



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

Consolidated Financial Statements

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

December 31, 2021



**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 2021 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, 2021

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Independent Auditor's Report

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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, 2021, 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, 2021, 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 21, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

Year ended December 31

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash and cash equivalents	22,274,885	22,931,951
Marketable securities	22,497,071	22,712,859
Accounts receivable	993,521	615,604
Client benefit advances	1,576,614	1,641,452
Interest receivable	15,297	14,617
HST receivable	768,748	898,735
	48,126,136	48,815,218
LIABILITIES		
Accounts payable and accrued liabilities	2,485,898	3,904,364
Payable to participating municipalities and funded agencies <i>[note 3]</i>	1,111,650	1,323,190
Due to Province of Ontario <i>[note 4]</i>	6,689,017	7,764,153
Deferred revenue <i>[note 5]</i>	5,672,528	6,058,733
Long-term debt <i>[note 6]</i>	13,593,365	16,223,927
Employee benefits obligations <i>[note 7]</i>	2,856,468	2,760,971
	32,408,926	38,035,338
NET ASSETS	15,717,210	10,779,880
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[Schedule 2]</i>	42,533,851	44,100,285
Prepaid expenses	745,652	684,907
	43,279,503	44,785,192
ACCUMULATED SURPLUS <i>[Schedule 3]</i>		
Accumulated operating surplus	58,674,063	55,181,258
Accumulated re-measurement gains	322,650	383,814
	58,996,713	55,565,072

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

	2021	2020
	\$	\$
ACCUMULATED RE-MEASUREMENT GAINS, BEGINNING OF YEAR	383,814	436,910
Unrealized gains (losses) attributable to:		
Portfolio investments	(53,562)	408,507
Derivatives	188,648	(242,619)
Amounts reclassified to the statement of operations:		
Disposition of investments	(196,250)	(218,984)
NET RE-MEASUREMENT LOSSES FOR THE YEAR	(61,164)	(53,096)
ACCUMULATED RE-MEASUREMENT GAINS, END OF YEAR	322,650	383,814

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

	2021		2020
	Budget	Actual	Actual
	\$	\$	\$
REVENUES			
Provincial Grants			
Ontario Works	32,921,600	27,997,062	32,661,354
Child care and early years	15,669,100	15,364,903	12,105,869
Community housing and administration	880,800	811,381	1,967,039
Direct-owned community housing building operations	450,200	-	-
Homelessness prevention	6,712,200	11,303,759	6,212,297
	56,633,900	55,477,105	52,946,559
Federal Grants			
Child care and early years	662,800	1,413,741	2,223,358
Community housing	6,061,400	6,884,793	7,392,595
Direct-owned community housing building operations	4,156,500	2,918,000	3,006,700
	10,880,700	11,216,534	12,622,653
Levy to municipalities and TWOMO	22,691,800	22,691,800	22,512,500
Rents	10,925,900	10,451,751	10,883,130
Income earned on unrestricted funds	100,000	100,000	150,681
Income earned on reserve funds	465,600	921,304	886,473
Other	417,700	765,292	445,686
	34,601,000	34,930,147	34,878,470
TOTAL REVENUES	102,115,600	101,623,786	100,447,682

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

Consolidated Statement of Operations

Year ended December 31

	2021		2020
	Budget	Actual	Actual
	\$	\$	\$
EXPENSES			
Ontario Works <i>[note 13]</i>	36,601,900	31,267,639	36,382,364
Child care and early years <i>[note 14]</i>	18,063,600	18,547,559	15,362,785
Community housing and administration <i>[note 15]</i>	19,046,100	17,501,945	19,321,399
Direct-owned community housing building operations <i>[note 16]</i>	22,703,300	19,455,079	18,715,349
Homelessness prevention <i>[note 17]</i>	6,712,200	11,358,759	6,232,297
TOTAL EXPENSES	103,127,100	98,130,981	96,014,194
REVENUES LESS EXPENSES	(1,011,500)	3,492,805	4,433,488
OTHER			
Distribution to municipalities	-	-	(206,004)
ANNUAL OPERATING SURPLUS (DEFICIT)	(1,011,500)	3,492,805	4,227,484
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	55,181,258	55,181,258	50,953,774
ACCUMULATED OPERATING SURPLUS, END OF YEAR	54,169,758	58,674,063	55,181,258

