

**MANITOULIN-SUDBURY  
DISTRICT SERVICES BOARD**

**Financial Statements**

**Year Ended December 31, 2015**

## INDEPENDENT AUDITOR'S REPORT

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

#### *Report on the Financial Statements*

We have audited the accompanying financial statements of the **Manitoulin-Sudbury District Services Board**, which comprise the statement of financial position as at **December 31, 2015**, and the statements of operations and changes in accumulated surplus, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Manitoulin-Sudbury District Services Board as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## INDEPENDENT AUDITOR'S REPORT (continued)

### *Other Matter*

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 7 is presented for purposes of management analysis, budgeting and funding provider analysis and is not a required part of the basic financial statements. The supplementary schedules have not been and are not intended to be prepared in accordance with Canadian generally accepted accounting principles. The supplementary schedules have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**FREELANDT CALDWELL REILLY LLP**

*Freelandt Caldwell Reilly LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Espanola, Ontario  
May 26, 2016

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Statement of Financial Position****Year ended December 31, 2015 with comparative figures for 2014**

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	2015 \$	2014 \$
<b>Financial Assets</b>		
Cash and cash equivalents	9,082,579	8,088,262
Accounts receivable	359,948	450,649
Due from Province of Ontario (note 5)	23,981	-
	<b>9,466,508</b>	<b>8,538,911</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,961,678	3,262,637
Deferred contributions	2,059,646	2,049,873
Mortgage payable (note 6)	139,390	199,685
	<b>6,160,714</b>	<b>5,512,195</b>
<b>Net assets (note 7)</b>	<b>3,305,794</b>	<b>3,026,716</b>
<b>Non-financial Assets (note 8)</b>		
Tangible capital assets (note 9)	18,625,366	19,043,521
Prepaid expenses	215,782	194,177
Prepaid assistance	282,059	192,799
	<b>19,123,207</b>	<b>19,430,497</b>
<b>Accumulated Surplus</b>	<b>22,429,001</b>	<b>22,457,213</b>

Contingent liabilities (note 10)

Approved by the Board

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The accompanying notes are an integral part of the financial statements

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Statement of Operations and Changes in Accumulated Surplus****Year ended December 31, 2015 with comparative figures for 2014**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Ontario Works Administration Programs	7,217,683	7,064,428	6,883,375
Land ambulance / EMS Services	14,835,323	15,394,898	14,474,010
Social Housing	4,667,040	5,078,482	4,823,294
Child Care Programs	5,030,677	5,287,191	5,224,827
Homelessness Programs	324,064	379,462	186,256
Other revenue	-	349,176	276,391
<b>Total revenue</b>	<b>32,074,787</b>	<b>33,553,637</b>	<b>31,868,153</b>
<b>Expenditures</b>			
Ontario Works Administration Programs	7,217,683	6,996,524	6,820,832
Land ambulance / EMS Services	14,835,323	14,911,285	14,450,658
Social Housing	4,667,040	5,493,340	5,246,532
Child Care Programs	5,030,677	5,287,191	5,213,824
Homelessness Programs	324,064	379,462	186,256
Other expenditures	-	329,113	319,954
<b>Total expenditures</b>	<b>32,074,787</b>	<b>33,396,915</b>	<b>32,238,056</b>
<b>Annual surplus (deficit) before undernoted item</b>	<b>-</b>	<b>156,722</b>	<b>(369,903)</b>
Refund of prior years' Municipal Apportionment	-	(184,934)	(502,798)
<b>Annual deficit</b>	<b>-</b>	<b>(28,212)</b>	<b>(872,701)</b>
<b>Accumulated surplus, beginning of year</b>	<b>22,429,001</b>	<b>22,457,213</b>	<b>23,329,914</b>
<b>Accumulated surplus, end of year</b>	<b>22,429,001</b>	<b>22,429,001</b>	<b>22,457,213</b>

The accompanying notes are an integral part of the financial statements

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Statement of Changes in Net Assets****Year ended December 31, 2015 with comparative figures for 2014**

