



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Financial Statements

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

December 31, 2015



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

www.tbdssab.ca


STATEMENT OF ADMINISTRATIVE RESPONSIBILITY


The management of The District of Thunder Bay Social Services Administration Board has 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 of the Chartered Professional Accountants of Canada.

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

The Board of Directors 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 2015 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.


Robert Katajamaki
Board Chair
The District of Thunder Bay Social
Services Administration Board


William Bradica, CPA, CGA
Chief Administrative Officer
The District of Thunder Bay Social
Services Administration Board

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

December 31, 2015

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Independent Auditor's Report

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To the Board Members, Members of Municipal Councils
Inhabitants and Ratepayers as listed in Note 3

We have audited the accompanying consolidated financial statements of The District of Thunder Bay Social Services Administration Board, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The District of Thunder Bay Social Services Administration Board as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Thunder Bay Ontario,
April 21, 2016

Chartered Professional Accountants
Licensed Public Accountants

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

As at December 31

	2015 \$	2014 \$ <i>[as re-stated note 21]</i>
FINANCIAL ASSETS		
Cash and cash equivalents	10,331,782	24,402,212
Marketable securities	17,889,515	8,043,405
Accounts receivable	1,030,365	777,653
Client benefit advances	1,749,651	1,886,114
Interest receivable	8,849	27,399
HST receivable	893,503	636,701
	31,903,665	35,773,484
LIABILITIES		
Accounts payable and accrued liabilities	2,857,378	2,706,624
Payable to participating municipalities and funded agencies <i>[note 3]</i>	1,004,397	1,003,587
Due to Province of Ontario <i>[note 4]</i>	141,781	1,194,143
Deferred revenue <i>[note 5]</i>	5,673,401	6,006,352
Long-term debt <i>[note 6]</i>	29,581,299	31,984,613
Employee benefits obligations <i>[note 7]</i>	1,638,708	1,719,431
	40,896,964	44,614,750
NET DEBT	(8,993,299)	(8,841,266)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[Schedule 2]</i>	51,226,901	52,060,979
Prepaid expenses	446,995	463,839
	51,673,896	52,524,818
ACCUMULATED SURPLUS <i>[Schedule 3]</i>		
Accumulated operating surplus	43,010,565	43,264,319
Accumulated re-measurement (losses) gains	(329,968)	419,233
	42,680,597	43,683,552

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 Re-measurement Gains and Losses

As at December 31

(Unaudited)

	2015	2014
	<u>\$</u>	<u>\$</u>
ACCUMULATED RE-MEASUREMENT GAINS, BEGINNING OF YEAR	419,233	194,035
Unrealized (losses) gains attributable to:		
Portfolio investments	(742,361)	223,524
Derivatives	(6,840)	1,674
NET RE-MEASUREMENT (LOSSES) GAINS FOR THE YEAR	(749,201)	225,198
ACCUMULATED RE-MEASUREMENT (LOSSES) GAINS, END OF YEAR	(329,968)	419,233

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

	2015		2014
	Budget \$ [note 12]	Actual \$	Actual \$ [as re-stated note 21]
REVENUES			
Province of Ontario			
Ontario Works financial assistance	20,162,900	21,466,387	19,162,875
Ontario Works program delivery	4,236,600	3,943,107	3,756,806
Employment assistance services	2,446,400	2,230,700	2,241,048
Addiction services initiative	672,300	559,420	569,157
Child care	11,927,600	11,509,424	10,127,615
Social and affordable housing	1,492,050	1,948,366	973,628
Homelessness prevention	2,481,300	2,272,064	2,399,666
TWOMO election	-	-	22,000
	43,419,150	43,929,468	39,252,795
Federal grants - social and affordable housing	10,041,250	10,258,434	9,135,152
Municipal levies	23,897,900	23,897,900	23,533,653
Rents	10,441,500	10,439,008	10,357,965
Interest on unrestricted funds	87,000	99,851	145,589
Interest on reserve funds	174,000	519,225	546,172
NOSDA conference	-	25,098	-
Other revenue	344,000	570,581	496,854
	44,985,650	45,810,097	44,215,385
TOTAL REVENUES	88,404,800	89,739,565	83,468,180

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Operations

Year ended December 31

	2015		2014
	Budget \$ [note 12]	Actual \$	Actual \$ [as re-stated note 21]
EXPENSES			
Ontario Works financial assistance	21,957,600	23,420,963	21,447,217
Ontario Works program delivery	8,282,600	7,770,653	7,270,409
Employment assistance services	2,676,600	2,440,591	2,529,400
Addiction services initiative	710,000	610,079	616,232
Community social reinvestment program	655,400	654,850	645,606
Child care [note 13]	13,850,500	13,416,493	12,059,447
Social and affordable housing [note 14]	15,948,700	15,638,919	14,041,352
Homelessness prevention [note 15]	2,481,300	2,272,064	2,403,166
NOSDA conference	-	25,098	-
TWOMO election	-	-	22,000
TBDHC expenses	21,688,843	23,701,578	21,477,282
TOTAL EXPENSES	88,251,543	89,951,288	82,512,111
REVENUES LESS EXPENSES	153,257	(211,723)	956,069
OTHER			
Transfer of Nipigon Housing Corporation [note 20]	-	-	336,470
Distribution to municipalities	-	-	(425,679)
Levy reimbursement	-	(42,031)	-
ANNUAL OPERATING (DEFICIT) SURPLUS	153,257	(253,754)	866,860
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	43,264,319	43,264,319	42,397,459
ACCUMULATED OPERATING SURPLUS, END OF YEAR	43,417,576	43,010,565	43,264,319

