

Consolidated Financial Statements of

**DISTRICT OF NIPISSING
SOCIAL SERVICES
ADMINISTRATION BOARD**

Year ended December 31, 2018

District of Nipissing Social Services Administration Board
Consolidated Financial Statements
For the year ended December 31, 2018

Contents

Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2 - 4
Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Consolidated Notes to Financial Statements	9 - 24

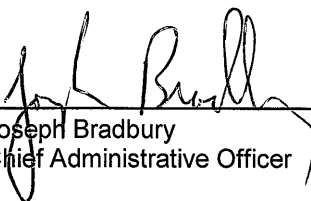
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The District of Nipissing Social Services Administration Board (the "Board") are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

The Board meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.



Joseph Bradbury
Chief Administrative Officer

May 22, 2019



Independent Auditor's Report

To the Directors of District of Nipissing Social Services Administration Board

Opinion

We have audited the consolidated financial statements of District of Nipissing Social Services Administration Board (the "Entity"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and consolidated notes to the 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 Entity as at December 31, 2018, and its consolidated results of operations, its change in net financial assets, and its consolidated 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 Entity 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.

Other Matters

The consolidated financial statements of the Entity for the year ended December 31, 2017 were audited by another public accounting firm who expressed an unmodified opinion on those consolidated financial statements dated May 22, 2018.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, included in the Unaudited Supplementary Financial Information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge of information obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Unaudited Supplementary Financial Information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, stylized font.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
May 22, 2019

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

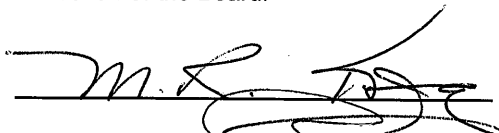

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
		Restated (note 15)
Financial assets		
Cash	\$ 16,981,247	\$ 11,181,396
Accounts receivable (note 2)	2,140,402	2,412,714
Investments (note 3)	3,124,234	4,090,811
	22,245,883	17,684,921
Financial liabilities		
Accounts payable and accrued liabilities	8,640,175	5,242,914
Current portion of long-term debt (note 5)	1,575,186	947,631
Deferred revenue - other (note 4)	2,914,506	3,706,721
Deferred revenue - long-term (note 4)	3,194,579	3,139,038
Long-term debt (note 5)	5,510,430	7,098,974
	21,834,876	20,135,278
Net financial assets (debt)	411,007	(2,450,357)
Non-financial assets		
Tangible capital assets (note 6)	32,013,751	33,493,090
Other (note 15)	363,815	316,033
	32,377,566	33,809,123
Contingent assets (note 10)		
Commitments (note 11)		
Subsequent event (note 12)		
Accumulated surplus (note 7)	\$ 32,788,573	\$ 31,358,766

