



	<b>REPORT NO.: 2019-18AGM</b>
<b>MEETING DATE: APRIL 18, 2019</b>	<b>DATE PREPARED: APRIL 3, 2019</b>
<b>SUBJECT: YEAR 2018 AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD</b>	

### **RECOMMENDATION**

THAT with respect to Report No. 2019-18AGM (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board (TBDSSAB), approve the Audited Consolidated Financial Statements of TBDSSAB for the year ended December 31, 2018, as presented.

### **REPORT SUMMARY**

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the draft year 2018 Audited Consolidated Financial Statements of TBDSSAB for Board approval.

### **BACKGROUND**

The consolidated financial statements of TBDSSAB, prepared by Administration, are audited by the Board's external auditors on an annual basis. The consolidated statements provide the financial position as at December 31, 2018, as well as the results of TBDSSAB's operations.

The consolidated financial statements have been prepared using generally accepted accounting principles (GAAP) for public sector organizations, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The year 2018 draft Audited Consolidated Financial Statements were presented to the Audit Committee on April 2, 2019 and April 18, 2019 for review and inquiry.

### **COMMENTS**

The consolidated financial statements consist of a Consolidated Statement of Financial Position, Consolidated Statement of Re-measurement Gains and Losses, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets (Debt),

Consolidated Statement of Cash Flows, and Notes to the Consolidated Financial Statements. There are three schedules, providing additional detail, included after the Notes to the Consolidated Financial Statements.

The following discussion provides highlights of the most significant aspects of the consolidated financial statements.

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The Consolidated Statement of Financial Position presents the financial condition of the organization as at December 31, 2018, with comparatives at December 31, 2017. The total financial assets controlled by TBDSSAB as at December 31, 2018, were \$38.9 million, with the majority of that total being cash and cash equivalents (\$15.0 million), and marketable securities (\$19.6 million). The majority of the cash and cash equivalents, and marketable securities is represented by reserve funds of \$24.5 million.

Explanations of significant year-over-year variances in asset and liability lines are provided below:

- Cash and cash equivalents – increase of \$2.1 million is detailed in the Consolidated Statement of Cash Flows which presents the sources and uses of cash.
- Marketable securities – decrease of \$0.9 million due to:
  - the overall value of the investment portfolio decreasing by \$259,113 in the 2018 year; and
  - \$2.0 million held in the investment account was reclassified as ‘cash equivalents’ due to the short-term nature of certain investments in the prior year. The amount reclassified in the current year has increased to \$2.7 million.
- Accounts receivable – increase of \$0.6 million due to additional amounts owing to TBDSSAB related to insurance claims submitted to the insurer and/or insurance claims in-progress.
- Due to Province of Ontario – increase of \$3.2 million due to significant Child Care Expansion Plan and Early Learning Child Care (ELCC) advances owing to the Ministry of Education.
- Deferred Revenue – decrease of \$2.5 million also due to Child Care Expansion Plan and ELCC carried forward from 2017 but not spent in 2018. This amount (\$1.3 million) has been recorded as Due to Province of Ontario. As well, \$0.3 million Child Care Mitigation funding was utilized in 2018 and \$0.5 million Social Housing Apartment Retrofit Program funding, reducing the overall deferred revenue.

- Long-term debt – decrease of \$2.3 million representing principal repayments on housing portfolio mortgages, the loan for the TBDSSAB office headquarters, and the capital lease of computer equipment.
- Tangible capital assets – decrease of \$1.5 million representing annual amortization of capital assets (\$2.7 million), net disposals of capital assets (\$105,986), offset somewhat by capital asset additions of computer hardware (\$426,006), security equipment (\$434,975), Demtroys equipment (\$272,728), the telephone system for TBDSSAB office headquarters (\$105,417), the Paterson Court parking lot (\$65,800) and other capital assets (\$28,654).

### **CONSOLIDATED STATEMENT OF RE-MEASUREMENT GAINS AND LOSSES**

The Consolidated Statement of Re-measurement Gains and Losses details changes in the fair market value of portfolio investments and derivatives.

This statement shows a net re-measurement loss for the 2018 year of \$849,897 including amounts reclassified to the Statement of Operations resulting from disposition of investments. In 2018, through disposition of certain investments, previously unrealized gains were realized as income (\$141,427). On this statement, the impact is presented as a reduction of unrealized gains.

The statement shows an accumulated unrealized loss of \$650,305 at December 31, 2018.

Administration has prepared Report No. 2019-20, Year 2018 Investment Portfolio Performance, which provides further detail regarding the TBDSSAB investment portfolio.

### **CONSOLIDATED STATEMENT OF OPERATIONS**

The Consolidated Statement of Operations details revenues earned and expenses incurred during the year. Generally, revenues in the form of Federal and Provincial grants are determined by applying various cost-sharing formulae to actual expenses.

For the 2018 year, revenues exceeded expenses by \$3.0 million for the year. This amount includes income earned on unrestricted funds and reserve funds, expenses paid from reserve funds, and expenses accrued for future employee benefit obligations. Further detail regarding revenues and expenses is provided in the Schedule 1 section, below.

Also in 2018, the 2017 program levy operating surplus (\$556,754) was distributed to municipalities and Territories Without Municipal Organization (TWOMO). As a result, the 2018 Operating Surplus was \$2.4 million.

For both Municipal Levy and Provincial funding purposes, employee benefit obligations are recognized in the year paid, rather than accrued; acquisition of tangible capital assets is expensed in the year of purchase, with annual amortization not recognized; and expenses paid from reserve funds are not factored into the reconciliation.

After factoring out transactions related to reserve funds, the accrual of employee benefit obligations, adjusting for tangible capital asset transactions, and excluding the distribution of the 2017 surplus, there is a surplus, from operations, of \$1,535,111. Included in this surplus is income earned on reserve funds of \$637,611, and a net program levy operating surplus of \$897,500 (see Report No. 2019-19, TBDSSAB 2018 Fourth Quarter Financial Report and Program Levy Operating Surplus Disposition contained in the Regular Board Agenda package).

### **CONSOLIDATED STATEMENT OF CASH FLOWS**

The Consolidated Statement of Cash Flows outlines the change in the cash position that occurred during the year, by sources and uses of cash and capital transactions. The cash balance at the beginning of the year was \$12.9 million. The annual surplus generated in 2018 added \$2.4 million, there was a significant increase in the amount due to the Province of Ontario (\$3.2 million), an increase in accounts payable and accrued liabilities related to amounts owed to vendors (\$0.3 million), and amortization on tangible capital assets was recorded (\$2.7 million). These additions to cash were somewhat offset by increases in various receivable amounts (\$0.6 million) and a decrease in deferred revenue (\$2.5 million). The result is additional cash provided by operating transactions, totaling \$5.4 million.

The decrease in marketable securities adds \$0.9 million. These increases were further offset by cash used in capital transactions (\$1.2 million), the repayment of long-term debt (\$2.3 million), and the net re-measurement of unrealized loss discussed above (\$0.8 million). Overall, the net increase in cash and cash equivalents during the 2018 year was \$2.1 million.

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The Notes to the Consolidated Financial Statements provide additional and detailed information to support the financial statements. They are intended to provide clarification and explanations of specific items within the financial statements.

Note 14 – Child Care and Early Years, was expanded, at the direction of the Ministry of Education, to include additional expenditure detail by child age group.

