

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

FINANCIAL STATEMENTS

For The Year Ended December 31, 2000

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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 statement of financial position of the Manitoulin-Sudbury District Social Services Administration Board as at December 31, 2000 and the statements of current fund operations, continuity of reserves and changes in financial position for the year 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, 2000 and the results of its operations for the year 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 3 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
February 6, 2001

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

STATEMENT OF FINANCIAL POSITION

As at December 31, 2000

| | 2000 | 1999 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| ASSETS | | |
| Current assets | | |
| Cash and bank | 1,130,639 | 1,154,322 |
| Accounts receivable | 135,614 | 130,574 |
| Due from participating municipalities | 1,797 | - |
| Prepaid expenses | 8,033 | 7,893 |
| Prepaid assistance | <u>128,924</u> | <u>361,948</u> |
| Total Assets | <u><u>1,405,007</u></u> | <u><u>1,654,737</u></u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 249,574 | 286,447 |
| Due to participating municipalities | -- | 26,234 |
| Due to Province of Ontario (note 7) | 77,027 | 521,640 |
| Deferred revenue | <u>150,733</u> | <u>52,276</u> |
| | <u>477,334</u> | <u>886,597</u> |
| BOARD POSITION | | |
| Operating fund | -- | - |
| Reserves (note 3) | <u>927,673</u> | <u>768,140</u> |
| Fund balances and Board position | <u>927,673</u> | <u>768,140</u> |
| Total Liabilities and Board Position | <u><u>1,405,007</u></u> | <u><u>1,654,737</u></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 CURRENT FUND OPERATIONS

For the year ended December 31, 2000

| | 2000 Budget | 2000 Actual | 1999 Actual (9 months) |
|--|-------------------|-------------------|------------------------------|
| | \$ | \$ | \$ |
| REVENUE | | | |
| Province of Ontario - (schedule 1) | 7,010,487 | 7,342,892 | 4,678,784 |
| Province of Ontario - ODSP | 7,164,765 | 6,791,272 | 6,628,462 |
| Federal government | - | 3,245 | 11,111 |
| Participating municipalities | 5,453,617 | 5,453,624 | 4,742,963 |
| Other | 5,000 | 596,845 | 49,165 |
| Province of Ontario - one-time funding | - | - | 655,600 |
| | <u>19,633,869</u> | <u>20,187,878</u> | <u>16,766,085</u> |
| Total revenue | | | |
| EXPENDITURES | | | |
| General Assistance - OW (schedule 2) | 6,253,805 | 6,671,443 | 4,701,642 |
| General Assistance - ODSP | 9,138,530 | 8,667,277 | 8,420,711 |
| Administration (schedule 3) | 1,716,550 | 1,584,440 | 1,121,051 |
| Social Housing | 1,129,708 | 1,070,973 | 709,867 |
| Child Care programs | 1,230,276 | 1,157,240 | 448,367 |
| National Child Benefit expenditures | - | 94,000 | 70,000 |
| Homelessness Initiative | 60,000 | 17,705 | 47,724 |
| Expenditures related to one-time funding | 384,940 | 429,934 | 478,583 |
| Business Transformation Project | - | 73,657 | - |
| Consolidated Verification Project | - | 28,409 | - |
| Social Housing Transition | - | 11,961 | - |
| Eligibility Review Officers | - | 10,073 | - |
| Election costs | - | 13,050 | - |
| Innovation Fund | - | 102,923 | - |
| Land Ambulance | 105,000 | 95,260 | - |
| | <u>20,018,809</u> | <u>20,028,345</u> | <u>15,997,945</u> |
| Total expenditures | | | |
| NET REVENUES (EXPENDITURES) | <u>(384,940)</u> | <u>159,533</u> | <u>768,140</u> |
| FINANCING AND TRANSFERS | | | |
| Transfers to reserves | - | (589,467) | (768,140) |
| Transfers from reserves | 384,940 | 429,934 | - |
| | <u>384,940</u> | <u>(159,533)</u> | <u>(768,140)</u> |
| Net financing and transfers | | | |
| CHANGE IN OPERATING FUND | | | |
| Surplus (deficit) beginning of year | - | - | - |
| Surplus (deficit) end of year | <u>-</u> | <u>-</u> | <u>-</u> |