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

	2021		2020
	Budget \$ <i>[note 12]</i>	Actual \$	Actual \$
ANNUAL OPERATING SURPLUS (DEFICIT)	(1,011,500)	3,492,805	4,227,484
Acquisition of tangible capital assets <i>[Schedule 2]</i>	-	(892,150)	(1,591,284)
Amortization of tangible capital assets <i>[Schedule 2]</i>	-	2,458,584	2,345,950
Proceeds on disposal of tangible capital assets	-	-	168,932
Gain on disposal of tangible capital assets	-	-	(164,038)
Addition of prepaid expense	-	(745,652)	(684,907)
Use of prepaid expense	-	684,907	718,850
	(1,011,500)	4,998,494	5,020,987
Remeasurement (losses) gains	-	(61,164)	(53,096)
CHANGE IN NET ASSETS (DEBT)	(1,011,500)	4,937,330	4,967,891
NET ASSETS, BEGINNING OF YEAR	10,779,880	10,779,880	5,811,989
NET ASSETS, END OF YEAR	9,768,380	15,717,210	10,779,880

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

	2021	2020
	\$	\$
OPERATING		
Annual surplus	3,492,805	4,227,484
Uses		
Increase in accounts receivable	(377,917)	-
Increase in interest receivable	(680)	-
Increase in HST receivable	-	(148,397)
Decrease in accounts payable and accrued liabilities	(1,418,466)	-
Decrease in payable to participating municipalities and funded agencies	(211,540)	-
Decrease in due to Province of Ontario	(1,075,136)	-
Decrease in deferred revenue	(386,205)	-
Increase in prepaid expense	(60,745)	-
	(37,884)	4,079,087
Sources		
Decrease in accounts receivable	-	1,144,154
Decrease in client benefit advances	64,838	116,667
Decrease in interest receivable	-	16,931
Decrease in HST receivable	129,987	-
Increase in accounts payable and accrued liabilities	-	453,596
Increase in payable to participating municipalities and funded agencies	-	478,190
Increase in due to Province of Ontario	-	2,346,280
Increase in deferred revenue	-	1,063,826
Increase in employee benefits obligations	95,497	103,820
Decrease in prepaid expense	-	33,943
	290,322	5,757,407
Non-cash charges to operations		
Amortization of tangible capital assets	2,458,584	2,345,950
Cash provided by operating transactions	2,711,022	12,182,444
CAPITAL		
Acquisition of tangible capital assets	(892,150)	(1,591,284)
Proceeds on disposal of tangible capital assets	-	168,932
Gain on disposal of tangible capital assets	-	(164,038)
Cash used in capital transactions	(892,150)	(1,586,390)
INVESTING		
Decrease (increase) in investments	215,788	(1,896,606)
FINANCING		
Decrease in long-term debt	(2,630,562)	(2,610,007)
RE-MEASUREMENT		
Net unrealized loss	(61,164)	(53,096)
NET (DECREASE) INCREASE IN CASH	(657,066)	6,036,345
CASH, BEGINNING OF YEAR	22,931,951	16,895,606
CASH, END OF YEAR	22,274,885	22,931,951

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, 2021

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].

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

December 31, 2021

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:

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

December 31, 2021

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, 2021

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:

	2021	2020
	\$	\$
Participating municipalities		
City of Thunder Bay (child care operator)	22,812	22,530
Municipality of Greenstone (child care operator)	5,210	4,549
Municipality of Neebing	1	-
Township of Dorion	(4,979)	-
Township of Nipigon	4	-
Funded agencies		
Child care operators	166,811	139,467
Community housing providers	434,460	1,156,644
Social Services Relief Fund providers	487,331	-
	1,111,650	1,323,190

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

December 31, 2021

4. DUE TO PROVINCE OF ONTARIO

Due to Province of Ontario consists of:

	2021	2020
	\$	\$
Due to Ministry of Children, Community and Social Services [MCCSS]	1,476,949	2,058,118
Due to Ministry of Education [MED]	6,341,543	6,552,912
Due from Ministry of Municipal Affairs and Housing [MMAH]	(1,129,475)	(846,877)
	6,689,017	7,764,153

5. DEFERRED REVENUE

Deferred revenue balance consists of the following:

	2021	2020
	\$	\$
Child Care and Early Years		
Federal safe restart	-	801,330
Mitigation	3,072,463	2,848,938
Transitional administration	395,279	-
Community Housing		
Investment in Affordable Housing		
Homeownership	248,340	248,340
Housing allowance	52	-
Ontario renovates	89,572	85,533
Rent supplement	81,952	48,383
Revolving loan	904,263	766,227
Northern Home Repair (loan discharge)	17,112	17,697
Strong Communities rent supplement	26,787	25,694
Homelessness Prevention		
Community Homelessness Prevention Initiative	345,599	296,661
Home for Good	-	19,883
Social Services Relief Fund	-	441,808
Miscellaneous	32,025	46,324
Tenant rent	459,084	411,915
	5,672,528	6,058,733

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

December 31, 2021

6. LONG-TERM DEBT

Long-term debt balance consists of the following:

	2021	2020
	\$	\$
Debt payable on direct-owned housing	9,513,093	11,924,951
Debt payable on office headquarters	3,580,490	4,057,138
Capital leases payable	499,782	241,838
	13,593,365	16,223,927

[i] Long-term debt includes various amounts payable as at December 31, 2021 on direct-owned housing:

	2021	2020
	\$	\$
Debt payable to:		
Canada Mortgage and Housing Corporation [CMHC]	2,792,853	3,738,181
Other lenders	6,720,240	8,186,770
	9,513,093	11,924,951

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, 2021 was \$16,497,749 [2020 - \$21,216,069].

The CMHC mortgages bear interest at rates between 0.7% and 2.6% [2020 – 0.7% and 2.6%]. These mortgages mature between 2022 and 2027.

The other long-term debt bears interest at rates between 1.9% and 6.1% [2020 – 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, 2021:

	2021	2020
	\$	\$
TBDSSAB office headquarters loan payable	3,484,000	3,772,000
Fair value adjustment of derivative	96,490	285,138
	3,580,490	4,057,138

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 2.72% and matures in 2032.

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

December 31, 2021

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

	2021	2020
	\$	\$
Desktop computers	208,194	-
Disaster recovery computer equipment	49,422	84,309
Laptop computers	156,035	-
Office headquarters computer equipment	54,506	104,821
Telephone system	31,625	52,708
	499,782	241,838

The lease contract for the desktop computers is payable in monthly instalments of \$4,955 including harmonized sales tax and interest calculated at 5.91%, maturing in July, 2026

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 laptop computers is payable in monthly instalments of \$5,410 including harmonized sales tax and interest calculated at 5.86%, maturing in December, 2024

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 eleven 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			
	\$	\$	\$	\$	\$
2022	801,423	1,444,131	297,000	206,048	2,748,602
2023	812,739	1,236,082	306,000	129,031	2,483,852
2024	562,188	1,266,757	315,000	95,304	2,239,249
2025	302,999	1,288,135	326,000	46,265	1,963,399
2026	184,184	1,067,546	335,000	23,134	1,609,864
2027	129,320	417,589	346,000	-	892,909
2028	-	-	356,000	-	356,000
2029	-	-	367,000	-	367,000
2030	-	-	379,000	-	379,000
2031	-	-	391,000	-	391,000
2032	-	-	66,000	-	66,000
	2,792,853	6,720,240	3,484,000	499,782	13,496,875

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7. EMPLOYEE BENEFITS OBLIGATIONS

The employee benefits obligations of TBDSSAB are as follows:

	2021	2020
	\$	\$
Post-employment retiree benefits	2,673,499	2,567,895
Vacation entitlements	182,969	193,076
	2,856,468	2,760,971

[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, 2021 of \$2,257,493 [2020 – \$2,110,289] was determined by an actuarial valuation prepared for the year ended December 31, 2019, with an extrapolation for the year ended December 31, 2021.

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

	2021	2020
	\$	\$
Accrued benefit liability, beginning of year	2,567,896	2,463,941
Expense for the year	164,977	158,037
Benefits paid for the year	(59,374)	(54,083)
Accrued benefit liability, end of year	2,673,499	2,567,895

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, 2021 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, 2022.

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, 2021 would amount to approximately \$182,969 [2020 - \$193,076].

[iii] Workplace Safety and Insurance Obligations

TBDSSAB is 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, 2021 to December 31, 2021, employees contributed at levels of up to 14.6% of earnings [2020 – 14.6%]. TBDSSAB makes contributions equal to the employee contributions to the plan. Required contributions by TBDSSAB for 2021 amounted to \$976,048 [2020 - \$988,763]. 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 2022 and 2026. The following approximate annual rental payments are required under these operating leases.

