

**MANITOULIN-SUDBURY
DISTRICT SERVICES BOARD**

Financial Statements

Year Ended December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements of Manitoulin-Sudbury District Services Board ("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 established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to these financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board members meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Freelandt Caldwell Reilly 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 financial statements.



Chief Administrator Officer



Director of Finance

May 27, 2021

Date

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Manitoulin-Sudbury District Services Board, which comprise the financial position as at December 31, 2020, and the statements of operations and changes in accumulated surplus, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoulin-Sudbury District Services Board as at December 31, 2020, and the results of its operations and its 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 report. We are independent of the organization 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.

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.

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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FREELANDT CALDWELL REILLY LLP



Chartered Professional Accountants
Licensed Public Accountants

Espanola, Ontario
May 27, 2021

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Statement of Financial Position****Year ended December 31, 2020 with comparative figures for 2019**

	2020	2019
	\$	\$
Financial Assets		
Cash and cash equivalents	17,360,035	10,753,113
Accounts receivable	488,661	448,225
	<hr/> 17,848,696	<hr/> 11,201,338
Liabilities		
Accounts payable and accrued liabilities	9,952,956	5,745,973
Deferred contributions (note 4)	2,271,894	1,093,763
Capital lease obligation (note 6)	280,109	420,163
	<hr/> 12,504,959	<hr/> 7,259,899
Net assets (note 7)	<hr/> 5,343,737	<hr/> 3,941,439
Non-financial Assets (note 8)		
Tangible capital assets (note 9)	14,681,251	16,282,508
Prepaid expenses	219,238	201,803
Prepaid assistance	359,690	378,000
	<hr/> 15,260,179	<hr/> 16,862,311
Accumulated Surplus	<hr/> 20,603,916	<hr/> 20,803,750

Contingent liabilities (note 10)

Approved by the Board of Directors:

Bruce Killah May 28, 2021

Richard Matte May 28, 2021

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, 2020 with comparative figures for 2019**

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Ontario Works Administration Programs	8,366,170	7,643,913	7,652,370
Paramedic Services	17,481,736	18,345,092	16,845,719
Community Housing	4,927,915	4,493,252	5,098,792
Child Care Programs	8,379,684	7,361,499	9,269,631
Homelessness Programs	723,578	1,006,348	518,158
Other revenue	219,695	290,509	396,403
Total revenue	40,098,778	39,140,613	39,781,073
Expenditures			
Ontario Works Administration Programs	8,366,170	7,872,901	7,619,259
Paramedic Services	16,660,974	18,063,889	17,154,370
Community Housing	4,859,591	4,783,524	5,447,651
Child Care Programs	8,379,684	7,361,499	9,269,631
Homelessness Programs	723,578	1,006,348	518,158
Other expenditures	246,697	252,286	279,567
Total expenditures (note 12)	39,236,694	39,340,447	40,288,636
Annual surplus (deficit) before undernoted item	862,084	(199,834)	(507,563)
Refund of prior years' Municipal Apportionment	-	-	-
Annual surplus (deficit)	862,084	(199,834)	(507,563)
Accumulated surplus, beginning of year	20,803,750	20,803,750	21,311,313
Accumulated surplus, end of year	21,665,834	20,603,916	20,803,750

The accompanying notes are an integral part of the financial statements

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Statement of Changes in Net Assets****Year ended December 31, 2020 with comparative figures for 2019**

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Annual deficit	862,084	(199,834)	(507,563)
Acquisition of tangible capital assets	-	(556,041)	(467,957)
Amortization of tangible capital assets	-	1,496,239	1,584,719
Loss (gain) on disposal of tangible capital assets	-	243,551	(117,893)
Proceeds on disposal of tangible capital assets	-	417,508	182,347
Change in prepaid expenses	-	(17,435)	(23,717)
Change in prepaid assistance	-	18,310	(5,883)
Change in net assets	862,084	1,402,298	644,053
Net assets, beginning of year	3,941,439	3,941,439	3,297,386
Net assets, end of year	4,803,523	5,343,737	3,941,439

The accompanying notes are an integral part of the financial statements

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Statement of Cash Flows****Year ended December 31, 2020 with comparative figures for 2019**