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	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Annual deficit</b>	-	(28,212)	(872,701)
Acquisition of tangible capital assets	-	(958,489)	(714,154)
Amortization of tangible capital assets	60,295	1,376,644	1,347,209
Gain on disposal of tangible capital assets	-	(7,100)	(2,549)
Proceeds on disposal of tangible capital assets	-	7,100	17,900
Change in prepaid expenses	-	(21,605)	12,014
Change in prepaid assistance	-	(89,260)	(31,200)
Change in net assets	60,295	279,078	(243,481)
<b>Net assets, beginning of year</b>	<b>3,026,716</b>	<b>3,026,716</b>	<b>3,270,197</b>
<b>Net assets, end of year</b>	<b>3,087,011</b>	<b>3,305,794</b>	<b>3,026,716</b>

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The accompanying notes are an integral part of the financial statements

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Statement of Cash Flows****Year ended December 31, 2015 with comparative figures for 2014**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operations</b>		
<b>Annual deficit</b>	(28,212)	(872,701)
<b>Non-cash items including amortization</b>		
Amortization of tangible capital assets	1,376,644	1,347,209
Gain on disposal of tangible capital assets	(7,100)	(2,549)
<b>Changes in non-cash assets and liabilities</b>		
Accounts receivable	90,701	281,047
Due from Province of Ontario	(23,981)	1,480
Accounts payable and accrued liabilities	699,041	(17,440)
Deferred contributions	9,773	262,713
Prepaid expenses	(21,605)	12,014
Prepaid assistance	(89,260)	(31,200)
	<b>2,006,001</b>	<b>980,573</b>
<b>Capital transactions</b>		
Proceeds on disposal of tangible capital assets	7,100	17,900
Cash used to acquire tangible capital assets	(958,489)	(714,154)
	<b>(951,389)</b>	<b>(696,254)</b>
<b>Financing transactions</b>		
Repayment of mortgage payable	(60,295)	(59,300)
Increase in cash	994,317	225,019
<b>Cash and cash equivalents, beginning of year</b>	<b>8,088,262</b>	<b>7,863,243</b>
<b>Cash and cash equivalents, end of year</b>	<b>9,082,579</b>	<b>8,088,262</b>

The accompanying notes are an integral part of the financial statements

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# MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

## Notes to the Financial Statements

Year ended December 31, 2015

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board are the representation of management. The financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

#### a) Basis of accounting

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.

#### b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances held by major financial institutions and short-term investments which are readily convertible into a known amount of cash and are subject to an insignificant risk to changes in fair value.

#### c) Tangible capital assets

Tangible capital assets are recorded at cost. The Board provides for the amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital asset over the estimated useful life of the asset. The annual amortization rates are follows:

<b>Assets</b>	<b>Basis</b>	<b>Rate %</b>
Buildings	Straight-line	4
Computer equipment	Straight-line	30
Vehicles, machinery and equipment	Straight-line	30
Furniture, fixtures, and other equipment	Straight-line	20
Software	Straight-line	100

Additions are amortized at the full annual rate in the year of acquisition. No amortization is recorded in the year of disposal.

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# MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

## Notes to the Financial Statements

Year ended December 31, 2015

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Revenue recognition and deferred contributions

Revenue from government grants and contributions are recognized in the period that the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can reasonably be estimated. Government contributions received before these criteria have been met are recorded in the accounts as deferred contributions in the year of receipt and are recognized as revenue in the period in which all the recognition criteria have been met.

Other revenues including certain user fees, rents and interest are recorded on the accrual basis, when earned, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Provincial Ministries subsidize the operations of the Manitoulin-Sudbury District Services 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.

#### e) Financial instruments

##### *Measurement of financial instruments*

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in annual surplus.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, and due from province of Ontario.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and mortgage payable.

##### *Impairment*

Financial assets measured at other than fair value are tested for impairment when there are indicators of possible impairments. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the annual surplus.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the annual surplus up to the amount of the previously recognized impairment.

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)****f) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and reported amounts of certain revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are certain accounts receivable, allowance for doubtful accounts, certain deferred contributions, amounts repayable to certain funders and the estimated useful lives of tangible capital assets.