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

 Director Chair
 Director Vice Chair

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget (note 13)	2018 Actual	2017 Actual Restated (note 15)
Revenue:			
Municipal levy	\$ 18,989,989	\$ 18,989,989	\$ 18,708,866
Ministry of Children, Community and Social Services	26,848,728	24,977,713	25,589,484
Ministry of Education	17,860,694	16,659,977	9,210,702
Ministry of Municipal Affairs and Housing	8,030,017	9,663,111	11,043,997
Ministry of Health and Long-Term Care	5,169,511	5,155,802	4,971,490
Employment and Social Development Canada	244,485	233,082	101,476
Ontario Trillium Foundation	-	125,000	250,000
Interest, recoveries and other	650,405	1,646,148	1,310,272
Rent	-	4,311,377	4,247,805
	<u>77,793,829</u>	<u>81,762,199</u>	<u>75,434,092</u>
Expenses:			
Ontario Works Financial Benefits (note 15)	22,454,896	20,376,846	21,283,201
Social Housing Program	16,608,897	13,797,930	14,325,599
Child Care Program	15,714,937	14,840,397	10,365,742
EarlyOn Program	3,000,577	2,697,618	-
EMS - Land Ambulance Program	9,580,887	9,927,231	9,576,948
Administration	2,736,655	2,494,603	2,574,193
Ontario Works Employment Program	6,490,022	5,896,127	5,896,485
Healthy Communities Fund	470,000	469,374	470,000
Homelessness Program	199,485	184,722	81,476
Board	147,473	126,041	106,523
Nipissing District Housing Corporation	-	6,824,608	6,904,261
Amortization of tangible capital assets	-	2,692,055	1,368,739
	<u>77,403,829</u>	<u>80,327,552</u>	<u>72,953,167</u>
Annual surplus before undernoted items	390,000	1,434,647	2,480,925
Gain (loss) on disposal of tangible capital assets	-	10,198	(66,359)
Provincial settlements	-	(15,038)	(354,687)
Annual surplus	390,000	1,429,807	2,059,879
Accumulated surplus, beginning of the year	31,358,766	31,358,766	30,774,294
Prior period adjustment (note 15)	-	-	(1,475,407)
Accumulated surplus, end of the year	<u>\$ 31,748,766</u>	<u>\$ 32,788,573</u>	<u>\$ 31,358,766</u>

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2018, with comparative information for 2017

	Budget (note 13)	2018	2017 Restated (note 15)
Annual surplus	\$ 390,000	\$ 1,429,807	\$ 2,059,879
Acquisition of tangible capital assets	(390,000)	(1,212,716)	(1,470,622)
Amortization of tangible capital assets	-	2,692,055	1,368,739
Proceeds on disposal of tangible capital assets	-	10,198	14,570
(Gain) loss on disposal of tangible capital assets	-	(10,198)	66,359
	-	2,909,146	2,038,925
Increase in other non-financial assets	-	(47,782)	(1,917)
Change in net financial assets	-	2,861,364	2,037,008
Net financial debt, beginning of year	(2,450,357)	(2,450,357)	(4,487,365)
Net financial assets (debt), end of year	\$ (2,450,357)	\$ 411,007	\$ (2,450,357)

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
		Restated (note 15)
Cash flows from operating activities:		
Annual surplus	\$ 1,429,807	\$ 2,059,879
Items not involving cash:		
Amortization of tangible capital assets	2,692,055	1,368,739
(Gain) loss on disposal of tangible capital assets	(10,198)	66,359
	4,111,664	3,494,977
Change in non-cash working capital:		
Decrease in accounts receivable	272,312	907,286
Increase in other non-financial assets	(47,782)	(1,917)
Increase (decrease) in deferred revenue - other	(792,215)	427,278
Increase in accounts payable and accrued liabilities	3,397,261	1,626,306
	6,941,240	6,453,930
Cash flows from financing activities:		
Increase (decrease) in deferred revenue - long-term	55,541	(163,904)
Repayment of long-term debt	(960,989)	(964,373)
	(905,448)	(1,128,277)
Cash flows from capital activities:		
Cash used to acquire tangible capital assets	(1,212,716)	(1,470,622)
Cash received on disposal of tangible capital assets	10,198	14,570
	(1,202,518)	(1,456,052)
Cash flows from investing activities:		
Decrease (increase) in investments	966,577	(50,868)
Increase in cash	5,799,851	3,818,733
Cash, beginning of year	11,181,396	7,362,663
Cash, end of year	\$ 16,981,247	\$ 11,181,396

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

The primary goal of the District of Nipissing Social Services Administration Board (the "Board") is to deliver an innovative and increased level of integrated social services comprised of Ontario Works, Children's Services, Social Housing and Emergency Medical Services to the citizens of the District of Nipissing. The Board's basic principles are to offer simplified access to service, enhanced customer service and sensitivity to language and cultural diversity.