The remaining notes, although updated for 2018, are consistent with previous years' Notes.

### **SCHEDULES**

There are three schedules provided with the financial statements, all of which are presented to comply with PSAB requirements.

Schedule 1 details the TBDSSAB revenues and expenses, by program, with the expenses by classification. This additional information is intended to assist users of the financial

statements to better understand TBDSSAB's operations and to assist member municipalities with the completion of certain schedules of their Financial Information Returns.

- Corporate Management and Program Support revenues exceeded expenses by \$349,395 for the 2018 year. This amount consists of income earned on unrestricted funds and reserve funds. Corporate Management and Program Support expenses are allocated to programs based on the method approved during the annual budget process.
- Ontario Works' revenues exceeded expenses by \$354,870 for the 2018 year. Program Delivery and Employment Services were under budget due, primarily, to temporarily vacant staff positions throughout the year and various transactions recorded to comply with PSAB requirements.
- Child Care Program expenses exceeded revenues by \$12,210 for the 2018 year due to various transactions recorded to comply with PSAB requirements.
- Housing Program revenues exceeded expenses by \$2,334,011 for the 2018 year. This includes income earned on reserve funds (\$483,328) held by TBDSSAB. In 2018, there was a favourable variance in legacy social housing programs, including rent supplement, compared to budget. The remaining variance is due to various transactions recorded to comply with PSAB requirements.
- Other (Community Social Reinvestment Program (CSRP)) expenses exceeded revenues by \$26,725, as part of this program was financed from the CSRP reserve fund.

Schedule 2 provides information regarding the Board's tangible capital assets (TCA). The historical cost amount for each TCA class is shown, along with additions for the year, and the amortization amounts by asset class.

In 2018, TBDSSAB sold its social housing property located in Nakina, and 3 properties located in Thunder Bay. Schedule 2 reflects the accounting transactions related to the land and building disposals.

Schedule 3 identifies the components of the organization's accumulated surplus. Approximately half of the accumulated surplus is held in various reserve funds to finance future projects and obligations. A portion of the surplus, \$24.8 million, represents the amount that has been invested in tangible capital assets, the majority of which are buildings and land, net of associated debt.

There is a consolidated general deficit amount of \$1,948,032. A breakdown of the general deficit is as follows:

	Total (\$)
Accumulated general deficit as at December 31, 2017	(1,444,991)
2018 operating surplus	2,442,587
2018 change in reserve funds	(1,295,682)
2018 change in tangible capital assets net of long term debt	(800,049)
2018 change in unrealized re-measurement	(849,897)
<b>Accumulated general deficit as at December 31, 2018</b>	<b>(1,948,032)</b>

The TBDSSAB accumulated general deficit includes the 2018 program levy surplus of \$897,500, which is consistent with the budget and variance reporting format, and discussed in Report No. 2019-19, TBDSSAB 2018 Fourth Quarter Financial Report and Program Levy Operating Surplus Disposition, contained in the Regular Board Agenda package.

The table below, summarizes the difference between the consolidated financial statement surplus (based on PSAB standards) and the program levy operating surplus, which removes the PSAB adjustments, to arrive at the in-year program levy operating surplus:

	Total (\$)
2018 Consolidated Audited Financial Statement Surplus	2,999,341
2018 change related to employee benefit obligation	(27,725)
2018 change in the FMV of the SWAP load derivative	21,617
2018 change related to reserve funds	(2,932,745)
2018 capital expenditures (financed from reserve fund)	2,274,672
2018 change in tangible capital assets net of long term debt	(800,049)
2018 income earned on reserve funds	(637,611)
<b>2018 Program Levy Operating Surplus</b>	<b>897,500</b>

### **FINANCIAL IMPLICATIONS**



There are no direct financial implications associated with this report.

### **CONCLUSION**

It is concluded that the draft Audited Consolidated Financial Statements for the year ended December 31, 2018, were presented to the Audit Committee on April 2, 2019 and April 18, 2019, and it was the consensus of that committee that the consolidated financial statements, as prepared by Administration, be presented to the Board for approval.

**REFERENCE MATERIALS ATTACHED**

Attachment 1: Year 2018 Audited Consolidated Financial Statements of The District of Thunder Bay Social Services Administration Board (draft)  
**(Distributed Separately – Not Included with Report)**

<b>PREPARED BY:</b>	Keri Greaves, CPA, CMA, Manager, Finance The District of Thunder Bay Social Services Administration Board
<b>APPROVED / SIGNATURE:</b>	
	Georgina Daniels, FCPA, FCA, Director - Corporate Services Division The District of Thunder Bay Social Services Administration Board
<b>SUBMITTED / SIGNATURE:</b>	
	William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board



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

Consolidated Financial Statements

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

December 31, 2018





**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 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 2018 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.

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William Bradica, CPA, CGA  
Chief Administrative Officer

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Georgina Daniels, FCPA, FCA  
Director - Corporate Services Division

# THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

December 31, 2018

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# THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

## Consolidated Statement of Financial Position

Year ended December 31

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	14,998,427	12,933,706
Marketable securities	19,608,583	20,554,607
Accounts receivable	1,598,107	1,045,441
Client benefit advances	1,790,363	1,712,360
Interest receivable	29,436	16,121
HST receivable	861,156	909,739
	<b>38,886,072</b>	<b>37,171,974</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,904,428	3,635,796
Payable to participating municipalities and funded agencies [note 3]	975,169	1,022,305
Due to Province of Ontario [note 4]	4,427,397	1,233,818
Deferred revenue [note 5]	5,052,864	7,515,834
Long-term debt [note 6]	21,584,776	23,883,359
Employee benefits obligations [note 7]	2,561,804	2,589,529
	<b>38,506,438</b>	<b>39,880,641</b>
<b>NET ASSETS (DEBT)</b>	<b>379,634</b>	<b>(2,708,667)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net [Schedule 2]	46,396,188	47,894,722
Prepaid expenses	590,692	587,769
	<b>46,986,880</b>	<b>48,482,491</b>
<b>ACCUMULATED SURPLUS [Schedule 3]</b>		
Accumulated operating surplus	48,016,819	45,574,232
Accumulated re-measurement (losses) gains	(650,305)	199,592
	<b>47,366,514</b>	<b>45,773,824</b>

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

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 Board Chair

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 Audit Committee Chair

**THE DISTRICT OF THUNDER BAY  
SOCIAL SERVICES ADMINISTRATION BOARD**  
**Consolidated Statement of Re-measurement Gains and Losses**

As at December 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>ACCUMULATED RE-MEASUREMENT GAINS, BEGINNING OF YEAR</b>	<b>199,592</b>	540,635
Unrealized (losses) gains attributable to:		
Portfolio investments	<b>(730,087)</b>	95,409
Derivatives	<b>21,617</b>	158,892
Amounts reclassified to the statement of operations:		
Disposition of investments	<b>(141,427)</b>	(595,344)
<b>NET RE-MEASUREMENT LOSSES FOR THE YEAR</b>	<b>(849,897)</b>	(341,043)
<b>ACCUMULATED RE-MEASUREMENT (LOSSES) GAINS, END OF YEAR</b>	<b>(650,305)</b>	199,592

