

Consolidated Financial Statements of

**DISTRICT OF NIPISSING
SOCIAL SERVICES
ADMINISTRATION BOARD**

Year ended December 31, 2016

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The District of Nipissing Social Services Administration 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 consolidated 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 KPMG 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



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INDEPENDENT AUDITORS' REPORT

To the Directors of District of Nipissing Social Services Administration Board

We have audited the accompanying consolidated financial statements of District of Nipissing Social Services Administration Board, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of District of Nipissing Social Services Administration Board as at December 31, 2016, and its consolidated results of operations, its consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The current year's supplementary information included in the Schedules is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 15, 2017
North Bay, Canada

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

December 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|--|---------------|---------------|
| Financial assets | | |
| Cash | \$ 7,362,663 | \$ 9,449,098 |
| Accounts receivable (note 2) | 3,320,000 | 725,352 |
| Investments (note 3) | 4,039,943 | 3,909,009 |
| | 14,722,606 | 14,083,459 |
| Financial liabilities | | |
| Accounts payable and accrued liabilities | 3,379,729 | 3,426,740 |
| Current portion of long-term debt (note 5) | 3,165,200 | 1,826,800 |
| Deferred revenue - other (note 4) | 3,516,322 | 2,625,659 |
| Deferred revenue - long-term (note 4) | 3,302,942 | 3,288,374 |
| Long-term debt (note 5) | 5,845,778 | 8,257,141 |
| | 19,209,971 | 19,424,714 |
| Net debt | (4,487,365) | (5,341,255) |
| Non-financial assets | | |
| Tangible capital assets (note 6) | 33,472,136 | 34,013,848 |
| Other | 1,789,523 | 1,322,646 |
| | 35,261,659 | 35,336,494 |
| Forgiveable loans (note 10) | | |
| Commitments (note 11) | | |
| Accumulated surplus (note 7) | \$ 30,774,294 | \$ 29,995,239 |

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

On behalf of the Board:

_____ Director

_____ Director

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2016, with comparative information for 2015

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| Revenue: | | | |
| Municipal levy | \$ 18,380,514 | \$ 18,380,513 | \$ 18,181,956 |
| Ministry of Community and Social Services | 26,085,177 | 24,482,231 | 23,545,268 |
| Ministry of Education | 10,076,847 | 8,903,886 | 8,276,903 |
| Ministry of Municipal Affairs and Housing | 4,197,262 | 7,710,937 | 7,081,904 |
| Ministry of Health and Long-Term Care | 4,623,734 | 4,667,119 | 4,576,401 |
| Employment and Social Development Canada | 90,476 | 182,216 | 63,598 |
| Ontario Trillium Foundation | - | 375,000 | - |
| Interest, recoveries and other | 1,230,532 | 1,123,451 | 1,739,487 |
| Rent | 4,080,420 | 4,119,631 | 4,118,266 |
| | 68,764,962 | 69,944,984 | 67,583,783 |
| Expenses: | | | |
| Ontario Works Financial Benefits | 22,620,561 | 21,559,225 | 21,500,166 |
| Social Housing Program | 9,831,944 | 10,977,006 | 10,297,858 |
| Child Care Program | 10,133,758 | 10,067,495 | 9,377,661 |
| EMS - Land Ambulance Program | 8,354,331 | 8,580,012 | 8,394,192 |
| Administration | 2,302,005 | 2,355,615 | 1,970,916 |
| Ontario Works Employment Program | 5,408,223 | 5,646,220 | 5,245,613 |
| Innovation Fund | 470,000 | 443,440 | 452,171 |
| Homelessness Program | 90,476 | 162,216 | 48,672 |
| Board | 41,036 | 63,352 | 42,529 |
| Nipissing District Housing Corporation | 9,270,413 | 7,928,468 | 7,161,926 |
| Amortization of tangible capital assets | 376,000 | 1,138,140 | 1,030,671 |
| | 68,898,747 | 68,921,189 | 65,522,375 |
| Excess (deficiency) of revenue over expenses | | | |
| before undernoted items | (133,785) | 1,023,795 | 2,061,408 |
| Loss on disposal of tangible capital assets | - | (22,357) | (57,537) |
| Provincial settlements | 168,291 | (222,383) | (375,914) |
| | 34,506 | 779,055 | 1,627,957 |
| Excess of revenue over expenses | | | |
| Accumulated surplus, beginning of the year | 29,995,239 | 29,995,239 | 28,367,282 |
| Accumulated surplus, end of the year | \$ 30,029,745 | \$ 30,774,294 | \$ 29,995,239 |