Year	Annual Payment
2022	63,195
2023	48,367
2024	37,073
2025	10,693
2026	891
Total	\$ 160,219

- [ii] TBDSSAB has commitments under various leases and service agreements for certain computer equipment and software expiring between 2023 and 2026. The following approximate annual payments are required under these agreements.

Year	Annual Payment
2022	230,106
2023	144,247
2024	107,140
2025	53,546
2026	26,773
Total	\$ 561,812

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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
2022	49,379
2023	35,452
2024	20,521
2025	5,130
Total	\$ 110,482

- [iv] TBDSSAB leases multi-function devices which are charged at varying rates on a per-copy basis, with leases expiring in 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, 2021 is \$3,484,000 [2020 - \$3,772,000]. 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, 2021, is estimated to be \$96,490 [2020 - \$285,138].
- [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, 2021, 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.

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10. RESERVE FUNDS

The continuity of reserve funds is as follows:

	2021 \$	2020 \$
Reserve funds		
Balance, beginning of year	28,311,125	26,953,057
Revenue		
Transfers from current operations	3,933,373	3,012,232
Income earned	921,304	886,473
	4,854,677	3,898,705
Expenditures		
Transfers to current operations	1,892,777	2,540,637
Balance, end of year	31,273,025	28,311,125

11. DESIGNATED ASSETS

Of the assets reported on the consolidated statement of financial position, TBDSSAB has designated \$31,273,025 [2020 - \$28,311,125] 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 2021 \$	Actual 2021 \$	Actual 2020 \$
	<i>[note 12]</i>		
Financial assistance	26,117,100	21,600,957	25,718,425
Program delivery	7,515,800	6,697,682	7,694,939
Employment assistance services	2,969,000	2,969,000	2,969,000
	36,601,900	31,267,639	36,382,364

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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:

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
	<i>[note 12]</i>		
Administration	927,500	824,524	821,150
Base funding for licensed home child care	82,800	82,800	82,800
Capacity building	246,400	203,931	209,794
Closure/re-opening stabilization	-	-	1,855,462
Early Learning and Child Care	-	-	681,540
Emergency Child Care	-	191,477	311,934
Federal Safe Restart	-	750,925	971,694
Fee subsidy	4,200,000	2,702,666	1,879,764
General operating	5,516,500	7,150,900	3,050,725
General operating (prior year reconciliation)	-	43,193	-
Occupancy incentive	300,000	300,000	172,825
Ontario works formal	300,000	131,628	82,165
Ontario works informal	40,000	7,349	1,644
Pay equity	104,300	104,300	60,800
Play-based materials and equipment	-	1,407	2,630
Repairs and maintenance	21,800	19,955	13,617
Small water works	3,200	4,965	-
Special needs resourcing	1,590,600	1,590,600	1,502,132
Transformation	-	17,500	-
Wage enhancement	1,225,200	973,623	858,685
EarlyON			
Data analysis services	98,300	98,300	97,500
EarlyON child and family centres	2,082,600	2,110,378	1,550,696
Early years officer	89,600	89,600	
Federal Safe Restart	-	-	27,015
Planning	27,000	13,513	4,245
Planning - Indigenous	30,400	-	-
Indigenous led – operating	1,177,400	1,177,410	1,123,968
Indigenous led – operating (prior year)	-	(43,385)	-
	18,063,600	18,547,559	15,362,785

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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
General operating	6,925,400	608,300	-	7,533,700
Fee subsidy – regular	2,481,012	221,653	-	2,702,665
Ontario Works – formal	114,560	17,068	-	131,628
Ontario Works – informal	-	-	7,349	7,349
Pay equity settlement	104,300	-	-	104,300
Special needs resourcing	1,590,600	-	-	1,590,600
Administration	-	-	773,170	773,170
Repairs and maintenance	19,955	-	-	19,955
Play-based equipment	1,407	-	-	1,407
Transformation	17,500	-	-	17,500
Subtotal (full flexibility 2.3)	11,254,734	847,021	780,519	12,882,274
Capacity building	203,931	-	-	203,931
Small water works	4,965	-	-	4,965
Subtotal (limited flexibility 2.3)	208,896	-	-	208,896
TWOMO (2.7)	-	-	196,910	196,910
Wage enhancement (4.3)	-	-	966,623	966,623
Wage enhancement admin (4.3)	-	-	69,410	69,410
Emergency Child Care	191,476	-	-	191,476
Federal Safe Restart	627,078	123,847	-	750,925
Subtotal (no flexibility)	818,554	123,847	1,232,943	2,175,344
Total	12,282,184	970,868	2,013,462	15,266,514
EarlyON				
Data analysis services	98,300	-	-	98,300
Early years officer	89,600	-	-	89,600
Planning	13,513	-	-	13,513
Ontario early years centres	1,967,178	-	-	1,967,178
Indigenous led - operating	1,134,025	-	-	1,134,025
Services and supports	-	-	143,200	143,200
Total EarlyON	3,302,616	-	143,200	3,445,816
Total child care and EarlyON	15,584,800	970,868	2,156,662	18,712,330