*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

	<b>2018</b>		<b>2017</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<i>[note 12]</i>		
<b>REVENUES</b>			
Provincial Grants			
Ontario Works	<b>32,983,300</b>	<b>31,714,362</b>	31,240,493
Addiction Services Initiative	<b>713,600</b>	<b>609,490</b>	667,037
Child care and early years	<b>19,452,500</b>	<b>16,338,290</b>	12,802,020
Social and affordable housing	<b>4,602,800</b>	<b>4,447,457</b>	3,418,097
Homelessness prevention	<b>4,772,300</b>	<b>4,326,685</b>	3,294,685
TWOMO election	-	<b>22,000</b>	-
	<b>62,524,500</b>	<b>57,458,284</b>	51,422,332
Federal Grants			
Child care and early years	<b>1,304,100</b>	-	31,455
Social and affordable housing	<b>10,823,900</b>	<b>10,623,742</b>	12,586,075
	<b>12,128,000</b>	<b>10,623,742</b>	12,617,530
Levy to municipalities and TWOMO	<b>22,806,700</b>	<b>22,806,700</b>	23,510,000
Rents	<b>10,991,100</b>	<b>10,887,090</b>	10,734,434
Income earned on unrestricted funds	<b>84,000</b>	<b>268,420</b>	102,452
Income earned on reserve funds	<b>200,000</b>	<b>637,611</b>	1,151,506
Other	<b>136,200</b>	<b>367,311</b>	583,818
	<b>34,218,000</b>	<b>34,967,132</b>	36,082,210
<b>TOTAL REVENUES</b>	<b>108,870,500</b>	<b>103,049,158</b>	100,122,072

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

**Consolidated Statement of Operations**

Year ended December 31

	2018		2017
	Budget \$	Actual \$	Actual \$
	<i>[note 12]</i>		
EXPENSES			
Ontario Works <i>[note 13]</i>	37,161,700	35,604,037	35,748,089
Addiction Services Initiative	710,300	609,482	680,816
Child care and early years <i>[note 14]</i>	22,495,400	18,105,949	14,792,426
Social and affordable housing <i>[note 15]</i>	18,786,300	16,579,861	16,946,707
Direct-owned housing and administration <i>[note 15]</i>	25,692,300	24,214,126	25,242,759
Homelessness prevention <i>[note 16]</i>	4,772,300	4,326,685	3,294,685
Community social reinvestment program	589,900	587,677	655,382
TWOMO election	-	22,000	-
<b>TOTAL EXPENSES</b>	<b>110,208,200</b>	<b>100,049,817</b>	<b>97,360,864</b>
<b>REVENUES LESS EXPENSES</b>	<b>(1,337,700)</b>	<b>2,999,341</b>	<b>2,761,208</b>
OTHER			
Distribution to municipalities	-	(556,754)	-
<b>ANNUAL OPERATING SURPLUS (DEFICIT)</b>	<b>(1,337,700)</b>	<b>2,442,587</b>	<b>2,761,208</b>
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	45,574,232	45,574,232	42,813,024
ACCUMULATED OPERATING SURPLUS, END OF YEAR	44,236,532	48,016,819	45,574,232

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

**THE DISTRICT OF THUNDER BAY  
SOCIAL SERVICES ADMINISTRATION BOARD**  
**Consolidated Statement of Changes in Net Assets (Debt)**  
Year ended December 31

	2018		2017
	Budget \$ <i>[note 12]</i>	Actual \$	Actual \$
ANNUAL OPERATING SURPLUS (DEFICIT)	<b>(1,337,700)</b>	<b>2,442,587</b>	2,761,208
Acquisition of tangible capital assets <i>[Schedule 2]</i>	-	<b>(1,267,101)</b>	(437,951)
Amortization of tangible capital assets <i>[Schedule 2]</i>	-	<b>2,659,649</b>	2,278,592
Proceeds on disposal of tangible capital assets	-	<b>596,234</b>	241,378
(Gain) loss on disposal of tangible capital assets	-	<b>(490,248)</b>	75,561
Addition of prepaid expense	-	<b>(590,692)</b>	(587,769)
Use of prepaid expense	-	<b>587,769</b>	656,638
	<b>(1,337,700)</b>	<b>3,938,198</b>	4,987,657
Remeasurement losses	-	<b>(849,897)</b>	(341,043)
<b>CHANGE IN NET ASSETS (DEBT)</b>	<b>(1,337,700)</b>	<b>3,088,301</b>	4,646,614
NET DEBT, BEGINNING OF YEAR	<b>(2,708,667)</b>	<b>(2,708,667)</b>	(7,355,281)
<b>NET ASSETS (DEBT), END OF YEAR</b>	<b>(4,046,367)</b>	<b>379,634</b>	(2,708,667)

*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

	2018 \$	2017 \$
<b>OPERATING</b>		
Annual surplus	2,442,587	2,761,208
<b>Uses</b>		
Increase in accounts receivable	(552,666)	(140,780)
Increase in client benefit advances	(78,003)	-
Increase in interest receivable	(13,315)	(4,745)
Increase in HST receivable	-	(221,157)
Decrease in payable to participating municipalities and funded agencies	(47,136)	-
Decrease in due to Province of Ontario	-	(15,928)
Decrease in deferred revenue	(2,462,970)	(268,738)
Decrease in employee benefits obligation	(27,725)	(23,197)
Increase in prepaid expense	(2,923)	-
	<b>(742,151)</b>	<b>2,086,663</b>
<b>Sources</b>		
Decrease in client benefit advances	-	51,128
Decrease in HST receivable	48,583	-
Increase in accounts payable and accrued liabilities	268,632	631,317
Increase in payable to participating municipalities and funded agencies	-	56,832
Increase in due to Province of Ontario	3,193,579	-
Decrease in prepaid expense	-	68,869
	<b>3,510,794</b>	<b>808,146</b>
<b>Non-cash charges to operations</b>		
Amortization of tangible capital assets	2,659,649	2,278,592
<b>Cash provided by operating transactions</b>	<b>5,428,292</b>	<b>5,173,401</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(1,267,101)	(437,951)
Proceeds on disposal of tangible capital assets	596,234	241,378
(Gain) loss on disposal of tangible capital assets	(490,248)	75,561
<b>Cash used in capital transactions</b>	<b>(1,161,115)</b>	<b>(121,012)</b>
<b>INVESTING</b>		
Decrease (increase) in investments	946,024	(2,735,872)
<b>FINANCING</b>		
Decrease in long-term debt	(2,298,583)	(3,248,525)
<b>RE-MEASUREMENT</b>		
Net unrealized loss	(849,897)	(341,043)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>2,064,721</b>	<b>(1,273,051)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>12,933,706</b>	<b>14,206,757</b>
<b>CASH, END OF YEAR</b>	<b>14,998,427</b>	<b>12,933,706</b>

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



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

December 31, 2018

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## 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.

Its service district includes 15 municipalities which appoint representatives to the Board of Directors through their municipal Councils. As well, the Board of Directors includes an elected representative from the Territories without Municipal Organization [TWOMO]. The following are included within the District of Thunder Bay service area:

City of Thunder Bay  
Municipality of Greenstone  
Municipality of Neebing  
Municipality of Oliver Paipoonge  
Municipality of Shuniah  
Town of Marathon  
Township of Conmee  
Township of Dorion  
Township of Gillies  
Township of Manitouwadge  
Township of Nipigon  
Township of O'Connor  
Township of Red Rock  
Township of Schreiber  
Township of Terrace Bay  
TWOMO

## 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].

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

December 31, 2018

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## **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 hand, cash on deposit, and short-term investments which are readily convertible into a known amount of cash and are subject to an insignificant risk to changes in fair value.

