

Consolidated Financial Statements of

**DISTRICT OF SAULT STE. MARIE SOCIAL
SERVICES ADMINISTRATION BOARD**

Year ended December 31, 2018

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Index to Consolidated Financial Statements

Year ended December 31, 2018

	Page
Consolidated Financial Statements:	
Management's Responsibility for the Consolidated Financial Statements	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements.....	5 - 17



Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of District of Sault Ste. Marie 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 Canadian public sector accounting standards. 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 judgment, 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.

Chief Administrative Officer

Director of Corporate Services



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INDEPENDENT AUDITORS' REPORT

To the Members of the District of Sault Ste. Marie Social Services Administration Board

Opinion

We have audited the consolidated financial statements of District of Sault Ste. Marie Social Services Administration Board (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018 and its consolidated results of operations, its consolidated changes 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
May 16, 2019

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash and cash equivalents	\$ 17,535,718	\$ 11,981,866
Accounts receivable	1,018,328	702,277
Receivable from City of Sault Ste. Marie	1,192,115	-
	19,746,161	12,684,143
Financial liabilities		
Accounts payable and accrued liabilities	5,313,352	2,745,182
Payable to City of Sault Ste. Marie	-	122,430
Payable to Province of Ontario	4,982,221	2,336,498
Long-term debt (note 3)	969,339	1,890,667
Employee future benefits (note 4)	1,310,848	1,245,248
	12,575,760	8,340,025
Net financial assets	7,170,401	4,344,118
Non-financial assets		
Tangible capital assets (note 5)	6,477,775	6,127,497
Prepaid expenses	1,199,239	1,113,270
	7,677,014	7,240,767
Forgivable loans (note 2)		
Commitments (note 10)		
Accumulated surplus (note 6)	\$ 14,847,415	\$ 11,584,885

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

Approved by the Board:

_____ Director

_____ Director

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Operations and Accumulated Surplus

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

	2018 Budget (note 11)	Actual 2018	Actual 2017
Revenue:			
Province of Ontario	\$ 46,886,674	\$ 44,177,677	\$ 37,519,194
Government of Canada	3,272,712	3,197,846	3,447,370
Participating municipalities	20,114,090	20,114,090	19,768,885
Other	85,400	180,606	124,330
Investment income	116,000	307,949	138,321
Rental income	3,092,000	3,178,134	2,992,175
Total revenue	73,566,876	71,156,302	63,990,275
Expenses:			
General assistance	28,601,341	27,496,983	27,199,085
Housing services	19,916,879	16,917,238	16,778,736
Administration	2,543,028	2,402,977	2,185,534
Early years services	13,600,374	12,821,320	8,464,021
Land ambulance	8,601,341	7,789,274	6,981,649
Amortization of tangible capital assets	465,980	465,980	449,471
Total expenses	73,728,943	67,893,772	62,058,496
Annual surplus (deficit)	(162,067)	3,262,530	1,931,779
Accumulated surplus, beginning of year	11,584,885	11,584,885	9,653,106
Accumulated surplus, end of year	\$ 11,422,818	\$ 14,847,415	\$ 11,584,885

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

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Change in Net Financial Assets

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

	2018 Budget (note 11)	Actual 2018	Actual 2017
Annual surplus (deficit)	\$ (162,067)	\$ 3,262,530	\$ 1,931,779
Acquisition of tangible capital assets	(1,669,821)	(816,258)	(1,248,165)
Gain on sale of tangible capital assets	-	-	(7,400)
Proceeds from sale of tangible capital assets	-	-	7,400
Amortization of tangible capital assets	465,980	465,980	449,471
	(1,365,908)	2,912,252	1,133,085
Acquisition of prepaid expense	-	(1,199,239)	(1,113,270)
Use of prepaid expenses	-	1,113,270	961,751
Change in net financial assets	(1,365,908)	2,826,283	981,566
Net financial assets, beginning of year	4,344,118	4,344,118	3,362,552
Net financial assets, end of year	\$ 2,978,210	\$ 7,170,401	\$ 4,344,118

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

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Cash Flows

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

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,262,530	\$ 1,931,779
Items not involving cash:		
Amortization of tangible capital assets	465,980	449,471
Gain on sale of tangible capital assets	-	(7,400)
Change in employee future benefits	65,600	72,883
	3,794,110	2,446,733
Change in non-cash assets and liabilities:		
Accounts receivable	(316,051)	277,921
Receivable payable to City of Sault Ste. Marie	(1,314,545)	(487,453)
Accounts payable and accrued liabilities	2,568,170	896,544
Payable to Province of Ontario	2,645,723	816,360
Prepaid expenses	(85,969)	(151,519)
Net change in cash from operating activities	7,291,438	3,798,586
Capital activities:		
Cash used to acquire tangible capital assets	(816,258)	(1,248,165)
Proceeds from sale of tangible capital assets	-	7,400
Net change in cash from capital activities	(816,258)	(1,240,765)
Financing activities:		
Long-term debt principal repayments	(921,328)	(456,045)
Net change in cash from financing activities	(921,328)	(456,045)
Net change in cash and cash equivalents	5,553,852	2,101,776
Cash and cash equivalents, beginning of year	11,981,866	9,880,090
Cash and cash equivalents, end of year	\$ 17,535,718	\$ 11,981,866

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

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies:

The consolidated financial statements of the District of Sault Ste. Marie Social Services Administration Board (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 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.