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Expenditures for the 2021 year in the amount of \$18,712,330, relative to the MED service agreement provided in the table above do not include adjustments for tangible capital assets (\$21,565), employee benefit obligations (\$7,775), or other adjustments (\$61,479) 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 2021 levy (\$196,910).

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
General operating	6,290,860	-	6,290,860	576,132	-	576,132
Fee subsidy – regular	2,243,605	(417,947)	1,825,658	569,822	(115,296)	454,526
Ontario Works – formal	97,287	-	97,287	26,830	-	26,830
Ontario Works – informal	5,543	-	5,543	-	-	-
Pay equity settlement	-	-	-	-	-	-
Special needs resourcing Administration	917,654	-	917,654	248,106	-	248,106
Repairs and maintenance	13,671	-	13,671	2,317	-	2,317
Play-based equipment Transformation	895	-	895	512	-	512
	-	-	-	-	-	-
Subtotal (full flexibility 2.3)	9,569,515	(417,947)	9,151,568	1,423,719	(115,296)	1,308,423
Capacity building	117,653	-	117,653	31,810	-	31,810
Small water works	-	-	-	-	-	-
Subtotal (limited flexibility 2.3)	117,653	-	117,653	31,810	-	31,810
TWOMO (2.7)	-	-	-	-	-	-
Wage enhancement (4.3)	-	-	-	-	-	-
Wage enhancement admin (4.3)	-	-	-	-	-	-
Federal Safe Restart	-	-	-	-	-	-
Total (no flexibility)	-	-	-	-	-	-
Total	9,687,168	(417,947)	9,269,221	1,455,529	(115,296)	1,340,233

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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
General operating	858,184	-	858,184	-	-	-
Fee subsidy – regular	529,648	(107,167)	422,481	-	-	-
Ontario Works – formal	7,511	-	7,511	-	-	-
Ontario Works – informal	1,806	-	1,806	-	-	-
Pay equity settlement	-	-	-	104,300	-	104,300
Special needs resourcing	424,840	-	424,840	-	-	-
Administration	-	-	-	773,170	-	773,170
Repairs and maintenance	3,967	-	3,967	-	-	-
Play-based equipment	-	-	-	-	-	-
Transformation	17,500	-	17,500	-	-	-
Subtotal (full flexibility 2.3)	1,843,456	(107,167)	1,736,289	877,470	-	877,470
Capacity building	54,468	-	54,468	4,965	-	4,965
Small water works	-	-	-	-	-	-
Subtotal (limited flexibility 2.3)	54,468	-	54,468	4,965	-	4,965
TWOMO (2.7)	-	-	-	196,910	-	196,910
Wage enhancement (4.3)	-	-	-	966,623	-	966,623
Wage enhancement admin (4.3)	-	-	-	69,410	-	69,410
Federal Safe Restart	-	-	-	750,925	-	750,925
Total (no flexibility)	-	-	-	1,983,868	-	1,983,868
Total	1,897,924	(107,167)	1,790,757	2,866,303	-	2,866,303

