as a reduction of amounts to be recovered but unearned as of the year-end is as follows:

	2009	2008
	\$	\$
Contingent liabilities, beginning of year	297,316	313,015
Less amount earned during the year	15,699	15,699
Contingent liabilities, end of year	281,617	297,316

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

December 31, 2009

11. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds is as follows:

	2009 \$	2008 \$
Reserves		
Balance, beginning of year	4,485	206,636
Expenditures		
Transfers to current operations	4,485	202,151
	4,485	202,151
Balance, end of year	-	4,485

	2009 \$	2008 \$
Reserve funds		
Balance, beginning of year	23,633,963	22,539,562
	23,633,963	22,539,562
Revenue		
Transfers from current operations	11,259,660	3,194,487
Interest earned	282,525	783,788
	11,542,185	3,978,275
Expenditures		
Transfers to current operations	9,065,215	2,883,874
	9,065,215	2,883,874
Balance, end of year	26,110,933	23,633,963

12. DESIGNATED ASSETS

Of the assets reported on the Consolidated Statement of Financial Position, the Board has designated \$26,110,933 [2008 - \$23,633,963] to support reserve funds.

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

December 31, 2009

13. CHILD CARE

The expenses by project code under the Child Care contracts are outlined below:

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$
	<i>[note 19]</i>		
Child Care			
Administration	606,300	605,193	587,247
Fee subsidy	1,629,100	1,640,304	1,452,585
Fee subsidy – First Nations	-	80,084	73,654
Ontario Works Formal	475,000	558,668	477,127
Ontario Works Informal	110,000	81,215	86,754
Ontario Works IWS	-	11,403	13,432
Pay equity	104,300	104,076	104,274
Repairs and maintenance	-	-	134,530
Resource Centres	928,100	928,032	928,051
Safe Drinking Water	-	-	11,788
Special needs resourcing	1,229,900	1,229,900	1,229,887
Wage subsidy – non-profit	1,553,700	1,553,700	1,553,659
Wage subsidy – commercial	159,100	159,100	159,137
Early Learning and Child Care Initiative			
Administration	84,400	84,400	84,400
Fee subsidy	2,340,000	2,100,952	2,274,534
Special needs resourcing	50,000	49,956	50,000
Wage subsidy – non-profit	382,200	382,200	382,224
Wage subsidy – commercial	47,800	47,800	47,776
Best Start			
Administration	290,100	290,141	290,100
Capital	-	-	422,664
ELCD fee subsidy	277,200	252,150	207,900
Operating	2,098,300	2,085,974	2,094,517
Planning	33,700	33,678	25,133
Start-up	-	-	374,767
Wage improvement – non-profit	408,650	419,473	401,045
Wage improvement – commercial	27,250	29,427	34,881
	12,835,100	12,727,826	13,502,066

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

December 31, 2009

14. SOCIAL HOUSING

The expenses by program for Social Housing are as follows:

	Budget 2009	Actual 2009	Actual 2008
	\$	\$	\$
	<i>[note 19]</i>		
Administration	1,239,800	1,093,551	944,061
Provincial reformed	10,063,708	9,830,458	9,970,994
Public housing	3,605,821	4,003,127	3,432,627
Section 95 municipal non-profit	160,512	160,512	164,657
Section 95 private non-profit	12,576	12,576	14,360
Rent supplement – commercial	2,977,530	2,869,738	2,851,850
Rent supplement – non-profit	1,235,822	1,238,306	1,222,496
Strong Communities – regular	362,494	362,439	371,164
Strong Communities – MCSS	28,740	20,165	18,457
Strong Communities – MOHLTC	45,984	24,562	30,394
Urban Native, Pre-1986	855,600	835,457	864,303
Urban Native, Post-1985	1,402,130	1,376,308	1,437,544
Rent Bank	24,600	22,739	78,317
Northern Home Repair (Wave 1)	2,809,750	2,417,888	1,764,493
Northern Home Repair (Wave 2)	-	68,461	-
Social Housing Capital Repair	1,527,130	1,490,838	4,926
	26,352,197	25,827,125	23,170,643