## **Marketable securities**

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

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.

## **Accounts receivable**

Under certain Federal/Provincial programs, TBDSSAB provides forgivable loans to eligible recipients, in which the principal and any accrued interest is forgiven after a specified number of years, if the recipient meets all identified conditions. A forgivable loan is only recorded as receivable if the recipient fails to meet the identified conditions and there is a reasonable expectation of its recovery.

## **Non-financial assets**

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

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

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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.

## 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]*.

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# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 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 fair values due to the relative short periods to maturity of the instruments. The carrying value of 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 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.

## 3. PAYABLE TO PARTICIPATING MUNICIPALITIES AND FUNDED AGENCIES

Payable to participating municipalities and funded agencies consists of:

	2018	2017
	\$	\$
<b>Participating municipalities</b>		
City of Thunder Bay	12,159	12,164
City of Thunder Bay (child care provider)	83,710	89,643
Municipality of Greenstone	91	70
Municipality of Greenstone (child care provider)	5,942	8,220
Township of Conmee	(6,162)	-
Township of Nipigon	(9,285)	-
Township of Red Rock	2	-
<b>Funded agencies</b>		
Child care providers	295,497	235,402
Social housing providers	593,215	676,571
Other	-	235
	<b>975,169</b>	<b>1,022,305</b>

# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

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#### 4. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2018	2017
	\$	\$
Due to Ministry of Children, Community and Social Services [MCCSS]	1,300,806	2,177,716
Due to Ministry of Education [EDU]	5,330,619	186,485
Due from Ministry of Municipal Affairs and Housing [MMAH]	<b>(2,204,028)</b>	(1,130,383)
	<b>4,427,397</b>	1,233,818

#### 5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2018	2017
	\$	\$
Child care and early years	104,557	1,511,818
Child care mitigation	3,463,561	3,675,094
Community Homelessness Prevention Initiative	-	302,088
Home for Good	97,623	-
Investment in Affordable Housing [Administration]	63,157	63,286
Investment in Affordable Housing [Homeowner]	248,340	248,340
Investment in Affordable Housing [Housing Allowance]	42,469	201,484
Investment in Affordable Housing [Ontario Renovates]	-	20,429
Investment in Affordable Housing [Revolving loan]	759,475	695,280
Miscellaneous	28,180	37,625
Northern Home Repair [Loan discharge]	19,342	19,644
Northern Home Repair [Wave 1]	5,322	5,322
Northern Home Repair [Wave 2]	975	975
Social Housing Apartment Retrofit Program	-	465,525
Strong Communities rent supplement	66,909	43,302
Tenant rent	152,954	225,622
	<b>5,052,864</b>	7,515,834

#### 6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2018	2017
	\$	\$
Debt payable on direct-owned housing	16,721,942	19,107,745
Debt payable on office headquarters	4,305,142	4,589,759
Capital leases payable	557,692	185,855
	<b>21,584,776</b>	23,883,359

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

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- [i] Long-term debt includes various amounts payable as at December 31, 2018 on direct-owned housing:

	<b>2018</b>	<b>2017</b>
	\$	\$
<hr/>		
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	<b>5,706,026</b>	6,726,952
Other lenders	<b>11,015,916</b>	12,380,793
	<b>16,721,942</b>	19,107,745

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, 2018 was \$22,917,073 [2017 - \$25,480,176].

The CMHC mortgages bear interest at rates between 1.0% and 3.5% [2017 – 1.0% and 3.5%]. These mortgages mature between 2021 and 2027.

The other long-term debt bears interest at rates between 1.9% and 6.1% [2017 – 1.9% and 6.1%]. These mortgages mature between 2022 and 2027.

- [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, 2018:

	<b>2018</b>	<b>2017</b>
	\$	\$
<hr/>		
TBDSSAB office headquarters loan payable	<b>4,322,000</b>	4,585,000
Fair value adjustment of derivative	<b>(16,858)</b>	4,759
	<b>4,305,142</b>	4,589,759

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 2.97% and matures in 2032.

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

	<b>2018</b>	<b>2017</b>
	\$	\$
<hr/>		
Desktop computers	<b>103,284</b>	165,256
Disaster recovery computer equipment	<b>154,083</b>	20,599
Office headquarters computer equipment	<b>205,450</b>	-
Telephone system	<b>94,875</b>	-
	<b>557,692</b>	185,855

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

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

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The lease contract for the disaster recovery computer equipment, payable in monthly instalments of \$5,278 including harmonized sales tax and interest calculated at 5.78%, matured in June, 2018. A new lease contract for disaster recovery computer equipment was executed in 2018, payable in monthly instalments of \$3,653 including harmonized sales tax and interest calculated at 4.98%, maturing in June, 2023

The lease contract for the office headquarters computer equipment is payable in monthly instalments of \$5,224 including harmonized sales tax and interest calculated at 4.63%, maturing in February, 2023.

The lease contract for the telephone system is payable in monthly instalments of \$2,051 including harmonized sales tax and interest calculated at 1.98%, maturing in July, 2023.

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:

	Direct-Owned Housing		Office	Capital	Total
	CMHC	Other	Headquarters	Leases	
	\$	\$	\$	\$	\$
2019	970,287	1,398,132	271,000	168,256	2,807,675
2020	989,440	1,432,154	279,000	147,598	2,848,192
2021	942,328	1,467,525	288,000	106,285	2,804,138
2022	802,161	1,443,022	297,000	106,285	2,648,468
2023	817,483	1,235,181	306,000	29,268	2,387,932
2024	567,216	1,266,075	315,000	-	2,148,291
2025	303,602	1,287,694	326,000	-	1,917,296
2026	184,189	1,067,308	335,000	-	1,586,497
2027	129,320	418,825	346,000	-	894,145
2028	-	-	356,000	-	356,000
2029 and beyond	-	-	1,203,000	-	1,203,000
	5,706,026	11,015,916	4,322,000	557,692	21,601,634

## 7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2018	2017
	\$	\$
Post-employment retiree benefits	2,364,500	2,373,413
Vacation entitlements	197,304	216,116
	2,561,804	2,589,529

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[i] TBDSSAB pays certain post-employment benefits on behalf of its retired employees and recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2018 of \$2,046,114 [2017 – \$2,009,544] was determined by an actuarial valuation prepared for the year ended December 31, 2016, and updated for 2018.

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Accrued benefit liability, beginning of year	<b>2,373,413</b>	2,334,834
Expense for the year	<b>145,837</b>	153,012
Benefits paid for the year	<b>(154,750)</b>	(114,433)
Accrued benefit liability, end of year	<b>2,364,500</b>	2,373,413

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, 2018 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 3.25%. This rate reflects the assumed long-term yield on high quality bonds as at January 1, 2016.

**Medical and dental costs**

Medical costs were assumed to increase by 6.2% in 2016, with further annual increases gradually declining from 6.2% to 4.5% in 2023 and each year thereafter. Dental costs were assumed to increase at 4.5% in 2016 and each year thereafter.

[ii] Vacation Entitlements

Vacation entitlements earned by the employees would be converted to a cash payment if they retire or leave TBDSSAB's employment. The liability for these accumulated days as at December 31, 2018 would amount to approximately \$197,304 [2017 - \$216,116].