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

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

STATEMENT OF CONTINUITY OF RESERVES

For the year ended December 31, 2000

| | Working Funds \$ | Head Office Addition \$ | Head Office Addition One-time Funding \$ | 2000 Total \$ | 1999 Total \$ (9 months) |
|---|------------------------|-------------------------------|--|---------------------|-----------------------------------|
| BALANCE, beginning of year | 383,200 | 207,923 | 177,017 | 768,140 | – |
| Appropriations to: operating funds | (44,994) | (207,923) | (177,017) | (429,934) | – |
| Appropriations from: operating funds | 589,467 | – | – | 589,467 | 768,140 |
| BALANCE, end of year | <u>927,673</u> | <u>–</u> | <u>–</u> | <u>927,673</u> | <u>768,140</u> |

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

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

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31, 2000

| | 2000 \$ | 1999 \$ (9 months) |
|--|-------------------------|--------------------------|
| OPERATIONS | | |
| Net revenues / (expenditures) | <u>159,533</u> | <u>768,140</u> |
| <u>Uses:</u> | | |
| Increase in accounts receivable | 6,837 | 130,574 |
| Increase in prepaid expenses | 140 | 7,893 |
| Increase in prepaid assistance | - | 361,948 |
| Decrease in accounts payable | <u>507,720</u> | <u>-</u> |
| | <u>514,697</u> | <u>500,415</u> |
| <u>Sources:</u> | | |
| Decrease in prepaid assistance | 233,024 | - |
| Increase in accounts payable | - | 834,321 |
| Increase in deferred revenue | <u>98,457</u> | <u>52,276</u> |
| | <u>331,481</u> | <u>886,597</u> |
| Net increase (decrease) in cash from operations | <u>(23,683)</u> | <u>1,154,322</u> |
| | | |
| Net change in cash and cash equivalent | (23,683) | 1,154,322 |
| Opening cash and cash equivalents | <u>1,154,322</u> | <u>-</u> |
| Closing cash and cash equivalents | <u><u>1,130,639</u></u> | <u><u>1,154,322</u></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 year ended December 31, 2000

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.

(c) Provincial Subsidies

The Provincial Ministries subsidize the operations of the Manitoulin-Sudbury District Social Services Administration Board. Since the operations are reviewed by the Ministries in the subsequent fiscal period, subsidy adjustments, if any, are recorded in the year in which the adjustments are determined.

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2000

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 | 2000 | 1999 |
|--|---------|------------|
| | \$ | \$ |
| | | (9 months) |
| Reserves set aside for specific purposes by the Board: | | |
| Working funds | 927,673 | 383,200 |
| Head Office addition | - | 207,923 |
| Head Office addition - one-time funding | - | 177,017 |
| | 927,673 | 768,140 |

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 2000 was nil (1999 - nil) for current service and nil (1999 - 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 year ended December 31, 2000

5. Commitments

The Board rents office space in Chapleau under a lease which expires January 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 month to month lease 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.

6. Comparative Figures

Comparative figures are for the nine month period from when the Manitoulin-Sudbury District Social Services Administration Board was legislated to be created on April 1, 1999 until December 31, 1999.

7. Due to the Province of Ontario

| | 2000 | 1999 |
|---------------------------------|----------------------|-----------------------|
| | \$ | \$ |
| Ontario Works Program | 154,157 | 259,259 |
| O.D.S.P. | (383,790) | - |
| Business Transformation Program | (73,657) | - |
| Homelessness Program | (60,000) | - |
| Child Care Program | <u>132,620</u> | <u>-</u> |
| Total due to (from) MCSS | (230,670) | 259,259 |
| Social Housing Program | <u>307,697</u> | <u>262,381</u> |
| | <u><u>77,027</u></u> | <u><u>521,640</u></u> |