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**2. MUNICIPAL APPORTIONMENT**

Municipal apportionment is allocated to programs as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Ontario Works	1,355,573	1,452,914
Land Ambulance	7,237,073	6,909,753
Social Housing	2,134,029	2,094,260
Child Care	652,656	652,656
Administration	(99,163)	(99,163)
	<b>11,280,168</b>	<b>11,010,420</b>

	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
<b>Municipal Percentage Share</b>		
Town of Espanola	13.888	10.812
Township of Sables-Spanish Rivers	5.884	6.115
Township of Baldwin	0.998	1.043
Township of Nairn and Hyman	1.575	1.439
Municipality of Markstay - Warren	4.922	4.944
Municipality of St. Charles	3.597	3.786
Municipality of French River	10.660	11.116
Town of Chapleau	1.713	1.859
Township of Cockburn Island	0.194	0.219
Township of Gordon and Barrie Island	2.473	2.614
Township of Burpee and Mills	1.308	1.421
Town of Gore Bay	1.414	1.553
Township of Billings	3.285	3.456
Township of Central Manitoulin	7.166	7.463
Township of Tehkummah	1.344	1.451
Township of Northeastern Manitoulin and the Islands	10.573	11.067
Township of Assiginack	3.374	3.573
Municipality of Killarney	5.732	6.169
Other unorganized areas within the Manitoulin-Sudbury Districts	<b>19.900</b>	<b>19.900</b>

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**3. 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 2015 was \$981,186 (2014 - \$960,003) for current service.

**4. COMMITMENTS**

The Board rents office and EMS service space under leases with terms as follows:

<b>Location</b>	<b>Annual Rent \$</b>	<b>Expiry Date</b>
Noelville – EMS	41,630	2029
Little Current – OW	24,871	2018
Warren – OW	12,595	2016
Killarney – EMS	34,275	2,019

In addition, the Board rents office and EMS space in several locations under month to month leases with no specific term.

**5. DUE FROM PROVINCE OF ONTARIO**

	<b>2015 \$</b>	<b>2014 \$</b>
Child Care Programs	23,981	-
<b>Total due from Province of Ontario</b>	<b>23,981</b>	<b>-</b>

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**6. MORTGAGE PAYABLE**

	2015	2014
	\$	\$
<b>C.M.H.C.</b>		
1.67% mortgage payable \$63,157 per annum including interest due April 1, 2018 secured by land and buildings at 10 O'Neil Street, Webbwood ON	139,390	199,685

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**7. NET ASSETS**

The balance on the statement of financial position of net assets at the end of the year is comprised of the following:

	2015	2014
	\$	\$
To be used:		
for the general increase in (reduction of) annual operations	(195,562)	(378,184)
for reserves and reserve funds (Schedule 7)	3,501,356	3,404,900
<b>Total net assets</b>	<b>3,305,794</b>	<b>3,026,716</b>

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**8. NON-FINANCIAL ASSETS**

Tangible capital assets, prepaid expenses and prepaid assistance are accounted for as assets by the Board, because they can be used to provide services in future periods. These assets do not normally provide resources to discharge liabilities of the Board unless they are sold.

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**

Notes to the Financial Statements  
Year ended December 31, 2015

**9. TANGIBLE CAPITAL ASSETS**

	Capital Work in Progress \$	Land \$	Buildings \$	Furniture, fixtures, and other equipment \$	Computer Equipment \$	Vehicles, Machinery & Equipment \$	2015 Total \$
<b>Cost</b>							
Balance, beginning of year	-	4,744,410	22,303,245	684,181	219,135	3,879,407	31,830,378
Additions	-	-	293,582	220,564	45,350	398,993	958,489
Disposals	-	-	-	-	-	(358,575)	(358,575)
Balance, end of year	-	4,744,410	22,596,827	904,745	264,485	3,919,825	32,430,292
<b>Accumulated Amortization</b>							
Balance, beginning of year	-	-	9,573,789	520,681	143,613	2,548,774	12,786,857
Disposals	-	-	-	-	-	(358,575)	(358,575)
Amortization expense	-	-	789,642	103,904	40,315	442,783	1,376,644
Balance, end of year	-	-	10,363,431	624,585	183,928	2,632,982	13,804,926
Net book value	-	4,744,410	12,233,396	280,160	80,557	1,286,843	18,625,366
<b>Cost</b>							
Balance, beginning of year	-	4,744,410	22,109,720	673,645	206,596	3,790,304	31,524,675
Additions	-	-	193,525	66,426	12,539	441,664	714,154
Disposals	-	-	-	(55,890)	-	(352,561)	(408,451)
Balance, end of year	-	4,744,410	22,303,245	684,181	219,135	3,879,407	31,830,378
<b>Accumulated Amortization</b>							
Balance, beginning of year	-	-	8,819,676	490,987	109,733	2,412,352	11,832,748
Disposals	-	-	-	(55,890)	-	(337,210)	(393,100)
Amortization expense	-	-	754,113	85,584	33,880	473,632	1,347,209
Balance, end of year	-	-	9,573,789	520,681	143,613	2,548,774	12,786,857
Net book value	-	4,744,410	12,729,456	163,500	75,522	1,330,633	19,043,521