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Revenues for the 2021 year in the amount of \$22,863,884, relative to the MED service agreement are provided in the table below. Actual cashflow from the MED relative to the 2021 funding year was \$20,111,608 (excluding the TWOMO levy portion). TBDSSAB also utilized \$750,925 from 2020 Federal Safe Restart carryover funding (deferred revenue). TBDSSAB has recorded \$3,645,225 as due to the MED for the 2021 year, \$43,385 due to the MED related to a prior period recovery from an indigenous-led provider, and \$395,279 (one-time transitional grant) as deferred revenue. 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)			Total
	MED	Legislated Cost Share		
Core services delivery (100%)	1,706,906	0%	-	1,706,906
Core services delivery (80/20)	5,611,740	20%	1,402,935	7,014,675
Core services delivery (50/50)	413,598	50%	413,598	827,195
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
Additional re-investment	675,961	0%	-	675,961
Subtotal (full flexibility)	11,591,302		1,816,533	13,407,834
Capacity building	61,456	0%	-	61,456
Small water works	3,200	0%	-	3,200
Subtotal (limited flexibility)	64,656		-	64,656
TWOMO	192,334	0%	-	192,334
Wage enhancement	1,218,236	0%	-	1,218,236
Wage enhancement administration	34,705	50%	34,705	69,410
Licensed home child care	82,800	0%	-	82,800
Emergency Child Care	191,476	0%	-	191,476
Expansion plan	2,108,543	20%	474,422	2,582,965
Expansion plan administration	234,283	50%	234,283	468,566
ELCC	1,045,572	0%	-	1,045,572
Administration cost share adjust	(448,018)	0%	-	(448,018)
One-time transitional grant	482,723	0%	-	482,723
Subtotal (no flexibility)	5,142,654		743,410	5,886,064
Total	16,798,612		2,559,943	19,358,554
EarlyON				
EarlyON child and family centres	1,665,104	0%	-	1,665,104
EarlyON ELCC	662,816	0%	-	662,816
Indigenous-led	1,177,410	0%	-	1,177,410
Total EarlyON	3,505,330		-	3,505,330
Total child care and EarlyON	20,303,942		2,559,943	22,863,884

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15. COMMUNITY HOUSING AND ADMINISTRATION

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

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
	<i>[note 12]</i>		
Administration*	2,418,700	2,353,787	2,197,966
Provincial reformed	5,977,000	5,745,123	6,016,362
Rent supplement – private landlord	3,309,800	3,014,300	3,197,467
Rent supplement – non-profit	1,812,700	1,861,499	1,809,746
Strong Communities – regular	362,500	362,494	359,629
Strong Communities – MCCSS	28,700	23,165	24,281
Strong Communities – MOHLTC	46,000	25,951	28,793
Urban Native, Pre-1986	65,600	8,484	447,383
Urban Native, Post-1985	1,352,300	1,346,597	1,327,844
Canada-Ontario Community Housing Initiative [COCHI]			
Administration	74,300	78,300	30,260
Rent supplement	624,000	451,139	158,136
Repairs	788,200	975,339	416,810
Transitional operating	-	60,616	-
Investment in Affordable Housing [IAH]			
Rent supplement	96,600	63,519	30,883
Revolving loan	125,000	121,149	186,842
IAH Extension			
Administration	-	-	40,182
Ontario renovates	-	(4,040)	142,935
Rental housing	-	-	211,407
IAH Social Infrastructure Fund [SIF]			
Administration	4,200	6,026	31,909
Housing allowance	80,000	117,238	73,635
Ontario renovates	-	-	2,207
Rental housing	-	-	529,680
Ontario Priorities Housing Initiative [OPHI]			
Administration	74,100	24,658	62,062
Ontario renovates	507,200	468,493	429,169
Repairs	900,500	-	922,150
Portable Housing Benefit	398,700	398,108	322,104
Social Housing Apartment Improvement Program [SHAIP]			
Administration	-	-	16,194
Repairs	-	-	305,363
	19,046,100	17,501,945	19,321,399

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*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 2021 year are as follows:

	2021	2020
	\$	\$
Personnel services	58,202	62,480
Technology	8,969	8,695
Office supplies	-	92
Administration	11,870	12,561
	79,041	83,828

16. DIRECT-OWNED COMMUNITY HOUSING BUILDING OPERATIONS

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

	Budget	Actual	Actual
	2021	2021	2020
	\$	\$	\$
	<i>[note 12]</i>		
Administration	4,038,800	3,968,292	3,725,353
Gain on disposal of housing projects	-	-	(164,038)
Insurance	573,800	580,513	549,259
Interest on long-term debt	241,100	233,889	287,173
Loan principal payments / amortization	2,409,900	2,411,858	1,868,943
Municipal taxes	5,106,600	5,012,325	5,111,242
Recovery from rent supplement	(1,122,700)	(1,171,796)	(1,124,404)
Repairs, maintenance, and operating services	7,546,200	4,540,557	4,694,881
Utilities	3,909,600	3,879,441	3,766,940
	22,703,300	19,455,079	18,715,349

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 2021 SMAIR, TBDSSAB has attributed \$6,364,532 [2020 - \$5,997,341] to the Public Housing program and \$4,392,793 [2020 - \$4,210,009] to the Provincial Reformed program.