The participating municipalities are as follows:

- The Corporation of the City of North Bay
- Town of West Nipissing
- Township of East Ferris
- Municipality of Temagami
- Township of South Algonquin
- Township of Bonfield
- Township of Calvin
- Township of Papineau-Cameron
- Town of Mattawa
- Township of Chisholm
- Township of Mattawan
- Certain unincorporated areas in the District of Nipissing

1. Significant accounting policies:

The consolidated financial statements of the Board are prepared by management in accordance with Canadian generally accepted accounting principles for government organizations as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Basis of consolidation:

Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Board and which are owned or controlled by the Board.

These financial statements include the Nipissing District Housing Corporation.

All inter-departmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis using the following annual rates:

Asset	Useful Life - Years
Buildings	40 to 60
Office equipment	5
Computer equipment and software	4
Ambulances and other vehicles	7
Medical equipment	5
Machinery and equipment	10
Leasehold improvements	Over term of lease

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 use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(d) Reserves and reserve funds:

Certain amounts, as approved by the Board, are set aside in reserves or reserve funds for future operating and capital purposes. Transfers to and/or from the reserves and reserve funds are an adjustment to the respective fund when approved.

(e) Revenue recognition:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled

Rent and other revenue is recognized when services are provided and there is reasonable assurance of collection. Investment income earned on surplus funds is reported as revenue in the period earned.

(f) Temporary investments:

Temporary investments are recorded at cost. Temporary investments are written down where there has been a loss in the value that is other than a temporary decline.

(g) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation allowances for receivables and valuation of the Canada – Ontario Affordable Housing Program Loans. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

2. Accounts receivable:

	2018	2017
Province of Ontario:		
Ministry of Children, Community and Social Services	\$ 55,572	\$ 349,260
Ministry of Municipal Affairs and Housing	224,177	954,936
Ministry of Education	-	73,153
Ministry of Health and Long-Term Care	124,215	49,912
Ontario Trillium Foundation	25,000	-
Other:		
Township of Bonfield	-	75,371
Township of Mattawan	-	3,733
Municipality of Temagami	209,400	67,637
Township of Papineau-Cameron	-	20,413
Township of East Ferris	94,208	93,045
Township of Chisholm	-	19,370
Township of Calvin	-	17,474
Township of South Algonquin	-	39,562
Employment and Social Development Canada	10,224	8,957
HST rebate	389,332	178,932
Accrued interest and other	523,919	111,657
Rent and other tenant charges	484,355	349,302
	\$ 2,140,402	\$ 2,412,714

3. Investments:

	2018	2017
Social Housing Canadian Short-Term Bond Fund Series A	\$ 1,290,561	\$ 1,278,741
Guaranteed Investment Certificates	1,833,673	2,812,070
	\$ 3,124,234	\$ 4,090,811

Guaranteed investment certificates have yields ranging from 1.95% to 3.10% and mature at dates ranging from April 2019 to April 2023. The Social Housing Canadian Short-Term Bond Fund Series A have a cost of \$1,346,130 (2017 - \$1,320,287).

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

4. Deferred revenue:

	Balance at December 31, 2017	Contributions Received	Amounts Recognized to Revenue	Balance at December 31, 2018
Current:				
Affordable Housing Program	\$ 2,268	-	-	2,268
Investment in Affordable Housing	8,132	-	-	8,132
Interest	15,623	-	-	15,623
Strong Communities Rent Supplements	171,030	-	(116,781)	54,249
Homelessness Partnership Fund	19,788	7	-	19,795
Other	22,343	-	-	22,343
Get Trained Workers	21,000	-	-	21,000
Affordable Housing/Rent Supplement	99,822	-	(28,008)	71,814
HIFIS	399	-	-	399
SHIP	204,319	-	(204,319)	-
IAH Ontario Renovates	153,938	146,686	(139,325)	161,299
SIF Ontario Renovates	99,199	162,951	(49,516)	212,634
SIF Housing Allowance	-	9,750	-	9,750
CHPI	-	176,799	-	176,799
Ontario Works client repayments	291,710	-	(290,436)	1,274
Commercial rent supplement	202,040	-	(81,038)	121,002
Child Care Expansion	872,859	-	(872,859)	-
Child Care ELCC	178,741	72,736	(178,741)	72,736
EarlyON Journey Together	-	288,737	-	288,737
Community Based Capital	-	269,774	-	269,774
Gateway Hub	-	108,333	-	108,333
Nipissing District Housing Corporation	1,343,510	1,720,892	(1,787,857)	1,276,545
	\$ 3,706,721	2,956,665	(3,748,880)	2,914,506
Long-term:				
Social housing federal capital	\$ 2,508,018	-	-	2,508,018
Emergency medical service capital	133,440	-	-	133,440
Emergency medical services severance	260,199	-	-	260,199
AHP - Home (repair replacement)	237,381	55,541	-	292,922
	\$ 3,139,038	55,541	-	3,194,579