**THE DISTRICT OF THUNDER BAY SOCIAL SERVICES
ADMINISTRATION BOARD
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December 31, 2009

15. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
	<i>[note 19]</i>		
Consolidated Homelessness Prevention	367,007	376,478	379,824
Emergency Energy Out of the Cold	33,630 -	33,630 9,032	33,628 -
Regional Food Distribution Association additional funding	15,833	15,833	22,167
	416,470	434,973	435,619

16. REQUISITIONS FROM THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The MCSS recovered the municipal share of certain downloaded costs from the monthly cash advances. During the year, they consisted of the following:

	Budget 2009 \$	Actual 2009 \$	Actual 2008 \$
	<i>[note 19]</i>		
Ontario Disability Support Program (ODSP) Allowances, Benefits and Administration			
ODSP allowances	11,124,200	10,886,667	10,194,898
Ontario drug benefits	-	-	(58,600)
ODSP administration	-	-	1,618,163
Ontario Dental Association	183,000	188,935	201,089
Physician fees	-	-	20,613
Assistive devices	44,000	46,248	37,456
Vision care	12,800	14,669	10,716
	11,364,000	11,136,519	12,024,335

17. RELATED PARTY TRANSACTIONS

Measurement basis

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

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

December 31, 2009

Related corporations

The TBDSSAB is related to the following corporations:

The Corporation of the City of Thunder Bay acting as a delivery agent for Ontario Works and Child Care programs, as well as providing rental accommodations and certain administrative services to the TBDSSAB. The TBDSSAB administers certain City programs on a fee-for-service basis.

The Municipality of Greenstone acting as a delivery agent for Child Care and Ontario Works programs, as well as providing rental accommodations to the TBDSSAB.

The Township of Manitouwadge acting as a delivery agent for Ontario Works programs, as well as providing rental accommodations to the TBDSSAB.

The Township of Schreiber acting as a delivery agent for Ontario Works programs, as well as providing rental accommodations to the TBDSSAB.

The Township of Nipigon acting as a delivery agent for Ontario Works programs, as well as providing rental accommodations to the TBDSSAB.

	2009	2008
	\$	\$
Amounts owing from (to) related parties, included in Receivable from (payable to) participating municipalities and funded agencies:		
City of Thunder Bay	(285,023)	327,207
Municipality of Greenstone	(21,958)	53,303
Township of Manitouwadge	-	(2,691)
Township of Schreiber	(6,564)	(6,084)
 Amounts received from related parties, included in revenues:		
City of Thunder Bay	31,800	-
 Amounts paid to related parties for purchased services and rent, included in expenses:		
City of Thunder Bay	4,042,259	11,176,113
Municipality of Greenstone	679,921	838,481
Township of Manitouwadge	40,689	298,870
Township of Schreiber	2,752	242,608
Town of Marathon	10,200	-
Township of Nipigon	3,500	-

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

December 31, 2009

18. PROVINCE OF ONTARIO GRANTS

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

19. BUDGET AMOUNTS

The budgeted figures presented for comparative purposes are unaudited and are those as approved by the Board.

20. COMPARATIVE FIGURES

Certain of the 2009 comparative figures have been reclassified to conform to the presentation adopted in the current year.

21. ADEQUACY OF HOUSING PROVIDERS' CAPITAL RESERVE FUNDS

The TBDHC and certain non-profit housing providers are required to establish capital reserve funds for financing future major repairs and replacements.

The Analysis of Building Condition Assessment and Reserve Funds for the Thunder Bay District Social Services Administration Board study (the Study) conducted by the Stonewell Group Inc. and Jp2g Consultants Inc. in 2003 evaluated the adequacy of annual contributions to the capital reserve funds of certain housing providers that receive funding from the TBDSSAB.

The Study indicated that, based on the capital reserve fund balances as at June 30, 2003 and the level of annual capital reserve contributions in effect for the year 2003, that over a 30-year period, the capital reserve funds for the public housing and certain provincial reformed non-profit housing providers that receive funding from TBDSSAB would be deficient.