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**10. CONTINGENT LIABILITIES**

The Board is contingently liable for accumulated sick leave in the amount of \$146,991 (2014 - \$191,382) for EMS employees. Accumulated sick leave is only payable to cover illness related absences and there is no liability to pay any amounts to employees on change or termination of employment.

No liability is reflected in these financial statements for the accumulated sick leave to EMS employees.

Provincial Ministries subsidize the operations of the Manitoulin-Sudbury District Services 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.

**11. FORGIVABLE LOANS**

Included in the Social Housing Program expenditures is \$498,503 (2014 - \$324,382) in grants with forgivable conditions. These grants are issued to low income home owners as forgivable loans. The loans are to be written off over 10 years. However, if the house is sold before the 10 year forgiveness period, the home owner must repay a pro-rated amount back to the Board. If the Board receives funds because of a homeowner selling their property, the amount is used by the Board to grant a new loan to another low income home owner.

**12. EXPENDITURES BY OBJECT**

As required by Section 1700 of the Public Sector Accounting Board reporting requirements, these financial statements report on the Board's expenditures by function. The Board's expenditures by object are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Salaries, wages and benefits	14,583,460	14,258,705
Contracted services	10,170,745	9,310,283
Materials	1,450,654	1,743,410
Rents and financial items	219,422	214,626
Interest on mortgage payable	2,862	3,857
External transfers	5,593,128	5,359,966
Amortization of tangible capital assets	1,376,644	1,347,209
	<b>33,396,915</b>	<b>32,238,056</b>

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**13. BUDGET AND OPERATING RESULTS**

The Budget adopted by the Board was not prepared on a basis consistent with that used to report actual results in the financial statements. The budget was prepared on a modified accrual basis while public sector accounting standards require the full accrual basis. The budget figures expense all tangible capital acquisitions and does not include a provision for amortization expense. As a result, the budget figures presented in the statements of operations and changes in net assets represent the budget adopted by the Board adjusted as follows:

	<b>2015</b>
	<b>\$</b>
Budget surplus approved by the Board	982,844
Add: Net budgeted transfers to/from reserves and reserve funds	(982,844)
	-

Similarly, the actual operating results for the year are presented using public sector accounting standards which require the full accrual basis. Thus the actual operating results presented in the statements of operations and changes in net assets represent actual results adjusted as follows:

	<b>2015</b>
	<b>\$</b>
Excess (deficiency) of revenue over expenditures before undernoted items per schedules/programs:	
Ontario Works Administration Programs - Schedule 1	8,262
Land Ambulance / EMS Services - Schedule 2	404,217
Social Housing Programs - Schedule 3	83,038
Child Care Programs - Schedule 4	(2,190)
Homelessness Programs - Schedule 5	-
Other Revenue and Expenditures - Schedule 6	(15,006)
	478,321
Add: Net transfers to/from reserves and reserve funds - prior	34,617
Less: Amortization of Social Housing project	(60,295)
<b>DSB excess of revenues over expenditures before adjustments below</b>	<b>452,643</b>
Adjustment to Canadian Public Sector Accounting Standards:	
Add: Net transfers to/from reserves and reserve funds - current	61,840
Less: Net tangible capital acquisitions, proceeds and amortization	(357,761)
<b>Annual surplus before refund of prior year Municipal Apportionment</b>	<b>156,722</b>

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## MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

### Notes to the Financial Statements

Year ended December 31, 2015

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#### 14. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring financial instruments to or from another party. The Board is exposed to the following risks associated with financial instruments and transactions it is a party to:

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will fail to discharge a financial obligation and cause the other party to incur a financial loss. The Board is exposed to this risk relating to its cash and cash equivalents, accounts receivable and amount due from the Province of Ontario.