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

5. Long-term debt:

	2018	2017
Mortgage, repayable in blended monthly payments of \$33,028 bearing interest at 4.126%, maturing January 1, 2020, secured by land and buildings	\$ 2,723,474	\$ 3,002,200
Mortgage, repayable in blended monthly payments of \$21,709 bearing interest at 3.15%, maturing October 1, 2027, secured by land and buildings	2,008,155	2,202,507
Mortgage, repayable in blended monthly payments of \$24,393 bearing interest at 2.61%, maturing December 1, 2023, secured by land and buildings	1,219,460	1,444,953
Mortgage, repayable in blended monthly payments of \$13,530 bearing interest at 0.96%, maturing September 1, 2021, secured by land and buildings	440,455	597,772
Mortgage, repayable in blended monthly payments of \$7,458 bearing interest at 3.16%, maturing January 2019, secured by land and buildings	667,548	733,781
Mortgage, repayable in blended monthly payments of \$3,348 bearing interest at 2.75%, maturing August 28, 2019, secured by land and buildings	26,524	65,392
	7,085,616	8,046,605
Less current portion of long-term debt	(1,575,186)	(947,631)
	\$ 5,510,430	\$ 7,098,974

Principal repayments are due as follows:

2019	\$ 1,575,186
2020	3,037,860
2021	578,463
2022	470,372
2023	483,907
Thereafter	939,828
	\$ 7,085,616

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

6. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land	\$ 9,415,439	139,842	-	9,555,281
Buildings	46,124,419	420,800	-	46,545,219
Office equipment	441,087	37,887	-	478,974
Computer equipment	754,617	36,791	(24,356)	767,052
Ambulances and other vehicles	2,481,027	298,618	(215,222)	2,564,423
Medical equipment	731,670	104,581	(432,109)	404,142
Machinery and equipment	2,779,512	174,197	-	2,953,709
Leasehold improvements	2,217,525	-	-	2,217,525
Total	\$ 64,945,296	1,212,716	(671,687)	65,486,325

Accumulated Amortization	Balance at December 31, 2017	Disposals	Amortization expense	Balance at December 31, 2018
Land	\$ -	-	-	-
Buildings	25,424,202	-	1,383,455	26,807,657
Office equipment	256,894	-	149,344	406,238
Computer equipment	657,309	(24,356)	63,112	696,065
Ambulances and other vehicles	1,586,984	(215,222)	395,678	1,767,440
Medical equipment	587,475	(432,109)	101,647	257,013
Machinery and equipment	956,540	-	476,229	1,432,769
Leasehold improvements	1,982,802	-	122,590	2,105,392
Total	\$ 31,452,206	(671,687)	2,692,055	33,472,574

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 9,415,439	9,555,281
Buildings	20,700,217	19,737,562
Office equipment	184,193	72,736
Computer equipment	97,308	70,987
Ambulances and other vehicles	894,043	796,983
Medical equipment	144,195	147,129
Machinery and equipment	1,822,972	1,520,940
Leasehold improvements	234,723	112,133
Total	\$ 33,493,090	32,013,751

