

Consolidated Financial Statements of

**DISTRICT OF NIPISSING
SOCIAL SERVICES
ADMINISTRATION BOARD**

Year ended December 31, 2019

District of Nipissing Social Services Administration Board
Consolidated Consolidated Financial Statements
For the year ended December 31, 2019

Contents

Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2 - 4
Consolidated 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.

DocuSigned by:

7F6E1BB165AA475...

Catherine Matheson
Chief Administrative Officer

May 27, 2020



Tel: 705-495-2000
Fax: 705-495-2001
Toll-Free: 800-461-6324
www.bdo.ca

BDO Canada LLP
101 McIntyre Street W
Suite 301
North Bay ON P1B 2Y5 Canada

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, 2019, 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, 2019, 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 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.

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario

May 27, 2020

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets		
Cash	\$ 14,466,303	\$ 16,981,247
Accounts receivable (note 2)	1,358,704	2,140,402
Investments (note 3)	3,090,521	3,124,234
	18,915,528	22,245,883
Financial liabilities		
Accounts payable and accrued liabilities	6,771,451	8,640,175
Current portion of long-term debt (note 5)	3,037,860	1,575,186
Deferred revenue - other (note 4)	2,078,960	2,914,506
Deferred revenue - long-term (note 4)	3,151,862	3,194,579
Long-term debt (note 5)	2,472,570	5,510,430
	17,512,703	21,834,876
Net financial assets	1,402,825	411,007
Non-financial assets		
Tangible capital assets (note 6)	31,890,001	32,013,751
Other	345,491	363,815
	32,235,492	32,377,566
Contingent assets (note 10)		
Commitments (note 11)		
Subsequent event (note 12)		
Accumulated surplus (note 7)	\$ 33,638,317	\$ 32,788,573

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

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 13)	2019 Actual	2018 Actual
Revenue:			
Municipal levy	\$ 19,636,188	\$ 19,636,188	\$ 18,989,989
Ministry of Children, Community and Social Services	25,513,321	23,859,662	24,977,713
Ministry of Education	16,411,352	16,215,558	16,659,977
Ministry of Municipal Affairs and Housing	6,416,128	6,703,888	9,663,111
Ministry of Health and Long-Term Care	5,357,046	5,351,986	5,155,802
Employment and Social Development Canada	182,961	151,011	233,082
Ontario Trillium Foundation	-	-	125,000
Interest, recoveries and other	1,200,766	1,412,636	1,646,148
Rent	4,313,744	4,464,464	4,311,377
	<u>79,031,506</u>	<u>77,795,393</u>	<u>81,762,199</u>
Expenses:			
Ontario Works Financial Benefits	20,815,000	19,458,750	20,376,846
Social Housing Program	10,727,106	10,103,707	13,797,930
Child Care Program	14,231,571	14,935,542	14,840,397
EarlyOn Program	3,084,693	3,163,875	2,697,618
EMS - Land Ambulance Program	10,103,908	10,559,047	9,927,231
Administration	2,750,624	2,471,146	2,494,603
Ontario Works Employment Program	6,912,692	6,193,799	5,896,127
Healthy Communities Fund	400,000	443,748	469,374
Homelessness Program	182,961	146,011	184,722
Board	139,458	125,990	126,041
Nipissing District Housing Corporation	8,269,317	7,176,433	6,824,608
Amortization of tangible capital assets	-	2,177,596	2,692,055
	<u>77,617,330</u>	<u>76,955,644</u>	<u>80,327,552</u>
Annual surplus before undernoted items	1,414,176	839,749	1,434,647
Gain on disposal of tangible capital assets	-	9,995	10,198
Provincial settlements	-	-	(15,038)
Annual surplus	1,414,176	849,744	1,429,807
Accumulated surplus, beginning of the year	32,788,573	32,788,573	31,358,766
Accumulated surplus, end of the year	<u>\$ 34,202,749</u>	<u>\$ 33,638,317</u>	<u>\$ 32,788,573</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, 2019, with comparative information for 2018

	Budget (note 13)	2019	2018
Annual surplus	\$ 1,414,176	\$ 849,744	\$ 1,429,807
Acquisition of tangible capital assets	(443,354)	(2,053,846)	(1,212,716)
Amortization of tangible capital assets	-	2,177,596	2,692,055
Proceeds on disposal of tangible capital assets	-	9,995	10,198
Gain on disposal of tangible capital assets	-	(9,995)	(10,198)
	970,822	973,494	2,909,146
Increase in other non-financial assets	-	18,324	(47,782)
Change in net financial assets	970,822	991,818	2,861,364
Net financial assets (debt), beginning of year	411,007	411,007	(2,450,357)
Net financial assets, end of year	\$ 1,381,829	\$ 1,402,825	\$ 411,007