	2020	2019
	\$	\$
Cash flows from operations		
Annual deficit	(199,834)	(507,563)
Non-cash items including amortization		
Amortization of tangible capital assets	1,496,239	1,584,719
Loss (gain) on disposal of tangible capital assets	243,551	(117,893)
	1,539,956	959,263
Changes in non-cash assets and liabilities		
Accounts receivable	(40,436)	(51,697)
Accounts payable and accrued liabilities	4,206,983	(126,277)
Deferred contributions	1,178,131	277,307
Prepaid expenses	(17,435)	(23,717)
Prepaid assistance	18,310	(5,883)
	6,885,509	1,028,996
Capital transactions		
Proceeds on disposal of tangible capital assets	417,508	182,347
Cash used to acquire tangible capital assets	(556,041)	(467,957)
	(138,533)	(285,610)
Financing transactions		
Repayment of capital lease obligation	(140,054)	(140,055)
Increase in cash and cash equivalents	6,606,922	603,331
Cash and cash equivalents, beginning of year	10,753,113	10,149,782
Cash and cash equivalents, end of year	17,360,035	10,753,113

The accompanying notes are an integral part of the financial statements

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

Notes to the Financial Statements

Year ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board are the representation of management. The financial statements are prepared using 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) Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the company are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described below. Payments under operating leases are expensed as incurred.

d) 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:

Assets	Basis	Rate %
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.

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

Notes to the Financial Statements

Year ended December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) 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.

f) Forgivable loans

Forgivable loans issued under the Investment in Affordable Housing (IAH) program are treated initially as a grant and expensed when issued. If the recipient meets all the conditions under the IAH program this loan is forgiven and no amount is recovered. If they fail to meet the conditions, the loan is recovered and recorded as a gain which is offset against the current year expense.

g) 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 in the period they occur.

Financial assets measured at amortized cost include cash and cash equivalents, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and capital lease obligation.

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**g) Financial instruments (continued)***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 events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the annual surplus, in the period it is identified and measurable up to the amount of the previously recognized impairment.

h) 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. Estimates used in the preparation of the accompanying financial statements include certain accounts receivable, allowances for accounts receivable, certain deferred contributions, amounts repayable to certain funders and the estimated useful lives of tangible capital assets.

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

2. MUNICIPAL APPORTIONMENT

Municipal apportionment is allocated to programs as follows:

	2020	2019
	\$	\$
Ontario Works	1,030,001	1,049,200
Paramedic Services	6,784,711	6,626,619
Community Housing	2,227,660	2,251,734
Child Care	668,038	626,038
Administration	(99,163)	(99,163)
	10,611,247	10,454,428

	2020	2019
	%	%
Municipal Percentage Share		
Town of Espanola	11.270	11.360
Township of Sables-Spanish Rivers	6.330	6.320
Township of Baldwin	1.160	1.120
Township of Nairn and Hyman	1.440	1.460
Municipality of Markstay - Warren	5.470	5.490
Municipality of St. Charles	3.700	3.680
Municipality of French River	11.170	11.210
Town of Chapleau	1.870	1.850
Township of Cockburn Island	0.220	0.220
Township of Gordon and Barrie Island	2.700	2.670
Township of Burpee and Mills	1.390	1.380
Town of Gore Bay	1.320	1.350
Township of Billings	3.300	3.310
Township of Central Manitoulin	7.510	7.450
Township of Tehkummah	1.470	1.460
Township of Northeastern Manitoulin and the Islands	9.970	10.060
Township of Assiginack	3.530	3.530
Municipality of Killarney	6.280	6.180
Other unorganized areas within the Manitoulin-Sudbury Districts	19.900	19.900

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

Notes to the Financial Statements

Year ended December 31, 2020

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 2020 was \$1,087,121 (2019 - \$1087,114) for current service and is included on the statement of operations and changes in accumulated surplus.

At December 31, 2020, the OMERS pension plan had total assets of \$122.5 billion (2019 - \$109.4 billion) and an accumulated deficit of \$3.211 billion (2019 - \$3.397 billion deficit).

