

**MANITOULIN-SADBURY
DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

FINANCIAL STATEMENTS

For The Nine Months Ended December 31, 1999

INDEX

Auditor's Report

Balance Sheet

Statement of Operations

Statement of Continuity of Reserves

Notes to the Financial Statements

Schedules to the Financial Statements

AUDITORS' REPORT

To the Members of the Manitoulin-Sudbury District Social Services Administration Board and Members of Councils, Inhabitants and Ratepayers of Participating Municipalities as listed in Note 2.

We have audited the balance sheet of the Manitoulin-Sudbury District Social Services Administration Board as at December 31, 1999 and the statements of operations and continuity of reserves for the nine months then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoulin-Sudbury District Social Services Administration Board as at December 31, 1999 and the results of its operations for the nine months then ended in accordance with accounting principles disclosed in note 1 to the financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included on Schedules 1 to 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**HEALE and HOULE
Chartered Accountants**

Espanola, Ontario
March 1, 2000

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

BALANCE SHEET

As at December 31, 1999

	\$
ASSETS	
Current assets	
Cash and bank	1,154,322
Accounts receivable	130,574
Prepaid expenses	7,893
Prepaid assistance	<u>361,948</u>
	<u>1,654,737</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	286,447
Due to participating municipalities	26,234
Due to Province of Ontario	521,640
Deferred revenue	<u>52,276</u>
	<u>886,597</u>
RESOURCES AVAILABLE AT THE END OF THE YEAR	
Reserves (note 3)	768,140
To offset municipal apportionment	<u>--</u>
	<u>768,140</u>
	<u>1,654,737</u>

Approved by the Board:

The accompanying notes are an integral part of the financial statements.

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

STATEMENT OF OPERATIONS

For the nine months ended December 31, 1999

	Budget \$	Actual \$
SOURCES OF FINANCING		
Province of Ontario - (schedule 1)	6,730,787	4,678,784
Province of Ontario - ODSP	6,430,418	6,628,462
Federal government	--	11,111
Participating municipalities	5,025,718	4,742,963
Other	--	49,165
Province of Ontario - one-time funding	<u>655,600</u>	<u>655,600</u>
Total financing available during the year	<u>18,842,523</u>	<u>16,766,085</u>
APPLIED TO:		
General Assistance - OW (schedule 2)	6,738,905	4,701,642
General Assistance - ODSP	8,591,066	8,420,711
Administration (schedule 3)	1,160,244	1,121,051
Social Housing	772,281	709,867
Child Care costs	824,427	448,367
National Child Benefit expenditures	--	70,000
Homelessness Initiative	100,000	47,724
Expenditures related to one-time funding (schedule 4)	<u>655,600</u>	<u>478,583</u>
Total funds expended during the year	<u>18,842,523</u>	<u>15,997,945</u>
RESOURCES AVAILABLE AT THE END OF THE YEAR		
Reserves (note 3)	--	768,140
To offset municipal apportionment	<u> --</u>	<u> --</u>
	<u> --</u>	<u>768,140</u>

The accompanying notes are an integral part of the financial statements.

**MANITOULIN-SADBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

STATEMENT OF CONTINUITY OF RESERVES

For the nine months ended December 31, 1999

	Working Funds \$	Head Office Addition \$	Head Office Addition One-time Funding \$	Total \$
Balance, beginning of period	--	--	--	--
Appropriations to:				
operating funds	--	--	--	--
Appropriations from:				
operating funds	<u>383,200</u>	<u>207,923</u>	<u>177,017</u>	<u>768,140</u>
Balance, end of year	<u>383,200</u>	<u>207,923</u>	<u>177,017</u>	<u>768,140</u>

The accompanying notes are an integral part of the financial statements.

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended December 31, 1999

Effective April 1, 1999, pursuant to provincial legislation, Manitoulin-Sudbury District Social Services Administration Board assumed the operations of the Ontario Works and Other Social Programs. All client files of the former Manitoulin Welfare Board and Ministry administered clients were transferred to the new Board.

1. Accounting Policies

The financial statements of the Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

These financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund and reserves.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

(b) Basis of Accounting

(i) Modified accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of vacation pay which is charged against operations in the period in which it is paid. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

(ii) Capital assets

The historical cost and accumulated amortization of capital assets are not reported for Board purposes. Capital assets are reported as an expenditure on the statement of operations in the year of acquisition.