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

	2015		2014
	Budget \$ [note 12]	Actual \$	Actual \$ [as re-stated note 21]
ANNUAL OPERATING (DEFICIT) SURPLUS	153,257	(253,754)	866,860
Amortization of tangible capital assets [Schedule 2]	-	2,319,039	2,273,668
Acquisition of tangible capital assets [Schedule 2]	-	(1,515,518)	(1,702,213)
Loss on disposal of tangible capital assets	-	30,557	10,601
Addition of prepaid expense	-	(446,995)	(463,839)
Use of prepaid expense	-	463,839	406,293
	153,257	597,168	1,391,370
Remeasurement (loss) gain	-	(749,201)	225,198
CHANGE IN NET FINANCIAL DEBT	153,257	(152,033)	1,616,568
NET DEBT, BEGINNING OF YEAR	(8,841,266)	(8,841,266)	(10,457,834)
NET DEBT, END OF YEAR	(8,688,009)	(8,993,299)	(8,841,266)

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

	2015 \$	2014 \$ <i>[as re-stated note 21]</i>
OPERATING		
Annual (deficit) surplus	(253,754)	866,860
Transfer of Nipigon Housing Corporation	-	795,292
Uses		
Increase in accounts receivable	(252,712)	(88,811)
Increase in client benefit advances	-	(440,504)
Increase in HST receivable	(256,802)	-
Decrease in accounts payable and accrued liabilities	-	(428,292)
Decrease in payable to participating municipalities and funded agencies	-	(42,062)
Decrease in due to Province of Ontario	(1,052,362)	-
Decrease in deferred revenue	(332,951)	-
Decrease in employee benefits obligation	(80,723)	-
Increase in prepaid expense	-	(57,546)
	(2,229,304)	604,937
Sources		
Decrease in client benefit advances	136,463	-
Decrease in interest receivable	18,550	1,540
Decrease in HST receivable	-	124,296
Decrease in prepaid expense	16,844	-
Increase in accounts payable and accrued liabilities	150,754	-
Increase in payable to participating municipalities and funded agencies	810	-
Increase in due to Province of Ontario	-	672,833
Increase in deferred revenue	-	728,041
Increase in employee benefits obligation	-	65,144
	323,421	1,591,854
Non-cash charges to operations		
Amortization of tangible capital assets	2,319,039	2,273,668
Cash provided by operating transactions	413,156	4,470,459
CAPITAL		
Acquisition of tangible capital assets	(1,515,518)	(1,702,213)
Loss on disposal of tangible capital assets	30,557	10,601
Cash used in capital transactions	(1,484,961)	(1,691,612)
INVESTING		
Net increase in investments	(9,846,110)	(807,216)
FINANCING		
Long-term debt principal repayments	(2,403,314)	(2,766,201)
RE-MEASUREMENT		
Net unrealized gain (loss)	(749,201)	225,198
NET INCREASE (DECREASE) IN CASH	(14,070,430)	(569,372)
CASH, BEGINNING OF YEAR	24,402,212	24,971,584
CASH, END OF YEAR	10,331,782	24,402,212

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, 2015

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. TBDSSAB delivers provincially mandated services on behalf of the citizens of the District of Thunder Bay.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared by management in accordance with accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board [PSAB] of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the operating fund and reserve funds of TBDSSAB and include the activities of its wholly-owned subsidiary, the Thunder Bay District Housing Corporation [TBDHC]. 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.

Marketable securities

Marketable securities include funds invested in pooled funds, fixed income securities, and equities which are held in trust and managed by an external fund manager. Investments are recorded at fair value using quoted prices in an active market with unrealized gains and losses being recognized in the statement of re-measurement gains and losses.

When there has been other than a temporary decline in the value of an investment, the investment is written-down 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, 2015

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses provides the Change in Net 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 – up to 30 years
- Buildings – up to 50 years
- Machinery and equipment – up to 20 years
- Vehicles – 5 to 15 years
- Computer hardware and software – 3 to 10 years
- Furniture – 5 to 10 years

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 and 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.

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

December 31, 2015

Employee related costs

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

- [i] Contributions to a multi-employer, defined benefit pension plan are expensed when contributions are made.
- [ii] The costs of compensated absences, post-employment benefits, and workplace safety and insurance obligations are recognized when the event that obligates TBDSSAB occurs.
- [iii] The costs of post-employment benefits and workplace safety and insurance obligations are actuarially determined using the projected benefits method and prorated on service and management's best estimate of retirement ages of employees, salary escalation, and expected health care costs. *[note 7]*.

