



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

Consolidated Financial Statements

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

December 31, 2019



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 2019 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.

William Bradica, CPA, CGA
Chief Administrative Officer

Georgina Daniels, FCPA, FCA
Director - Corporate Services Division

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

December 31, 2019

Table of Contents

	Page
Independent Auditor's Report	1
Consolidated Statement of Financial Position	3
Consolidated Statement of Re-measurement Gains and Losses	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Assets (Debt)	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Segment Disclosure	30
Schedule 2 - Consolidated Schedule of Tangible Capital Assets	32
Schedule 3 - Consolidated Schedule of Accumulated Surplus	33

Independent Auditor's Report

Grant Thornton LLP

Suite 300
979 Alloy Drive
Thunder Bay, ON
P7B 5Z8

T +1 807 345 6571
F +1 807 345 0032

To the Members of the Board of Directors

Opinion

We have audited the consolidated financial statements of The District of Thunder Bay Social Services Administration Board ("the Board"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, remeasurement of gains and losses, changes in net assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The District of Thunder Bay Social Services Administration Board as at December 31, 2019, and its results of operations, its changes in net assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

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

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
April 16, 2020

Chartered Professional Accountants
Licensed Public Accountants

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

Consolidated Statement of Financial Position

Year ended December 31

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash and cash equivalents	16,895,606	14,998,427
Marketable securities	20,816,253	19,608,583
Accounts receivable	1,759,758	1,598,107
Client benefit advances	1,758,119	1,790,363
Interest receivable	31,548	29,436
HST receivable	750,338	861,156
	42,011,622	38,886,072
LIABILITIES		
Accounts payable and accrued liabilities	3,450,768	3,904,428
Payable to participating municipalities and funded agencies <i>[note 3]</i>	845,000	975,169
Due to Province of Ontario <i>[note 4]</i>	5,417,873	4,427,397
Deferred revenue <i>[note 5]</i>	4,994,907	5,052,864
Long-term debt <i>[note 6]</i>	18,833,934	21,584,776
Employee benefits obligations <i>[note 7]</i>	2,657,151	2,561,804
	36,199,633	38,506,438
NET ASSETS	5,811,989	379,634
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[Schedule 2]</i>	44,859,845	46,396,188
Prepaid expenses	718,850	590,692
	45,578,695	46,986,880
ACCUMULATED SURPLUS <i>[Schedule 3]</i>		
Accumulated operating surplus	50,953,774	48,016,819
Accumulated re-measurement gains (losses)	436,910	(650,305)
	51,390,684	47,366,514

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


Board Chair


Audit Committee Chair

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

Consolidated Statement of Re-measurement Gains and Losses

As at December 31

	2019	2018
	\$	\$
ACCUMULATED RE-MEASUREMENT (LOSSES) GAINS, BEGINNING OF YEAR	(650,305)	199,592
Unrealized gains (losses) attributable to:		
Portfolio investments	883,593	(730,087)
Derivatives	(59,377)	21,617
Amounts reclassified to the statement of operations:		
Disposition of investments	262,999	(141,427)
NET RE-MEASUREMENT GAINS (LOSSES) FOR THE YEAR	1,087,215	(849,897)
ACCUMULATED RE-MEASUREMENT GAINS (LOSSES), END OF YEAR	436,910	(650,305)

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

	2019		2018
	Budget \$	Actual \$	Actual \$
REVENUES			
Provincial Grants			
Ontario Works	33,080,500	32,825,795	31,714,362
Addiction Services Initiative	713,600	350,000	609,490
Child care and early years	16,272,900	16,276,467	16,338,290
Community housing	3,056,400	2,408,143	4,447,457
Homelessness prevention	4,638,400	4,390,077	4,326,685
TWOMO election	-	-	22,000
	57,761,800	56,250,482	57,458,284
Federal Grants			
Child care and early years	104,600	-	-
Community housing	9,747,900	9,438,213	10,623,742
	9,852,500	9,438,213	10,623,742
Levy to municipalities and TWOMO	22,281,500	22,281,500	22,806,700
Rents	11,247,400	10,832,543	10,887,090
Income earned on unrestricted funds	175,000	175,000	268,420
Income earned on reserve funds	200,000	495,318	637,611
Other	162,700	395,035	367,311
	34,066,600	34,179,396	34,967,132
TOTAL REVENUES	101,680,900	99,868,091	103,049,158