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, 2019, with comparative information for 2018

	2019	2018
Cash flows from operating activities:		
Annual surplus	\$ 849,744	\$ 1,429,807
Items not involving cash:		
Amortization of tangible capital assets	2,177,596	2,692,055
Gain on disposal of tangible capital assets	(9,995)	(10,198)
	3,017,345	4,111,664
Change in non-cash working capital:		
Decrease in accounts receivable	781,698	272,312
Decrease (increase) in other non-financial assets	18,324	(47,782)
Decrease in deferred revenue - other	(835,546)	(792,215)
(Decrease) increase in accounts payable and accrued liabilities	(1,868,724)	3,397,261
	1,113,097	6,941,240
Cash flows from financing activities:		
(Decrease) increase in deferred revenue - long-term	(42,717)	55,541
Repayment of long-term debt	(1,575,186)	(960,989)
	(1,617,903)	(905,448)
Cash flows from capital activities:		
Cash used to acquire tangible capital assets	(2,053,846)	(1,212,716)
Cash received on disposal of tangible capital assets	9,995	10,198
	(2,043,851)	(1,202,518)
Cash flows from investing activities:		
Decrease in investments	33,713	966,577
(Decrease) increase in cash during the year	(2,514,944)	5,799,851
Cash, beginning of year	16,981,247	11,181,396
Cash, end of year	\$ 14,466,303	\$ 16,981,247

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, 2019

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
- Municipality of West Nipissing
- Municipality of East Ferris
- Municipality of Temagami
- Township of South Algonquin
- Township of Bonfield
- Municipality 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, 2019

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, 2019

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, 2019

2. Accounts receivable:

	2019	2018
Province of Ontario:		
Ministry of Children, Community and Social Services	\$ 40,255	\$ 55,572
Ministry of Municipal Affairs and Housing	55,697	224,177
Ministry of Health and Long-Term Care	-	124,215
Ontario Trillium Foundation	-	25,000
Other:		
Municipality of Temagami	72,566	209,400
Township of East Ferris	-	94,208
Township of South Algonquin	41,443	-
Employment and Social Development Canada	12,733	10,224
HST rebate	257,233	389,332
Accrued interest and other	320,237	523,919
Rent and other tenant charges	558,540	484,355
	\$ 1,358,704	\$ 2,140,402

3. Investments:

	2019	2018
Social Housing Canadian Short-Term Bond Fund Series A	\$ 1,356,840	\$ 1,290,561
Guaranteed Investment Certificates	1,733,681	1,833,673
	\$ 3,090,521	\$ 3,124,234

Guaranteed investment certificates have yields ranging from 1.95% to 3.10% and mature at dates ranging from April 2020 to April 2023. The Social Housing Canadian Short-Term Bond Fund Series A have a cost of \$1,373,692 (2018 - \$1,346,130).

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

4. Deferred revenue:

	Balance at December 31, 2018	Contributions Received	Amounts Recognized to Revenue	Balance at December 31, 2019
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	54,249	-	(2,841)	51,408
Homelessness Partnership Fund	19,795	-	(19,795)	-
Other	22,343	84	-	22,427
Get Trained Workers	21,000	-	-	21,000
Affordable Housing/Rent Supplement	71,814	-	(54,997)	16,817
HIFIS	399	-	-	399
IAH Ontario Renovates	161,299	11,689	(131,890)	41,098
SIF Ontario Renovates	212,634	-	(77,324)	135,310
SIF Housing Allowance	9,750	19,500	-	29,250
CHPI	176,799	40,256	(176,799)	40,256
Ontario Works client repayments	1,274	40,715	-	41,989
Commercial rent supplement	121,002	-	(74,424)	46,578
EarlyON - Community Based Capital	-	128,273	-	128,273
Child Care ELCC	72,736	-	(72,736)	-
EarlyON Journey Together	288,737	-	(288,737)	-
Community Based Capital	269,774	-	(269,774)	-
Gateway Hub	108,333	14,072	-	122,405
Nipissing District Housing Corporation	1,276,545	1,708,755	(1,605,818)	1,379,482
	\$ 2,914,506	1,963,344	(2,798,890)	2,078,960
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)	292,922	12,663	(55,380)	250,205
	\$ 3,194,579	12,663	(55,380)	3,151,862