2. FINANCIAL INSTRUMENTS

- [i] Fair value of financial instruments

The carrying values of cash and cash equivalents, marketable securities, accounts receivable, interest receivable, accounts payable and accrued liabilities, payable to participating municipalities and funded agencies, and due to Province of Ontario approximate their fair values due to the relative short periods to maturity of the instruments. The carrying value of the long-term debt may differ from its fair value due to the terms of repayment and interest rates charged.

- [ii] Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (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. TBDSSAB is exposed to market price risk through its investments held and quoted in an active market.

- [iii] Credit Risk

Credit risk is the risk that a third party will fail to discharge its obligation to TBDSSAB, reducing the expected cash inflow from TBDSSAB's assets recorded at the balance sheet date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. TBDSSAB provides for an allowance for doubtful accounts to absorb credit losses. TBDSSAB has assessed that there are no significant concentrations of credit risk with respect to any class of financial assets.

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

December 31, 2015

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

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

4. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2015	2014
	\$	\$
Due to Ministry of Community and Social Services [MCSS]	702,767	994,531
Due to Ministry of Education [MED]	361,708	148,320
Due (from) to Ministry of Municipal Affairs and Housing [MMAH]	(922,694)	51,292
	141,781	1,194,143

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

December 31, 2015

5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2015	2014
	\$	\$
Child care mitigation	3,708,338	3,708,338
Community Homelessness Prevention Initiative	857,024	608,519
Investment in Affordable Housing [Administration]	63,333	58,272
Investment in Affordable Housing [Homeowner]	58,435	-
Investment in Affordable Housing [Housing Allowance]	182,500	-
Investment in Affordable Housing [Ontario Renovates]	-	722,714
Investment in Affordable Housing [Rent supplement]	48,237	-
Investment in Affordable Housing [Revolving loan]	448,295	568,295
Miscellaneous	8,553	10,368
Northern Home Repair [Loan discharge]	15,979	16,573
Northern Home Repair [Wave 1]	7,695	8,034
Northern Home Repair [Wave 2]	975	975
Ontario Works	-	83,400
Strong Communities rent supplement	17,421	-
TBDHC	256,616	220,864
	5,673,401	6,006,352

6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2015	2014
	\$	\$
Mortgages payable	24,031,064	26,430,978
Loan payable	5,141,564	5,384,724
Capital leases payable	408,671	168,911
	29,581,299	31,984,613

[i] Long-term debt includes various mortgages payable as at December 31, 2015 on TBDHC properties.

	2015	2014
	\$	\$
Mortgages payable to:		
Canada Mortgage and Housing Corporation [CMHC]	13,822,390	15,285,865
Other lenders	10,208,674	11,145,113
	24,031,064	26,430,978

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

December 31, 2015

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, 2015 was \$27,178,948 [2014 - \$28,154,419].

The CMHC mortgages bear interest at rates between 1.6% and 9.5% [2014 – 1.6% and 9.5%]. These mortgages mature between 2016 and 2029.

The other mortgages bear interest at rates between 2.1% and 9.3% [2014 – 2.4% and 9.3%]. These mortgages mature between 2016 and 2024.

- [ii] Included in long-term debt is a swap rate takeout loan agreement on the TBDSSAB office headquarters payable to the Royal Bank of Canada [RBC] as at December 31, 2015.

	2015	2014
	\$	\$
TBDSSAB office headquarters loan payable	5,076,000	5,326,000
Plus fair value adjustment of derivative	65,564	58,724
	5,141,564	5,384,724

The RBC retains a general security agreement over certain assets of TBDSSAB as collateral for this loan.

The RBC loan on the TBDSSAB office headquarters bears interest at 2.44%. This loan matures in 2017.

- [iii] Included in long-term debt are capital leases for certain computer equipment.

	2015	2014
	\$	\$
Disaster recovery computer equipment	119,474	168,911
Desktop computers	289,197	-
	408,671	168,911

The lease contract for the disaster recovery computer equipment is payable in monthly instalments of \$5,278 including harmonized sales tax and including interest calculated at 5.78%, maturing in June 2018.

The lease contract for the desktop computers is payable in monthly instalments of \$6,469 including harmonized sales tax and including interest calculated at 4.85%, maturing in August 2020.