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

Consolidated Statement of Operations

Year ended December 31

	2019		2018
	Budget \$	Actual \$	Actual \$
	<i>[note 12]</i>		
EXPENSES			
Ontario Works <i>[note 13]</i>	37,298,600	36,870,787	35,604,037
Addiction Services Initiative	710,500	350,000	609,482
Child care and early years <i>[note 14]</i>	18,116,500	18,031,998	18,105,949
Community housing <i>[note 15]</i>	17,193,200	15,899,665	16,579,861
Direct-owned housing and administration <i>[note 15]</i>	25,164,400	20,830,010	24,214,126
Homelessness prevention <i>[note 16]</i>	4,638,400	4,390,077	4,326,685
Community social reinvestment program	562,300	558,599	587,677
TWOMO election	-	-	22,000
TOTAL EXPENSES	103,683,900	96,931,136	100,049,817
REVENUES LESS EXPENSES	(2,003,000)	2,936,955	2,999,341
OTHER			
Distribution to municipalities	-	-	(556,754)
ANNUAL OPERATING SURPLUS (DEFICIT)	(2,003,000)	2,936,955	2,442,587
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	48,016,819	48,016,819	45,574,232
ACCUMULATED OPERATING SURPLUS, END OF YEAR	46,013,819	50,953,774	48,016,819

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

	2019		2018
	Budget \$ <i>[note 12]</i>	Actual \$	Actual \$
ANNUAL OPERATING SURPLUS (DEFICIT)	(2,003,000)	2,936,955	2,442,587
Acquisition of tangible capital assets <i>[Schedule 2]</i>	-	(614,634)	(1,267,101)
Amortization of tangible capital assets <i>[Schedule 2]</i>	-	2,098,887	2,659,649
Proceeds on disposal of tangible capital assets	-	1,029,823	596,234
Gain on disposal of tangible capital assets	-	(977,733)	(490,248)
Addition of prepaid expense	-	(718,850)	(590,692)
Use of prepaid expense	-	590,692	587,769
	(2,003,000)	4,345,140	3,938,198
Remeasurement gains (losses)	-	1,087,215	(849,897)
CHANGE IN NET ASSETS (DEBT)	(2,003,000)	5,432,355	3,088,301
NET ASSETS (DEBT), BEGINNING OF YEAR	379,634	379,634	(2,708,667)
NET ASSETS (DEBT), END OF YEAR	(1,623,366)	5,811,989	379,634

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

	2019 \$	2018 \$
OPERATING		
Annual surplus	2,936,955	2,442,587
Uses		
Increase in accounts receivable	(161,651)	(552,666)
Increase in client benefit advances	-	(78,003)
Increase in interest receivable	(2,112)	(13,315)
Decrease in accounts payable and accrued liabilities	(453,660)	-
Decrease in payable to participating municipalities and funded agencies	(130,169)	(47,136)
Decrease in deferred revenue	(57,957)	(2,462,970)
Decrease in employee benefits obligations	-	(27,725)
Increase in prepaid expense	(128,158)	(2,923)
	2,003,248	(742,151)
Sources		
Decrease in client benefit advances	32,244	-
Decrease in HST receivable	110,818	48,583
Increase in accounts payable and accrued liabilities	-	268,632
Increase in due to Province of Ontario	990,476	3,193,579
Increase in employee benefits obligations	95,347	-
	1,228,885	3,510,794
Non-cash charges to operations		
Amortization of tangible capital assets	2,098,887	2,659,649
Cash provided by operating transactions	5,331,020	5,428,292
CAPITAL		
Acquisition of tangible capital assets	(614,634)	(1,267,101)
Proceeds on disposal of tangible capital assets	1,029,823	596,234
Gain on disposal of tangible capital assets	(977,733)	(490,248)
Cash used in capital transactions	(562,544)	(1,161,115)
INVESTING		
(Increase) decrease in investments	(1,207,670)	946,024
FINANCING		
Decrease in long-term debt	(2,750,842)	(2,298,583)
RE-MEASUREMENT		
Net unrealized gain (loss)	1,087,215	(849,897)
NET INCREASE IN CASH	1,897,179	2,064,721
CASH, BEGINNING OF YEAR	14,998,427	12,933,706
CASH, END OF YEAR	16,895,606	14,998,427

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, 2019

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 Paipooonge
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].

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

December 31, 2019

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:

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

December 31, 2019

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]*.