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

ANALYSIS OF PROVINCE OF ONTARIO REVENUES

For the year ended December 31, 2000

| | 2000 Budget \$ | 2000 Actual \$ | 1999 Actual \$ (9 months) |
|-----------------------------------|----------------------|----------------------|------------------------------------|
| Ontario Works | | | |
| General Assistance | <u>4,928,844</u> | <u>5,062,754</u> | <u>3,622,505</u> |
| Other assistance programs | | | |
| Special assistance | 175,000 | 197,604 | 107,009 |
| Supplementary aid | 56,800 | 15,197 | 30,850 |
| Ontario Works - Employment | (19,200) | 233,039 | 7,198 |
| | <u>212,600</u> | <u>445,840</u> | <u>145,057</u> |
| Administration | <u>842,075</u> | <u>654,751</u> | <u>507,441</u> |
| Child Care programs | <u>966,968</u> | <u>921,769</u> | <u>356,057</u> |
| Homelessness Initiative | <u>60,000</u> | <u>17,705</u> | <u>47,724</u> |
| Business Transformation Project | <u>–</u> | <u>73,657</u> | <u>–</u> |
| Consolidated Verification Project | <u>–</u> | <u>28,409</u> | <u>–</u> |
| Social Housing Transition | <u>–</u> | <u>11,961</u> | <u>–</u> |
| Eligibility Review Officers | <u>–</u> | <u>10,073</u> | <u>–</u> |
| Innovation Fund | <u>–</u> | <u>102,923</u> | <u>–</u> |
| Election | <u>–</u> | <u>13,050</u> | <u>–</u> |
| | <u>7,010,487</u> | <u>7,342,892</u> | <u>4,678,784</u> |

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

ANALYSIS OF PROGRAM EXPENDITURES

For the year ended December 31, 2000

| | 2000 Budget \$ | 2000 Actual \$ | 1999 Actual \$ (9 months) |
|----------------------------|----------------------|----------------------|------------------------------------|
| General Assistance | <u>6,161,055</u> | <u>6,338,001</u> | <u>4,517,847</u> |
| Other assistance programs | | | |
| Special assistance | 219,000 | 247,005 | 133,922 |
| Supplementary aid | 71,000 | 21,533 | 40,876 |
| Ontario Works - Employment | <u>(197,250)</u> | <u>64,904</u> | <u>8,997</u> |
| | <u>92,750</u> | <u>333,442</u> | <u>183,795</u> |
| | <u>6,253,805</u> | <u>6,671,443</u> | <u>4,701,642</u> |

MANITOULIN-SUDBURY DISTRICT SOCIAL SERVICES ADMINISTRATION BOARD

ANALYSIS OF ADMINISTRATION EXPENDITURES

For the year ended December 31, 2000

| | 2000 Budget \$ | 2000 Actual \$ | 1999 Actual \$ (9 months) |
|--|----------------------|----------------------|------------------------------------|
| Subsidizable | | | |
| Salaries and benefits | 1,211,856 | 945,633 | 439,054 |
| Board travel, meeting costs and computer costs | 20,500 | 62,127 | 11,460 |
| Travel and training | 78,885 | 75,653 | 48,650 |
| Computer system lease | 67,204 | 30,862 | 24,480 |
| Audit/accounting | 9,500 | 18,528 | 13,023 |
| Legal | 4,000 | 4,188 | 1,909 |
| Bank interest and service charges | 5,400 | 2,000 | 3,757 |
| Insurance | 10,000 | 7,414 | 4,470 |
| Accommodation costs | 69,305 | 78,372 | 45,286 |
| Office furnishing, computer software and hardware | 44,000 | 80,147 | 161,270 |
| Service agreements | 8,500 | 23,172 | 7,691 |
| Joblink costs | — | — | 86,372 |
| Advertising | 3,300 | 8,091 | — |
| Office supplies and postage | 72,700 | 49,860 | 83,260 |
| Telephone and communications | 79,000 | 75,159 | 48,928 |
| Administration fees | — | 5,830 | 37,404 |
| Negotiation costs | — | 28,063 | — |
| | <u>1,684,150</u> | <u>1,495,099</u> | <u>1,017,014</u> |
| Non-subsidizable | | | |
| Ontario Dental Association | — | 6,000 | — |
| Salaries and benefits | — | 47,759 | — |
| Board honorarium | 32,400 | 35,582 | 12,050 |
| MCSS administration fees (50%) | — | — | 91,987 |
| | <u>32,400</u> | <u>89,341</u> | <u>104,037</u> |
| Total administration expenditures | <u>1,716,550</u> | <u>1,584,440</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, 2000

| | 2000 Actual \$ | 2000 Budget \$ | 1999 Actual \$ |
|----------------------------|----------------------|----------------------|-----------------------|
| Technology | | | 42,950 |
| Office accommodations | | | 217,597 |
| Expert resources | | | 10,082 |
| Notification | | | -- |
| Staff training | | | -- |
| DSSAB planning | | | 38,396 |
| Transition period | | | 79,314 |
| Professional services | | | 87,808 |
| Interim lease arrangements | | | <u>2,436</u> |
| | | | <u><u>478,583</u></u> |