The Board minimizes risk associated with cash and cash equivalents by ensuring these financial assets are placed with large reputable financial institutions with high credit ratings.

The Board incurs receivable transactions in the normal course of operations, and is exposed to credit risk associated with its accounts receivable balances of \$359,948 (2014 - \$450,649) and the amount due from the Province of Ontario \$23,981. The Board minimizes this risk through management's on-going monitoring of amounts due to the organization and collections. Valuations of amounts due to the organization are performed on a regular basis and adjustments for amounts determined to be uncollectable are recorded when applicable.

(b) Concentration risk

Concentration risk is the risk that an entities balance due to the Board has a value of more than ten percent of the total accounts receivable and thus there is a higher risk to the Board in the event of a default by one of these entities. At December 31, 2015 receivables from one organization comprised approximately 28% of the total outstanding receivables. The Board reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitors any overdue balances.

(c) Liquidity risk

Liquidity risk is the risk that an organization cannot repay its obligations when they become due to its creditors. The Board is exposed to this risk associated with its accounts payable and accrued liabilities balances of \$3,961,678 (2014 - \$3,262,637). The Board reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, and maintains adequate cash resources to repay creditors and mortgage interest and principal as those liabilities becomes due.

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**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Notes to the Financial Statements****Year ended December 31, 2015**

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**14. FINANCIAL INSTRUMENTS (continued)****(d) Interest rate risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Board is exposed to this risk through its interest bearing cash balances, the interest rates of which change over time due to a variety of financial market factors.

The mortgage payable is only sensitive to interest rate movements on scheduled renewal dates it bears interest at a fixed rate.

Changes in market interest rates would cause changes in interest earnings and expenses in future periods.

**15. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the financial statements presentation adopted in the current year.