[iii] Workplace Safety and Insurance Obligations

TBDSSAB is a Schedule 2 employer under the Workplace Safety and Insurance Act and as such, assumes 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, 2018 of \$0 [2017 - \$0] reflects the valuation as at December 31, 2017.



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# THE DISTRICT OF THUNDER BAY

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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[iv] 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, 2018 to December 31, 2018, employees contributed at levels of up to 14.6% of earnings [2017 – 14.6%]. TBDSSAB makes contributions equal to the employee contributions to the plan. Required contributions by TBDSSAB for 2018 amounted to \$996,152 [2017 - \$951,420]. These contributions are included in the consolidated statement of operations. No pension liability for this type of plan is included in the consolidated financial statements.

## 8. COMMITMENTS

- [i] TBDSSAB has commitments under various building lease agreements expiring between 2019 and 2022. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2019	69,225
2020	60,659
2021	43,675
2022	2,815
<b>Total</b>	<b>\$ 176,374</b>

- [ii] TBDSSAB has commitments under various leases and service agreements for certain computer equipment and software expiring between 2020 and 2023. The following approximate annual payments are required under these agreements.

Year	Annual Payment
2019	187,997
2020	164,696
2021	118,094
2022	118,094
2023	32,235
<b>Total</b>	<b>\$ 621,116</b>

- [iii] TBDSSAB leases multi-function devices which are charged at varying rates on a per-copy basis, with leases expiring in August, 2023. The amount of the commitment cannot be reasonably estimated.
- [iv] On February 1, 2012, TBDSSAB entered into a 20 year amortization, 5 year term indicative swap rate takeout loan agreement in the amount of \$6,000,000 with the RBC to finance the construction of the TBDSSAB headquarters. This loan was renewed effective February 1, 2017, for the remaining 15 year term. The balance of the loan as at December 31, 2018 is \$4,322,000 [2017 - \$4,585,000]. The swap agreement exchanges TBDSSAB's Banker's Acceptance variable loan payments for an established fixed interest rate payment. The exchange of interest payments results in an effective interest rate of 2.32% plus a 0.65%

# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

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stamping fee for an all-in interest rate of 2.97% for the 15 year term. The approximate gain (cost) of breaking the swap rate loan agreement prior to maturation, given the market interest rates as at December 31, 2018, is estimated to be \$16,858 [2017 – (\$4,759)].

- [v] In 1975, the Thunder Bay Community Projects Incorporated entered into an agreement with the Corporation of the City of Thunder Bay to lease land on which the Andras Court housing project was built. Through amalgamation, TBDSSAB has assumed all responsibilities under this lease. TBDSSAB is responsible for all operating costs of the property and for the mortgage payments on the property [note 6]. The lease expires on May 31, 2032, at which time the land and buildings revert back to the Corporation of the City of Thunder Bay.

## 9. CONTINGENT LIABILITIES

The nature of TBDSSAB's activities is such that there is often litigation pending or in prospect at any time. With respect to claims at December 31, 2018, management believes TBDSSAB has valid defenses and appropriate insurance coverage in place. In the event that claims are successful, management believes that such claims are not expected to have a material effect on TBDSSAB's financial position.

## 10. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2018	2017
	\$	\$
<b>Reserve funds</b>		
Balance, beginning of year	23,207,452	21,757,240
<b>Revenue</b>		
Transfers from current operations	3,281,777	3,308,200
Income earned	637,611	1,151,506
	<b>3,919,388</b>	<b>4,459,706</b>
<b>Expenditures</b>		
Transfers to current operations	2,623,706	3,009,494
<b>Balance, end of year</b>	<b>24,503,134</b>	<b>23,207,452</b>

## 11. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$24,503,134 [2017 - \$23,207,452] 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

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#### 13. ONTARIO WORKS

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
	<i>[note 12]</i>		
Financial assistance	25,972,000	25,024,895	25,515,001
Program delivery	8,450,900	7,840,442	7,571,462
Employment assistance services	2,738,800	2,738,700	2,661,626
	<b>37,161,700</b>	<b>35,604,037</b>	<b>35,748,089</b>

#### 14. CHILD CARE AND EARLY YEARS

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

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
	<i>[note 12]</i>		
Administration	1,219,700	1,148,865	1,385,177
Capacity building	58,200	51,712	45,885
Early Learning and Child Care	1,304,100		31,455
Expansion plan	3,346,100	214,400	-
Fee stabilization support	81,400	13,068	-
Fee subsidy	4,630,100	4,227,354	4,346,279
General operating	4,612,900	4,963,900	4,529,300
Occupancy incentive	300,000	300,000	300,000
Ontario works formal	300,000	255,757	271,647
Ontario works informal	40,000	40,296	37,781
Pay equity	104,300	104,300	104,300
Play-based materials and equipment		11,196	81,800
Repairs and maintenance	36,700	55,438	52,093
Small water works	14,100	3,200	11,544
Special needs resourcing	1,590,600	1,590,600	1,588,730
Transformation	-	-	3,720
Wage enhancement	1,133,700	1,113,179	1,133,145
EarlyON Child and Family Programs			
Data analysis services	92,700	93,386	-
Ontario early years centres	2,225,300	2,222,055	848,067
Planning	27,000	18,535	21,503
Planning - Indigenous	30,400	12,104	-
The Journey Together – capital	240,000	277,114	-
The Journey Together – operating	1,108,100	1,389,490	-
	<b>22,495,400</b>	<b>18,105,949</b>	<b>14,792,426</b>

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

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TBDSSAB has a child care and early years service agreement with the EDU. A requirement of the EDU service agreement is the production of supplementary information by detail code (funding type) which summarizes all revenues and expenditures relating to the service agreement. EDU 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 EDU, 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 2018 year in the amount of \$18,267,408, relative to the EDU service agreement provided in the table below do not include adjustments for tangible capital assets (\$10,113), employee benefit obligations (\$4,303), or other adjustments (\$16,456) as directed by the EDU. 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 EDU, the table below includes the EDU's share of the 2018 levy (\$192,331).

	Non-Profit	Profit	Other	Total Expenses
Full Flexibility (2.3)				
General operating	4,798,200	465,700	-	5,263,900
Fee subsidy – regular	3,823,925	403,428	-	4,227,353
Ontario Works – formal	219,689	36,068	-	255,757
Ontario Works – informal	-	-	40,296	40,296
Pay equity settlement	104,300	-	-	104,300
Special needs resourcing	1,590,600	-	-	1,590,600
Administration	-	-	1,055,583	1,055,583
Repairs and maintenance	45,198	10,240	-	55,438
Play-based equipment	11,196	-	-	11,196
<b>Total (full flexibility)</b>	<b>10,593,108</b>	<b>915,436</b>	<b>1,095,879</b>	<b>12,604,423</b>
Full Flexibility – Expansion (2.3A)				
General operating – expansion	214,400	-	-	214,400
<b>Total (full flexibility – expansion)</b>	<b>214,400</b>	<b>-</b>	<b>-</b>	<b>214,400</b>
Limited Flexibility (2,3)				
Capacity building	51,713	-	-	51,713
Small water works	3,200	-	-	3,200
<b>Total (limited flexibility)</b>	<b>54,913</b>	<b>-</b>	<b>-</b>	<b>54,913</b>
No Flexibility				
TWOMO (2.7)	-	-	192,331	192,331
Wage enhancement (4.3)	-	-	1,106,179	1,106,179
Wage enhancement admin (4.3)	-	-	69,410	69,410
Fee stabilization support (4.4)	-	-	13,068	13,068
<b>Total (no flexibility)</b>	<b>-</b>	<b>-</b>	<b>1,380,988</b>	<b>1,380,988</b>
<b>Total</b>	<b>10,862,421</b>	<b>915,436</b>	<b>2,476,867</b>	<b>14,254,724</b>

