



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

Consolidated Financial Statements

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

December 31, 2020



**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 2020 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, 2020

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# Independent Auditor's Report

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, 2020, and the consolidated statements of operations, remeasurement of gains and losses, changes in net assets 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, 2020, and its results of operations, its changes in net assets, 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.

Thunder Bay, Canada  
April 15, 2021

Chartered Professional Accountants  
Licensed Public Accountants

# THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

## Consolidated Statement of Financial Position

Year ended December 31

	2020 \$	2019 \$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	22,931,951	16,895,606
Marketable securities	22,712,859	20,816,253
Accounts receivable	615,604	1,759,758
Client benefit advances	1,641,452	1,758,119
Interest receivable	14,617	31,548
HST receivable	898,735	750,338
	<b>48,815,218</b>	<b>42,011,622</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,904,364	3,450,768
Payable to participating municipalities and funded agencies <i>[note 3]</i>	1,323,190	845,000
Due to Province of Ontario <i>[note 4]</i>	7,764,153	5,417,873
Deferred revenue <i>[note 5]</i>	6,058,733	4,994,907
Long-term debt <i>[note 6]</i>	16,223,927	18,833,934
Employee benefits obligations <i>[note 7]</i>	2,760,971	2,657,151
	<b>38,035,338</b>	<b>36,199,633</b>
<b>NET ASSETS</b>	<b>10,779,880</b>	<b>5,811,989</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net <i>[Schedule 2]</i>	44,100,285	44,859,845
Prepaid expenses	684,907	718,850
	<b>44,785,192</b>	<b>45,578,695</b>
<b>ACCUMULATED SURPLUS <i>[Schedule 3]</i></b>		
Accumulated operating surplus	55,181,258	50,953,774
Accumulated re-measurement gains	383,814	436,910
	<b>55,565,072</b>	<b>51,390,684</b>

*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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>ACCUMULATED RE-MEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b>	<b>436,910</b>	<b>(650,305)</b>
Unrealized gains (losses) attributable to:		
Portfolio investments	<b>408,507</b>	883,593
Derivatives	<b>(242,619)</b>	(59,377)
Amounts reclassified to the statement of operations:		
Disposition of investments	<b>(218,984)</b>	262,999
<b>NET RE-MEASUREMENT (LOSSES) GAINS FOR THE YEAR</b>	<b>(53,096)</b>	<b>1,087,215</b>
<b>ACCUMULATED RE-MEASUREMENT GAINS, END OF YEAR</b>	<b>383,814</b>	<b>436,910</b>

*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

	2020		2019
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 12]</i>		
REVENUES			
Provincial Grants			
Ontario Works	33,013,100	32,661,354	32,825,795
Addiction Services Initiative	-	-	350,000
Child care and early years	15,567,900	12,105,869	15,613,653
Community housing and administration	1,118,300	1,299,477	1,633,672
Direct-owned community housing building operations	375,000	667,562	774,471
Homelessness prevention	4,976,700	6,212,297	4,390,077
	55,051,000	52,946,559	55,587,668
Federal Grants			
Child care and early years	662,800	2,223,358	662,814
Community housing	6,691,500	6,613,585	7,124,692
Direct-owned community housing building operations	3,604,400	3,785,710	2,313,521
	10,958,700	12,622,653	10,101,027
Levy to municipalities and TWOMO	22,512,500	22,512,500	22,281,500
Rents	10,987,900	10,883,130	10,879,855
Income earned on unrestricted funds	175,000	150,681	175,000
Income earned on reserve funds	200,000	886,473	495,318
Other	373,400	445,686	347,723
	34,248,800	34,878,470	34,179,396
<b>TOTAL REVENUES</b>	<b>100,258,500</b>	<b>100,447,682</b>	<b>99,868,091</b>



# THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

## Consolidated Statement of Operations

Year ended December 31

	2020		2019
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 12]</i>		
EXPENSES			
Ontario Works <i>[note 13]</i>	36,950,700	36,382,364	36,870,787
Addiction Services Initiative	-	-	350,000
Child care and early years <i>[note 14]</i>	17,978,100	15,362,785	18,031,998
Community housing and administration <i>[note 15]</i>	17,570,000	17,677,076	18,153,349
Direct-owned community housing building operations <i>[note 16]</i>	24,007,700	20,359,672	18,576,326
Homelessness prevention <i>[note 17]</i>	4,976,700	6,232,297	4,390,077
Community social reinvestment program	-	-	558,599
<b>TOTAL EXPENSES</b>	<b>101,483,200</b>	<b>96,014,194</b>	<b>96,931,136</b>
<b>REVENUES LESS EXPENSES</b>	<b>(1,224,700)</b>	<b>4,433,488</b>	<b>2,936,955</b>
OTHER			
Distribution to municipalities	-	(206,004)	-
<b>ANNUAL OPERATING SURPLUS (DEFICIT)</b>	<b>(1,224,700)</b>	<b>4,227,484</b>	<b>2,936,955</b>
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>	<b>50,953,774</b>	<b>50,953,774</b>	<b>48,016,819</b>
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	<b>49,729,074</b>	<b>55,181,258</b>	<b>50,953,774</b>