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended December 31, 1999

2. Participating Municipalities

The participating municipalities are as follows:

- Town of Espanola
- Township of Sables-Spanish Rivers
- Township of Baldwin
- Township of Nairn and Hyman
- Municipality of Markstay - Warren
- Municipality of St. Charles
- Municipality of French River
- Town of Chapleau
- Township of Cockburn Island
- Township of Barrie Island
- Township of Burpee and Mills
- Township of Gordon
- Town of Gore Bay
- Township of Billings
- Township of Central Manitoulin
- Township of Tehkummah
- Township of Northeastern Manitoulin and the Islands
- Township of Assiginack
- Municipality of Killarney
- Other unorganized areas within the Manitoulin-Sudbury Districts

3. Reserves

Reserves set aside for specific purposes by the Board:

Working funds	\$383,200
Head Office addition	207,923
Head Office addition - one-time funding	<u>177,017</u>
	<u>\$768,140</u>

4. Pension Agreements

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of the 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 for 1999 was nil for current service and nil for past service.

Due to a surplus in the pension plan, OMERS instituted a contribution holiday which became effective August 1, 1998 and is to continue to December 2001. During this period, the Board does not have to make any contributions to the plan.

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended December 31, 1999

5. Vacation Pay

In accordance with the accounting policy in note 1(b)(i) the Board does not accrue for vacation pay but charges it against operations in the period it is paid. The total liability for vacation pay at December 31, 1999 which is not reflected in the records is \$20,514.

6. Commitments

The Board rents office space in Chapleau under a lease which expires February 2001, the annual rent for which is \$15,696.

The Board rents office space in Warren under a lease which expires May 15, 2001, the annual rent for which is \$6,000.

The Board rents office space in Alban under a lease which expires April 14, 2001, the annual rent for which is \$8,100. Some of this office space is sub-leased to various parties under leases which expire April 13, 2001, the annual rent for which is \$2,703.

The Board rents office space in Little Current under a lease which expires July 14, 2000, the annual rent for which is \$8,340. Some of this office space is sub-leased to various parties under month to month leases, the annual rent for which is \$4,195.

The Board rents office space in Mindemoya under a lease which expires May 14, 2001, the annual rent for which is \$5,400.

The Board rents office space in Espanola under a month to month lease, the annual rent for which is \$8,400.

7. Comparative Figures

Comparative figures are not available as the Manitoulin-Sudbury District Social Services Administration Board was legislated to be created April 1, 1999.

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

ANALYSIS OF PROVINCE OF ONTARIO REVENUES

For the nine months ended December 31, 1999

	Budget \$	Actual \$
Ontario Works		
General Assistance	<u>4,314,059</u>	<u>3,622,505</u>
Other assistance programs		
Special assistance	761,305	107,009
Supplementary aid	--	30,850
Ontario Works - Employment	<u>315,761</u>	<u>7,198</u>
	<u>1,077,066</u>	<u>145,057</u>
Administration	<u>580,122</u>	<u>507,441</u>
Child Care programs	<u>659,540</u>	<u>356,057</u>
Homelessness Initiative	<u>100,000</u>	<u>47,724</u>
	<u>6,730,787</u>	<u>4,678,784</u>

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

ANALYSIS OF PROGRAM EXPENDITURES

For the nine months ended December 31, 1999

	Budget \$	Actual \$
General Assistance	<u>5,392,573</u>	<u>4,517,847</u>
Other assistance programs		
Special assistance	951,631	133,922
Supplementary aid	--	40,876
Ontario Works - Employment	<u>394,701</u>	<u>8,997</u>
	<u>1,346,332</u>	<u>183,795</u>
	<u>6,738,905</u>	<u>4,701,642</u>

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

ANALYSIS OF ADMINISTRATION EXPENDITURES

For the nine months ended December 31, 1999

	Budget \$	Actual \$
Subsidizable		
Salaries and benefits	808,747	439,054
Board travel and meeting costs	14,486	11,460
Travel and training	59,727	48,650
Computer system lease	41,666	24,480
Audit/accounting	1,159	13,023
Legal	750	1,909
Bank interest and service charges	895	3,757
Insurance	2,160	4,470
Accommodation costs	104,325	45,286
Office furnishing, computer software and hardware	--	161,270
Service agreements	12,563	7,691
Joblink costs	--	86,372
Advertising	2,250	--
Office supplies and postage	46,041	83,260
Telephone and communications	57,600	48,928
Administration fees	--	37,404
	<u>1,152,369</u>	<u>1,017,014</u>
Non-subsidizable		
Board honorarium	7,875	12,050
MCSS administration fees (50%)	--	91,987
	<u>7,875</u>	<u>104,037</u>
Total administration expenditures	<u>1,160,244</u>	<u>1,121,051</u>

**MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES
ADMINISTRATION BOARD**

ANALYSIS OF ONE-TIME FUNDING EXPENDITURES

For the nine months ended December 31, 1999

	Budget \$	Actual \$
Technology	91,900	42,950
Office accommodations	299,000	217,597
Expert resources	14,700	10,082
Notification 8,000	--	
Staff training	34,000	--
DSSAB planning	85,000	38,396
Transition period	78,000	79,314
Professional services	25,000	87,808
Interim lease arrangements	<u>20,000</u>	<u>2,436</u>
	<u>655,600</u>	<u>478,583</u>