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

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Change in Net Debt

Year ended December 31, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|----------------|----------------|
| Excess of revenue over expenses | \$ 779,055 | \$ 1,627,957 |
| Acquisition of tangible capital assets | (626,005) | (1,312,796) |
| Amortization of tangible capital assets | 1,138,140 | 1,030,671 |
| Proceeds on disposal of tangible capital assets | 7,220 | 5,000 |
| Loss on disposal of tangible capital assets | 22,357 | 57,537 |
| | 1,320,767 | 1,408,369 |
| Use of other assets | (466,877) | 25,151 |
| | 853,890 | 1,433,520 |
| Change in net debt | 853,890 | 1,433,520 |
| Net debt, beginning of year | (5,341,255) | (6,774,775) |
| | \$ (4,487,365) | \$ (5,341,255) |
| Net debt, end of year | \$ (4,487,365) | \$ (5,341,255) |

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, 2016, with comparative information for 2015

| | 2016 | 2015 |
|---|--------------|--------------|
| Cash flows from operating activities: | | |
| Excess of revenue over expenses | \$ 779,055 | \$ 1,627,957 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,138,140 | 1,030,671 |
| Loss on disposal of tangible capital assets | 22,357 | 57,537 |
| | 1,939,552 | 2,716,165 |
| Change in non-cash working capital: | | |
| Decrease (increase) in accounts receivable | (2,594,648) | 855,928 |
| Decrease (increase) in other non-financial assets | (466,877) | 25,151 |
| Increase in deferred revenue - other | 890,663 | 363,542 |
| Increase (decrease) in accounts payable and accrued liabilities | (47,011) | 325,868 |
| | (278,321) | 4,286,654 |
| Cash flows from financing activities: | | |
| Increase in deferred revenue - long-term | 14,568 | 56,058 |
| Repayment of long-term debt | (1,072,963) | (1,050,623) |
| | (1,058,395) | (994,565) |
| Cash flow from capital activities: | | |
| Cash used to acquire tangible capital assets | (626,005) | (1,312,796) |
| Cash received on disposal of tangible capital assets | 7,220 | 5,000 |
| | (618,785) | (1,307,796) |
| Cash flows from investing activities: | | |
| Increase in investments | (130,934) | (436,995) |
| | (130,934) | (436,995) |
| Increase (decrease) in cash | (2,086,435) | 1,547,298 |
| Cash, beginning of year | 9,449,098 | 7,901,800 |
| Cash, end of year | \$ 7,362,663 | \$ 9,449,098 |

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, 2016

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
- Town 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, 2016

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 declining-balance basis using the following annual rates:

| Asset | Rate |
|-------------------------------|-----------|
| Buildings | 2.5% |
| Office equipment | 10% |
| Ambulances and other vehicles | 20% - 30% |
| Medical equipment | 25% |
| Machinery and equipment | 10% |
| Leasehold improvements | 20% |
| Computers | 30% |

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.

(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.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

1. Significant accounting policies (continued):

(e) Government subsidies:

Government subsidies are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the subsidy occur, providing the subsidies are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(f) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

(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 consolidated 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.

2. Accounts receivable:

| | 2016 | 2015 |
|---|---------------------|-------------------|
| Province of Ontario: | | |
| Ministry of Municipal Affairs and Housing | \$ 181,746 | \$ 106,952 |
| Ministry of Community and Social Services | 2,367,070 | 58,131 |
| Other: | | |
| South Algonquin Township | 39,069 | - |
| Township of Papineau-Cameron | 19,715 | - |
| Town of Mattawa | - | 37,142 |
| Town of Temagami | 66,201 | 67,191 |
| Township of Chisholm | 37,510 | 18,273 |
| Employment and Social Development Canada | 12,111 | - |
| HST rebate | 168,461 | 182,812 |
| Accrued interest and other | 196,987 | 115,867 |
| Rent and other tenant charges | 231,130 | 138,984 |
| | \$ 3,320,000 | \$ 725,352 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

3. Investments:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Social Housing Canadian Short-Term Bond Fund Series A | \$ 1,267,427 | \$ 1,197,795 |
| Guaranteed investment certificates | 2,772,516 | 2,711,214 |
| | \$ 4,039,943 | \$ 3,909,009 |

Guaranteed investment certificates have yields ranging from 1.60% to 2.15% and at dates ranging from January 2017 to August 2018. The guaranteed investment certificates have a fair value of \$2,772,516 (2015 - \$2,711,214).