*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

Year ended December 31

	2020		2019
	Budget	Actual	Actual
	\$	\$	\$
	[note 12]		
ANNUAL OPERATING SURPLUS (DEFICIT)	(1,224,700)	4,227,484	2,936,955
Acquisition of tangible capital assets [Schedule 2]	-	(1,591,284)	(614,634)
Amortization of tangible capital assets [Schedule 2]	-	2,345,950	2,098,887
Proceeds on disposal of tangible capital assets	-	168,932	1,029,823
Gain on disposal of tangible capital assets	-	(164,038)	(977,733)
Addition of prepaid expense	-	(684,907)	(718,850)
Use of prepaid expense	-	718,850	590,692
	(1,224,700)	5,020,987	4,345,140
Remeasurement (losses) gains	-	(53,096)	1,087,215
CHANGE IN NET ASSETS (DEBT)	(1,224,700)	4,967,891	5,432,355
NET ASSETS, BEGINNING OF YEAR	5,811,989	5,811,989	379,634
NET ASSETS, END OF YEAR	4,587,289	10,779,880	5,811,989

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING</b>		
Annual surplus	<b>4,227,484</b>	2,936,955
Uses		
Increase in accounts receivable	-	(161,651)
Increase in interest receivable	-	(2,112)
Increase in HST receivable	<b>(148,397)</b>	-
Decrease in accounts payable and accrued liabilities	-	(453,660)
Decrease in payable to participating municipalities and funded agencies	-	(130,169)
Decrease in deferred revenue	-	(57,957)
Increase in prepaid expense	-	(128,158)
	<b>4,079,087</b>	2,003,248
Sources		
Decrease in accounts receivable	<b>1,144,154</b>	
Decrease in client benefit advances	<b>116,667</b>	32,244
Decrease in interest receivable	<b>16,931</b>	-
Decrease in HST receivable	-	110,818
Increase in accounts payable and accrued liabilities	<b>453,596</b>	-
Increase in payable to participating municipalities and funded agencies	<b>478,190</b>	-
Increase in due to Province of Ontario	<b>2,346,280</b>	990,476
Increase in deferred revenue	<b>1,063,826</b>	-
Increase in employee benefits obligations	<b>103,820</b>	95,347
Decrease in prepaid expense	<b>33,943</b>	-
	<b>5,757,407</b>	1,228,885
Non-cash charges to operations		
Amortization of tangible capital assets	<b>2,345,950</b>	2,098,887
Cash provided by operating transactions	<b>12,182,444</b>	5,331,020
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<b>(1,591,284)</b>	(614,634)
Proceeds on disposal of tangible capital assets	<b>168,932</b>	1,029,823
Gain on disposal of tangible capital assets	<b>(164,038)</b>	(977,733)
Cash used in capital transactions	<b>(1,586,390)</b>	(562,544)
<b>INVESTING</b>		
(Increase) decrease in investments	<b>(1,896,606)</b>	(1,207,670)
<b>FINANCING</b>		
Decrease in long-term debt	<b>(2,610,007)</b>	(2,750,842)
<b>RE-MEASUREMENT</b>		
Net unrealized (loss) gain	<b>(53,096)</b>	1,087,215
<b>NET INCREASE IN CASH</b>	<b>6,036,345</b>	1,897,179
<b>CASH, BEGINNING OF YEAR</b>	<b>16,895,606</b>	14,998,427
<b>CASH, END OF YEAR</b>	<b>22,931,951</b>	16,895,606

*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, 2020**

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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, 2020**

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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 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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December 31, 2020

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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]*.

# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

## 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:

	2020	2019
	\$	\$
<b>Participating municipalities</b>		
City of Thunder Bay	-	12,773
City of Thunder Bay (child care operator)	22,530	74,445
Municipality of Greenstone (child care operator)	4,549	7,906
<b>Funded agencies</b>		
Child care operators	139,467	229,998
Community housing providers	1,156,644	493,644
Homelessness prevention providers	-	26,234
	<b>1,323,190</b>	<b>845,000</b>

# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

#### 4. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2020	2019
	\$	\$
Due to Ministry of Children, Community and Social Services [MCCSS]	2,058,118	1,156,859
Due to Ministry of Education [MED]	6,552,912	4,347,622
Due from Ministry of Municipal Affairs and Housing [MMAH]	(846,877)	(86,608)
	7,764,153	5,417,873

#### 5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2020	2019
	\$	\$
Canada-Ontario Community Housing Initiative	-	40,021
Child care and early years Federal Safe Restart	801,330	-
Child care mitigation	2,848,938	3,072,463
Community Homelessness Prevention Initiative [CHPI]		
CHPI	296,661	208,593
Social Services Relief Fund Phase 2	441,808	-
Home for Good	19,883	-
Investment in Affordable Housing [IAH]		
Rent supplement	48,383	6,450
IAH Extension		
Administration	-	30,158
Homeowner	248,340	248,340
Ontario renovates	85,533	152,287
Revolving loan	766,227	689,030
IAH Social Infrastructure Fund		
Administration	-	45,953
Housing allowance	-	18,827
Ontario renovates	-	25,616
Social Housing Improvement Program	-	299
Miscellaneous	46,324	32,025
Northern Home Repair (loan discharge)	17,697	18,454
Ontario Priorities Housing Initiative	-	19,453
Social Housing Apartment Improvement Program	-	311,426
Strong Communities rent supplement	25,694	22,297
Tenant rent	411,915	53,215
	6,058,733	4,994,907