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

December 31, 2019

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:

	2019	2018
	\$	\$
Participating municipalities		
City of Thunder Bay	12,773	12,159
City of Thunder Bay (child care operator)	74,445	83,710
Municipality of Greenstone	-	91
Municipality of Greenstone (child care operator)	7,906	5,942
Township of Conmee	-	(6,162)
Township of Nipigon	-	(9,285)
Township of Red Rock	-	2
Funded agencies		
Child care operators	229,998	295,497
Social housing providers	493,644	593,215
Homelessness prevention providers	26,234	-
	845,000	975,169

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

December 31, 2019

4. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2019	2018
	\$	\$
Due to Ministry of Children, Community and Social Services [MCCSS]	1,156,859	1,300,806
Due to Ministry of Education [EDU]	4,347,622	5,330,619
Due from Ministry of Municipal Affairs and Housing [MMAH]	(86,608)	(2,204,028)
	5,417,873	4,427,397

5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2019	2018
	\$	\$
Canada-Ontario Community Housing Initiative	40,021	-
Child care and early years	-	104,557
Child care mitigation	3,072,463	3,463,561
Community Homelessness Prevention Initiative	208,593	-
Home for Good	-	97,623
Investment in Affordable Housing (IAH)		
Rent supplement	6,450	-
IAH Extension		
Administration	30,158	63,157
Homeowner	248,340	248,340
Housing allowance	-	42,469
Ontario renovates	152,287	-
Revolving loan	689,030	759,475
IAH Social Infrastructure Fund		
Administration	45,953	-
Housing allowance	18,827	-
Ontario renovates	25,616	-
Social Housing Improvement Program	299	-
Miscellaneous	32,025	28,180
Northern Home Repair [Loan discharge]	18,454	19,342
Northern Home Repair [Wave 1]	-	5,322
Northern Home Repair [Wave 2]	-	975
Ontario Priorities Housing Initiative	19,453	-
Social Housing Apartment Improvement Program	311,426	-
Strong Communities rent supplement	22,297	66,909
Tenant rent	53,215	152,954
	4,994,907	5,052,864

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

December 31, 2019

6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2019	2018
	\$	\$
Debt payable on direct-owned housing	14,350,978	16,721,942
Debt payable on office headquarters	4,093,519	4,305,142
Capital leases payable	389,437	557,692
	18,833,934	21,584,776

- [i] Long-term debt includes various amounts payable as at December 31, 2019 on direct-owned housing:

	2019	2018
	\$	\$
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	4,733,198	5,706,026
Other lenders	9,617,780	11,015,916
	14,350,978	16,721,942

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, 2019 was \$22,066,571 [2018 - \$22,917,073].

The CMHC mortgages bear interest at rates between 1.0% and 2.6% [2018 – 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% [2018 – 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, 2019:

	2019	2018
	\$	\$
TBDSSAB office headquarters loan payable	4,051,000	4,322,000
Fair value adjustment of derivative	42,519	(16,858)
	4,093,519	4,305,142

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.

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

December 31, 2019

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

	2019 \$	2018 \$
Desktop computers	41,313	103,284
Disaster recovery computer equipment	119,196	154,083
Office headquarters computer equipment	155,136	205,450
Telephone system	73,792	94,875
	389,437	557,692

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 lease contract for the disaster recovery computer equipment is 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 Headquarters \$	Capital Leases \$	Total \$
	CMHC \$	Other \$			
2020	994,930	1,432,154	279,000	147,598	2,853,682
2021	944,615	1,467,525	288,000	106,285	2,806,425
2022	801,050	1,443,022	297,000	106,285	2,647,357
2023	812,797	1,235,181	306,000	29,269	2,383,247
2024	562,695	1,266,075	315,000	-	2,143,770
2025	303,602	1,287,688	326,000	-	1,917,290
2026	184,189	1,067,307	335,000	-	1,586,496
2027	129,320	418,828	346,000	-	894,148
2028	-	-	356,000	-	356,000
2029	-	-	367,000	-	367,000
2030 and beyond	-	-	836,000	-	836,000
	4,733,198	9,617,780	4,051,000	389,437	18,791,415

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

December 31, 2019

7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2019	2018
	\$	\$
Post-employment retiree benefits	2,463,942	2,364,500
Vacation entitlements	193,209	197,304
	2,657,151	2,561,804

[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, 2019 of \$1,964,736 [2018 – \$2,046,114] was determined by an actuarial valuation prepared for the year ended December 31, 2019.