The capital reserve funds of housing providers were evaluated on the basis of expected repair and replacement costs and life expectancy of the building projects. Such evaluation is based on numerous assumptions and future events. The Study has not been updated since 2003 for current conditions.

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

Consolidated Schedule of Segment Disclosure

Year ended December 31

Schedule 1

	Central Administration	Ontario Works	Children's Services	Social Housing	Ontario Disability Support Program	Other	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Municipal levy	-	7,548,100	2,137,580	12,792,346	11,364,000	48,000	33,890,026	34,936,579
Provincial grants	-	25,002,963	10,623,313	12,980,196	-	-	48,606,472	44,541,574
Rent	-	-	-	10,059,360	-	-	10,059,360	9,915,300
Interest income	49,653	-	-	7,593	-	-	57,246	244,336
Other	139,006	31,800	-	278,338	-	-	449,144	1,096,863
	188,659	32,582,863	12,760,893	36,117,833	11,364,000	48,000	93,062,248	90,734,652
Expenses								
Salaries, wages & employee benefits	1,319,421	5,169,013	577,219	3,581,630	-	-	10,647,283	3,246,084
Materials and supplies	102,726	519,042	55,828	13,734,337	-	1,050	14,412,983	11,873,014
Contracted services	117,722	249,796	46,050	134,078	-	4,485	552,131	9,182,716
Rents and financial	138,252	446,399	50,780	2,150,764	-	-	2,786,195	2,247,151
External transfers	-	25,699,272	11,612,220	14,165,179	11,136,519	48,000	62,661,190	60,342,587
Amortization	-	44,502	913	1,526,262	-	-	1,571,677	1,558,621
Allocation of central administration	(1,671,756)	921,052	384,816	365,888	-	-	-	-
	6,365	33,049,076	12,727,826	35,658,138	11,136,519	53,535	92,631,459	88,450,173
Excess (deficiency) of revenues over expenses	182,294	(466,213)	33,067	459,695	227,481	(5,535)	430,789	2,284,479

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

Consolidated Schedule of Tangible Capital Assets

Year ended December 31

Schedule 2

	Land	Buildings	Vehicles	Computer	Machinery & Equipment	Assets Under Construction	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
COST								
Balance, beginning of year	10,269,616	74,916,185	266,725	104,034	371,316	91,630	86,019,506	85,814,254
Add:								
Additions during the year	155,071	-	58,337	42,547	22,849	499,985	778,789	205,252
BALANCE, END OF YEAR	10,424,687	74,916,185	325,062	146,581	394,165	591,615	86,798,295	86,019,506
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	40,885,147	96,117	81,001	156,903	-	41,219,168	39,660,547
Add:								
Amortization during the year	-	1,487,258	36,117	24,319	23,983	-	1,571,677	1,558,621
BALANCE, END OF YEAR	-	42,372,405	132,234	105,320	180,886	-	42,790,845	41,219,168
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,424,687	32,543,780	192,828	41,261	213,279	591,615	44,007,450	44,800,338

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

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	<u>2009</u> \$	<u>2008</u> \$
RESERVE FUNDS		
Administration rate stabilization	579,248	1,671,106
Best Start	421,013	816,610
Building	6,134,151	70,341
National child benefit	174,838	278,499
Ontario Works client benefits	623,277	419,003
Statutory entitlements	409,843	407,033
Social housing	5,175,281	7,597,364
Social housing development	1,176,192	1,168,127
TBDHC capital	11,417,090	11,205,880
Total	<u>26,110,933</u>	<u>23,633,963</u>
RESERVES		
Reserve for social housing amalgamation costs	-	4,485
Total	<u>-</u>	<u>4,485</u>
Total - Reserves and Reserve Funds	<u>26,110,933</u>	<u>23,638,448</u>
SURPLUSES		
Invested in tangible capital assets	7,513,513	6,538,150
General	2,076,236	5,471,505
Total - Surpluses	<u>9,589,749</u>	<u>12,009,655</u>
ACCUMULATED SURPLUS	<u>35,700,682</u>	<u>35,648,103</u>