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

December 31, 2020

## 6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2020 \$	2019 \$
Debt payable on direct-owned housing	11,924,951	14,350,978
Debt payable on office headquarters	4,057,138	4,093,519
Capital leases payable	241,838	389,437
	<b>16,223,927</b>	<b>18,833,934</b>

- [i] Long-term debt includes various amounts payable as at December 31, 2020 on direct-owned housing:

	2020 \$	2019 \$
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	3,738,181	4,733,198
Other lenders	8,186,770	9,617,780
	<b>11,924,951</b>	<b>14,350,978</b>

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, 2020 was \$21,216,069 [2019 - \$22,066,571].

The CMHC mortgages bear interest at rates between 0.7% and 2.6% [2019 – 1.0% and 2.6%]. These mortgages mature between 2021 and 2027.

The other long-term debt bears interest at rates between 1.9% and 6.1% [2019 – 1.9% and 6.1%]. These mortgages mature between 2021 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, 2020:

	2020 \$	2019 \$
TBDSSAB office headquarters loan payable	3,772,000	4,051,000
Fair value adjustment of derivative	285,138	42,519
	<b>4,057,138</b>	<b>4,093,519</b>

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.

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

	2020	2019
	\$	\$
Desktop computers	-	41,313
Disaster recovery computer equipment	84,309	119,196
Office headquarters computer equipment	104,821	155,136
Telephone system	52,708	73,792
	241,838	389,437

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	Capital	Total
	CMHC	Other	Headquarters	Leases	
	\$	\$	\$	\$	\$
2021	944,614	1,467,525	288,000	106,285	2,806,424
2022	801,050	1,443,022	297,000	106,285	2,647,357
2023	812,797	1,235,181	306,000	29,268	2,383,246
2024	562,688	1,266,075	315,000	-	2,143,763
2025	303,523	1,287,682	326,000	-	1,917,205
2026	184,188	1,067,307	335,000	-	1,586,495
2027	129,321	419,978	346,000	-	895,299
2028	-	-	356,000	-	356,000
2029	-	-	367,000	-	367,000
2030	-	-	379,000	-	379,000
2031 and beyond	-	-	457,000	-	457,000
	3,738,181	8,186,770	3,772,000	241,838	15,938,789

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

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## 7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2020 \$	2019 \$
Post-employment retiree benefits	2,567,895	2,463,942
Vacation entitlements	193,076	193,209
	<b>2,760,971</b>	2,657,151

- [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, 2020 of \$2,110,289 [2019 – \$1,964,736] was determined by an actuarial valuation prepared for the year ended December 31, 2019, with an extrapolation for the year ended December 31, 2020.

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

	2020 \$	2019 \$
Accrued benefit liability, beginning of year	2,463,942	2,364,500
Expense for the year	158,037	152,849
Benefits paid for the year	(54,083)	(53,407)
Accrued benefit liability, end of year	<b>2,567,895</b>	2,463,942

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, 2020 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, 2021.

### 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%

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[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, 2020 would amount to approximately \$193,076 [2019 - \$193,209].

[iii] Workplace Safety and Insurance Obligations

On January 1, 2021 TBDSSAB will become a Schedule 1 employer under the Workplace Safety and Insurance Act and as such, is protected by a system of collective liability. TBDSSAB pays premiums to the Workplace Safety and Insurance Board and, in exchange, the Workplace Safety and Insurance Board pays all benefits to injured workers out of monies pooled in the insurance fund.

[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, 2020 to December 31, 2020, employees contributed at levels of up to 14.6% of earnings [2019 - 14.6%]. TBDSSAB makes contributions equal to the employee contributions to the plan. Required contributions by TBDSSAB for 2020 amounted to \$988,763 [2019 - \$981,629]. 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 2021 and 2022. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2021	61,414
2022	11,643
Total	\$ 73,057

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

Year	Annual Payment
2021	118,094
2022	118,094
2023	32,235
Total	\$ 268,423

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- [iii] TBDSSAB has commitments under various vehicle lease agreements expiring in 2022 and 2023. The following approximate annual payments are required under these leases.