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

6. Tangible capital assets (continued):

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Land	\$ 9,415,439			9,415,439
Buildings	46,036,865	87,554		46,124,419
Office equipment	406,720	34,367	-	441,087
Computer equipment	688,138	130,120	(63,641)	754,617
Ambulances and other vehicles	2,420,569	313,591	(253,133)	2,481,027
Medical equipment	778,424	98,238	(144,992)	731,670
Machinery and equipment	2,074,022	806,752	(101,262)	2,779,512
Leasehold improvements	2,217,525	-	-	2,217,525
Total	\$ 64,037,702	1,470,622	(563,028)	64,945,296

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Land	\$ -			-
Buildings	24,778,130		646,072	25,424,202
Office equipment	220,869	-	36,025	256,894
Computer equipment	622,874	(62,751)	97,186	657,309
Ambulances and other vehicles	1,574,170	(220,865)	233,679	1,586,984
Medical equipment	663,106	(123,673)	48,042	587,475
Machinery and equipment	854,962	(74,810)	176,388	956,540
Leasehold improvements	1,851,455	-	131,347	1,982,802
Total	\$ 30,565,566	(482,099)	1,368,739	31,452,206

	Net book value, December 31, 2016	Net book value, December 31, 2017
Land	\$ 9,415,439	9,415,439
Buildings	21,258,735	20,700,217
Office equipment	185,851	184,193
Computer equipment	65,264	97,308
Ambulances and other vehicles	846,399	894,043
Medical equipment	115,318	144,195
Machinery and equipment	1,219,060	1,822,972
Leasehold improvements	366,070	234,723
Total	\$ 33,472,136	33,493,090

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

7. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2018	2017
Invested in tangible capital assets	\$ 24,928,135	\$ 25,446,485
Operating fund	2,501,276	692,146
Reserves and reserve funds (note 8)	5,359,162	5,220,135
	\$ 32,788,573	\$ 31,358,766

8. Reserves and reserve funds:

	2018	2017
Set aside for specific purposes by the Board:		
Reserves:		
Social Housing capital	\$ 817,274	\$ 817,274
Social Housing operations	300,000	300,000
Affordable housing	512,445	512,445
EMS HR operations	195,537	195,537
ASO employee benefits	140,222	140,222
HCF reserve	9,783	9,157
OD contingency	112,000	112,000
Project reserve	149,080	149,080
Replacement Reserve Fund	584,007	445,606
Software acquisition	60,000	60,000
Funds subject to restrictions:		
Best start	570,241	570,241
Child Care	1,908,573	1,908,573
	\$ 5,359,162	\$ 5,220,135

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

9. Pension Agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of full-time and part-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to nearly half a million active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of the all pension benefits that members have earned to date. The most recent actuarial valuation of the plan was conducted at December 31, 2018. The results of this valuation disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets at the date of \$95,890 million indicating a going concern actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the organization does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Board to OMERS for 2018 were \$718,416 (2017 - \$673,498).

10. Contingent assets:

Included in the Housing program expenses is \$182,896 (2017 - \$121,417) in grants to individuals with forgivable conditions. In total, \$3,463,912 of these grants has been advanced since 2009. These grants are issued to low income home owners as loans forgivable over 20 years. However, if the house is sold before the 20 year forgiveness period, the home owner must repay a pro-rated amount back to the Board. If the Board receives funds because of a homeowner selling their property, the amount is used by the Board to grant a new loan to another low income homeowner. To date, a total of \$292,923 has been repaid of which \$55,542 was in 2018.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

11. Commitments:

The Board rents office premises under a long-term operating lease with the City of North Bay. The current lease expires March 31, 2020 with two additional five year renewal terms. The aggregate rental payments to the expiry date amount to \$406,998. Offsite storage has been obtained from the North Bay Public Library at a cost of \$5,710 per annum.