4. Deferred revenue:

(a) Classification:

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Current: | | |
| Affordable Housing Program | \$ 54,326 | \$ 94,447 |
| Capital repair fund | - | 39,294 |
| Investment in Affordable Housing | 8,132 | 8,141 |
| Strong Communities rent supplements | 157,825 | 114,831 |
| Homelessness Partnership fund | 19,788 | 19,788 |
| Other | 37,966 | 37,654 |
| Get Trained Workers | 21,000 | 21,000 |
| Affordable housing/rent supplement | 127,989 | 113,341 |
| Reformed NFP | 16,405 | 148,530 |
| Federal NFP | 89,559 | 42,252 |
| CHPI – MMAH | 36,777 | 63,114 |
| IAH – New Build | - | 625,590 |
| IAH – SIF and SHIP | 52,303 | - |
| HFIS | 5,399 | 5,000 |
| Nipissing District Housing Corporation | 1,445,826 | 1,184,706 |
| SHRRP | 949,857 | 107,971 |
| Ontario Works client repayments | 291,130 | - |
| Commercial rent supplement | 202,040 | - |
| | \$ 3,516,322 | \$ 2,625,659 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

4. Deferred revenue: (continued)

(a) Classification (continued):

| | 2016 | 2015 |
|---|--------------|--------------|
| Long-term: | | |
| Social housing federal capital | \$ 2,508,018 | \$ 2,508,018 |
| Emergency medical services severance | 460,199 | 460,199 |
| Emergency medical services vehicles and equipment | 133,440 | 133,440 |
| AP - Home (repair replacement) | 201,285 | 186,717 |
| | \$ 3,302,942 | \$ 3,288,374 |

(b) Continuity:

| | 2016 | 2015 |
|--------------------------------------|--------------|--------------|
| Current: | | |
| Balance, beginning of year | \$ 2,625,659 | \$ 2,262,117 |
| Add: contributions received | | |
| CHPI – MMAH | 34,839 | – |
| Reformed NFP | – | 26,242 |
| Federal NFP | 47,307 | 42,252 |
| Strong communities rent supplement | 42,994 | 23,207 |
| IAH – New Build | – | 625,590 |
| Affordable housing/rent supplement | 14,648 | 21,830 |
| HFIS | 399 | – |
| NDHC | 1,071,489 | 1,071,489 |
| SHRRP | 949,857 | 122,817 |
| IAH – SIF and SHIP | 52,303 | – |
| Ontario Works client repayments | 291,130 | – |
| Other | 12 | – |
| Commercial rent supplement | 202,040 | – |
| Less: amounts recognized to revenue: | | |
| IAH – New Build | (625,290) | – |
| Investment in affordable housing | (9) | (5,134) |
| Reformed NFP | (132,125) | – |
| Affordable Housing Program | (40,121) | – |
| HFIS | – | (1,666) |
| Other | – | (311) |
| CHPI – MMAH | (61,176) | (588,433) |
| Homelessness partnership fund | – | (2,276) |
| Capital repair fund | (39,294) | – |
| NDHC | (810,369) | (957,219) |
| SHRRP | (107,971) | (14,846) |
| Balance, end of year | \$ 3,516,322 | \$ 2,625,659 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

4. Deferred revenue: (continued)

(b) Continuity (continued):

| | 2016 | 2015 |
|------------------------------|--------------|--------------|
| Long-term: | | |
| Balance, beginning of year | \$ 3,288,374 | \$ 3,232,316 |
| Add: contributions received: | | |
| AHP Home Repair repayments | 14,568 | 56,058 |
| Balance, end of year | \$ 3,302,942 | \$ 3,288,374 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