Year	Annual Payment
2021	32,789
2022	28,858
2023	14,931
Total	\$ 76,578

- [iv] TBDSSAB leases multi-function devices which are charged at varying rates on a per-copy basis, with leases expiring in 2021 and 2022. The amount of the commitment cannot be reasonably estimated.
- [v] On February 1, 2012, TBDSSAB entered into a 20-year amortization, 5 year term indicative swap rate takeout loan agreement in the amount of \$6,000,000 with the RBC to finance the construction of the TBDSSAB headquarters. This loan was renewed effective February 1, 2017, for the remaining 15-year term. The balance of the loan as at December 31, 2020 is \$3,772,000 [2019 - \$4,051,000]. 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 of breaking the swap rate loan agreement prior to maturation, given the market interest rates as at December 31, 2020, is estimated to be \$285,138 [2019 - \$42,519].
- [vi] 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, 2020, 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

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## 10. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2020 \$	2019 \$
<b>Reserve funds</b>		
Balance, beginning of year	26,953,057	24,503,134
<b>Revenue</b>		
Transfers from current operations	3,012,232	4,705,923
Income earned	886,473	495,318
	3,898,705	5,201,241
<b>Expenditures</b>		
Transfers to current operations	2,540,637	2,751,318
<b>Balance, end of year</b>	<b>28,311,125</b>	<b>26,953,057</b>

## 11. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$28,311,125 [2019 - \$26,953,057] to support reserve funds.

## 12. BUDGET AMOUNTS

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

## 13. ONTARIO WORKS

The expenses by program description under the Ontario Works service agreement are outlined below:

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
	<i>[note 12]</i>		
Financial assistance	26,170,200	25,718,425	25,992,151
Program delivery	7,734,800	7,694,939	7,909,636
Employment assistance services	3,045,700	2,969,000	2,969,000
	36,950,700	36,382,364	36,870,787

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## SOCIAL SERVICES ADMINISTRATION BOARD

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#### 14. CHILD CARE AND EARLY YEARS

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

	<b>Budget 2020 \$</b>	<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
	<i>[note 12]</i>		
Administration	865,900	821,150	1,084,679
Base funding for licensed home child care	82,800	82,800	-
Capacity building	240,100	209,794	46,970
Closure/re-opening stabilization	-	1,855,462	-
Early Learning and Child Care	-	681,540	-
Emergency Child Care	-	311,934	-
Federal Safe Restart	-	971,694	-
Fee subsidy	4,200,000	1,879,764	4,400,983
General operating	5,488,100	3,050,725	5,419,400
Occupancy incentive	300,000	172,825	300,000
Ontario works formal	300,000	82,165	230,161
Ontario works informal	40,000	1,644	20,058
Pay equity	104,300	60,800	104,300
Play-based materials and equipment	-	2,630	19,124
Repairs and maintenance	21,700	13,617	59,117
Small water works	14,100	-	3,511
Special needs resourcing	1,590,600	1,502,132	1,590,600
Wage enhancement	1,225,200	858,685	1,172,852
EarlyON			
Data analysis services	92,700	97,500	92,700
EarlyON child and family centres	2,177,800	1,550,696	2,230,381
Federal Safe Restart	-	27,015	-
Planning	27,000	4,245	19,397
Planning - Indigenous	30,400	-	-
Indigenous led – capital	-	-	60,355
Indigenous led – operating	1,177,400	1,123,968	1,177,410
	<b>17,978,100</b>	<b>15,362,785</b>	<b>18,031,998</b>

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

	Non-Profit	Profit	Other	Total Expenses
Full Flexibility (2.3)				
General operating	3,019,200	287,150	-	3,306,350
Fee subsidy – regular	1,702,609	177,154	-	1,879,763
Ontario Works – formal	69,203	12,962	-	82,165
Ontario Works – informal	-	-	1,644	1,644
Pay equity settlement	60,800	-	-	60,800
Special needs resourcing	1,502,132	-	-	1,502,132
Administration	-	-	752,161	752,161
Repairs and maintenance	13,617	-	-	13,617
Play-based equipment	2,630	-	-	2,630
Total (full flexibility)	6,370,191	477,266	753,805	7,601,262
Limited Flexibility - Early Learning Child Care (2.3B)				
General operating – expansion	40,978	-	-	40,978
Special needs resourcing	80,168	-	-	80,168
Closure/re-opening stabilization	545,024	15,370	-	560,394
Total (limited flexibility ELCC)	666,170	15,370	-	681,540
Limited Flexibility (2.3)				
Capacity building	26,217	2,277	181,300	209,794
Small water works	-	-	-	-
Total (limited flexibility)	26,217	2,277	181,300	209,794
No Flexibility				
TWOMO (2.7)	-	-	197,987	197,987
Wage enhancement (4.3)	-	-	851,781	851,781
Wage enhancement admin (4.3)	-	-	69,315	69,315
Closure/re-opening stabilization	1,637,317	218,145	-	1,855,462
Emergency Child Care	311,934	-	-	311,934
Federal Safe Restart	858,561	113,133	-	971,694
Total (no flexibility)	2,807,812	331,278	1,119,083	4,258,173
Total	9,870,390	826,191	2,054,188	12,750,769



# **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
EarlyON				
Data analysis services	97,500	-	-	97,500
Planning	4,245	-	-	4,245
Ontario early years centres	1,322,696	-	-	1,322,696
Indigenous led - operating	1,123,968	-	-	1,123,968
Services and supports	-	-	228,000	228,000
<b>Total EarlyON</b>	<b>2,575,424</b>	<b>-</b>	<b>228,000</b>	<b>2,803,424</b>
<b>Total child care and EarlyON</b>	<b>12,445,814</b>	<b>826,191</b>	<b>2,282,188</b>	<b>15,554,193</b>

Expenditures for the 2020 year in the amount of \$15,554,193, relative to the MED service agreement provided in the table above do not include adjustments for tangible capital assets (\$12,966), employee benefit obligations (\$3,006), or other adjustments (\$16,539) as directed by the MED. 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 MED, the table below includes the MED's share of the 2020 levy (\$197,987).