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17. HOMELESSNESS PREVENTION

The expenses by program for Homelessness Prevention are as follows:

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
	<i>[note 12]</i>		
Community Homelessness Prevention Initiative			
Administration	264,900	252,224	259,421
Emergency shelter solutions	1,157,200	1,380,830	1,303,457
Homelessness enumeration	41,900	6,108	-
Homelessness prevention	902,700	591,684	767,128
Housing with related supports	498,400	416,400	412,400
Services and supports	667,000	709,535	642,194
	3,532,100	3,356,781	3,384,600
Home for Good			
Administration	127,000	127,415	97,856
Capital	104,700	104,721	104,668
Housing allowance	428,100	413,737	475,488
Services and supports	733,000	733,000	731,400
	1,392,800	1,378,873	1,409,412
Mental Health and Addiction			
Administration	-	31,018	-
Emergency shelter solutions	-	15,536	-
Services and supports	-	993,492	-
	-	1,040,046	-
Pandemic Pay			
Administration	-	-	11,904
Temporary pandemic pay	-	-	238,081
	-	-	249,985
Social Services Relief Fund			
Administration	52,100	182,700	21,393
Capital	1,155,000	2,367,937	-
Emergency shelter solutions	-	668,875	489,758
Homelessness prevention	-	1,805,761	362,442
Services and supports	580,200	557,786	314,707
	1,787,300	5,583,059	1,188,300
	6,712,200	11,358,759	6,232,297

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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.

The Municipality of Greenstone acted as a delivery agent for child care programs and provided rental accommodations to TBDSSAB. TBDSSAB provided Community Homelessness Prevention Initiative food security funds to the Municipality of Greenstone.

TBDSSAB provided Mental Health and Addiction funds to the Town of Marathon.

The Township of Schreiber provided rental accommodations to TBDSSAB.

	2021	2020
	\$	\$
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	22,812	22,530
Municipality of Greenstone	5,210	4,549
Amounts paid to related parties for purchased services and rent, included in expenses:		
City of Thunder Bay	1,586,567	1,770,598
Municipality of Greenstone	531,831	607,197
Town of Marathon	5,000	-
Township of Schreiber	8,955	9,438

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.

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

December 31, 2021

20. COMPARATIVE FIGURES

Certain of the 2020 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 2020/21, TBDSSAB administered several 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, and Emergency Child Care for eligible front-line workers. These 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		Social Assistance		Child Care and Early Years Programs	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$			\$	\$	\$	\$
Revenues								
Levy to municipalities and TWOMO	(100,000)	(175,000)	-	-	3,710,000	4,002,100	1,725,700	1,741,200
Provincial grants	-	-	-	-	27,997,062	32,661,354	15,364,903	12,105,869
Federal grants	-	-	-	-	-	-	1,413,741	2,223,358
Rents	-	-	-	-	-	-	-	-
Income earned on unrestricted funds	100,000	150,681	-	-	-	-	-	-
Income earned on reserve funds	292,422	194,283	-	-	-	-	23,379	19,055
Other	86,082	108,107	-	-	-	11	-	436
	<u>378,504</u>	<u>278,071</u>	<u>-</u>	<u>-</u>	<u>31,707,062</u>	<u>36,663,465</u>	<u>18,527,723</u>	<u>16,089,918</u>
Expenses								
Salaries, wages & employee benefits	5,772,720	5,593,316	2,155,526	2,181,781	3,896,147	3,905,659	414,009	398,997
Interest on long-term debt	98,095	100,650	-	-	-	-	-	-
Materials	1,582,238	1,653,042	24,170	11,597	479,319	935,591	30,214	36,531
Contracted services	132,325	122,518	-	6,272	655	55,821	-	-
Rents and financial expenses	49,379	22,631	-	-	122,852	127,662	685	1,161
Gain on disposal of assets	-	-	-	-	-	-	-	-
External transfers	-	-	-	-	22,493,836	26,859,311	17,206,349	14,033,764
Amortization	564,778	477,007	-	-	8,009	-	-	-
Allocation of internal administration	(8,199,535)	(7,969,164)	(2,179,696)	(2,199,650)	4,266,821	4,498,320	896,302	892,332
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,267,639</u>	<u>36,382,364</u>	<u>18,547,559</u>	<u>15,362,785</u>
Excess (deficiency) of revenues over expenses	<u>378,504</u>	<u>278,071</u>	<u>-</u>	<u>-</u>	<u>439,423</u>	<u>281,101</u>	<u>(19,836)</u>	<u>727,133</u>