The Board rents additional office space in North Bay on a month-to month basis from Nipissing District Housing Corporation (\$27,031 per annum).

The Board rents premises from the Municipality of West Nipissing. The current lease expires December 31, 2020 with two additional five year renewal terms. The aggregate rental payments to the expiry date amount to \$96,662. The Board also rents office space in West Nipissing. The current lease expires August 31, 2022. The aggregate rental payment to expiry is \$189,000.

The Board rents premises in Mattawa. The current lease expires August 31, 2023. The aggregate rental payments to the expiry date amount to \$64,019.

The Board rents premises in North Bay for its EMS base. The current lease expires December 31, 2031 with two additional five year renewal terms. The aggregate rental payments to the expiry date amount to \$4,470,995.

The Board rents EMS patient equipment through two leases. The leases expire on March 31, 2020 and March 31, 2023. The aggregate rental payments to the expiry dates amount to \$177,006 and \$71,841 respectively.

12. Subsequent event:

Subsequent to the year end the Board entered into a fixed fee construction contract for the renovation of an Indigenous Hub for a total value of approximately \$4,000,000.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

13. Budget data:

The budget data presented in these consolidated financial statements is based upon the budget approved by council on December 19, 2017 which was prepared on a cash basis. The budget established does not include a budgeted amount for amortization of tangible capital assets.

The budget figures in the consolidated statement of operations have been restated to be comparable with the Public Sector Accounting Standards. A reconciliation of the Board approved budget and the budget figures presented in the consolidated statement of operations is presented below:

	Budget Amount
Adopted consolidated budget:	
Budgeted annual surplus (deficit) for the year	\$ -
Adjustments to adopted budget:	
Acquisition of tangible capital assets	390,000
Budget surplus per consolidated statement of operations	\$ 390,000

14. Comparative amounts:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2018 financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

15. Prior Period Adjustment:

During the current year, the Board determined that Ontario Works financial benefits were incorrectly recorded as a prepaid expense (other non-financial assets) which does not align with the accounting treatment as set out in PS 3410 government transfers. As a result, other non-financial assets, Ontario Works financial benefits, and the accumulated surplus were overstated. This error has been corrected retroactively with restatement of prior periods. This correction had the following effect on the financial statements.

	2017
Decrease in other non-financial assets	\$ (1,414,216)
Decrease in Ontario Works Financial Benefits	(61,191)
Decrease in accumulated surplus, beginning of the year	1,475,407

16. Segmented information:

The District of Nipissing Social Services Administration Board supports the development of health and self-sufficient communities through the innovative and responsive delivery of various social assistance programs. For reporting purposes the Board's financial activities are organized and reported by program.

Certain programs that have been separately disclosed in the segmented information, along with the services they provide are as follows:

Ontario Works financial benefits and related

Financial and employment assistance is provided to individuals in temporary financial need. The goals are to assist participants in achieving independence and self-reliance and to transition the participants to the workforce.

Child care program

Child care funding is administered to child care operators within the district in accordance with the Child Care and Early Years Act.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

16. Segmented information (continued):

EarlyON program

EarlyON funding is administered to EarlyON operators within the district in accordance with the Child Care and Early Years Act.

Social housing program

The social housing program is responsible for the direct management of the public housing portfolio, the administration of the Non-profit and Urban and Native Housing projects within the district, administration of various federal and provincial housing programs, and the administration and maintenance of the central waiting list within the district.

EMS – Land ambulance program

Emergency and non-emergency land ambulance services are provided within the district.

Board costs and administration

Administration of programs and services are managed by an administrative team which provides support for the ongoing services of the Board.

Healthy communities fund

This is 100% municipal funding distributed as grants to support programs and services that target low income families and individuals in the District of Nipissing. This fund replaces the NCB savings, and the OCB Reinvestment fund, that represented municipal savings from OW financial benefits to families that were to be reinvested into programs and services that supported low income families as mandated by the Province.