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".

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	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	2,945,463	-	2,945,463	150,878	-	150,878
Fee subsidy – regular	1,357,477	(226,763)	1,130,714	477,645	(87,169)	390,476
Ontario Works – formal	55,154	-	55,154	21,213	-	21,213
Ontario Works – informal	1,325	-	1,325	-	-	-
Pay equity settlement	-	-	-	-	-	-
Special needs resourcing	777,717	-	777,717	293,158	-	293,158
Administration	-	-	-	-	-	-
Repairs and maintenance	9,705	-	9,705	1,583	-	1,583
Play-based equipment	480	-	480	-	-	-
Total (full flexibility)	5,147,321	(226,763)	4,920,558	944,477	(87,169)	857,308
Limited Flexibility - Early Learning Child Care (2.3B)						
General operating – expansion	40,978	-	40,978	-	-	-
Special needs resourcing	80,168	-	80,168	-	-	-
Closure/re-opening stabilization	560,394	-	560,394	-	-	-
Total (limited flexibility ELCC)	681,540	-	681,540	-	-	-
Limited Flexibility (2,3)						
Capacity building	14,753	-	14,753	5,561	-	5,561
Small water works	-	-	-	-	-	-
Total (limited flexibility)	14,753	-	14,753	5,561	-	5,561
No Flexibility						
TWOMO (2.7)	-	-	-	-	-	-
Wage enhancement (4.3)	-	-	-	-	-	-
Wage enhancement admin (4.3)	-	-	-	-	-	-
Closure/re-opening stabilization	-	-	-	-	-	-
Emergency Child Care	-	-	-	-	-	-
Federal Safe Restart	-	-	-	-	-	-
Total (no flexibility)	-	-	-	-	-	-
Total	5,843,614	(226,763)	5,616,851	950,038	(87,169)	862,869

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	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	210,009	-	210,009	-	-	-
Fee subsidy – regular	445,129	(86,555)	358,574	-	-	-
Ontario Works – formal	5,798	-	5,798	-	-	-
Ontario Works – informal	319	-	319	-	-	-
Pay equity settlement	-	-	-	60,800	-	60,800
Special needs resourcing	431,257	-	431,257	-	-	-
Administration	-	-	-	752,161	-	752,161
Repairs and maintenance	2,329	-	2,329	-	-	-
Play-based equipment	2,150	-	2,150	-	-	-
<b>Total (full flexibility)</b>	<b>1,096,991</b>	<b>(86,555)</b>	<b>1,010,436</b>	<b>812,961</b>	<b>-</b>	<b>812,961</b>
Limited Flexibility - Early Learning Child Care (2.3B)						
General operating – expansion	-	-	-	-	-	-
Special needs resourcing	-	-	-	-	-	-
Closure/re-opening stabilization	-	-	-	-	-	-
<b>Total (limited flexibility ELCC)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Limited Flexibility (2,3)						
Capacity building	8,181	-	8,181	181,300	-	181,300
Small water works	-	-	-	-	-	-
<b>Total (limited flexibility)</b>	<b>8,181</b>	<b>-</b>	<b>8,181</b>	<b>181,300</b>	<b>-</b>	<b>181,300</b>
No Flexibility						
TWOMO (2.7)	-	-	-	197,987	-	197,987
Wage enhancement (4.3)	-	-	-	851,781	-	851,781
Wage enhancement admin (4.3)	-	-	-	69,313	-	69,313
Closure/re-opening stabilization	-	-	-	1,855,462	-	1,855,462
Emergency Child Care	-	-	-	311,934	-	311,934
Federal Safe Restart	-	-	-	971,694	-	971,694
<b>Total (no flexibility)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,258,171</b>	<b>-</b>	<b>4,258,171</b>
<b>Total</b>	<b>1,105,172</b>	<b>(86,555)</b>	<b>1,018,617</b>	<b>5,252,432</b>	<b>-</b>	<b>5,252,432</b>

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Revenues for the 2020 year in the amount of \$21,700,427, relative to the MED service agreement are provided in the table below. Actual cashflow from the MED relative to the 2020 funding year was \$19,244,169 (excluding the TWOMO levy portion) and \$1,800,039 was provided through the Federal Safe Restart program. TBDSSAB also utilized \$223,525 from its child care mitigation fund (deferred revenue). TBDSSAB has recorded \$6,137,176 (including \$728,920 related to EarlyON child and family programs) as due to the MED for the 2020 year. As directed by the MED, the table below includes the amount paid by the MED for its share of the annual TBDSSAB levy (\$192,334). The MED results comprise part of the child care revenues and expenditures that are included in the consolidated statement of operations.