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

	2019	2018
	\$	\$
Accrued benefit liability, beginning of year	2,364,500	2,373,413
Expense for the year	152,849	145,837
Benefits paid for the year	(53,407)	(154,750)
Accrued benefit liability, end of year	2,463,942	2,364,500

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, 2019 of the present value of future liabilities and the expense for the year then ended was determined using an annual discount rate of 3.00%. This rate reflects the assumed long-term yield on high quality bonds as at January 1, 2020.

Medical and dental costs

Medical and dental costs were assumed to increase as follows:

Year	Health	Dental
2020	4.2%	4.5%
2025	5.3%	5.6%
2030	5.3%	5.3%
2035	4.6%	4.6%
2040 and thereafter	4.0%	4.0%

THE DISTRICT OF THUNDER BAY

SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

[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, 2019 would amount to approximately \$193,209 [2018 - \$197,304].

[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, 2019 of \$0 [2018 - \$0] reflects the valuation as at December 31, 2018.

[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, 2019 to December 31, 2019, employees contributed at levels of up to 14.6% of earnings [2018 - 14.6%]. TBDSSAB makes contributions equal to the employee contributions to the plan. Required contributions by TBDSSAB for 2019 amounted to \$981,629 [2018 - \$996,152]. 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 2020 and 2022. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2020	68,596
2021	51,612
2022	10,752
Total	\$ 130,960

- [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
2020	164,696
2021	118,094
2022	118,094
2023	32,235
Total	\$ 433,119

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

December 31, 2019

- [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, 2019 is \$4,051,000 [2018 - \$4,322,000]. 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% stamping fee for an all-in interest rate of 2.97% for the 15-year term. The approximate cost (gain) of breaking the swap rate loan agreement prior to maturation, given the market interest rates as at December 31, 2019, is estimated to be \$42,519 [2018 – (\$16,858)].
- [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, 2019, 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.

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

December 31, 2019

10. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2019	2018
	\$	\$
Reserve funds		
Balance, beginning of year	24,503,134	23,207,452
Revenue		
Transfers from current operations	4,705,923	3,281,777
Income earned	495,318	637,611
	5,201,241	3,919,388
Expenditures		
Transfers to current operations	2,751,318	2,623,706
Balance, end of year	26,953,057	24,503,134

11. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$26,953,057 [2018 - \$24,503,134] to support reserve funds.

12. BUDGET AMOUNTS

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

13. ONTARIO WORKS

	Budget	Actual	Actual
	2019	2019	2018
	\$	\$	\$
	<i>[note 12]</i>		
Financial assistance	26,034,900	25,992,151	25,024,895
Program delivery	8,524,900	7,909,636	7,840,442
Employment assistance services	2,738,800	2,969,000	2,738,700
	37,298,600	36,870,787	35,604,037

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

December 31, 2019

14. CHILD CARE AND EARLY YEARS

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

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
	<i>[note 12]</i>		
Administration	1,143,400	1,084,679	1,148,865
Base funding for licensed home child care	56,900	-	-
Capacity building	58,800	46,970	51,712
Early Learning and Child Care	102,200	-	-
Expansion plan	-	-	214,400
Fee stabilization support	325,600	-	13,068
Fee subsidy	4,400,000	4,400,983	4,227,354
General operating	4,932,500	5,419,400	4,963,900
Occupancy incentive	300,000	300,000	300,000
Ontario works formal	300,000	230,161	255,757
Ontario works informal	40,000	20,058	40,296
Pay equity	104,300	104,300	104,300
Play-based materials and equipment	-	19,124	11,196
Repairs and maintenance	21,700	59,117	55,438
Small water works	14,100	3,511	3,200
Special needs resourcing	1,590,600	1,590,600	1,590,600
Wage enhancement	1,113,200	1,172,852	1,113,179
EarlyON Child and Family Programs			
Data analysis services	92,700	92,700	93,386
EarlyON child and family centres	2,225,300	2,230,381	2,222,055
Planning	27,000	19,397	18,535
Planning - Indigenous	30,400	-	12,104
Indigenous led – capital	60,400	60,355	277,114
Indigenous led – operating	1,177,400	1,177,410	1,389,490
	18,116,500	18,031,998	18,105,949

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

December 31, 2019

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 2019 year in the amount of \$18,210,441, relative to the EDU service agreement provided in the table below do not include adjustments for tangible capital assets (\$7,452), employee benefit obligations (\$6,067), or other adjustments (\$20,130) 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 2019 levy (\$197,188).