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**ONTARIO WORKS ADMINISTRATION PROGRAMS**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Provincial Subsidy			
OW General	3,944,788	3,618,532	3,422,676
OW Administration and Employment programs	1,195,200	1,233,850	1,207,440
Youth Employment	378,672	397,753	377,073
Employment Ontario	265,450	275,734	276,540
SAMS	-	122,310	44,190
Canada Ontario Job Grant	-	32,742	-
Youth Employment Fund	78,000	15,987	90,322
Other subsidy	-	4,947	11,171
Municipal apportionment	1,355,573	1,355,573	1,452,914
<b>Total revenue</b>	<b>7,217,683</b>	<b>7,057,428</b>	<b>6,882,326</b>
<b>Expenditures</b>			
OW General	4,315,960	3,951,802	3,853,230
Administration and Employment Expenses (Schedule 1A)	2,042,089	2,105,789	2,058,208
Youth Employment	378,673	397,753	377,073
Employment Ontario	265,450	275,734	276,540
SAMS expenses	-	122,310	44,190
National Child Benefit	120,400	120,400	120,400
Canada Ontario Job Grant expense	-	32,742	-
Youth Employment Fund	78,000	15,986	90,322
Other subsidy expense	-	4,947	11,171
<b>Total expenditures</b>	<b>7,200,572</b>	<b>7,027,463</b>	<b>6,831,134</b>
<b>Excess of revenue over expenditures before net transfers to reserves</b>	<b>17,111</b>	<b>29,965</b>	<b>51,192</b>
Transfer to reserves - current	(17,111)	(17,111)	(24,455)
Transfer to reserves - prior	-	(4,592)	5,025
<b>Net transfer to reserves</b>	<b>(17,111)</b>	<b>(21,703)</b>	<b>(19,430)</b>
<b>Excess of revenue over expenditures before undernoted items</b>	<b>-</b>	<b>8,262</b>	<b>31,762</b>
Capital assets included in expenditures	-	75,981	61,852
Proceeds on disposition included in expenditures	-	(7,000)	(16,400)
Gain on disposition of capital assets	-	7,000	1,049
Amortization of capital assets	-	(38,042)	(35,150)
<b>Excess of revenue over expenditures</b>	<b>-</b>	<b>46,201</b>	<b>43,113</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD****Analysis of Ontario Works Administration Expenditures****Year ended December 31, 2015**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Administration and Employment Expenses</b>			
Salaries and benefits	1,387,407	1,387,877	1,382,681
Purchased services	194,351	233,535	220,652
Employment funded expenses - CPE and ERE training	103,196	114,596	109,273
Travel and training	78,417	97,212	95,764
Accommodation costs	110,319	97,813	78,021
Computer software and hardware	64,215	82,805	63,787
Office supplies and postage	32,021	33,468	37,881
Insurance	20,571	21,914	26,802
Board travel, meetings, honoraria	21,133	14,737	9,196
Telephone and communications	21,018	12,933	22,649
Audit and accounting fee	5,500	6,658	6,805
Legal and consulting fee	3,178	1,187	3,153
Advertising	763	1,054	1,544
	<b>2,042,089</b>	<b>2,105,789</b>	<b>2,058,208</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**LAND AMBULANCE / EMS SERVICES**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Provincial Subsidy			
Operating	5,837,907	6,029,884	5,711,865
Wikwemikong (Schedule 2A)	1,750,898	1,595,239	1,439,911
Lease payments	9,348	24,891	9,349
Ebola subsidy		20,088	
Patient Transfer Service	-	363,706	324,303
Community Paramedicine	-	112,900	60,000
Other	-	9,577	12,879
PAD program	-	1,540	5,950
Municipal apportionment	7,237,170	7,237,073	6,909,753
<b>Total revenue</b>	<b>14,835,323</b>	<b>15,394,898</b>	<b>14,474,010</b>
<b>Expenditures</b>			
Salaries and benefits	10,875,374	10,455,749	10,480,107
Wikwemikong expenses (Schedule 2A)	1,750,898	1,595,239	1,439,911
Capital expenditures	-	696,401	450,889
Vehicle expenses	573,888	550,101	560,048
Building expenses	368,974	543,426	335,689
Patient Transfer Services	-	363,706	324,303
Administrative expenses	231,263	230,417	229,250
Transportation and communication	209,550	219,776	198,421
Medical supplies and equipment	140,597	138,074	142,732
Community Paramedicine expenses	-	112,900	60,000
Other supplies and equipment	94,157	89,651	84,574
Interest expense	-	64,199	-
Ebola medical supplies expense		20,088	
Liability insurance	-	9,122	-
PAD program	-	1,540	5,950
<b>Total expenditures</b>	<b>14,244,701</b>	<b>15,090,389</b>	<b>14,311,874</b>
<b>Excess of revenue over expenditures before net transfers (to) from reserves</b>	<b>590,622</b>	<b>304,509</b>	<b>162,136</b>
Transfer from reserves - current	-	696,401	449,389
Transfer to reserves - current	(590,622)	(596,693)	(567,424)
Net transfer (to) from reserves	(590,622)	99,708	(118,035)
<b>Excess of revenue over expenditures before undernoted items</b>	<b>-</b>	<b>404,217</b>	<b>44,101</b>
Capital assets included in expenditures	-	771,864	447,738
Proceeds on disposition included in expenditures	-	(100)	(1,500)
Gain on disposition of capital assets	-	100	1,500
Amortization of capital assets	-	(592,760)	(586,522)
<b>Excess (deficiency) of revenue over expenditures</b>	<b>-</b>	<b>583,321</b>	<b>(94,683)</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**Analysis of Wikwemikong Ambulance Expenditures**  
**Year ended December 31, 2015**