	Revenues (Ministry of Education Service Agreement)			
	MED	Legislated Cost Share		Total
Full Flexibility				
Core services delivery (100%)	4,369,591	0%	-	4,369,591
Core services delivery (80/20)	3,028,802	20%	757,201	3,786,003
Core services delivery (50/50)	333,851	50%	333,851	667,702
Reconciliation adjustment	(4,696,805)	0%		(4,696,805)
Language	197,100	0%	-	197,100
Indigenous	228,425	0%	-	228,425
Cost of living	289,556	0%	-	289,556
Rural/remote	2,449,723	0%	-	2,449,723
Utilization adjustment	(3,520)	0%	-	(3,520)
Repairs and maintenance	21,813	0%	-	21,813
Total (full flexibility)	6,218,536		1,091,052	7,309,588
Limited Flexibility				
Capacity building	61,456	0%	-	61,456
Small water works	3,200	0%	-	3,200
Total (limited flexibility)	64,656		-	64,656
No Flexibility				
TWOMO	192,334	0%	-	192,334
Wage enhancement	657,514	0%	-	657,514
Wage enhancement administration	69,410	0%	-	69,410
Licensed home child care	44,689	0%	-	44,689
Emergency Child Care	311,934	0%	-	311,934
Closure/re-opening period	2,550,001	0%	-	2,550,001
Expansion plan	1,372,318	0%	-	1,372,318
ELCC	1,045,572	0%	-	1,045,572
Total (no flexibility)	6,243,772		-	6,243,772
Total	12,526,964		1,091,052	13,618,016
EarlyON				
EarlyON child and family centres	975,340	0%	-	975,340
Closure/re-opening period	328,535		-	328,535
EarlyON ELCC	662,816	0%	-	662,816
Indigenous-led	1,177,410	0%	-	1,177,410
Total EarlyON	3,144,101		-	3,144,101
Total child care and EarlyON	15,671,065		1,091,052	16,762,117

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#### 15. COMMUNITY HOUSING AND ADMINISTRATION

The expenses by program for Community Housing and administration are as follows:

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
	<i>[note 12]</i>		
Administration*	2,218,900	2,197,966	2,253,684
Provincial reformed	6,210,000	6,016,362	5,934,212
Rent supplement – private landlord	3,203,400	3,197,467	3,155,389
Rent supplement – non-profit	1,772,800	1,809,746	1,718,129
Strong Communities – regular	362,500	359,629	362,494
Strong Communities – MCCSS	28,700	24,281	25,347
Strong Communities – MOHLTC	46,000	28,793	28,260
Urban Native, Pre-1986	441,900	447,383	605,995
Urban Native, Post-1985	1,414,600	1,327,844	1,463,988
Investment in Affordable Housing [IAH]			
Rent supplement	72,000	30,883	77,579
Revolving loan	-	186,842	202,965
IAH Extension			
Administration	40,200	40,182	84,100
Housing allowance	-	-	73,667
Ontario renovates	-	142,935	590,415
Rental housing	114,000	211,407	1,070,174
IAH Social Infrastructure Fund [SIF]			
Administration	30,800	31,909	12,827
Housing allowance	55,200	73,635	23,173
Ontario renovates	-	2,207	220,548
Rental housing	529,700	529,680	-
Ontario Priorities Housing Initiative [OPHI]			
Administration	63,500	62,062	1,348
Ontario renovates	456,700	429,169	-
Portable Housing Benefit	329,700	322,104	175,300
Canada-Ontario Community Housing Initiative [COCHI]			
Administration	33,900	30,260	4,095
Rent supplement	145,500	158,136	30,486
Social Housing Apartment Improvement Program [SHAIP]			
Administration	-	16,194	39,174
	17,570,000	17,677,076	18,153,349

# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

\*Community 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 2020 year are as follows:

	2020	2019
	\$	\$
Personnel services	62,480	10,446
Technology	8,695	1,741
Office supplies	92	183
Administration	12,561	2,182
	83,828	14,552

## 16. DIRECT-OWNED COMMUNITY HOUSING BUILDING OPERATIONS

The expenses for direct-owned Community Housing building operations are as follows:

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
	[note 12]		
Gain on disposal of housing projects	-	(164,038)	(1,010,817)
Housing portfolio administration	3,792,400	3,725,353	3,164,651
Housing operations			
Insurance	551,800	549,259	496,174
Interest on long-term debt	288,700	287,173	345,171
Loan principal payments / amortization	2,427,200	1,868,943	1,550,766
Municipal taxes	5,361,800	5,111,242	5,259,037
Recovery from rent supplement	(1,088,600)	(1,124,404)	(1,071,766)
Repairs, maintenance, and operating services	7,376,000	4,694,881	5,347,959
Repairs – COCHI	499,200	416,810	47,317
Repairs – OPHI	1,000,000	922,150	25,602
Repairs – SHARP/SHAIP	-	305,363	761,670
Utilities	3,799,200	3,766,940	3,660,562
	24,007,700	20,359,672	18,576,326

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 2020 SMAIR, TBDSSAB has attributed \$5,997,341 [2019 - \$5,750,136] to the Public Housing program and \$4,210,009 [2019 - \$4,201,178] to the Provincial Reformed program.