Homelessness program

Consists of the Homeless Partnering Strategy program fully funded through ESDC. The program promotes strategic partnerships and structures including housing solutions and stable supports, to assist homeless persons to move toward autonomy and self-sufficiency.

For each reported segment, revenue and expenses represent both the amounts that are directly attributable to the segment as well as amounts that can reasonably be allocated to the segment. Administration costs are allocated to the program based on an availability of funding as well as an estimate of their consumption of administrative services. The accounting policies utilized in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 1.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Unaudited - 2018 Consolidated Segmented Information Schedule

Year ended December 31, 2018

	Ontario Works Financial Benefits	Ontario Works Employment and Program Delivery	Healthy Communities Fund	Child Care Program	EarlyON Program	Social Housing Program	EMS - Land Ambulance Program	Homelessness Program	Board Costs	Administration	Total 2018
Revenue:											
Municipal levy	\$ 257,174	3,056,699	470,000	1,243,940	-	8,932,519	4,860,434	-	169,223	-	18,989,989
Provincial Funding	20,214,131	4,867,469	-	12,845,148	2,763,229	9,268,963	5,155,802	-	21,112	-	55,135,854
Federal Funding - ESDC	-	-	-	-	-	45,000	-	184,722	-	3,360	233,082
Repayments	784,583	36,432	-	43	-	208,203	36,882	-	-	39,508	1,105,651
Interest and other	-	308	-	-	-	190,401	22,600	-	30,000	297,188	540,497
Rent	-	-	-	-	-	4,311,377	-	-	-	-	4,311,377
Deferred revenue	-	-	-	1,051,600	-	394,149	-	-	-	-	1,445,749
Total revenue	21,255,888	7,960,908	470,000	15,140,731	2,763,229	23,350,612	10,075,718	184,722	220,335	340,056	81,762,199
Expenses:											
Salaries and benefits	-	4,656,828	-	728,650	268,031	1,209,121	227,312	15,570	78,519	1,377,252	8,561,283
Honorariums	-	-	-	-	-	-	-	-	1,920	-	1,920
Training	-	23,576	-	69,979	38,204	11,529	2,495	-	12,964	43,760	202,507
Travel	-	26,646	-	7,413	2,836	8,631	822	-	10,112	7,315	63,775
Technology	-	83,674	-	79,774	27,787	1,539	49,237	-	330	131,347	373,688
Accommodations	-	126,146	-	-	-	35,140	455,608	-	-	536,782	1,153,676
Professional fees and service charges	-	10,098	-	13,727	5,581	38,196	12,357	1,526	6,247	232,246	319,978
General office	-	125,813	-	12,475	1,904	18,821	138,128	601	15,949	165,901	479,592
Materials and services	-	-	-	-	-	-	267,459	-	-	-	267,459
Equipment and vehicle	-	-	-	-	-	-	176,112	-	-	-	176,112
Employment related costs (Clients)	-	358,286	-	-	-	-	-	-	-	-	358,286
Transfers to recipients and service providers	20,376,846	485,060	469,374	13,928,379	2,353,275	12,474,953	8,597,701	167,025	-	-	58,852,613
Nipissing District Housing Corporation	-	-	-	-	-	6,824,608	-	-	-	-	6,824,608
Expenses before undernoted items	20,376,846	5,896,127	469,374	14,840,397	2,697,618	20,622,538	9,927,231	184,722	126,041	2,494,603	77,635,497
Amortization of tangible capital assets	-	29,859	-	20	-	1,915,990	495,274	-	68	250,844	2,692,055
Allocated administration costs	-	1,566,252	-	285,276	65,611	364,586	54,074	-	67,534	(2,403,333)	-
Total expenses	20,376,846	7,492,238	469,374	15,125,693	2,763,229	22,903,114	10,476,579	184,722	193,643	342,114	80,327,552
Provincial settlements	-	-	-	15,038	-	-	-	-	-	-	15,038
Gain on disposal of tangible capital assets	-	-	-	-	-	-	(8,140)	-	-	(2,058)	(10,198)
Annual surplus (deficit)	\$ 879,042	468,670	626	-	-	447,498	(392,721)	-	26,692	-	1,429,807