	<b>2015 Budget \$</b>	<b>January to March (3 months) \$</b>	<b>April to December (9 months) \$</b>	<b>2015 Total \$</b>	<b>2014 Total \$</b>
<b>Revenue</b>					
Provincial subsidy	1,750,898	584,318	1,010,921	1,595,239	1,439,911
<b>Expenditures</b>					
Salaries and benefits	1,403,558	527,454	857,786	1,385,240	1,127,685
Vehicle expenses	63,601	20,878	31,940	52,818	44,932
Other supplies	14,076	3,007	42,994	46,001	60,651
Medical supplies and equipment	27,040	7,396	25,422	32,818	22,610
Administration costs	28,148	6,934	21,110	28,044	28,096
Transportation and communication	19,668	4,412	13,727	18,139	17,451
Other services	18,940	4,486	13,609	18,095	14,659
Building expenses	22,401	9,751	4,333	14,084	23,543
Equipment purchases	-	-	-	-	66,609
One-time expenses	153,466	-	-	-	33,675
<b>Total expenditures</b>	<b>1,750,898</b>	<b>584,318</b>	<b>1,010,921</b>	<b>1,595,239</b>	<b>1,439,911</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**SOCIAL HOUSING PROGRAMS**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Federal subsidy	1,281,396	1,320,419	1,296,009
Rental income	1,055,909	1,079,675	1,056,394
Provincial Subsidy			
IAH Program	195,706	544,359	376,631
Other			
Municipal apportionment	2,134,029	2,134,029	2,094,260
<b>Total revenue</b>	<b>4,667,040</b>	<b>5,078,482</b>	<b>4,823,294</b>
<b>Expenditures</b>			
Wages and benefits	964,293	896,445	851,159
Utilities	650,399	640,734	617,999
Housing mortgage costs	618,282	618,282	624,765
Transfer to Non-Profit Housing	601,598	600,667	561,626
IAH Program	195,706	544,359	376,631
Maintenance materials and services	353,888	388,126	382,091
Capital expenditures	-	345,955	539,937
Urban native rent supplement	284,306	310,159	254,610
Municipal taxes	211,788	209,391	205,064
Administration	85,603	104,328	105,018
Insurance	66,010	71,350	69,155
Rent allowance agreement	61,403	66,987	63,767
Transportation and equipment	65,840	59,297	60,212
Office rent	34,290	33,665	35,383
Housing rent supplement	20,400	21,558	19,712
Professional fees	8,466	13,430	10,169
Other	6,500	5,821	6,728
Bad debts - rental	-	5,037	13,423
Interest on long-term debt	-	2,862	3,857
<b>Total expenditures</b>	<b>4,228,772</b>	<b>4,938,453</b>	<b>4,801,306</b>
<b>Excess of revenue over expenditures before net transfers (to) from reserves</b>	<b>438,268</b>	<b>140,029</b>	<b>21,988</b>
Transfer from reserves - current	-	345,955	767,788
Transfer to reserves - current	(375,111)	(375,111)	(590,604)
Transfer to reserves - prior	-	(27,835)	(26,210)
<b>Net transfer to reserves</b>	<b>(375,111)</b>	<b>(56,991)</b>	<b>150,974</b>
<b>Excess of revenue over expenditures before undernoted items</b>	<b>63,157</b>	<b>83,038</b>	<b>172,962</b>
Capital assets included in expenditures	-	91,883	193,525
Amortization of capital assets	-	(586,475)	(579,451)
Repayment of mortgage payable	(63,157)	(60,295)	(59,300)
<b>Deficiency of revenue over expenditures</b>	<b>-</b>	<b>(471,849)</b>	<b>(272,264)</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**CHILD CARE PROGRAMS**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Provincial Subsidy			
MEDU operating subsidy	3,754,859	3,961,576	3,766,792
Resource Centre	432,000	432,000	432,000
Administration	161,063	210,859	143,634
Planning subsidy	30,100	30,100	30,100
Community Integration Leaders Subsidy	-	-	199,645
Municipal apportionment	652,656	652,656	652,656
<b>Total revenue</b>	<b>5,030,677</b>	<b>5,287,191</b>	<b>5,224,827</b>
<b>Expenditures</b>			
Operating grant expenses	2,035,407	2,113,807	2,145,465
Purchase of service	836,900	780,493	742,221
Resource centres	540,000	580,000	540,000
Salaries and benefits	439,885	458,149	417,073
Special Needs Resources	373,814	373,814	373,814
Play based materials and equipment	227,391	232,119	232,769
Repairs and maintenance	170,257	184,831	134,740
Capacity building	157,380	157,380	138,670
Wage Enhancement	-	140,017	-
Ontario Works	121,424	121,424	121,424
Administration costs	98,119	89,652	92,498
Planning expenses	30,100	30,100	30,100
Pay equity	-	25,405	25,405
Community Integration Leaders Subsidy	-	-	199,645
Transformation	-	-	20,000
<b>Total expenditures</b>	<b>5,030,677</b>	<b>5,287,191</b>	<b>5,213,824</b>
<b>Excess of revenue over expenditures before net transfers to reserves</b>	<b>-</b>	<b>-</b>	<b>11,003</b>
Transfer to reserves - prior		(2,190)	-
Net transfer to reserves	-	(2,190)	-
<b>Excess (deficiency) of revenue over expenditures</b>	<b>-</b>	<b>(2,190)</b>	<b>11,003</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**HOMELESSNESS PROGRAMS**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015 Budget \$</b>	<b>2015 Actual \$</b>	<b>2014 Actual \$</b>
<b>Revenue</b>			
Provincial subsidy - CHPI	324,064	379,462	186,256
	<b>324,064</b>	<b>379,462</b>	<b>186,256</b>
<b>Expenditures</b>			
Program expense - Homelessness Prevention	118,429	213,478	101,854
Program expense - Emergency Shelter Solutions	141,135	142,843	30,000
Program expense - Housing with Related Supports	52,000	23,141	43,722
Program expense - Other Services and Support	12,500	-	10,680
<b>Total expenditures</b>	<b>324,064</b>	<b>379,462</b>	<b>186,256</b>
<b>Excess of revenue over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**OTHER REVENUE AND EXPENDITURES**  
**Schedule of Revenue and Expenditures**  
**Year ended December 31, 2015**