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

5. Long-term debt:

	2019	2018
Mortgage, repayable in blended monthly payments of \$33,028 bearing interest at 4.126%, maturing February 1, 2020, secured by land and buildings	\$ 2,433,130	\$ 2,723,474
Mortgage, repayable in blended monthly payments of \$21,709 bearing interest at 3.15%, maturing October 1, 2027, secured by land and buildings	1,807,633	2,008,155
Mortgage, repayable in blended monthly payments of \$21,694 bearing interest at 2.61%, maturing December 1, 2023, secured by land and buildings	988,043	1,219,460
Mortgage, repayable in blended monthly payments of \$13,529 bearing interest at 0.96%, maturing September 1, 2021, secured by land and buildings	281,624	440,455
Mortgage, repayable in blended monthly payments of \$7,450 bearing interest at 3.16%, repaid during the year	-	667,548
Mortgage, repayable in blended monthly payments of \$3,348 bearing interest at 2.75%, repaid during the year	-	26,524
	5,510,430	7,085,616
Less current portion of long-term debt	(3,037,860)	(1,575,186)
	\$ 2,472,570	\$ 5,510,430

Principal repayments are due as follows:

2020	\$ 3,037,860
2021	578,463
2022	470,372
2023	483,907
2024	234,440
Thereafter	705,388
	\$ 5,510,430

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

6. Tangible capital assets:

Cost	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019
Land	\$ 9,555,281	-	-	9,555,281
Buildings	46,545,219	1,068,171	-	47,613,390
Office equipment	478,974	-	-	478,974
Computer equipment	767,052	157,890	(302,275)	622,667
Ambulances and other vehicles	2,564,423	429,105	(213,388)	2,780,140
Medical equipment	404,142	122,055	-	526,197
Machinery and equipment	2,953,709	276,625	-	3,230,334
Leasehold improvements	2,217,525	-	-	2,217,525
Total	\$ 65,486,325	2,053,846	(515,663)	67,024,508

Accumulated Amortization	Balance at December 31, 2018	Disposals	Amortization expense	Balance at December 31, 2019
Land	\$ -	-	-	-
Buildings	26,807,657	-	1,389,723	28,197,380
Office equipment	406,238	-	26,218	432,456
Computer equipment	696,065	(302,275)	55,257	449,047
Ambulances and other vehicles	1,767,440	(213,388)	244,473	1,798,525
Medical equipment	257,013	-	58,297	315,310
Machinery and equipment	1,432,769	-	314,711	1,747,480
Leasehold improvements	2,105,392	-	88,917	2,194,309
Total	\$ 33,472,574	(515,663)	2,177,596	35,134,507

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 9,555,281	9,555,281
Buildings	19,737,562	19,416,010
Office equipment	72,736	46,518
Computer equipment	70,987	173,620
Ambulances and other vehicles	796,983	981,615
Medical equipment	147,129	210,887
Machinery and equipment	1,520,940	1,482,854
Leasehold improvements	112,133	23,216
Total	\$ 32,013,751	31,890,001

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

6. Tangible capital assets (continued):

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, 2019

7. Accumulated surplus:

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

	2019	2018
Invested in tangible capital assets	\$ 26,379,571	\$ 24,928,135
Operating fund	2,683,877	2,501,276
Reserves and reserve funds (note 8)	4,574,869	5,359,162
	\$ 33,638,317	\$ 32,788,573

8. Reserves and reserve funds:

	2019	2018
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	9,783
OD contingency	112,000	112,000
Project reserve	149,080	149,080
Capital replacement reserve	699,714	584,007
Software acquisition	60,000	60,000
Funds subject to restrictions:		
Best start	570,241	570,241
Child Care	1,008,573	1,908,573
	\$ 4,574,869	\$ 5,359,162

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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, 2019. The results of this valuation disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets at the date of \$104,290 million indicating a going concern actuarial deficit of \$3,397 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 2019 were \$713,369 (2018 - \$718,416).

10. Contingent assets:

Included in the Housing program expenses is \$439,906 (2018 - \$182,896) in grants to individuals with forgivable conditions. In total, \$4,086,714 of these grants has been advanced since 2009. These grants are issued to low income home owners as loans forgivable over periods ranging from 10 to 20 years. However, if the house is sold before the 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 \$305,585 has been repaid of which \$12,663 was in 2019.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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 \$81,799. Offsite storage has been obtained from the North Bay Public Library at a cost of \$5,834 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 \$48,869. The Board also rents office space in West Nipissing. The current lease expires August 31, 2022. The aggregate rental payment to expiry is \$135,000.

The Board rents premises in Mattawa. The current lease expires August 31, 2023. The aggregate rental payments to the expiry date amount to \$50,740.

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 \$3,099,353.

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 \$88,503 and \$54,937 respectively.