	Non-Profit	Profit	Other	Total Expenses
Full Flexibility (2.3)				
General operating	5,237,400	482,000	-	5,719,400
Fee subsidy – regular	3,971,195	429,789	-	4,400,984
Ontario Works – formal	204,992	25,169	-	230,161
Ontario Works – informal	-	-	20,058	20,058
Pay equity settlement	104,300	-	-	104,300
Special needs resourcing	1,590,600	-	-	1,590,600
Administration	-	-	1,003,523	1,003,523
Repairs and maintenance	51,536	7,581	-	59,117
Play-based equipment	19,124	-	-	19,124
Total (full flexibility)	11,179,147	944,539	1,023,581	13,147,267
Limited Flexibility (2.3)				
Capacity building	42,181	4,789	-	46,970
Small water works	3,511	-	-	3,511
Total (limited flexibility)	45,692	4,789	-	50,481
No Flexibility				
TWOMO (2.7)	-	-	197,188	197,188
Wage enhancement (4.3)	-	-	1,165,852	1,165,852
Wage enhancement admin (4.3)	-	-	69,410	69,410
Total (no flexibility)	-	-	1,432,450	1,432,450
Total	11,224,839	949,328	2,456,031	14,630,198

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

December 31, 2019

	Non-Profit	Profit	Other	Total Expenses
EarlyON Child and Family Programs				
Data analysis services	92,700	-	-	92,700
Planning	19,397	-	-	19,397
Child and family centres	1,992,838	-	-	1,992,838
Indigenous led - capital	60,355	-	-	60,355
Indigenous led - operating	1,177,410	-	-	1,177,410
Services and supports	-	-	237,543	237,543
Total child and family programs	3,342,700	-	237,543	3,580,243
Total child care and early years	14,567,539	949,328	2,693,574	18,210,441

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	5,103,301	-	5,103,301	246,301	-	246,301
Fee subsidy – regular	3,079,955	(506,348)	2,573,607	1,163,512	(198,568)	964,944
Ontario Works – formal	155,643	-	155,643	61,037	-	61,037
Ontario Works – informal	19,730	-	19,730	-	-	-
Pay equity settlement	-	-	-	-	-	-
Special needs resourcing	804,395	-	804,395	325,396	-	325,396
Administration	-	-	-	-	-	-
Repairs and maintenance	33,446	-	33,446	10,625	-	10,625
Play-based equipment	9,671	-	9,671	3,912	-	3,912
Total (full flexibility)	9,206,141	(506,348)	8,699,793	1,810,783	(198,568)	1,612,215
Limited Flexibility (2,3)						
Capacity building	23,754	-	23,754	9,609	-	9,609
Small water works	-	-	-	-	-	-
Total (limited flexibility)	23,754	-	23,754	9,609	-	9,609
No Flexibility						
TWOMO (2.7)	-	-	-	-	-	-
Wage enhancement (4.3)	-	-	-	-	-	-
Wage enhancement admin (4.3)	-	-	-	-	-	-
Total (no flexibility)	-	-	-	-	-	-
Total	9,229,895	(506,348)	8,723,547	1,820,392	(198,568)	1,621,824

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

December 31, 2019

	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	369,798	-	369,798	-	-	-
Fee subsidy – regular	1,035,710	(173,277)	862,433	-	-	-
Ontario Works – formal	13,481	-	13,481	-	-	-
Ontario Works – informal	328	-	328	-	-	-
Pay equity settlement	-	-	-	104,300	-	104,300
Special needs resourcing	460,809	-	460,809	-	-	-
Administration	-	-	-	1,003,523	-	1,003,523
Repairs and maintenance	15,046	-	15,046	-	-	-
Play-based equipment	5,541	-	5,541	-	-	-
Total (full flexibility)	1,900,713	(173,277)	1,727,436	1,107,823	-	1,107,823
Full Flexibility – Expansion (2.3A)						
General operating – expansion	-	-	-	-	-	-
Total (full flexibility – expansion)	-	-	-	-	-	-
Limited Flexibility (2,3)						
Capacity building	13,607	-	13,607	-	-	-
Small water works	-	-	-	3,511	-	3,511
Total (limited flexibility)	13,607	-	13,607	3,511	-	3,511
No Flexibility						
TWOMO (2.7)	-	-	-	197,188	-	197,188
Wage enhancement (4.3)	-	-	-	1,165,852	-	1,165,852
Wage enhancement admin (4.3)	-	-	-	69,410	-	69,410
Total (no flexibility)	-	-	-	1,432,450	-	1,432,450
Total	1,914,320	(173,277)	1,741,043	2,543,784	-	2,543,784

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

December 31, 2019

Revenues for the 2019 year in the amount of \$21,978,945, relative to the EDU service agreement are provided in the table below. Actual cashflow from the EDU relative to the 2019 funding year was \$20,044,970 (excluding the TWOMO levy portion). TBDSSAB also utilized \$448,023 from its child care mitigation fund (deferred revenue). TBDSSAB has recorded \$4,216,526 (including \$177,220 related to EarlyON child and family programs) as due to the EDU for the 2019 year. As directed by the EDU, the table below includes the amount paid by the EDU for its share of the annual TBDSSAB levy (\$197,189).