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

December 31, 2015

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:

	Mortgages Payable		Loan Payable \$	Capital Leases \$	Total \$
	CMHC \$	Other \$			
2016	1,525,011	967,347	256,000	111,408	2,859,766
2017	1,552,281	958,439	262,000	111,408	2,884,128
2018	1,291,085	871,709	268,000	82,571	2,513,365
2019	1,265,204	910,418	274,000	61,971	2,511,593
2020	1,311,220	951,153	280,000	41,313	2,583,686
2021	1,291,396	994,096	286,000	-	2,571,492
2022	1,178,718	977,991	292,000	-	2,448,709
2023	1,226,335	761,260	298,000	-	2,285,595
2024	1,012,296	795,814	304,000	-	2,112,110
2025	782,062	821,672	310,000	-	1,913,734
Subsequent to 2025	1,386,782	1,198,775	2,246,000	-	4,831,557
	13,822,390	10,208,674	5,076,000	408,671	29,515,735

7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2015 \$	2014 \$
Liability for sick leave benefits	20,669	50,680
Post-employment benefits	1,330,624	1,219,259
Vacation entitlements	287,415	260,645
Workplace Safety and Insurance Board obligations	-	188,847
	1,638,708	1,719,431

[i] Liability for Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate for certain employees who may become entitled to a cash payment when they retire or leave TBDSSAB's employment. The liability for these accumulated days, to the extent that they have vested and could be taken by the employee on retirement or paid to his/her estate upon death amounted to approximately \$20,669 [2014 - \$50,680].

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

December 31, 2015

[ii] Post-employment benefits

TBDSSAB pays certain post-employment benefits on behalf of its retired employees and recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2015 of \$1,128,217 [2014 - \$983,117] was determined by an actuarial valuation prepared for the year ended December 31, 2013 and updated for 2015.

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

	2015	2014
	\$	\$
Accrued benefit liability, beginning of year	1,219,259	1,112,283
Expense for the year	171,246	158,131
Benefits paid for the year	(59,881)	(51,155)
Accrued benefit liability, end of year	1,330,624	1,219,259

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

General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index, were assumed at 2% per annum.

Interest (discount) rate

The obligation as at December 31, 2015 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 4.5%. This rate reflects the assumed long-term yield on high quality bonds as at January 1, 2013.

Medical and dental costs

Medical costs were assumed to increase by 7.0% in 2014, with further annual increases gradually declining from 7.0% to 4.6% in 2021 and each year thereafter. Dental costs were assumed to increase at 4.6% in 2014 and each year thereafter.

[iii] Vacation Entitlements

Vacation entitlements earned by the employees would be converted to a cash payment if they retire or leave TBDSSAB's employment. The liability for these accumulated days as at December 31, 2015 would amount to approximately \$287,415 [2014 - \$260,645].

[iv] Workplace Safety and Insurance Obligations

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. The liability accrued at December 31, 2015 of \$0 [2014 - \$188,847] reflects the valuation as at December 31, 2014.

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

December 31, 2015

[v] 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, 2015 to December 31, 2015, employees contributed at levels of up to 14.6% of earnings [2014 – 14.6%]. TBDSSAB makes contributions equal to the employee contributions to the plan. Required contributions by TBDSSAB for 2015 amounted to \$940,990 [2014 - \$917,157]. These contributions are included in the Consolidated Statement of Operations. No pension liability for this type of plan is included in the financial statements.

8. COMMITMENTS

[i] TBDSSAB has commitments under various building lease agreements expiring between 2016 and 2019. The following approximate annual rental payments are required under these operating leases.

<u>Year</u>	<u>Annual Payment</u>
2016	35,016
2017	24,129
2018	6,974
2019	582
<u>Total</u>	<u>\$ 66,701</u>

[ii] TBDSSAB has commitments under various leases and service agreements for certain computer equipment and software expiring between 2016 and 2020. The following approximate annual payments are required under these agreements.

<u>Year</u>	<u>Annual Payment</u>
2016	143,427
2017	135,183
2018	93,668
2019	69,903
2020	46,602
<u>Total</u>	<u>\$ 488,783</u>

[iii] TBDSSAB leases multi-function devices which are charged at varying rates on a per-copy basis, with leases expiring in August 2016. The amount of the commitment cannot be reasonably estimated.

**THE DISTRICT OF THUNDER BAY SOCIAL SERVICES
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- [iv] In 1985, the TBDHC 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 was responsible for all operating costs of the property and for the mortgage payments on the property [note 6]. The lease agreement was also subject to certain conditions regarding the construction of improvements. The lease ended on July 28, 2015 at which time the building and all improvements reverted back to the Corporation of the City of Thunder Bay.
- [v] On February 1, 2012, TBDSSAB entered into a 20 year amortization, 5 year term indicative swap rate takeout loan agreement in the amount of \$6,000,000 with the RBC to finance the construction of the TBDSSAB headquarters. The balance of this loan as at December 31, 2015 is \$5,076,000 [2014 - \$5,326,000]. The swap agreement effectively exchanges TBDSSAB's Banker's Acceptance variable loan payments for an established fixed interest rate payment. The exchange of interest payments with the RBC results in an effective interest rate of 1.99% plus a 0.45% stamping fee for an all-in interest rate of 2.44% for the 5 year term. Once the 5 year term expires, the exchange of interest payments would be renegotiated at the prevailing market rate. The approximate cost of breaking the swap rate loan agreement prior to maturation, given the market interest rates as at December 31, 2015 is estimated to be \$65,564 [2014 - \$58,724].