**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		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Revenues						
Levy to municipalities and TWOMO	10,357,700	10,027,600	6,998,400	6,916,600	22,691,800	22,512,500
Provincial grants	12,115,140	8,179,336	-	-	55,477,105	52,946,559
Federal grants	6,884,793	7,392,595	2,918,000	3,006,700	11,216,534	12,622,653
Rents	-	-	10,451,751	10,883,130	10,451,751	10,883,130
Income earned on unrestricted funds	-	-	-	-	100,000	150,681
Income earned on reserve funds	86,070	70,150	519,433	602,985	921,304	886,473
Other	184,932	65,786	494,278	271,346	765,292	445,686
	29,628,635	25,735,467	21,381,862	21,680,761	101,623,786	100,447,682
Expenses						
Salaries, wages & employee benefits	1,937,006	1,808,712	-	-	14,175,408	13,888,465
Interest on long-term debt	-	-	233,889	287,173	331,984	387,823
Materials	831,442	1,842,885	14,758,608	14,095,364	17,705,991	18,575,010
Contracted services	14,936	27,394	12,894	-	160,810	212,005
Rents and financial expenses	7,643	8,505	(232,604)	26,957	(52,045)	186,916
Gain on disposal of assets	-	-	-	(164,038)	-	(164,038)
External transfers	23,650,065	19,688,988	-	-	63,350,250	60,582,063
Amortization	-	-	1,885,796	1,868,943	2,458,583	2,345,950
Allocation of internal administration	2,419,612	2,177,212	2,796,496	2,600,950	-	-
	28,860,704	25,553,696	19,455,079	18,715,349	98,130,981	96,014,194
Excess (deficiency) of revenues over expenses	767,931	181,771	1,926,783	2,965,412	3,492,805	4,433,488

**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	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	10,016,379	356,222	90,203,105	321,556	1,512,626	431,529	5,563,963	110,553	108,515,933	107,041,430
Add:										
Additions during the year	-	-	-	-	391,820	-	183,688	316,642	892,150	1,591,284
Less:										
Deductions during the year	-	-	-	(143,350)	(50,423)	-	(124,067)	-	(317,840)	(116,781)
Transfers during the year	-	-	-	-	-	-	110,553	(110,553)	-	-
BALANCE, END OF YEAR	10,016,379	356,222	90,203,105	178,206	1,854,023	431,529	5,734,137	316,642	109,090,243	108,515,933
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	273,556	59,826,724	317,756	1,192,321	388,377	2,416,914	-	64,415,648	62,181,585
Add:										
Amortization during the year	-	35,622	1,646,416	3,800	234,932	43,152	494,662	-	2,458,584	2,345,950
Less:										
Accumulated amortization on deductions	-	-	-	(143,350)	(50,423)	-	(124,067)	-	(317,840)	(111,887)
BALANCE, END OF YEAR	-	309,178	61,473,140	178,206	1,376,830	431,529	2,787,509	-	66,556,392	64,415,648
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,016,379	47,044	28,729,965	-	477,193	-	2,946,628	316,642	42,533,851	44,100,285

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

Consolidated Schedule of Accumulated Surplus

Year ended December 31

Schedule 3

	2021	2020
	\$	\$
RESERVE FUNDS		
Capital regeneration	6,778,660	5,795,675
Community housing	1,963,502	1,877,432
Early years	533,340	509,961
Employment compensation and benefits	1,077,108	1,029,893
Housing portfolio capital	16,126,414	14,737,197
Levy stabilization	2,945,782	2,773,357
Office building capital	1,848,219	1,587,610
Total - Reserve Funds	31,273,025	28,311,125
SURPLUSES (DEFICITS)		
Invested in tangible capital assets	28,940,486	27,876,358
General	(1,216,798)	(622,411)
Total - Surpluses	27,723,688	27,253,947
ACCUMULATED SURPLUS	58,996,713	55,565,072