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

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	Non-Profit	Profit	Other	Total Expenses
Child and Family Programs				
EarlyON child and family centre	2,108,537	-	237,543	2,346,080
Journey Together - capital	277,114	-	-	277,114
Journey Together - operating	1,389,490	-	-	1,389,490
<b>Total child and family programs</b>	<b>3,775,141</b>	<b>-</b>	<b>237,543</b>	<b>4,012,684</b>
<b>Total child care and early years</b>	<b>14,637,562</b>	<b>915,436</b>	<b>2,714,410</b>	<b>18,267,408</b>

A further breakdown of these expenditures (excluding child and family programs) by child age group is provided below. The "Parent Fees" as indicated, were obtained from the Ontario Child Care Management System and are pro-rated in each age group based on the average number of children in each group and added to the TBDSSAB subsidy advanced to child care providers to arrive at the "Gross Expense".

	0-4 (Infant, Toddler, Preschool)			4-6 (Kindergarten)		
	Gross Expense	Parent Fees	Adjusted Gross Expense	Gross Expense	Parent Fees	Adjusted Gross Expense
Full Flexibility (2.3)						
General operating	4,495,700	-	4,495,700	296,300	-	296,300
Fee subsidy – regular	2,835,259	(413,881)	2,421,378	1,085,677	(165,377)	920,300
Ontario Works – formal	165,456	-	165,456	66,183	-	66,183
Ontario Works – informal	34,696	-	34,696	2,200	-	2,200
Pay equity settlement	-	-	-	-	-	-
Special needs resourcing	794,300	-	794,300	317,500	-	317,500
Administration	-	-	-	-	-	-
Repairs and maintenance	29,542	-	29,542	10,327	-	10,327
Play-based equipment	7,802	-	7,802	1,353	-	1,353
<b>Total (full flexibility)</b>	<b>8,362,755</b>	<b>(413,881)</b>	<b>7,948,874</b>	<b>1,779,540</b>	<b>(165,377)</b>	<b>1,614,163</b>
Full Flexibility – Expansion (2.3A)						
General operating – expansion	214,400	-	214,400	-	-	-
<b>Total (full flexibility – expansion)</b>	<b>214,400</b>	<b>-</b>	<b>214,400</b>	<b>-</b>	<b>-</b>	<b>-</b>
Limited Flexibility (2,3)						
Capacity building	25,824	-	25,824	10,324	-	10,324
Small water works	-	-	-	-	-	-
<b>Total (limited flexibility)</b>	<b>25,824</b>	<b>-</b>	<b>25,824</b>	<b>10,324</b>	<b>-</b>	<b>10,324</b>
No Flexibility						
TWOMO (2.7)	-	-	-	-	-	-
Wage enhancement (4.3)	-	-	-	-	-	-
Wage enhancement admin (4.3)	-	-	-	-	-	-
Fee stabilization support (4.4)	-	-	-	-	-	-
<b>Total (no flexibility)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8,602,979</b>	<b>(413,881)</b>	<b>8,189,098</b>	<b>1,789,864</b>	<b>(165,377)</b>	<b>1,624,487</b>

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

December 31, 2018

	6-12 (School Aged)			Unspecified Age Group		
	Gross Expense	Parent Fees	Adjusted Gross Expense	Gross Expense	Parent Fees	Adjusted Gross Expense
Full Flexibility (2.3)						
General operating	471,900	-	471,900	-	-	-
Fee subsidy – regular	1,040,097	(154,422)	885,675	-	-	-
Ontario Works – formal	24,118	-	24,118	-	-	-
Ontario Works – informal	3,400	-	3,400	-	-	-
Pay equity settlement	-	-	-	104,300	-	104,300
Special needs resourcing	478,800	-	478,800	-	-	-
Administration	-	-	-	1,055,583	-	1,055,583
Repairs and maintenance	15,569	-	15,569	-	-	-
Play-based equipment	2,041	-	2,041	-	-	-
<b>Total (full flexibility)</b>	<b>2,035,925</b>	<b>(154,422)</b>	<b>1,881,503</b>	<b>1,159,883</b>	<b>-</b>	<b>1,159,883</b>
Full Flexibility – Expansion (2.3A)						
General operating – expansion	-	-	-	-	-	-
<b>Total (full flexibility – expansion)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Limited Flexibility (2,3)						
Capacity building	15,565	-	15,565	-	-	-
Small water works	-	-	-	3,200	-	3,200
<b>Total (limited flexibility)</b>	<b>15,565</b>	<b>-</b>	<b>15,565</b>	<b>3,200</b>	<b>-</b>	<b>3,200</b>
No Flexibility						
TWOMO (2.7)	-	-	-	192,331	-	192,331
Wage enhancement (4.3)	-	-	-	1,106,179	-	1,106,179
Wage enhancement admin (4.3)	-	-	-	69,410	-	69,410
Fee stabilization support (4.4)	-	-	-	13,068	-	13,068
<b>Total (no flexibility)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,380,988</b>	<b>-</b>	<b>1,380,988</b>
<b>Total</b>	<b>2,051,490</b>	<b>(154,422)</b>	<b>1,897,068</b>	<b>2,544,071</b>	<b>-</b>	<b>2,544,071</b>

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

**December 31, 2018**

Revenues for the 2018 year in the amount of \$21,885,286, relative to the EDU service agreement are provided in the table below. Actual cashflow from the EDU relative to the 2018 funding year was \$19,954,841 (excluding the TWOMO levy portion). TBDSSAB also utilized \$211,533 from its child care mitigation fund (deferred revenue) and \$214,400 from 2017 expansion plan carryover funding (deferred revenue). TBDSSAB has recorded \$104,557 as deferred revenue related to the Early Learning Child Care funding and \$3,937,927 (including \$31,880 related to child and family programs) as due to the EDU for the 2018 year. As directed by the EDU, the table below includes the amount paid by the EDU for its share of the annual TBDSSAB levy (\$193,659).