9. CONTINGENT LIABILITIES

[i] Legal Actions

The nature of TBDSSAB and TBDHC's activities is such that there is often litigation pending or in prospect at any time. With respect to claims at December 31, 2015, management believes TBDSSAB and TBDHC have valid defenses and appropriate insurance coverage in place. In the event that claims are successful, management believes that such claims are not expected to have a material effect on TBDSSAB's financial position.

[ii] Capital Contribution Credits earned by TBDHC

The 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 DISTRICT OF THUNDER BAY SOCIAL SERVICES
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The amount of the credits recorded as a reduction of related assets but unearned as of the year-end is as follows:

	2015	2014
	\$	\$
Contingent liabilities, beginning of year	203,128	218,826
Less amount earned during the year	15,698	15,698
Contingent liabilities, end of year	187,430	203,128

10. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2015	2014
	\$	\$
Reserve funds		
Balance, beginning of year	23,754,706	20,746,322
Revenue		
Transfers from current operations	3,976,803	6,573,833
Interest earned	519,225	546,172
Transfer of Nipigon Housing Corporation	-	227,775
	4,496,028	7,347,780
Expenditures		
Transfers to current operations	5,870,495	4,339,396
Balance, end of year	22,380,239	23,754,706

11. DESIGNATED ASSETS

Of the assets reported on the Consolidated Statement of Financial Position, TBDSSAB has designated \$22,380,239 [2014 - \$23,754,706] to support reserve funds.

12. BUDGET AMOUNTS

The budgeted figures presented for comparative purposes are those as approved by TBDSSAB.

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

December 31, 2015

13. CHILD CARE

The expenses by program description under the Child Care service agreement are outlined below:

	Budget 2015	Actual 2015	Actual 2014
	\$	\$	\$
	<i>[note 12]</i>		
Administration	1,163,500	1,137,499	1,155,754
Fee subsidy	4,797,700	4,370,253	4,364,496
Ontario works formal	411,600	455,732	413,103
Ontario works informal	40,000	39,780	34,726
Extended day program - fee subsidy	12,300	3,238	12,391
Pay equity	104,300	104,300	104,300
Repairs and maintenance	285,700	183,853	72,534
Resource centres	848,100	848,067	848,067
Small water works	14,100	14,080	11,956
Special needs resourcing	1,633,600	1,901,840	1,533,045
General operating – non-profit	2,968,900	2,994,000	3,129,200
General operating – commercial	234,200	232,200	234,200
Capacity building	483,500	390,241	44,832
Transformation	55,800	79,255	5,901
Capital retrofits	115,100	181,368	78,876
Planning	27,000	19,904	16,066
Aboriginal planning	30,400	20,715	-
Wage enhancement	624,700	440,168	-
	13,850,500	13,416,493	12,059,447

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

December 31, 2015

TBDSSAB has a child care service agreement with the Ministry of Education. A requirement of the Ministry of Education service agreement is the production of supplementary information by detail code (funding type) which summarizes all revenues and expenditures relating to the service agreement.

Ministry reporting is based on modified accrual accounting which forms the basis of funding and is also guided by the admissible/inadmissible expenditure policy. This method of accounting requires the inclusion of short-term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short-term accruals are defined as payable or receivable usually within 30 days of the budget year-end.

The modified accrual basis of accounting, as defined by the Ministry, does not recognize non-cash transactions such as amortization, charges/appropriations to reserves or allowances as these expenses do not represent an actual cash expenditure related to the current period.

Expenditures for the 2015 year in the amount of \$13,528,258, relative to the Ministry of Education service agreement provided in the table below do not include adjustments for tangible capital assets (\$10,065), employee benefit obligations (\$7,950), or other adjustments (\$4,301) as directed by the Ministry of Education. In accordance with the DSSAB Act, the TBDSSAB annual levy is apportioned amongst its fifteen member municipalities and unincorporated territory. The cost related to the unincorporated territory is billed to each Ministry based on the net cost of each program. As directed by the Ministry of Education, the table below includes the Ministry of Education's share of the 2015 annual levy (\$134,081).

Revenues for the 2015 year in the amount of \$12,083,090, relative to the Ministry of Education service agreement are provided in the table below. Actual cashflow from the Ministry of Education relative to the 2015 funding year was \$11,743,021 (excluding the levy portion). TBDSSAB has recorded \$233,597 as due to the Ministry of Education. As directed by the Ministry of Education, the table below includes the amount paid by the Ministry of Education for its share of the annual TBDSSAB levy (\$155,535).

The Ministry of Education results comprise part of the child care revenues and expenditures that are included in the consolidated statement of operations.