	Revenues (Ministry of Education Service Agreement)			Total Revenues
	Ministry of Education	Legislated Cost Share		
Full Flexibility				
Core services delivery (100%)	1,845,868	0%	-	1,845,868
Core services delivery (80/20)	5,611,740	20%	1,402,935	7,014,675
Core services delivery (50/50)	333,851	50%	333,851	667,702
Language	191,381	0%	-	191,381
Indigenous	221,797	0%	-	221,797
Cost of living	281,087	0%	-	281,087
Rural/remote	2,378,638	0%	-	2,378,638
Utilization adjustment	(6,485)	0%	-	(6,485)
Repairs and maintenance	21,781	0%	-	21,781
Total (full flexibility)	10,879,658		1,736,786	12,616,444
Limited Flexibility				
Capacity building	59,629	0%	-	59,629
Small water works	11,544	0%	-	11,544
Total (limited flexibility)	71,173		-	71,173
No Flexibility				
TWOMO	197,189	0%	-	197,189
Wage enhancement	1,218,236	0%	-	1,218,236
Wage enhancement administration	69,410	0%	-	69,410
Fee stabilization	81,384	0%	-	81,384
Licensed home child care	82,800	0%	-	82,800
Expansion year 1	2,839,274	0%	-	2,839,274
ELCC	1,045,572	0%	-	1,045,572
Total (no flexibility)	5,533,865		-	5,533,865
Total	16,484,696		1,736,786	18,221,482
Child and Family Programs				
EarlyON child and family centres	2,519,698	0%	-	2,519,698
Indigenous led - capital	60,355	0%	-	60,355
Indigenous led - operating	1,177,410	0%	-	1,177,410
Total child and family programs	3,757,463		-	3,757,463
Total child care and early years	20,242,159		1,736,786	21,978,945

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, 2019

15. COMMUNITY HOUSING

The expenses by program for Community Housing are as follows:

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
	<i>[note 12]</i>		
Community Housing (External Transfers)			
Provincial reformed	6,271,400	5,934,212	6,155,066
NHA Section 95 private non-profit	-	-	1,048
Rent supplement – private landlord	3,236,700	3,155,389	3,033,735
Rent supplement – non-profit	1,749,000	1,718,129	1,636,032
Strong Communities – regular	362,500	362,494	362,494
Strong Communities – MCCSS	28,700	25,347	23,335
Strong Communities – MOHLTC	46,000	28,260	27,782
Urban Native, Pre-1986	606,300	605,995	643,236
Urban Native, Post-1985	1,476,300	1,463,988	1,490,081
Investment in Affordable Housing (IAH)			
Rent supplement	120,000	77,579	109,652
Revolving loan	200,000	202,965	27,890
IAH Extension			
Administration	84,100	84,100	84,300
Housing allowance	78,800	73,667	252,765
Ontario renovates	761,800	590,415	241,997
Rental housing	1,282,100	1,070,174	1,068,200
IAH Social Infrastructure Fund (SIF)			
Administration	31,900	12,827	98,946
Housing allowance	77,200	23,173	
Ontario renovates	-	220,548	420,594
Rental housing	529,700	-	639,680
Social Housing Improvement Program (SHIP)	-	-	13,318
Survivors of Domestic Violence	-	-	114,428
Ontario Priorities Housing Initiative (OPHI)			
Administration	-	1,348	-
Portable Housing Benefit	198,900	175,300	9,438
Canada-Ontario Community Housing Initiative (COCHI)			
Administration	-	4,095	-
Rent supplement	-	30,486	-
Social Housing Apartment Retrofit Program (SHARP)			
Administration	-	-	39,999
Social Housing Apartment Improvement Program (SHAIP)			
Administration	51,800	39,174	85,845
	17,193,200	15,899,665	16,579,861