5. Long-term debt:

| | 2016 | 2015 |
|--|--------------|--------------|
| Mortgage, repayable in blended monthly payments of \$33,028 bearing interest at 4.126%, maturing January 1, 2020, secured by land and buildings | \$ 3,269,833 | \$ 3,526,636 |
| Mortgage, repayable in blended monthly payments of \$23,639 bearing interest at 4.998%, maturing October 1, 2017, secured by land and buildings | 2,375,379 | 2,537,176 |
| Mortgage, repayable in blended monthly payments of \$24,393 bearing interest at 5.14%, maturing December 1, 2023, secured by land and buildings | 1,664,690 | 1,878,763 |
| Mortgage, repayable in blended monthly payments of \$13,765 bearing interest at 1.65%, maturing September 1, 2016, secured by land and buildings | 753,591 | 905,635 |
| Mortgage, repayable in blended monthly payments of \$7,458 bearing interest at 2.99%, maturing January 2019, secured by land and buildings | 800,211 | 864,702 |
| Mortgage, repayable in blended monthly payments of \$12,077 bearing interest at 4.547%, maturing March 1, 2017, secured by land and buildings | 36,190 | 176,053 |
| Mortgage, repayable in blended monthly payments of \$3,348 bearing interest at 2.75%, maturing August 28, 2019, secured by land and buildings | 103,134 | 139,998 |
| Mortgage, repayable in blended monthly payments of \$4,047 bearing interest at 4.59%, maturing February 1, 2017, secured by land and buildings | 7,950 | 54,978 |
| | 9,010,978 | 10,083,941 |
| Less current portion of long-term debt | 3,165,200 | 1,826,800 |
| | \$ 5,845,778 | \$ 8,257,141 |

Principal repayments are due as follows:

| | |
|------|--------------|
| | \$ 3,165,200 |
| 2017 | 768,211 |
| 2018 | 1,372,278 |
| 2019 | 2,832,369 |
| 2020 | 366,124 |
| 2021 | |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

6. Tangible capital assets:

| Cost | Balance December 31, 2015 | Additions | Disposals | Balance at December 31, 2016 |
|-------------------------|---------------------------------|-------------------|-------------------|------------------------------------|
| Land | \$ 9,415,439 | \$ - | \$ - | \$ 9,415,439 |
| Buildings | 45,316,811 | 53,662 | - | 45,370,473 |
| Office equipment | 1,231,488 | 80,412 | 49,157 | 1,262,743 |
| Ambulances | 2,270,996 | 277,654 | 194,993 | 2,353,657 |
| Medical equipment | 832,188 | 8,627 | 62,391 | 778,424 |
| Machinery and equipment | 1,767,386 | 205,650 | - | 1,973,036 |
| Leasehold improvements | 2,217,525 | - | - | 2,217,525 |
| Total | \$ 63,051,833 | \$ 626,005 | \$ 306,541 | \$ 63,371,297 |

| Accumulated amortization | Balance December 31, 2015 | Amortization expense | Disposals | Balance at December 31, 2016 |
|-----------------------------|---------------------------------|-------------------------|-------------------|------------------------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Building | 23,585,210 | 526,529 | 48,845 | 24,062,894 |
| Office equipment | 765,503 | 96,218 | - | 861,721 |
| Ambulances | 1,522,039 | 225,420 | 174,056 | 1,573,403 |
| Medical equipment | 678,729 | 38,440 | 54,063 | 663,106 |
| Machinery and equipment | 898,094 | 120,116 | - | 1,018,210 |
| Leasehold improvements | 1,588,410 | 131,417 | - | 1,719,827 |
| Total | \$ 29,037,985 | \$ 1,138,140 | \$ 276,964 | \$ 29,899,161 |

| | Net book value December 31, 2015 | Net book value December 31, 2016 |
|-------------------------|-------------------------------------|-------------------------------------|
| Land | \$ 9,415,439 | \$ 9,415,439 |
| Buildings | 21,731,601 | 21,307,579 |
| Office equipment | 465,985 | 401,022 |
| Ambulances | 748,957 | 780,254 |
| Medical equipment | 153,459 | 115,318 |
| Machinery and equipment | 869,292 | 954,826 |
| Leasehold improvements | 629,115 | 497,698 |
| Total | \$ 34,013,848 | \$ 33,472,136 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

6. Tangible capital assets:

| Cost | Balance December 31, 2014 | Additions | Disposals | Balance at December 31, 2015 |
|-------------------------|---------------------------------|---------------------|-------------------|------------------------------------|
| Land | \$ 9,415,439 | \$ - | \$ - | \$ 9,415,439 |
| Buildings | 44,615,050 | 701,761 | - | 45,316,811 |
| Office equipment | 932,861 | 298,627 | - | 1,231,488 |
| Ambulances | 2,166,113 | 288,842 | 183,959 | 2,270,996 |
| Medical equipment | 808,622 | 23,566 | - | 832,188 |
| Machinery and equipment | 1,767,386 | - | - | 1,767,386 |
| Leasehold improvements | 2,217,525 | - | - | 2,217,525 |
| Total | \$ 61,922,996 | \$ 1,312,796 | \$ 183,959 | \$ 63,051,833 |