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

December 31, 2020

**17. HOMELESSNESS PREVENTION**

The expenses by program for Homelessness Prevention are as follows:

	<b>Budget 2020 \$</b>	<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>[note 12]</i>			
<b>Community Homelessness Prevention Initiative</b>			
Administration	270,500	259,421	309,176
Emergency shelter solutions	1,176,300	1,303,457	1,181,800
Homelessness enumeration	55,500	-	25,500
Homelessness prevention	1,049,900	767,128	844,998
Housing with related supports	412,400	412,400	211,400
Services and supports	642,000	642,194	519,600
	<b>3,606,600</b>	<b>3,384,600</b>	<b>3,092,474</b>
<b>Home for Good</b>			
Administration	95,300	97,856	217,137
Capital	100,000	104,668	26,234
Housing allowance	443,400	475,488	273,101
Rent supplement	-	-	50,131
Services and supports	731,400	731,400	731,000
	<b>1,370,100</b>	<b>1,409,412</b>	<b>1,297,603</b>
<b>Pandemic Pay</b>			
Administration	-	11,904	-
Temporary pandemic pay	-	238,081	-
	-	<b>249,985</b>	-
<b>Social Services Relief Fund 1</b>			
Administration	-	21,393	-
Emergency shelter solutions	-	489,758	-
Homelessness prevention	-	362,442	-
Services and supports	-	314,707	-
	-	<b>1,188,300</b>	-
	<b>4,976,700</b>	<b>6,232,297</b>	<b>4,390,077</b>

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# THE DISTRICT OF THUNDER BAY

## SOCIAL SERVICES ADMINISTRATION BOARD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

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## 18. RELATED PARTY TRANSACTIONS

### Measurement basis

Related party transactions are in the normal course of operations and stated at the exchange amount. 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 in the prior year.

The Municipality of Greenstone acted as a delivery agent for child care programs.

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

The Township of Schreiber provided rental accommodations to TBDSSAB.

	2020	2019
	\$	\$
Amounts owing to related parties, included in payable to participating municipalities and funded agencies. The following amounts are non-interest bearing with repayment terms based on the year-end settlement process:		
City of Thunder Bay	22,530	87,218
Municipality of Greenstone	4,549	7,906

Amounts paid to related parties for purchased services and rent, included in expenses:

City of Thunder Bay	1,770,598	1,726,681
Municipality of Greenstone	607,197	480,860
Township of Red Rock	-	10,115
Township of Schreiber	9,438	7,119

## 19. PROVINCIAL AND FEDERAL GRANTS

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



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

**December 31, 2020**

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## **20. COMPARATIVE FIGURES**

Certain of the 2019 comparative figures have been reclassified to conform to the presentation adopted in the current year.

## **21. 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 maintaining the annual contributions to capital reserve funds.

## **22. COVID-19**

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In 2020, TBDSSAB administered several new programs developed by the Province of Ontario in response to the pandemic, including the Social Services Relief Fund, Temporary Pandemic Pay for eligible front-line workers, Emergency Child Care for eligible front-line workers, and the Emergency Benefit for Ontario Works recipients. These new programs were funded 100% by the Province of Ontario.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, or their impact on the financial position and results of TBDSSAB for future periods.

**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 Social Services Program Support		Ontario Works and Addiction Services Initiative		Child Care and Early Years Programs	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$			\$	\$	\$	\$
<b>Revenues</b>								
Levy to municipalities and TWOMO	(175,000)	(175,000)	-	-	4,002,100	4,244,100	1,741,200	1,743,300
Provincial grants	-	-	-	-	32,661,354	33,175,795	12,105,869	15,613,653
Federal grants	-	-	-	-	-	-	2,223,358	662,814
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	150,681	175,000	-	-	-	-	-	-
Income earned on reserve funds	194,283	194,090	-	-	-	-	19,055	4,105
Other	108,107	14,060	-	17,703	11	84	436	-
	278,071	208,150	-	17,703	36,663,465	37,419,979	16,089,918	18,023,872
<b>Expenses</b>								
Salaries, wages & employee benefits	5,593,316	5,479,010	2,181,781	2,296,171	3,905,659	3,911,471	398,997	389,978
Interest on long-term debt	100,650	112,691	-	-	-	-	-	-
Materials	1,653,042	1,856,820	11,597	52,110	935,591	633,288	36,531	48,374
Contracted services	122,518	176,909	6,272	3,581	55,821	21,534	-	-
Rents and financial expenses	22,631	18,819	-	-	127,662	98,368	1,161	13,217
Loss (gain) on disposal of assets	-	-	-	-	-	-	-	-
External transfers	-	-	-	-	26,859,311	27,272,280	14,033,764	16,604,503
Amortization	477,007	548,120	-	-	-	-	-	-
Allocation of internal administration	(7,969,164)	(8,192,369)	(2,199,650)	(2,351,862)	4,498,320	5,283,846	892,332	975,926
	-	-	-	-	36,382,364	37,220,787	15,362,785	18,031,998
<b>Excess (deficiency) of revenues over expenses</b>	278,071	208,150	-	17,703	281,101	199,192	727,133	(8,126)