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

December 31, 2019

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
Direct-owned Housing and Administration			
Gain on disposal of housing projects	-	(1,010,817)	(537,059)
Housing program administration*	936,800	847,431	821,309
Housing portfolio administration	4,668,700	4,570,904	4,484,141
Housing operations			
Insurance	488,400	496,174	474,521
Interest on long-term debt	356,500	345,171	404,224
Loan principal payments / amortization	2,368,600	1,550,766	2,067,985
Repairs, maintenance, and operating services	7,430,900	5,347,959	5,519,404
Repairs – COCHI	-	47,317	-
Repairs – IAH SIF (SHIP)	-	-	545,693
Repairs – OPHI	-	25,602	-
Repairs – SHARP	-	17,364	759,991
Repairs – SHAIIP	984,600	744,306	1,633,386
Utilities	3,796,900	3,660,562	3,862,996
Municipal taxes	5,265,500	5,259,037	5,218,157
Recovery from rent supplement	(1,132,500)	(1,071,766)	(1,040,622)
	25,164,400	20,830,010	24,214,126
	42,357,600	36,729,675	40,793,987

*Housing program administration includes expenditures incurred under the Reaching Home – Community Capacity and Innovation Funding agreement between the Lakehead Social Planning Council (LSPC) and TBDSSAB. Under this agreement, LSPC agrees to provide funding equal to eligible expenditures. Eligible expenditures reported for the 2019 year are as follows:

	2019 \$	2018 \$
Personnel services	10,446	-
Technology	1,741	-
Office supplies	183	-
Administration	2,182	-
	14,552	-

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 2019 SMAIR, TBDSSAB has attributed \$5,750,136 [2018 - \$5,717,124] to the Public Housing program and \$4,201,178 [2018 - \$4,163,530] to the Provincial Reformed program.

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

December 31, 2019

16. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
	<i>[note 12]</i>		
Community Homelessness Prevention Initiative			
Administration	326,300	309,176	345,977
Emergency shelter solutions	1,181,800	1,181,800	1,181,800
Homelessness enumeration	80,000	25,500	50,000
Homelessness prevention	796,600	844,998	1,073,038
Housing with related supports	211,400	211,400	211,400
Services and supports	667,200	519,600	596,841
	3,263,300	3,092,474	3,459,056
Home for Good			
Administration	132,000	217,137	86,763
Capital	100,000	26,234	-
Housing allowance	-	273,101	-
Rent supplement	412,100	50,131	50,566
Services and supports	731,000	731,000	730,300
	1,375,100	1,297,603	867,629
	4,638,400	4,390,077	4,326,685

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. TBDSSAB provided Community Social Reinvestment Program funds to the Municipality of Greenstone.

The Township of Manitowadge provided rental accommodations to TBDSSAB in the prior year.

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

December 31, 2019

TBDSSAB provided IAH-Rental Housing funds to the Township of Nipigon in the prior year.

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

The Township of Schreiber provided rental accommodations to TBDSSAB.

	2019	2018
	\$	\$
Amounts owing to (from) related parties, included in Payable to participating municipalities and funded agencies:		
City of Thunder Bay	87,218	95,869
Municipality of Greenstone	7,906	6,033
Amounts paid to related parties for purchased services and rent, included in expenses:		
City of Thunder Bay	1,726,681	1,870,499
Municipality of Greenstone	480,860	500,163
Township of Manitouwadge	-	628
Township of Nipigon	-	250,000
Township of Red Rock	10,115	10,750
Township of Schreiber	7,119	6,974

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.