(b) Reporting entities:

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity and the Sault Ste. Marie Housing Corporation. Inter-organization transactions and balances between these organizations have been eliminated.

(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 over their estimated useful lives as follows:

Asset	Useful Life – Years
Buildings	60
Vehicles	5 - 7
Furniture and equipment	5

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 SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and investments that mature within three months.

(e) 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.

(f) 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.

(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 revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets, employee future benefits and valuation allowances for receivables and 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 the statement of operations in the year in which they become known.

(h) Employee future benefits:

- i. The Board provides certain benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board Act, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the Workplace Safety and Insurance Board Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discount rates.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies (continued):

(i) Employee future benefits (continued):

- ii) For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- iii) The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

2. Forgivable loans:

The Board administers various programs under the Canada-Ontario Affordable Housing Program ("AHP") and the Social Infrastructure Fund ("SIF"). Funds received under these programs assist with certain housing repairs to low to moderate income residents of Northern Ontario and funding for new rental housing units to low-income seniors and persons with disabilities, in the form of forgivable loans. These loans are forgivable over 10 to 20 year periods based on specific provisions in each program, provided that certain conditions and requirements are maintained by the loan recipients. In the event of default loans are repaid by the funding recipients. The Board is required to reinvest these amounts through new loans within the related program or return the funding and as such, any amounts not yet distributed under these programs is included in the Payable to Province of Ontario.

During the year, \$35,434 (2017 - \$626,181) was advanced as loans under the Program. The net payable at December 31, 2018 was \$1,429,168 (2017 - \$406,472) which represents the amounts held by the Board to either be issued as new forgivable loans under the AHP and SIF programs or returned to the funders. During the year, a total of \$693,334 (2017 - \$837,844) in loan balances was forgiven.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

3. Long-term debt:

	2018	2017
Canada Mortgage and Housing Corporation, various debentures, interest rates varying from 6.09% to 8.01%, annual payments totaling \$528,316 due dates ranging from January 2020 to January 2024, secured by real property	\$ 969,339	\$ 1,890,667

Principal repayments required for the next five years and thereafter are as follows:

2019	\$ 463,570
2020	225,868
2021	239,888
2022	22,875
2023	17,138
	\$ 969,339

4. Employee future benefit obligations:

Employee future benefits are liabilities of the Board to its employees and early retirees for the following benefits earned but not taken as at December 31 are as follows:

	2018	2017
Post-employment and post-retirement benefits	\$ 952,337	\$ 879,151
Vacation pay	13,118	23,031
Non-vesting sick leave benefits	345,393	343,066
	\$ 1,310,848	\$ 1,245,248

Post employment and post retirement benefits

The Board provides non-pension benefits to employees and retirees until they reach 65 years of age. The values that follow have been estimated based upon employee data available during the actuarial review which was completed as at December 31, 2018.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

4. Employee future benefit obligations (continued):

The benefit liability continuity is as follows:

	2018	2017
Accrued benefit liability, January 1	\$ 879,151	\$ 811,035
Expense	98,641	90,717
Payments	(25,455)	(22,601)
Accrued benefit liability, December 31	\$ 952,337	\$ 879,151

Significant assumptions:

Discount rate 3.75%

Health cost increase 5.0% - 6.25%

Accrued vacation pay:

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31, 2018.

Non-vesting sick leave benefits:

Sick leave benefits accrue to Board employees at a rate of one and a half days per month. Unused sick days are banked and may be used in the future if sick leave is beyond yearly allocation. No cash payments are made for unused sick time upon termination or retirement.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

5. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Disposals and Transfers	Balance at December 31, 2018
Land	\$ 1,756,634	-	-	\$ 1,756,634
Buildings	7,026,541	-	-	7,026,541
Vehicles	1,296,144	381,847	-	1,677,991
Furniture and equipment	1,018,487	65,164	-	1,083,651
Construction-in-progress	-	369,247	-	369,247
Total	\$ 11,097,806	816,258	-	\$ 11,914,064