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

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	Expenses			Total Expenses
	Non-Profit	Profit	Other	
Full Flexibility				
1.1 - General operating	2,994,000	232,200	-	3,226,200
1.2 - Regular fee subsidy	3,921,660	448,593	-	4,370,253
1.3 - Extended day fee subsidy	3,238	-	-	3,238
1.5 - Ontario Works formal	432,031	23,700	-	455,731
1.6 - Ontario Works informal	-	-	39,780	39,780
1.7 - Pay equity memorandum	104,300	-	-	104,300
1.8 - Special needs resourcing	1,843,374	58,467	-	1,901,841
1.9 - Administration	-	-	1,115,183	1,115,183
1.10 - Repairs and maintenance	158,192	25,661	-	183,853
Total (full flexibility)	9,456,795	788,621	1,154,963	11,400,379
1.13 - Transformation	69,255	10,000	-	79,255
Limited Flexibility				
1.12 - Capacity building	368,641	21,600	-	390,241
2.1 - Capital retrofits	181,368	-	-	181,368
3.1 - Small water works	14,080	-	-	14,080
4.1 - Resource centres	848,067	-	-	848,067
4.5 - ECD planning	-	-	40,619	40,619
Total (limited flexibility)	1,412,156	21,600	40,619	1,474,375
No Flexibility				
3.2 - Territory without municipal organization	-	-	134,081	134,081
Wage enhancement	412,931	27,237	-	440,168
Total Expenses	11,351,137	847,458	1,329,663	13,528,258

	Revenues (Ministry of Education Service Agreement)			Total Revenues
	Ministry of Education	Legislated Cost Share		
Full Flexibility				
1.1 - Core services delivery (100% provincial)	1,519,896	0%	-	1,519,896
1.2 - Core services delivery - 80/20	5,611,739	20%	1,402,935	7,014,674
1.3 - Core service delivery - 50/50 - Administration	333,851	50%	333,851	667,702
2.1 - Language	196,683	0%	-	196,683
2.2 - Aboriginal	90,063	0%	-	90,063
2.3 - Cost of living	258,030	0%	-	258,030
2.4 - Rural/remote	1,740,747	0%	-	1,740,747
2.5 - FDK transition	478,584	0%	-	478,584
2.9 - Repairs and maintenance	23,047	0%	-	23,047
Total (full flexibility)	10,252,640		1,736,786	11,989,426
2.6 - Transformation	45,355	0%	-	45,355
Limited Flexibility				
2.7 - Capacity building	54,800	0%	-	54,800
2.8 - Small water Works	14,080	0%	-	14,080
4.1 - Capital retrofits	66,742	0%	-	66,742
8.1 - Resource centres	742,441	20%	185,610	928,051
8.4 - ECD aboriginal	30,400	0%	-	30,400
8.5 - ECD - planning	27,000	0%	-	27,000
Total (limited flexibility)	935,463		185,610	1,121,073
No Flexibility				
2.9 - Territory without municipal organization	155,535	0%	-	155,535
Wage enhancement	694,097	0%	-	694,097
Total Revenues	12,083,090		1,922,396	14,005,486

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

December 31, 2015

14. SOCIAL AND AFFORDABLE HOUSING

The expenses by program for Social and Affordable Housing are as follows:

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
	<i>[note 12]</i>		
Administration	1,281,700	1,275,587	1,348,781
Provincial reformed	10,927,400	10,896,559	10,453,402
Public housing	5,524,300	5,524,300	5,011,000
NHA Section 95 municipal non-profit	2,040	2,040	2,040
NHA Section 95 private non-profit	12,560	12,576	12,576
Rent supplement – private landlord	2,715,000	2,706,363	2,600,384
Rent supplement – non-profit	1,585,000	1,597,074	1,534,114
Strong Communities – regular	362,490	362,494	362,494
Strong Communities – MCSS	28,740	24,142	28,740
Strong Communities – MOHLTC	45,970	33,160	33,432
Urban Native, Pre-1986	761,657	977,171	870,443
Urban Native, Post-1985	1,426,643	1,211,913	1,220,857
Affordable Housing Program			
Northern Home Repair (Wave 1)	-	636	14,139
Northern Home Repair (Wave 2)	-	-	(20,069)
Investment in Affordable Housing			
Administration	58,300	58,272	88,100
Ontario renovates	1,420,000	1,019,656	597,715
Rent supplement	80,600	44,342	-
Rental housing	-	-	477,023
Revolving loan	-	353,683	(53,055)
Investment in Affordable Housing (Extension)			
Administration	40,300	40,328	-
Housing Allowance	-	98,750	-
Ontario renovates	-	674,471	-
Rental housing	766,400	766,365	-
-TBDSSAB contribution	255,400	145,759	-
Adjustment for amounts shown in TBDHC expenses	(11,345,800)	(12,186,722)	(10,540,764)
	15,948,700	15,638,919	14,041,352

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

December 31, 2015

15. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
	<i>[note 12]</i>		
Administration	248,100	230,191	223,484
Emergency shelter solutions	1,029,600	1,079,600	936,000
Homelessness prevention	578,500	512,913	678,898
Housing with related supports	211,400	211,420	372,584
Services and supports	413,700	237,940	192,200
	2,481,300	2,272,064	2,403,166

16. 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 TBDSSAB.