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

**Consolidated Schedule of Segment Disclosure**

Year ended December 31

**Schedule 1**  
**(continued)**

	Community Housing and Homelessness Programs		Direct-Owned Community Housing Building Operations		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Levy to municipalities and TWOMO	10,027,600	9,964,000	6,916,600	6,505,100	-	-	22,512,500	22,281,500
Provincial grants	7,511,774	6,023,749	667,562	774,471	-	-	52,946,559	55,587,668
Federal grants	6,613,585	7,064,574	3,785,710	2,373,639	-	-	12,622,653	10,101,027
Rents	-	-	10,883,130	10,879,855	-	-	10,883,130	10,879,855
Income earned on unrestricted funds	-	-	-	-	-	-	150,681	175,000
Income earned on reserve funds	70,150	15,112	602,985	282,011	-	-	886,473	495,318
Other	65,786	49,845	271,346	266,031	-	-	445,686	347,723
	24,288,895	23,117,280	23,127,333	21,081,107	-	-	100,447,682	99,868,091
<b>Expenses</b>								
Salaries, wages & employee benefits	1,808,712	1,869,935	-	-	-	-	13,888,465	13,946,565
Interest on long-term debt	-	-	287,173	345,171	-	-	387,823	457,862
Materials	198,562	262,346	15,739,687	15,666,260	-	-	18,575,010	18,519,198
Contracted services	27,394	30,330	-	37,620	-	-	212,005	269,974
Rents and financial expenses	8,505	7,572	26,957	(110,374)	-	-	186,916	27,602
Loss (gain) on disposal of assets	-	-	(164,038)	(1,006,005)	-	-	(164,038)	(1,006,005)
External transfers	19,688,988	18,181,669	-	-	-	558,599	60,582,063	62,617,051
Amortization	-	-	1,868,943	1,550,769	-	-	2,345,950	2,098,889
Allocation of internal administration	2,177,212	2,191,574	2,600,950	2,092,885	-	-	-	-
	23,909,373	22,543,426	20,359,672	18,576,326	-	558,599	96,014,194	96,931,136
<b>Excess (deficiency) of revenues over expenses</b>	379,522	573,854	2,767,661	2,504,781	-	(558,599)	4,433,488	2,936,955

**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	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>										
Balance, beginning of year	10,019,988	356,222	89,313,440	378,451	1,531,418	431,529	4,725,108	285,274	<b>107,041,430</b>	106,598,641
Add:										
Additions during the year	-	-	922,150	-	-	-	558,581	110,553	<b>1,591,284</b>	614,634
Less:										
Deductions during the year	(3,609)	-	(32,485)	(56,895)	(18,792)	-	(5,000)	-	<b>(116,781)</b>	(171,845)
Transfers during the year	-	-	-	-	-	-	285,274	(285,274)	-	-
<b>BALANCE, END OF YEAR</b>	<b>10,016,379</b>	<b>356,222</b>	<b>90,203,105</b>	<b>321,556</b>	<b>1,512,626</b>	<b>431,529</b>	<b>5,563,963</b>	<b>110,553</b>	<b>108,515,933</b>	<b>107,041,430</b>
<b>ACCUMULATED AMORTIZATION</b>										
Balance, beginning of year	-	237,934	58,211,486	364,075	1,070,730	345,224	1,952,136	-	<b>62,181,585</b>	60,202,453
Add:										
Amortization during the year	-	35,622	1,646,438	10,576	140,383	43,153	469,778	-	<b>2,345,950</b>	2,098,887
Less:										
Accumulated amortization on deductions	-	-	(31,200)	(56,895)	(18,792)	-	(5,000)	-	<b>(111,887)</b>	(119,755)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>273,556</b>	<b>59,826,724</b>	<b>317,756</b>	<b>1,192,321</b>	<b>388,377</b>	<b>2,416,914</b>	<b>-</b>	<b>64,415,648</b>	<b>62,181,585</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>10,016,379</b>	<b>82,666</b>	<b>30,376,381</b>	<b>3,800</b>	<b>320,305</b>	<b>43,152</b>	<b>3,147,049</b>	<b>110,553</b>	<b>44,100,285</b>	<b>44,859,845</b>

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

**Consolidated Schedule of Accumulated Surplus**

Year ended December 31

**Schedule 3**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>RESERVE FUNDS</b>		
Capital regeneration	<b>5,795,675</b>	5,606,859
Community housing	<b>1,877,432</b>	1,807,282
Early years	<b>509,961</b>	490,906
Employment compensation and benefits	<b>1,029,893</b>	991,410
Housing portfolio capital	<b>14,737,197</b>	14,042,733
Levy stabilization	<b>2,773,357</b>	2,669,730
Office building capital	<b>1,587,610</b>	1,344,137
<b>Total - Reserve Funds</b>	<b>28,311,125</b>	26,953,057
<b>SURPLUSES (DEFICITS)</b>		
Invested in tangible capital assets	<b>27,876,358</b>	26,025,911
General	<b>(622,411)</b>	(1,588,284)
<b>Total - Surpluses</b>	<b>27,253,947</b>	24,437,627
<b>ACCUMULATED SURPLUS</b>	<b>55,565,072</b>	51,390,684