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Unaudited - 2017 Consolidated Segmented Information Schedule

Year ended December 31, 2018

	Ontario Works Financial Benefits	Ontario Works Employment and Program Delivery	Healthy Communities Fund	Child Care Program	EarlyON Program	Social Housing Program	EMS - Land Ambulance Program	Homelessness Program	Board Costs	Administration	Total 2017
Revenue:											
Municipal levy	\$ 821,105	3,136,302	470,000	1,277,045	-	8,203,834	4,685,406	-	115,174	-	18,708,866
Provincial Funding	20,327,193	5,512,291	-	9,210,702	-	9,817,556	4,771,490	-	-	-	49,639,232
Federal Funding - ESDC	-	-	-	-	-	10,000	-	81,476	-	5,000	96,476
Repayments	478,970	15,034	-	804	-	2,016	30,570	-	-	6,212	533,606
Interest and other	-	198	-	5	-	516,536	109,551	-	30,000	120,376	776,666
Rent	-	-	-	-	-	4,247,805	-	-	-	-	4,247,805
Deferred revenue	-	-	-	-	-	1,226,441	200,000	-	-	5,000	1,431,441
Total revenue	21,627,268	8,663,825	470,000	10,488,556	-	24,024,188	9,797,017	81,476	145,174	136,588	75,434,092
Expenses:											
Salaries and benefits	-	4,429,542	-	706,921	-	1,119,777	190,508	33,435	72,771	1,482,950	8,035,904
Honorariums	-	-	-	-	-	-	-	-	3,843	-	3,843
Training	-	10,858	-	3,636	-	9,780	2,096	-	8,950	39,937	75,257
Travel	-	18,999	-	6,893	-	15,108	14	-	15,147	9,162	65,323
Technology	-	89,341	-	63,673	-	16,665	42,719	-	551	126,239	339,188
Accommodations	-	127,211	-	-	-	32,783	438,840	-	-	490,110	1,088,944
Professional fees and service charges	-	16,048	-	16,638	-	54,539	1,031	1,526	-	274,344	364,126
General office	-	127,634	-	13,977	-	20,042	122,921	54	5,261	151,451	441,340
Materials and services	-	-	-	-	-	76	245,340	-	-	-	245,416
Equipment and vehicle	-	-	-	-	-	-	152,569	-	-	-	152,569
Employment related costs (Clients)	-	362,808	-	-	-	-	-	-	-	-	362,808
Transfers to recipients and service providers	21,283,201	714,044	470,000	9,554,004	-	13,056,829	8,380,910	46,461	-	-	53,505,449
Nipissing District Housing Corporation	-	-	-	-	-	6,904,261	-	-	-	-	6,904,261
Expenses before undernoted items	21,283,201	5,896,485	470,000	10,365,742	-	21,229,860	9,576,948	81,476	106,523	2,574,193	71,584,428
Amortization of tangible capital assets	-	10,677	-	26	-	862,499	271,560	-	83	223,894	1,368,739
Allocated administration costs	-	2,202,478	-	195,096	-	142,130	40,723	-	81,179	(2,661,606)	-
Total expenses	21,283,201	8,109,640	470,000	10,560,864	-	22,234,489	9,889,231	81,476	187,785	136,481	72,953,167
Provincial settlements	-	354,687	-	-	-	-	-	-	-	-	354,687
Loss on disposal of tangible capital assets	-	658	-	-	-	26,492	39,102	-	-	107	66,359
Annual surplus (deficit)	\$ 344,067	198,840	-	(72,308)	-	1,763,207	(131,316)	-	(42,611)	-	2,059,879