Related corporations

TBDSSAB is related to the following corporations:

The Corporation of the City of Thunder Bay acted as a delivery agent for Child Care programs, and provided certain software licenses to TBDSSAB. TBDSSAB provided Community Social Reinvestment Funds to the City.

The Municipality of Greenstone acted as a delivery agent for Child Care programs, and provided rental accommodations to TBDSSAB.

The Township of Manitouwadge provided rental accommodations to TBDSSAB.

The Township of Schreiber provided rental accommodations to TBDSSAB.

TBDSSAB provided Community Social Reinvestment Funds to the Township of Red Rock.

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

December 31, 2015

	2015	2014
	\$	\$
Amounts owing to related parties, included in Payable to participating municipalities and funded agencies:		
City of Thunder Bay	(81,797)	(111,091)
Municipality of Greenstone	(22,933)	(89,793)
Amounts received from related parties, included in revenues:		
City of Thunder Bay	-	43,700
Amounts paid to related parties for purchased services and rent, included in expenses:		
City of Thunder Bay	2,037,891	2,047,210
Municipality of Greenstone	616,916	662,883
Township of Manitouwadge	7,385	7,366
Township of Red Rock	12,300	12,300
Township of Schreiber	7,327	6,106

17. 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.

18. COMPARATIVE FIGURES

Certain of the 2014 comparative figures have been reclassified to conform to the presentation adopted in the current year.

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

December 31, 2015

19. 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.

Building Condition Assessments [BCA] and Capital Reserve Fund Studies [the Study], conducted by Stantec Consulting Ltd. during the period 2012 to 2014 evaluated the adequacy of annual contributions to the capital reserve funds of certain housing providers that receive funding from TBDSSAB.

The Study indicated that, based on the capital reserve fund balances as at December 31, 2012 and the level of annual capital reserve contributions in effect for the year 2012, 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 Board approved Reserve and Reserve Fund Strategy has been established to prolong the adequacy of financial resources by controlling the amount of capital projects undertaken each year by the TBDHC and enhancing the annual contributions to capital reserve funds.

20. TRANSFER OF NIPIGON HOUSING CORPORATION

In 2014 TBDSSAB received Ministerial Consent to allow the Nipigon Housing Corporation to transfer all assets and liabilities to the Thunder Bay District Housing Corporation. On August 28, 2014 all real property, mortgages, and capital reserve investments were transferred and recorded in the TBDHC books of account.

The transfer was recorded on consolidation at book value as follows in accordance with accounting principles generally accepted for the public sector as prescribed by PSAB:

	2014
	\$
Housing projects	887,659
Less: Mortgages assumed	(795,292)
Net capital assets transferred	92,367
Cash and other assets	265,666
Less: Liabilities assumed	(21,563)
Net assets transferred	336,470

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

December 31, 2015

21. PRIOR PERIOD ADJUSTMENT

TBDSSAB has re-stated the comparative figures to include the post-employment benefits liability and the related expense. TBDSSAB has also re-stated the prior year to recognize the unrealized gain/(loss) on investments and derivatives.

The impact of the restatement has been reported as follows:

	2014	2013
	\$	\$
<hr/>		
Consolidated Statement of Financial Position		
Decrease in financial assets	118,222	(918,248)
Decrease in accumulated surplus	118,222	(918,248)
<hr/>		
Consolidated Statement of Re-measurement Gains and Losses		
Re-measurement gain (loss)	225,198	194,035
<hr/>		
Consolidated Statement of Operations		
Increase in expenses	(106,976)	(1,112,283)
Decrease in annual surplus	(106,976)	(1,112,283)
<hr/>		

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

Consolidated Schedule of Segment Disclosure

Year ended December 31

Schedule 1

	Corporate Management and Program Support		Integrated Client Services		Ontario Works		Child Care Programs	
	2015	2014			2015	2014	2015	2014
	\$	\$			\$	\$	\$	\$
Revenue								
Municipal levy	(87,000)	-	-	-	6,617,400	6,892,200	1,928,000	2,080,100
Provincial grants	-	-	-	-	28,199,614	25,729,886	11,509,424	10,127,615
Federal grants	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Interest on unrestricted funds	99,851	134,138	-	-	-	-	-	-
Interest on reserve funds	176,345	122,424	-	-	-	-	-	-
Other	35,596	30,998	-	-	110,816	129,395	6,381	12,759
	<u>224,792</u>	<u>287,560</u>	-	-	<u>34,927,830</u>	<u>32,751,481</u>	<u>13,443,805</u>	<u>12,220,474</u>
Expenses								
Salaries, wages & employee benefits	3,389,084	3,285,893	861,097	1,290,734	4,528,063	4,073,996	490,003	496,333
Interest on long-term debt	124,709	129,923	-	-	-	-	-	-
Materials	1,376,422	1,297,160	19,071	16,360	533,304	478,184	86,733	60,417
Contracted services	143,841	277,181	-	-	34,650	5,124	14,998	364
Rents and financial expenses	13,676	14,329	-	-	72,780	89,490	-	-
External transfers - persons	-	-	-	-	24,739,027	22,902,025	-	-
External transfers - funded agencies	-	-	-	-	589,350	623,806	12,238,374	10,889,546
Amortization	573,978	498,880	2,685	2,685	14,974	17,569	16,459	16,459
Allocation of central administration	(5,621,710)	(5,503,366)	(882,853)	(1,309,779)	4,384,988	4,318,670	569,926	596,328
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,897,136</u>	<u>32,508,864</u>	<u>13,416,493</u>	<u>12,059,447</u>
Excess (deficiency) of revenues over expenses	<u>224,792</u>	<u>287,560</u>	<u>-</u>	<u>-</u>	<u>30,694</u>	<u>242,617</u>	<u>27,312</u>	<u>161,027</u>