	Ministry of Education			Legislated Cost Share	Total Revenues
	Base	Expansion Year 2	Subtotal		
<b>Full Flexibility</b>					
Core services delivery (100%)	2,116,978	141,479	2,258,457	0%	2,258,457
Core services delivery (80/20)	5,611,740	-	5,611,740	20%	1,402,935
Core services delivery (50/50)	333,851	-	333,851	50%	333,851
Language	212,355	3,724	216,079	0%	-
Indigenous	165,076	2,895	167,971	0%	-
Cost of living	277,031	4,858	281,889	0%	-
Rural/remote	1,936,025	33,953	1,969,978	0%	-
Utilization adjustment	(18,641)	-	(18,641)	0%	-
Repairs and maintenance	21,689	394	22,083	0%	-
<b>Total (full flexibility)</b>	<b>10,656,104</b>	<b>187,303</b>	<b>10,843,407</b>	<b>1,736,786</b>	<b>12,580,193</b>
<b>Limited Flexibility</b>					
Capacity building	58,753	1,036	59,789	0%	-
Small water works	14,080	-	14,080	0%	-
<b>Total (limited flexibility)</b>	<b>72,833</b>	<b>1,036</b>	<b>73,869</b>	<b>-</b>	<b>73,869</b>
<b>No Flexibility</b>					
TWOMO	193,659	-	-	0%	-
Wage enhancement	1,318,080	-	-	0%	-
Fee stabilization	325,607	-	-	0%	-
Licensed home child care	56,925	-	-	0%	-
Expansion year 1	2,091,253	-	-	0%	-
ELCC	1,045,573	-	-	0%	-
Expansion plan capital spaces	-	155,563	-	0%	-
<b>Total (no flexibility)</b>	<b>5,031,097</b>	<b>155,563</b>	<b>5,186,660</b>	<b>-</b>	<b>5,186,660</b>
<b>Total</b>	<b>15,760,034</b>	<b>343,902</b>	<b>16,103,936</b>	<b>1,736,786</b>	<b>17,840,722</b>
<b>Child and Family Programs</b>					
EarlyON child and family centre	2,375,429	-	2,375,429	0%	-
Journey Together - capital	279,645	-	279,645	0%	-
Journey Together - operating	1,389,490	-	1,389,490	0%	-
<b>Total child and family programs</b>	<b>4,044,564</b>	<b>-</b>	<b>4,044,564</b>	<b>-</b>	<b>4,044,564</b>
<b>Total child care and early years</b>	<b>19,804,598</b>	<b>343,902</b>	<b>20,148,500</b>	<b>1,736,786</b>	<b>21,885,286</b>

The EDU 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 ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

#### 15. SOCIAL AND AFFORDABLE HOUSING

Each year TBDSSAB is required to provide the MMAH a Service Manager Annual Information Return [SMAIR] which, among other things, confirms the expenditures for the year by program. A portion of these expenditures are included in the summary of Direct-Owned Housing and Administration. For the purposes of the 2018 SMAIR, TBDSSAB has attributed \$5,717,124 [2017 - \$5,575,316] to the Public Housing program and \$4,163,530 [2017 - \$5,070,294] to the Provincial Reformed program. The expenses by program for are as follows:

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
	<i>[note 12]</i>		
<b>Social and Affordable Housing (External Transfers)</b>			
Provincial reformed	6,328,400	6,155,066	6,332,452
NHA Section 95 private non-profit	1,100	1,048	12,576
Portable Housing Benefit	57,000	9,438	-
Rent supplement – private landlord	3,338,800	3,033,735	3,106,522
Rent supplement – non-profit	1,771,200	1,636,032	1,663,538
Strong Communities – regular	362,500	362,494	387,402
Strong Communities – MCCSS	28,700	23,335	21,330
Strong Communities – MOHLTC	46,000	27,782	28,067
Urban Native, Pre-1986	683,000	643,236	683,476
Urban Native, Post-1985	1,474,900	1,490,081	1,428,741
Affordable Housing Program (NHRP Wave 1)	-	-	283
Investment in Affordable Housing (IAH)			
Rent supplement	90,000	109,652	89,740
Revolving loan	-	27,890	-
IAH Extension			
Administration	84,300	84,300	84,380
Housing Allowance	246,000	252,765	211,391
Ontario renovates	227,200	241,997	650,185
Rental housing	2,098,800	1,068,200	650,000
IAH Social Infrastructure Fund			
Administration	95,100	98,946	167,288
Ontario renovates	569,400	420,594	498,726
Rental housing	1,147,900	639,680	440,000
Social Housing Improvement Program (SHIP)	-	13,318	320,746
Survivors of Domestic Violence (SDV)	47,300	114,428	90,175
Social Housing Apartment Retrofit Program (SHARP)			
Administration	-	39,999	79,689
Social Housing Apartment Improvement Program (SHAIP)			
Administration	88,700	85,845	-
	<b>18,786,300</b>	<b>16,579,861</b>	<b>16,946,707</b>



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

December 31, 2018

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
<b>Direct-owned Housing and Administration</b>			
Gain on disposal of housing projects	-	(537,059)	(107,612)
Housing program administration	897,000	821,309	883,904
Housing portfolio administration	4,582,100	4,484,141	4,304,784
Housing operations			
Interest on long-term debt	410,400	404,224	497,048
Loan principal payments / amortization	2,387,000	2,385,803	1,739,436
Repairs, maintenance, and operating services	7,582,700	5,676,107	6,433,896
IAH SIF – SHIP	-	545,693	1,750,238
SHARP	-	759,991	1,514,992
SHAIP	1,773,900	1,633,386	-
Utilities	3,809,500	3,862,996	4,080,630
Municipal taxes	5,337,800	5,218,157	5,192,062
Recovery from rent supplement	(1,088,100)	(1,040,622)	(1,046,619)
	<b>25,692,300</b>	<b>24,214,126</b>	<b>25,242,759</b>
		<b>44,478,600</b>	<b>40,793,987</b>
			<b>42,189,466</b>

### 16. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
<i>[note 12]</i>			
<b>Community Homelessness Prevention Initiative</b>			
Administration	350,200	345,977	314,556
Emergency shelter solutions	1,181,800	1,181,800	1,181,800
Homelessness enumeration	50,000	50,000	-
Homelessness prevention	1,080,000	1,073,038	793,880
Housing with related supports	211,400	211,400	274,319
Services and supports	628,800	596,841	580,800
	<b>3,502,200</b>	<b>3,459,056</b>	<b>3,145,355</b>
<b>Home for Good</b>			
Administration	127,000	86,763	14,930
Rent supplement	412,800	50,566	-
Services and supports	730,300	730,300	134,400
	<b>1,270,100</b>	<b>867,629</b>	<b>149,330</b>
	<b>4,772,300</b>	<b>4,326,685</b>	<b>3,294,685</b>

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

December 31, 2018

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## 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 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 Program funds to the City of Thunder Bay.

The Municipality of Greenstone acted as a delivery agent for Child Care programs, and provided rental accommodations to TBDSSAB. TBDSSAB provided Community Social Reinvestment Program funds to the Municipality of Greenstone.

The Township of Manitouwadge provided rental accommodations to TBDSSAB.

TBDSSAB provided IAH-Rental Housing funds and Community Social Reinvestment Program funds to the Township of Nipigon.

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

The Township of Schreiber provided rental accommodations to TBDSSAB.

	<b>2018</b>	<b>2017</b>
	\$	\$
Amounts owing to (from) related parties, included in Payable to participating municipalities and funded agencies:		
City of Thunder Bay	<b>95,869</b>	101,807
Municipality of Greenstone	<b>6,033</b>	8,290
Amounts paid to related parties for purchased services and rent, included in expenses:		
City of Thunder Bay	<b>1,841,442</b>	1,740,621
Municipality of Greenstone	<b>500,163</b>	534,950
Township of Manitouwadge	<b>628</b>	8,365
Township of Nipigon	<b>250,095</b>	270
Township of Red Rock	<b>10,750</b>	10,000
Township of Schreiber	<b>6,974</b>	8,951

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

**December 31, 2018**

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## **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. COMPARATIVE FIGURES**

Certain of the 2018 comparative figures have been reclassified to conform to the presentation adopted in the current year.

## **20. ADEQUACY OF HOUSING PROVIDERS' CAPITAL RESERVE FUNDS**

TBDSSAB 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 and enhancing the annual contributions to capital reserve funds.