4. DEFERRED CONTRIBUTIONS

Deferred contributions consist of unspent provincial subsidies for the following programs:

	2020	2019
	\$	\$
Ontario Works	120,137	26,873
Paramedic Services	805,626	514,570
Community Housing	533,886	362,150
Child Care	-	87,567
Homelessness	812,245	102,603
	2,271,894	1,093,763

5. COMMITMENTS

The Board rents office and Paramedic Services space under leases with terms as follows:

	Annual Rent	Expiry date
	\$	
Noelville - Paramedic Services	46,319	2029
Little Current - OW	26,105	2029
Warren - OW	14,861	2021
Killarney - Paramedic Services	38,731	2029

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

6. CAPITAL LEASE OBLIGATION

The capital lease is recorded at an amount equal to the present value of the minimum lease payments using the lower of the company's incremental borrowing rate and the interest rate implicit in the lease. The interest rate on this obligation is 2%. The following is a schedule of future minimum lease payments under capital leases:

	\$
2021	140,054
2022	140,055
	<u>280,109</u>

The capital lease is secured by equipment with a net book value of \$280,110 (2019 - \$420,164) which is included in furniture, fixtures and other equipment (see tangible capital assets note 9).

Interest charges to the accounts of the organization on the lease during the year amounted to \$6,183.

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:

	2020	2019
	\$	\$
To be used:		
for the general increase in (reduction of) annual operations	(521,217)	(1,010,117)
for reserves and reserve funds (schedule 7)	5,864,954	4,951,556
Total net assets	<u>5,343,737</u>	<u>3,941,439</u>

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, 2020

9. TANGIBLE CAPITAL ASSETS

	Capital Work in Progress	Land	Buildings	Furniture, fixtures, and other equipment	Computer Equipment	Vehicles, Machinery & Equipment	2020 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, beginning of year	-	4,721,883	22,914,974	2,581,539	334,728	3,584,736	34,137,860
Additions	-	-	-	-	-	556,041	556,041
Disposals	-	(277,157)	(769,121)	-	-	(470,083)	(1,516,361)
Balance, end of year	-	4,444,726	22,145,853	2,581,539	334,728	3,670,694	33,177,540
Accumulated Amortization							
Balance, beginning of year	-	-	13,492,027	1,802,829	292,582	2,267,914	17,855,352
Disposals	-	-	(487,110)	-	-	(368,192)	(855,302)
Amortization expense	-	-	756,639	279,337	14,047	446,216	1,496,239
Balance, end of year	-	-	13,761,556	2,082,166	306,629	2,345,938	18,496,289
Net book value	-	4,444,726	8,384,297	499,373	28,099	1,324,756	14,681,251
	Capital Work in Progress	Land	Buildings	Furniture, fixtures, and other equipment	Computer Equipment	Vehicles, Machinery & Equipment	2019 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, beginning of year	-	4,744,410	23,005,083	2,560,408	334,728	4,056,646	34,701,275
Additions	-	-	-	21,131	-	446,826	467,957
Disposals	-	(22,527)	(90,109)	-	-	(918,736)	(1,031,372)
Balance, end of year	-	4,721,883	22,914,974	2,581,539	334,728	3,584,736	34,137,860
Accumulated Amortization							
Balance, beginning of year	-	-	12,751,475	1,479,379	269,463	2,737,234	17,237,551
Disposals	-	-	(54,066)	-	-	(912,852)	(966,918)
Amortization expense	-	-	794,618	323,450	23,119	443,532	1,584,719
Balance, end of year	-	-	13,492,027	1,802,829	292,582	2,267,914	17,855,352
Net book value	-	4,721,883	9,422,947	778,710	42,146	1,316,822	16,282,508

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

9. TANGIBLE CAPITAL ASSETS (continued)

Included in furniture, fixtures and other equipment are assets under capital lease with cost and accumulated amortization of \$980,381 (2019 - \$980,381) and \$700,271 (2019 - \$560,216), respectively.

10. CONTINGENT LIABILITIES

The Board is contingently liable for accumulated sick leave in the amount of \$183,288 (2019 - \$148,030) for Paramedic Services 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 Paramedic Services 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 Community Housing Program expenditures is \$73,651 (2019 - \$339,675) 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.

During the year, funds received back from homeowners under this program amounted to \$80,593 (2019 - \$106,753) which have been offset with the current year expense.