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

Consolidated Schedule of Segment Disclosure

Year ended December 31

Schedule 1

(continued)

	Housing and Homelessness Programs		Other		Total	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Revenue						
Municipal levy	15,439,500	14,561,353	-	-	23,897,900	23,533,653
Provincial grants	4,220,430	3,373,294	-	22,000	43,929,468	39,252,795
Federal grants	10,258,434	9,135,152	-	-	10,258,434	9,135,152
Rent	10,439,008	10,357,965	-	-	10,439,008	10,357,965
Interest on unrestricted funds	-	11,451	-	-	99,851	145,589
Interest on reserve funds	342,880	423,748	-	-	519,225	546,172
Other	417,788	323,702	25,098	-	595,679	496,854
	41,118,040	38,186,665	25,098	22,000	89,739,565	83,468,180
Expenses						
Salaries, wages & employee benefits	3,796,682	3,594,251	-	6,549	13,064,929	12,747,756
Interest on long-term debt	1,105,408	1,240,144	-	-	1,230,117	1,370,067
Materials	17,140,391	14,402,752	25,098	15,451	19,181,019	16,270,324
Contracted services	95,030	208,708	-	-	288,519	491,377
Rents and financial expenses	84,619	42,450	-	-	171,075	146,269
External transfers - persons	2,704,452	1,257,612	-	-	27,443,479	24,159,637
External transfers - funded agencies	13,425,387	13,539,660	-	-	26,253,111	25,053,012
Amortization	1,710,943	1,738,076	-	-	2,319,039	2,273,669
Allocation of central administration	1,549,649	1,898,147	-	-	-	-
	41,612,561	37,921,800	25,098	22,000	89,951,288	82,512,111
Excess (deficiency) of revenues over expenses	(494,521)	264,865	-	-	(211,723)	956,069

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

Consolidated Schedule of Tangible Capital Assets

Year ended December 31

Schedule 2

	Land	Land Improvements	Buildings	Vehicles	Computer	Furniture	Machinery & Equipment	Assets Under Construction	2015	2014
	\$	\$	\$	\$	\$		\$	\$	\$	\$
COST										
Balance, beginning of year	10,184,415	356,222	88,656,905	409,440	1,192,247	431,529	2,814,359	-	104,045,117	102,386,298
Transfer from Assets Under Construction	-	-	-	-	-	-	-	-	-	-
Add:										
Additions during the year	-	-	-	-	374,984	-	228,411	912,123	1,515,518	1,702,213
Less:										
Disposals during the year	-	-	-	(30,989)	(55,389)	-	(79,898)	-	(166,276)	(43,394)
BALANCE, END OF YEAR	10,184,415	356,222	88,656,905	378,451	1,511,842	431,529	2,962,872	912,123	105,394,359	104,045,117
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	59,824	50,450,203	278,767	350,533	129,459	715,352	-	51,984,138	49,743,263
Add:										
Amortization during the year	-	35,622	1,772,367	33,132	257,437	43,153	177,328	-	2,319,039	2,273,668
Less:										
Accumulated amortization on disposals	-	-	-	(30,989)	(55,389)	-	(49,341)	-	(135,719)	(32,793)
BALANCE, END OF YEAR	-	95,446	52,222,570	280,910	552,581	172,612	843,339	-	54,167,458	51,984,138
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,184,415	260,776	36,434,335	97,541	959,261	258,917	2,119,533	912,123	51,226,901	52,060,979

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

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	2015	2014
	\$	\$
RESERVE FUNDS		
Best Start	452,698	446,317
Community Social Reinvestment Program	253,888	332,386
Employment compensation and benefits	947,837	934,478
Levy stabilization	1,871,469	1,103,828
Office building capital	668,254	510,199
Ontario Works client benefits	152,947	276,298
Social housing	7,700,010	7,984,257
TBDHC capital	10,333,136	12,166,943
	22,380,239	23,754,706
SURPLUSES (DEFICITS)		
Invested in tangible capital assets	21,645,602	20,076,366
General	(1,345,244)	(147,520)
	20,300,358	19,928,846
ACCUMULATED SURPLUS	42,680,597	43,683,552