	<b>2015</b>	<b>2014</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Interest income	148,804	95,499
Other	131,078	138,579
Provincial NOHFC	69,294	28,837
TWOMO Subsidy	-	13,476
<b>Total revenue</b>	<b>349,176</b>	<b>276,391</b>
<b>Expenditures</b>		
Municipal apportionment	99,163	99,163
IT expenses	80,444	104,231
NOSDA web design expense	69,294	28,837
TWOMO Elections	-	13,476
<b>Total expenditures</b>	<b>248,901</b>	<b>245,707</b>
<b>Excess of revenue over expenditures before net transfers (to)</b>		
<b>from reserves</b>	<b>100,275</b>	<b>30,684</b>
Transfer from reserves - current	79,996	104,231
Transfer to reserves - current	(195,277)	(138,578)
Net transfer to reserves	(115,281)	(34,347)
<b>Deficiency of revenue over expenditures before undernoted items</b>	<b>(15,006)</b>	<b>(3,663)</b>
Capital assets included in expenditures	18,860	12,539
Amortization of capital assets	(99,072)	(86,786)
<b>Deficiency of revenue over expenditures</b>	<b>(95,218)</b>	<b>(77,910)</b>

**MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**  
**OTHER REVENUE AND EXPENDITURES**  
**Schedule of Continuity of Reserves**  
**Year ended December 31, 2015**

**SCHEDULE 7**

	<u>GENERAL</u>			<u>SOCIAL HOUSING</u>	<u>LAND AMBULANCE EM</u>		<u>ONTARIO WORKS</u>	
	<u>Working Funds Replacement</u>	<u>Tech Refresh</u>	<u>Health Benefits Reserve</u>	<u>Capital Funds</u>	<u>Vehicle and Equipment</u>	<u>Severance Funds</u>	<u>Vehicle Replacement</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>RESERVES</b>								
Balance, beginning of year	549,712	119,530	21,405	1,606,315	587,211	235,992	284,735	3,404,900
Appropriations from (to) current	1,128	46,082		24,156	5,090		20,000	96,456
Balance, end of year	550,840	165,612	21,405	1,630,471	592,301	235,992	304,735	3,501,356