12. EXPENDITURES BY OBJECT

As required by Section 1201.086 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:

	2020	2019
	\$	\$
Salaries, wages and benefits	17,424,904	16,560,782
Contracted services	10,152,234	12,363,962
External transfers	6,978,141	6,658,633
Materials	2,907,735	2,630,768
Rents and financial items	381,190	489,772
Amortization of tangible capital assets	1,496,243	1,584,719
	39,340,447	40,288,636

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

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:

	2020
	\$
Budget surplus approved by the Board	862,084
Add: Net budgeted transfers (to)/from reserves and reserve funds	(862,084)
	-

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:

	2020
	\$
Excess (deficiency) of revenue over expenditures before undernoted items per schedules/programs:	
Ontario Works Administration Programs - Schedule 1	(384,445)
Paramedic Services - Schedule 2	643,462
Community Housing Programs - Schedule 3	68,747
Child Care Programs - Schedule 4	-
Homelessness Programs - Schedule 5	-
Other Revenue and Expenditures - Schedule 6	20,209
	347,973
Add: Net transfers (to)/from reserves and reserve funds - prior	(7,178)
Municipal surplus before adjustments below	340,795
Adjustment to Canadian Public Sector Accounting Standards:	
Add: Net transfers (to)/from reserves and reserve funds - current	920,576
Less: Net tangible capital acquisitions, disposition proceeds, gains, and losses, amortization, and capital lease transactions	(1,461,205)
Annual deficit before refund of prior year Municipal Apportionment	(199,834)

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

14. COVID-19 PANDEMIC

The Covid-19 global outbreak was declared a pandemic by the World Health Organization in March 2020. The negative impact of Covid-19 in Canada and on the global economy has been significant. The global pandemic has disrupted economic activities and supply chains resulting in governments worldwide, and in Canada, enacting emergency measures to combat the spread of the virus and protect the economy, such as travel restrictions, closures of non-essential businesses, imposition of quarantines and social distancing and the introduction of government relief programs.

These financial statements have been prepared based upon conditions existing at December 31, 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at that date. Although the disruption from the pandemic is expected to be temporary, given the dynamic nature of these circumstances, the duration and severity of the disruption and related financial impact cannot be reasonably estimated at this time

15. 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 and accounts receivable.

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 \$488,661 (2019 - \$448,225). 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.

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD**Notes to the Financial Statements****Year ended December 31, 2020**

15. FINANCIAL INSTRUMENTS (continued)**(b) Concentration risk**

Concentration risk is the risk that an entity's 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, 2019 receivables from two organization comprised approximately 36% 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 \$9,952,956 (2019 - \$5,745,973). 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, mortgage interest and principal and capital lease obligation principal and interest as those liabilities become due.

(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 and may cause changes in interest earnings in future periods.

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
ONTARIO WORKS ADMINISTRATION PROGRAMS
Schedule of Revenue and Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Provincial Subsidy			
OW General	5,553,846	4,894,762	4,865,586
OW Administration and Employment programs	1,414,299	1,414,890	1,414,300
Employment Ontario	191,124	172,121	190,136
Youth Job Connection	176,900	119,298	122,224
Canada Ontario Job Grant	-	-	4,204
Other subsidy	-	3,800	2,605
Municipal apportionment	1,030,001	1,030,001	1,049,200
Total revenue	8,366,170	7,634,872	7,648,255
Expenditures			
OW General	5,553,847	4,894,761	4,865,586
Administration and Employment Expenses (Schedule 1A)	2,323,899	2,588,700	2,291,518
Employment Ontario	191,124	172,121	190,136
Youth Job Connection	176,900	119,298	122,224
National Child Benefit	120,400	86,998	120,386
Canada Ontario Job Grant expense	-	-	4,204
Other subsidy expense	-	2,400	2,605
Total expenditures	8,366,170	7,864,278	7,596,659
Excess (deficiency) of revenue over expenditures before net transfers to reserves	-	(229,406)	51,596
Transfer to reserves - current	-	(21,500)	(32,393)
Transfer to reserves - prior	-	(133,539)	(88,510)
Net transfer to reserves	-	(155,039)	(120,903)
Excess (deficiency) of revenue over expenditures before undernoted items	-	(384,445)	(69,307)
Capital assets included in expenditures	-	52,234	25,875
Proceeds on disposition included in expenditures	-	(19,301)	(10,000)
Gain on disposition of capital assets	-	9,041	4,115
Amortization of capital assets	-	(41,556)	(38,475)
Excess (deficiency) of revenue over expenditures	-	(384,027)	(87,792)