**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 Intake Services		Ontario Works and Addiction Services Initiative		Child Care Programs	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$			\$	\$	\$	\$
<b>Revenues</b>								
Levy to municipalities and TWOMO	(84,000)	(84,000)	-	-	4,220,400	4,947,500	1,740,400	1,925,500
Provincial grants	-	-	-	-	32,323,852	31,907,530	16,338,290	12,802,020
Federal grants	-	-	-	-	-	-	-	31,455
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	268,420	102,452	-	-	-	-	-	-
Income earned on reserve funds	138,182	92,525	-	-	-	7,152	15,049	11,554
Other	26,793	296,443	-	-	24,137	294	-	-
	<u>349,395</u>	<u>407,420</u>	<u>-</u>	<u>-</u>	<u>36,568,389</u>	<u>36,862,476</u>	<u>18,093,739</u>	<u>14,770,529</u>
<b>Expenses</b>								
Salaries, wages & employee benefits	3,563,427	3,399,292	773,229	812,759	4,417,295	4,408,619	679,874	592,228
Interest on long-term debt	123,305	129,572	-	-	-	-	-	-
Materials	1,710,198	1,658,884	21,985	11,266	712,218	596,762	65,467	80,466
Contracted services	178,817	208,012	-	-	24,007	11,184	-	43,757
Rents and financial expenses	15,755	11,134	-	-	88,389	84,839	1,762	23,574
(Gain) loss on disposal of assets	41,197	-	-	-	-	-	-	-
External transfers	-	-	-	-	26,294,377	26,907,634	16,624,393	13,362,172
Amortization	556,038	495,086	2,683	2,685	-	8,442	16,456	16,459
Allocation of internal administration	(6,188,737)	(5,901,980)	(797,897)	(826,710)	4,677,233	4,411,425	717,997	673,770
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,213,519</u>	<u>36,428,905</u>	<u>18,105,949</u>	<u>14,792,426</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>349,395</u>	<u>407,420</u>	<u>-</u>	<u>-</u>	<u>354,870</u>	<u>433,571</u>	<u>(12,210)</u>	<u>(21,897)</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	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Levy to municipalities and TWOMO	16,370,000	16,183,700	559,900	537,300	<b>22,806,700</b>	23,510,000
Provincial grants	8,774,142	6,712,782	22,000	-	<b>57,458,284</b>	51,422,332
Federal grants	10,623,742	12,586,075	-	-	<b>10,623,742</b>	12,617,530
Rents	10,887,090	10,734,434	-	-	<b>10,887,090</b>	10,734,434
Income earned on unrestricted funds	-	-	-	-	<b>268,420</b>	102,452
Income earned on reserve funds	483,328	1,031,671	1,052	8,604	<b>637,611</b>	1,151,506
Other	316,381	287,081	-	-	<b>367,311</b>	583,818
	<b>47,454,683</b>	<b>47,535,743</b>	<b>582,952</b>	<b>545,904</b>	<b>103,049,158</b>	100,122,072
<b>Expenses</b>						
Salaries, wages & employee benefits	4,437,118	4,084,383	3,915	-	<b>13,874,858</b>	13,297,281
Interest on long-term debt	404,224	497,048	-	-	<b>527,529</b>	626,620
Materials	18,448,648	19,090,994	18,085	-	<b>20,976,601</b>	21,438,372
Contracted services	60,394	39,821	-	-	<b>263,218</b>	302,774
Rents and financial expenses	(61,507)	27,588	-	-	<b>44,399</b>	147,135
(Gain) loss on disposal of assets	(531,445)	75,561	-	-	<b>(490,248)</b>	75,561
External transfers	18,687,364	18,338,493	587,677	589,882	<b>62,193,811</b>	59,198,181
Amortization	2,084,472	1,752,268	-	-	<b>2,659,649</b>	2,274,940
Allocation of internal administration	1,591,404	1,577,995	-	65,500	-	-
	<b>45,120,672</b>	<b>45,484,151</b>	<b>609,677</b>	<b>655,382</b>	<b>100,049,817</b>	97,360,864
<b>Excess (deficiency) of revenues over expenses</b>	<b>2,334,011</b>	<b>2,051,592</b>	<b>(26,725)</b>	<b>(109,478)</b>	<b>2,999,341</b>	<b>2,761,208</b>

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

**Consolidated Schedule of Tangible Capital Assets**

Year ended December 31

**Schedule 2**

	Land	Land Improvements	Building	Vehicles	Computer	Furniture	Machinery & Equipment	Assets Under Construction	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	10,004,532	356,222	89,727,332	378,451	1,479,621	431,529	3,578,033	94,753	<b>106,050,473</b>	106,576,659
Add:										
Additions during the year	65,800	-	-	-	426,006	-	775,295	-	<b>1,267,101</b>	437,951
Less:										
Deductions during the year	(37,191)	-	(295,504)	-	(374,209)	-	(12,029)		<b>(718,933)</b>	(964,137)
Transfers during the year	-	-	-	-	-	-	66,479	(66,479)	-	(964,137)
<b>BALANCE, END OF YEAR</b>	<b>10,033,141</b>	<b>356,222</b>	<b>89,431,828</b>	<b>378,451</b>	<b>1,531,418</b>	<b>431,529</b>	<b>4,407,778</b>	<b>28,274</b>	<b>106,598,641</b>	<b>105,086,336</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	166,690	55,208,234	337,009	956,429	258,918	1,228,471	-	<b>58,155,751</b>	56,524,357
Add:										
Amortization during the year	-	35,622	1,695,629	16,487	235,819	43,153	632,939	-	<b>2,659,649</b>	2,278,592
Less:										
Accumulated amortization on deductions	-	-	(273,520)	-	(333,011)	-	(6,416)	-	<b>(612,947)</b>	(647,198)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>202,312</b>	<b>56,630,343</b>	<b>353,496</b>	<b>859,237</b>	<b>302,071</b>	<b>1,854,994</b>	<b>-</b>	<b>60,202,453</b>	<b>58,155,751</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>10,033,141</b>	<b>153,910</b>	<b>32,801,485</b>	<b>24,955</b>	<b>672,181</b>	<b>129,458</b>	<b>2,552,784</b>	<b>28,274</b>	<b>46,396,188</b>	<b>46,930,585</b>

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

**Consolidated Schedule of Accumulated Surplus**

Year ended December 31

**Schedule 3**

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	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>RESERVE FUNDS</b>		
Capital regeneration	<b>806,366</b>	234,507
Community social reinvestment program	-	32,981
Direct-owned housing portfolio capital replacement	<b>10,364,006</b>	10,197,588
Early years	<b>486,801</b>	471,752
Employment compensation and benefits	<b>983,121</b>	952,729
Levy stabilization	<b>2,523,804</b>	2,445,783
Office building capital	<b>1,146,866</b>	933,197
Social housing	<b>8,192,170</b>	7,938,915
<b>Total - Reserve Funds</b>	<b>24,503,134</b>	23,207,452
<b>SURPLUSES (DEFICITS)</b>		
Invested in tangible capital assets	<b>24,811,412</b>	24,011,363
General	<b>(1,948,032)</b>	(1,444,991)
<b>Total - Surpluses</b>	<b>22,863,380</b>	22,566,372
<b>ACCUMULATED SURPLUS</b>	<b>47,366,514</b>	45,773,824

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