| Accumulated amortization | Balance December 31, 2014 | Amortization expense | Disposals | Balance at December 31, 2015 |
|-----------------------------|---------------------------------|-------------------------|-------------------|------------------------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Building | 23,171,227 | 413,983 | - | 23,585,210 |
| Office equipment | 647,556 | 117,947 | - | 765,503 |
| Ambulances | 1,454,265 | 189,196 | 121,422 | 1,522,039 |
| Medical equipment | 627,576 | 51,153 | - | 678,729 |
| Machinery and equipment | 771,210 | 126,884 | - | 898,094 |
| Leasehold improvements | 1,456,902 | 131,508 | - | 1,588,410 |
| Total | \$ 28,128,736 | \$ 1,030,671 | \$ 121,422 | \$ 29,037,985 |

| | Net book value December 31, 2014 | Net book value December 31, 2015 |
|-------------------------|-------------------------------------|-------------------------------------|
| Land | \$ 9,415,439 | \$ 9,415,439 |
| Buildings | 21,443,823 | 21,731,601 |
| Office equipment | 285,305 | 465,985 |
| Ambulances | 711,848 | 748,957 |
| Medical equipment | 181,046 | 153,459 |
| Machinery and equipment | 996,176 | 869,292 |
| Leasehold improvements | 760,623 | 629,115 |
| Total | \$ 33,794,260 | \$ 34,013,848 |

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

7. Accumulated surplus:

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

| | 2016 | 2015 |
|-------------------------------------|----------------------|----------------------|
| Invested in tangible capital assets | \$ 24,461,158 | \$ 23,929,907 |
| Operating fund | 1,053,137 | 998,267 |
| Reserves and reserve funds (note 8) | 5,259,999 | 5,067,065 |
| | \$ 30,774,294 | \$ 29,995,239 |

8. Reserves and reserve funds:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| 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 | 409,956 |
| EMS HR operations | 195,537 | 195,537 |
| ASO employee benefits | 140,222 | 140,222 |
| OCB reserve | 9,157 | 11,066 |
| OD contingency | 112,000 | 112,000 |
| Project reserve | 149,080 | 149,080 |
| Replacement Reserve Fund | 443,697 | 355,598 |
| Software acquisition | 60,000 | 60,000 |
| Funds subject to external restrictions: | | |
| Best Start | 612,014 | 607,759 |
| Child Care | 1,908,573 | 1,908,573 |
| | \$ 5,259,999 | \$ 5,067,065 |

9. Employee future benefits:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined benefit pension plan. Employer contributions made to OMERS during the year by the Board amounted to \$604,278 (2015 - \$576,762)

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

10. Forgivable loans:

Included in the Housing program expenses is \$330,892 (2015 - \$164,247) in grants to individuals with forgivable conditions. In total \$3,342,495 of these grants have 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 home owner. To date, a total of \$201,285 has been repaid of which \$14,567 was in 2016 (2015 - \$56,059).

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 \$965,000. Offsite storage has been obtained from the North Bay Public Library at a cost of \$5,220 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 \$189,116. The Board also rents office space in West Nipissing. The current lease expires August 31, 2022. The aggregate rental payment to expiry is \$297,000.

The Board rents premises in Mattawa. The current lease expires December 31, 2017. The aggregate rental payments to the expiry date amount to \$19,675.

The Board rents premises in North Bay. The current lease expires December 31, 2031 with two additional five year renewal terms. The aggregate rental payments to the expiry date amount to \$4,975,270.

The Board rents EMS patient equipment. The current lease expires on March 31, 2020. The aggregate rental payments to the expiry date amount to \$354,012.

A month-to-month rental agreement currently exists with the Town of Temagami (\$7,700 per annum). This agreement is related to the provision of land ambulance services in the district.

The Board also rents premises on a month-to-month basis in South Algonquin (\$11,173 per annum).

12. Comparative information:

Certain comparative information has been reclassified from those previously presented to conform to the presentation of the 2016 consolidated financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

13. 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 Day Nurseries 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.