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
Analysis of Ontario Works Administration Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Administration and Employment Expenses			
Salaries and benefits	1,532,710	1,780,476	1,457,558
Purchased services	400,748	401,768	363,067
Employment funded expenses - CPE and ERE training	103,952	83,631	141,633
Accommodation costs	68,152	90,684	65,440
Computer software and hardware	78,781	82,470	72,094
Travel and training	57,045	39,180	103,247
Office supplies and postage	28,778	31,951	25,517
Telephone and communications	9,886	23,043	14,593
Insurance	18,875	22,834	19,537
Board travel, meetings	16,540	21,792	18,480
Audit and accounting fee	6,938	7,144	7,868
Legal and consulting fee	747	2,851	1,140
Advertising	747	876	1,344
	2,323,899	2,588,700	2,291,518

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
PARAMEDIC SERVICES
Schedule of Revenue and Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Provincial Subsidy			
Operating	8,068,936	8,477,488	7,824,537
Wikwemikong (Schedule 2A)	2,200,110	2,063,840	1,949,942
Patient Transfer Service	399,979	354,527	351,976
Pandemic pay subsidy	-	343,544	-
COVID-19 subsidy	-	289,929	-
Community Paramedicine	28,000	29,467	58,967
Other	-	518	2,121
Municipal apportionment	6,784,711	6,784,711	6,626,619
Total revenue	17,481,736	18,344,024	16,814,162
Expenditures			
Salaries and benefits	12,268,499	12,203,425	12,096,434
Wikwemikong expenses (Schedule 2A)	2,200,110	2,063,840	1,949,940
Vehicle expenses	537,871	581,326	576,389
Capital expenditures	-	551,163	600,580
Building expenses	365,219	364,561	346,831
Patient transfer services	399,979	354,527	349,555
Pandemic pay expense	-	343,544	-
Transportation and communication	406,033	331,558	316,318
COVID-19 expense	-	289,929	-
Administrative expenses	240,746	280,585	262,314
Medical supplies and equipment	160,649	246,800	189,179
Other supplies and equipment	32,860	142,712	92,665
Interest expense	49,008	50,507	52,046
Community Paramedicine expenses	-	29,468	58,967
Total expenditures	16,660,974	17,833,945	16,891,218
Excess (deficiency) of revenue over expenditures before net transfers (to) from reserves	820,762	510,079	(77,056)
Transfer from reserves - current	-	614,821	672,528
Transfer to reserves - current	(820,762)	(900,783)	(1,014,815)
Transfer from reserves - prior	-	419,345	466,262
Net transfer (to) from reserves	(820,762)	133,383	123,975
Excess (deficiency) of revenue over expenditures before undernoted items	-	643,462	46,919
Capital assets included in expenditures	-	503,808	442,083
Capital lease expenditures	-	140,054	140,054
Proceeds on disposition included in expenditures	-	(92,699)	(31,557)
Gain on disposition of capital assets	-	1,068	31,557
Amortization of capital assets	-	(781,107)	(813,732)
Excess (deficiency) of revenue over expenditures	-	414,586	(184,676)

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
Analysis of Wikwemikong Paramedic Services Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020 Budget	January to March (3 months)	April to December (9 months)	2020 Total	2019 Total
	\$	\$	\$	\$	\$
Revenue					
Provincial subsidy	2,200,110	898,935	1,070,006	1,968,941	1,949,942
COVID-19 subsidy	-	11,063	42,135	53,198	-
Pandemic subsidy	-	-	41,701	41,701	-
Total revenue	2,200,110	909,998	1,153,842	2,063,840	1,949,942
Expenditures					
Salaries and benefits	1,764,844	561,735	952,285	1,514,020	1,670,217
Administration costs	111,092	264,732	-	264,732	43,772
Vehicle expenses	67,900	19,231	79,137	98,368	102,286
COVID-19 expense	-	11,063	42,135	53,198	-
Pandemic pay expense	-	-	41,701	41,701	-
Transportation and communication	26,724	10,287	15,510	25,797	33,742
Building expenses	33,019	11,417	12,893	24,310	28,184
Medical supplies and equipment	33,759	14,105	4,272	18,377	20,435
One time expenses	123,613	8,940	-	8,940	15,892
Other supplies	9,070	1,947	5,909	7,856	15,531
Other services	30,089	6,541	-	6,541	19,881
Total expenditures	2,200,110	909,998	1,153,842	2,063,840	1,949,940