Accumulated Amortization	Balance at December 31, 2017	Disposals	Amortization Expense	Balance at December 31, 2018
Land	\$ -	-	-	\$ -
Buildings	3,581,647	-	199,016	3,780,663
Vehicles	754,897	-	171,753	926,650
Furniture and equipment	633,765	-	95,211	728,976
Construction-in-progress	-	-	-	-
Total	\$ 4,970,309	-	465,980	\$ 5,436,289

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land	\$ 1,756,634	\$ 1,756,634
Buildings	3,444,894	3,245,878
Vehicles	541,247	751,341
Furniture and equipment	384,722	354,675
Construction-in-progress	-	369,247
Total	\$ 6,127,497	\$ 6,477,775

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

5. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals and Transfers	Balance at December 31, 2017
Land	\$ 1,488,538	268,096	-	\$ 1,756,634
Buildings	5,954,154	1,072,387	-	7,026,541
Vehicles	1,291,387	122,900	(118,143)	1,296,144
Furniture and equipment	971,275	47,212	-	1,018,487
Construction-in-progress	262,430	-	(262,430)	-
Total	\$ 9,967,784	1,510,595	(380,573)	\$ 11,097,806

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization Expense	Balance at December 31, 2017
Land	\$ -	-	-	\$ -
Buildings	3,381,079	-	200,568	3,581,647
Vehicles	718,993	(118,143)	154,047	754,897
Furniture and equipment	538,909	-	94,856	633,765
Construction-in-progress	-	-	-	-
Total	\$ 4,638,981	(118,143)	449,471	\$ 4,970,309

	Net book value, December 31, 2016	Net book value, December 31, 2017
Land	\$ 1,488,538	\$ 1,756,634
Buildings	2,573,075	3,444,894
Vehicles	572,394	541,247
Furniture and equipment	432,366	384,722
Construction-in-progress	262,430	-
Total	\$ 5,328,803	\$ 6,127,497

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

6. Accumulated surplus:

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

	2018	2017
Invested in tangible capital assets	\$ 6,477,775	\$ 6,127,497
Operating fund	2,147,381	570,861
Unfunded long-term debt	(969,339)	(1,890,667)
Unfunded employee future benefits	(1,310,848)	(1,245,248)
Reserves and reserve funds (note 7)	8,502,446	8,022,442
	\$ 14,847,415	\$ 11,584,885

7. Reserves and reserve funds:

	January 1, 2018	Transfers to	Transfers from	December 31, 2018
Set aside for specific purposes by the Board:				
Reserves:				
Working funds	\$ 1,639,621	204,521	(304,071)	\$ 1,540,071
Social housing operations	1,186,548	76,749	–	1,263,297
Early years reserve fund	1,323,369	42,106	–	1,365,475
Ambulances	342,102	231,829	(321,765)	252,166
	4,491,640	555,205	(625,836)	4,421,009
Reserve funds:				
Social housing capital reserve fund	1,282,998	157,071	(450,000)	990,069
Levy stabilization fund	2,247,804	843,564	–	3,091,368
2018 balances	\$ 8,022,442	1,555,840	(1,075,836)	\$ 8,502,446
2017 balances	\$ 7,001,652	1,388,403	(367,613)	\$ 8,022,442

8. Pension agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 119 members (2017 – 109 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 amount contributed to OMERS during the year was \$630,784 (2017 - \$599,756) for current service. This amount is included as an expense on the consolidated statement of operations and accumulated surplus.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

9. Expenses by object:

	2018	2017
Salaries	\$ 9,103,722	\$ 8,456,694
Materials and supplies	50,816,077	46,412,874
Amortization of tangible capital assets	465,980	449,471
Purchased services	7,507,993	6,739,457
	\$ 67,893,772	\$ 62,058,496

The Board purchases administrative and other related services from the City of Sault Ste. Marie on a full cost recovery basis.

10. Commitments:

The Board has entered into lease and contractual agreements for office space and other service contracts with terms ending between December 2019 and January 2023.

The minimum annual payments under the terms of these commitments are as follows:

2019	\$ 1,050,079
2020	725,134
2021	426,400
2022	62,463
2023	11,142

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

11. Budget figures:

The operating budgets approved by the Board for 2018 were prepared for the purpose of establishing the estimated revenues and expenses for fiscal 2018 for the District of Sault Ste. Marie Social Services Administration Board and the Sault Ste. Marie Housing Corporation separately. The budgets established do not include a budget for the amortization of tangible capital assets and include allocations of prior year surpluses.