Innovation 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 to programs and services that supported low income families as mandated by the Province.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2016

13. Segmented information (continued):

Homelessness program

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

Capital projects

Includes the costs, current and past, associated with various capital projects including leasehold improvements, and some technology upgrades

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

Segmented Information Schedule

Year ended December 31, 2016

| | Ontario Works Financial Benefits | Ontario Works Employment and Program Delivery | Innovation Fund | Child Care Program | Social Housing Program | EMS - Land Ambulance Program | Homelessness Program | Board Costs | Administration | Total 2016 |
|--|--|--|--------------------|-----------------------|------------------------------|------------------------------------|-------------------------|----------------|--------------------|-------------------|
| Revenue: | | | | | | | | | | |
| Municipal levy | \$ 1,422,553 | 2,773,259 | 470,000 | 1,319,045 | 8,081,987 | 4,237,604 | - | 76,065 | - | 18,380,513 |
| Provincial Funding | 19,971,035 | 4,886,196 | - | 8,903,886 | 6,416,194 | 4,667,119 | - | - | - | 44,844,430 |
| Federal Funding - HRDC | - | - | - | - | - | - | 162,214 | - | 15,000 | 177,214 |
| Repayments | 307,994 | 70,707 | 1,532 | 539 | 5,563 | 19,585 | - | - | 30,800 | 436,720 |
| Interest and other | - | 5,091 | - | - | 537,752 | - | - | 35,706 | 108,182 | 686,731 |
| Rent | - | - | - | - | 4,119,631 | - | - | - | - | 4,119,631 |
| Deferred revenue | - | - | - | - | 1,294,743 | - | 2 | - | 5,000 | 1,299,745 |
| Total revenue | 21,701,582 | 7,735,253 | 471,532 | 10,223,470 | 20,455,870 | 8,924,308 | 162,216 | 111,771 | 158,982 | 69,944,984 |
| Expenses: | | | | | | | | | | |
| Salaries and benefits | - | 4,353,322 | - | 457,180 | 704,971 | 147,980 | 24,640 | 43,383 | 1,365,626 | 7,097,102 |
| Honorariums | - | - | - | - | - | - | - | 2,006 | - | 2,006 |
| Training | - | 20,338 | - | 3,781 | 35,932 | 5,964 | - | 3,851 | 30,688 | 100,554 |
| Travel | - | 16,710 | - | 2,959 | 8,065 | 157 | - | 8,373 | 7,777 | 44,041 |
| Technology | - | 68,209 | - | 8,386 | 13,008 | 45,105 | - | 236 | 97,105 | 232,049 |
| Accommodations | - | 118,214 | - | 10 | - | 246,048 | - | - | 465,532 | 829,804 |
| Professional fees and service charges | - | 30,882 | - | 1,398 | 45,218 | 551 | 1,527 | - | 279,882 | 359,458 |
| General office | - | 111,193 | - | 2,772 | 11,102 | 134,446 | - | 5,503 | 109,005 | 374,021 |
| Materials and services (EMS) | - | - | - | - | - | 212,951 | - | - | - | 212,951 |
| Equipment and vehicle (EMS) | - | - | - | - | - | 175,558 | - | - | - | 175,558 |
| Employment related costs (Clients) | - | 391,012 | - | - | - | - | - | - | - | 391,012 |
| Transfers to recipients and service providers | 21,559,225 | 536,340 | 443,440 | 9,591,009 | 10,158,710 | 7,611,252 | 136,049 | - | - | 50,036,025 |
| Nipissing District Housing Corporation | - | - | - | - | 7,928,468 | - | - | - | - | 7,928,468 |
| Total expenses | 21,559,225 | 5,646,220 | 443,440 | 10,067,495 | 18,905,474 | 8,580,012 | 162,216 | 63,352 | 2,355,615 | 67,783,049 |
| Excess of revenue over expenses before undernoted items | 142,357 | 2,089,033 | 28,092 | 155,975 | 1,550,396 | 344,296 | - | 48,419 | (2,196,633) | 2,161,935 |
| Amortization of tangible capital assets | - | 18,850 | - | 57 | 691,325 | 254,540 | - | 184 | 173,184 | 1,138,140 |
| Allocated administration costs | - | 1,961,024 | - | 173,708 | 126,548 | 36,258 | - | 72,279 | (2,369,817) | - |
| Excess of revenue over expenses for the year | 142,357 | 9,715,127 | 471,532 | 10,397,235 | 21,273,743 | 9,215,106 | 162,216 | 184,234 | (2,037,651) | 71,083,124 |
| Provincial settlements | - | 174,101 | - | (2,934) | - | 51,216 | - | - | - | 222,383 |
| Loss on disposal of tangible capital assets | - | 88 | - | - | - | 22,269 | - | - | - | 22,357 |
| Excess (deficiency) of revenues over expenses | \$ 142,357 | 9,889,316 | 471,532 | 10,394,301 | 21,273,743 | 9,288,591 | 162,216 | 184,234 | (2,037,651) | 71,327,864 |