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

December 31, 2019

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 and Early Years Programs	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$			\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	(175,000)	(84,000)	-	-	4,244,100	4,220,400	1,743,300	1,740,400
Provincial grants	-	-	-	-	33,175,795	32,323,852	16,276,467	16,338,290
Federal grants	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	175,000	268,420	-	-	-	-	-	-
Income earned on reserve funds	194,090	138,182	-	-	-	-	4,105	15,049
Other	30,175	26,793	-	-	84	24,137	-	-
	<u>224,265</u>	<u>349,395</u>	<u>-</u>	<u>-</u>	<u>37,419,979</u>	<u>36,568,389</u>	<u>18,023,872</u>	<u>18,093,739</u>
Expenses								
Salaries, wages & employee benefits	3,505,770	3,563,427	821,366	773,229	4,516,719	4,417,295	725,966	679,874
Interest on long-term debt	112,691	123,305	-	-	-	-	-	-
Materials	1,730,358	1,710,198	27,898	21,985	633,288	712,218	48,374	65,467
Contracted services	177,940	178,817	-	-	21,534	24,007	-	-
Rents and financial expenses	18,819	15,755	-	-	98,368	88,389	13,217	1,762
Loss (gain) on disposal of assets	-	41,197	-	-	-	-	-	-
External transfers	-	-	-	-	27,272,280	26,294,377	16,604,503	16,624,393
Amortization	537,541	556,038	-	2,683	-	-	-	16,456
Allocation of internal administration	(6,083,119)	(6,188,737)	(849,264)	(797,897)	4,678,598	4,677,233	639,938	717,997
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,220,787</u>	<u>36,213,519</u>	<u>18,031,998</u>	<u>18,105,949</u>
Excess (deficiency) of revenues over expenses	<u>224,265</u>	<u>349,395</u>	<u>-</u>	<u>-</u>	<u>199,192</u>	<u>354,870</u>	<u>(8,126)</u>	<u>(12,210)</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	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Revenues						
Levy to municipalities and TWOMO	16,469,100	16,370,000	-	559,900	22,281,500	22,806,700
Provincial grants	6,798,220	8,774,142	-	22,000	56,250,482	57,458,284
Federal grants	9,438,213	10,623,742	-	-	9,438,213	10,623,742
Rents	10,832,543	10,887,090	-	-	10,832,543	10,887,090
Income earned on unrestricted funds	-	-	-	-	175,000	268,420
Income earned on reserve funds	297,123	483,328	-	1,052	495,318	637,611
Other	364,776	316,381	-	-	395,035	367,311
	44,199,975	47,454,683	-	582,952	99,868,091	103,049,158
Expenses						
Salaries, wages & employee benefits	4,376,744	4,437,118	-	3,915	13,946,565	13,874,858
Interest on long-term debt	345,171	404,224	-	-	457,862	527,529
Materials	16,079,280	18,448,648	-	18,085	18,519,198	20,976,601
Contracted services	70,500	60,394	-	-	269,974	263,218
Rents and financial expenses	(102,802)	(61,507)	-	-	27,602	44,399
Loss (gain) on disposal of assets	(1,006,005)	(531,445)	-	-	(1,006,005)	(490,248)
External transfers	18,181,669	18,687,364	558,599	587,677	62,617,051	62,193,811
Amortization	1,561,348	2,084,472	-	-	2,098,889	2,659,649
Allocation of internal administration	1,613,847	1,591,404	-	-	-	-
	41,119,752	45,120,672	558,599	609,677	96,931,136	100,049,817
Excess (deficiency) of revenues over expenses	3,080,223	2,334,011	(558,599)	(26,725)	2,936,955	2,999,341

**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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	10,033,141	356,222	89,431,828	378,451	1,531,418	431,529	4,407,778	28,274	106,598,641	106,050,473
Add:										
Additions during the year	-	-	-	-	-	-	329,360	285,274	614,634	1,267,101
Less:										
Deductions during the year	(13,153)	-	(118,388)	-	-	-	(12,030)	(28,274)	(171,845)	(718,933)
Transfers during the year	-	-	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	10,019,988	356,222	89,313,440	378,451	1,531,418	431,529	4,725,108	285,274	107,041,430	106,598,641
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	202,312	56,630,343	353,496	859,237	302,071	1,854,994	-	60,202,453	58,155,751
Add:										
Amortization during the year	-	35,622	1,693,680	10,579	211,493	43,153	104,360	-	2,098,887	2,659,649
Less:										
Accumulated amortization on deductions	-	-	(112,537)	-	-	-	(7,218)	-	(119,755)	(612,947)
BALANCE, END OF YEAR	-	237,934	58,211,486	364,075	1,070,730	345,224	1,952,136	-	62,181,585	60,202,453
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,019,988	118,288	31,101,954	14,376	460,688	86,305	2,772,972	285,274	44,859,845	46,396,188

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

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	2019	2018
	\$	\$
RESERVE FUNDS		
Capital regeneration	5,606,859	806,366
Community housing	1,807,282	8,192,170
Early years	490,906	486,801
Employment compensation and benefits	991,410	983,121
Housing portfolio capital	14,042,733	10,364,006
Levy stabilization	2,669,730	2,523,804
Office building capital	1,344,137	1,146,866
Total - Reserve Funds	26,953,057	24,503,134
SURPLUSES (DEFICITS)		
Invested in tangible capital assets	26,025,911	24,811,412
General	(1,588,284)	(1,948,032)
Total - Surpluses	24,437,627	22,863,380
ACCUMULATED SURPLUS	51,390,684	47,366,514