The consolidated budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial Assets have been restated to be comparable with the Public Sector Accounting Standards. A reconciliation of the Board approved budgets and the consolidated budget presented in these financial statements is presented below:

Adopted consolidated budget:	
Consolidated budgeted annual surplus for the year	\$ —
Adjustments to adopted budget:	
Allocation of prior year surpluses	(454,999)
Use of reserve funds	(910,909)
Amortization of tangible capital assets	(465,980)
Acquisition of tangible capital assets	1,669,821
<hr/>	
Budget deficit per consolidated statement of operations and accumulated surplus	\$ (162,067)

12. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

13. Segmented information:

The District of Sault Ste. Marie 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 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.

Housing Services

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.

DSSAB Administration

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

Early Years Services

Early years services funding is administered to child care operators within the district in accordance with the Day Nurseries Act.

Land Ambulance and Garden River Ambulance

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

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 financial statements as disclosed in note 1.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

13. Segmented information (continued):

	Ontario Works	Housing Services	DSSAB Administration	Early Years Services	Land Ambulance	Garden River Land Ambulance	2018 Total
Revenues:							
Province of Ontario	\$ 25,786,847	2,136,063	142,421	11,580,349	2,985,829	1,546,168	\$ 44,177,677
Government of Canada	-	3,197,846	-	-	-	-	3,197,846
Participating municipalities	2,236,582	10,525,486	2,367,095	1,259,905	3,546,165	178,857	20,114,090
Other	-	180,606	-	-	-	-	180,606
Investment income	-	53,808	254,141	-	-	-	307,949
Rental income	-	3,178,134	-	-	-	-	3,178,134
	28,023,429	19,271,943	2,763,657	12,840,254	6,531,994	1,725,025	71,156,302
Expenses:							
Salaries and benefits	4,684,964	2,072,793	1,579,105	766,860	-	-	9,103,722
DSSAB operations	-	-	736,590	-	-	-	736,590
Materials and services	688,480	4,332,381	61,030	147,625	120,680	160,601	5,510,797
Transfers to recipients and social providers	20,423,180	10,512,064	-	11,906,835	-	-	42,842,079
Employment related costs	1,700,359	-	-	-	-	-	1,700,359
Transition costs	-	-	26,252	-	-	-	26,252
	27,496,983	16,917,238	2,402,977	12,821,320	120,680	160,601	59,919,799
Amortization of tangible capital assets	-	199,015	-	-	224,053	42,912	465,980
Purchased services:							
Salaries and benefits	-	-	-	-	5,593,646	1,204,612	6,798,258
Materials and services	-	-	-	-	679,756	29,979	709,735
	-	-	-	-	6,273,402	1,234,591	7,507,993
Total expenses	27,496,983	17,116,253	2,402,977	12,821,320	6,618,135	1,438,104	67,893,772
Annual surplus (deficit)	\$ 526,446	2,155,690	360,680	18,934	(86,141)	286,921	\$ 3,262,530

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2018

13. Segmented information (continued):

	Ontario Works	Housing Services	DSSAB Administration	Early Years Services	Land Ambulance	Garden River Land Ambulance	2017 Total
Revenues:							
Province of Ontario	\$ 24,050,858	2,490,022	-	7,001,400	2,749,422	1,227,492	\$ 37,519,194
Government of Canada	-	3,447,370	-	-	-	-	3,447,370
Participating municipalities	2,379,844	10,079,859	3,027,047	1,457,742	2,809,665	14,728	19,768,885
Other	-	116,930	-	-	7,400	-	124,330
Investment income	-	24,483	113,838	-	-	-	138,321
Rental income	-	2,992,175	-	-	-	-	2,992,175
	26,430,702	19,150,839	3,140,885	8,459,142	5,566,487	1,242,220	63,990,275
Expenses:							
Salaries and benefits	4,458,160	1,959,495	1,443,448	595,591	-	-	8,456,694
DSSAB operations	-	-	645,689	-	-	-	645,689
Materials and services	830,312	3,904,369	-	111,050	125,870	116,322	5,087,923
Transfers to recipients and social providers	19,682,749	10,914,872	-	7,757,380	-	-	38,355,001
Employment related costs	2,227,864	-	-	-	-	-	2,227,864
Transition costs	-	-	96,397	-	-	-	96,397
	27,199,085	16,778,736	2,185,534	8,464,021	125,870	116,322	54,869,568
Amortization of tangible capital assets	-	200,568	-	-	205,207	43,696	449,471
Purchased services:							
Salaries and benefits	-	-	-	-	5,101,720	955,965	6,057,685
Materials and services	-	-	-	-	518,905	162,867	681,772
	-	-	-	-	5,620,625	1,118,832	6,739,457
Total expenses	27,199,085	16,979,304	2,185,534	8,464,021	5,951,702	1,278,850	62,058,496
Annual surplus (deficit)	\$ (768,383)	2,171,535	955,351	(4,879)	(385,215)	(36,630)	\$ 1,931,779