12. Subsequent event:

Subsequent to the year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Board, its employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Board's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Board is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Board's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Board will continue to focus on managing expenditures and government funding to ensure it is able to continue providing essential services to the district.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

13. Budget data:

The budget data presented in these consolidated financial statements is based upon the budget approved by the Board on January 30, 2019 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	\$ (141,110)
Adjustments to adopted budget:	
Acquisition of tangible capital assets	443,354
Long-term debt repayments	1,040,463
Transfer to capital replacement reserve	319,102
Transfer from capital replacement reserve	(247,633)
<hr/> Budget surplus per consolidated statement of operations	<hr/> \$ 1,414,176

14. Comparative amounts:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2019 financial statements.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

15. 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.

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.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2019

15. Segmented information (continued):

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 and Reaching Home programs 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 - 2019 Consolidated Segmented Information Schedule

Year ended December 31, 2019

	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 2019
Revenue:											
Municipal levy	\$ 116,784	3,136,201	428,748	1,243,940	-	9,326,490	5,209,377	-	174,648	-	19,636,188
Provincial Funding	19,126,185	4,733,477	-	13,084,016	2,500,294	6,106,473	5,351,986	-	-	-	50,902,431
Federal Funding - ESDC	-	-	-	-	-	5,000	-	146,010	-	-	151,010
Repayments	399,228	40,858	-	10,572	-	1,663	1,517	-	-	8,436	462,274
Interest and other	-	36,670	15,000	-	-	268,613	25,000	-	30,000	575,079	950,362
Rent	-	-	-	-	-	4,464,464	-	-	-	-	4,464,464
Deferred revenue	-	-	-	151,782	479,466	597,415	-	1	-	-	1,228,664
Total revenue	19,642,197	7,947,206	443,748	14,490,310	2,979,760	20,770,118	10,587,880	146,011	204,648	583,515	77,795,393
Expenses:											
Salaries and benefits	-	4,933,424	-	628,993	353,631	964,037	301,421	28,556	88,244	1,394,044	8,692,350
Honorariums	-	-	-	-	-	-	-	-	3,250	-	3,250
Training	-	15,238	-	3,856	17,823	5,833	1,171	16	12,109	15,330	71,376
Travel	-	24,757	-	10,816	413	8,595	2,055	131	19,429	10,808	77,004
Telephone	-	28,196	-	2,234	-	611	57	-	623	30,629	62,350
Technology	-	104,398	-	42,316	38,041	5,212	51,172	-	-	259,092	500,231
Accommodations	-	163,204	-	-	-	18,719	486,291	-	-	538,196	1,206,410
Professional fees	-	14,374	-	9,327	1,613	70,324	580	679	-	85,168	182,065
Insurance	-	-	-	-	-	-	86,363	-	-	63,276	149,639
General office	-	132,110	-	5,211	391	23,276	5,624	59	2,335	74,603	243,609
Materials and services	-	-	-	-	-	-	279,949	-	-	-	279,949
Equipment and vehicle	-	-	-	-	-	-	200,996	-	-	-	200,996
Employment related costs (Clients)	-	381,767	-	-	-	-	-	-	-	-	381,767
Transfers to recipients and service providers	19,458,750	396,331	443,748	14,232,789	2,751,963	9,007,100	9,143,368	116,570	-	-	55,550,619
Nipissing District Housing Corporation	-	-	-	-	-	7,176,433	-	-	-	-	7,176,433
Expenses before undernoted items	19,458,750	6,193,799	443,748	14,935,542	3,163,875	17,280,140	10,559,047	146,011	125,990	2,471,146	74,778,048
Amortization of tangible capital assets	-	1,615	-	-	-	1,742,696	288,546	-	-	144,739	2,177,596
Allocated administration costs	-	1,395,628	-	244,291	58,126	229,658	46,541	-	58,126	(2,032,370)	-
Total expenses	19,458,750	7,591,042	443,748	15,179,833	3,222,001	19,252,494	10,894,134	146,011	184,116	583,515	76,955,644
Provincial settlements	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	-	-	-	-	-	(2,398)	(7,597)	-	-	-	(9,995)
Annual surplus (deficit)	\$ 183,447	356,164	-	(689,523)	(242,241)	1,520,022	(298,657)	-	20,532	-	849,744

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD

Unaudited - 2018 Consolidated Segmented Information Schedule

Year ended December 31, 2019

	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
Telephone	-	30,759	-	2,080	-	1,081	141	-	330	39,408	73,799
Technology	-	52,915	-	77,694	27,787	458	49,096	-	-	264,295	472,245
Accommodations	-	126,146	-	-	-	35,140	462,419	-	-	536,782	1,160,487
Professional fees	-	5,478	-	13,727	5,581	35,536	12,357	1,526	6,247	57,418	137,870
Insurance	-	-	-	-	-	-	95,902	-	-	58,441	154,343
General office	-	130,433	-	12,475	1,904	18,819	35,415	601	15,949	109,932	325,528
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	12,477,615	8,597,701	167,025	-	-	58,855,275
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
Loss 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