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
COMMUNITY HOUSING PROGRAMS
Schedule of Revenue and Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenue			
Rental income	1,365,865	1,404,171	1,373,115
Federal subsidy	824,520	927,700	945,537
Provincial Subsidy			
COCHI Subsidy	87,478	100,825	6,002
SIF program	126,375	63,153	94,676
IEC program/ New Horizons	-	25,000	66,840
OPHI Subsidy	218,375	-	-
IAH program	77,642	(1,597)	278,667
Municipal apportionment	2,227,660	2,227,660	2,251,734
Total revenue	4,927,915	4,746,912	5,016,571
Expenditures			
Wages and benefits	992,441	829,713	818,436
Utilities	595,369	578,657	621,783
Maintenance materials and services	419,824	489,150	527,401
Rent allowance agreement	418,395	412,944	309,083
Transfer to Non-Profit Housing	477,312	387,000	478,156
Urban native rent supplement	313,628	311,420	300,121
Housing mortgage costs	235,770	235,770	302,850
Municipal taxes	208,016	206,765	211,860
Administration	97,740	101,910	76,660
COCHI Subsidy	87,478	100,825	6,002
Insurance	80,900	84,557	79,191
SIF expenses	126,375	63,153	94,676
Bad debts - rental	10,000	38,112	20,407
Transportation and equipment	64,920	36,067	53,198
Office rent	27,563	32,588	28,501
IEC / New Horizons expenses	-	25,000	66,840
Housing rent supplement	35,584	23,306	26,700
Professional fees	8,682	11,178	10,698
OPHI Subsidy	218,375	-	-
Other	-	-	1,610
IAH program	77,642	(1,597)	278,667
Capital expenditures	363,577	(94,616)	343,891
Total expenditures	4,859,591	3,871,902	4,656,731
Excess of revenue over expenditures before net transfers (to) from reserves			
	68,324	875,010	359,840
Transfer from reserves - current	363,577	210,895	484,683
Transfer to reserves - current	(431,901)	(738,530)	(565,896)
Transfer to reserves - prior	-	(278,628)	(448,788)
Net transfer from (to) reserves	(68,324)	(806,263)	(530,001)
Excess (deficiency) revenue over expenditures before undernoted items			
	-	68,747	(170,161)
Amortization of capital assets	-	(606,114)	(650,128)
Proceeds on disposition included in expenditures	-	(305,508)	(140,792)
Gain(loss) on disposition of capital assets	-	(253,660)	82,221
Excess (deficiency) of revenue over expenditures	-	(1,096,535)	(878,860)

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD

CHILD CARE PROGRAMS

Schedule of Revenue and Expenditures

Year ended December 31, 2020 with comparative figures for 2019

	2020 Budget \$	2020 Actual \$	2019 Actual \$
Revenue			
Provincial Subsidy			
MEDU operating subsidy	5,828,582	3,822,269	6,589,955
Early On	1,338,556	1,293,227	1,338,556
Safe Restart	-	894,181	-
Indigenous Led Child and Family Programs	320,650	320,650	320,650
Emergency Child Care	-	139,442	-
Administration	120,605	120,605	291,180
Data Analysis Coordinator	73,153	72,987	73,152
Planning subsidy	30,100	30,100	30,100
Municipal apportionment	668,038	668,038	626,038
Total revenue	8,379,684	7,361,499	9,269,631
Expenditures			
Child care			
Operating grant expenses	2,442,358	1,614,413	2,629,603
Safe Restart	-	894,181	-
Expansion expenses	1,330,921	682,542	1,389,800
Special needs resources	665,000	429,405	633,459
ELCC expenses	-	420,859	462,915
Salaries and benefits	377,531	378,677	238,283
Indigenous Led Child and Family Programs	320,650	320,650	320,650
Capacity building	328,400	240,571	298,000
Purchase of service	655,362	232,787	598,311
Wage enhancement	432,832	205,513	432,834
Emergency Child Care	-	139,442	-
Administration costs	93,397	92,250	97,982
Ontario works	121,424	86,009	121,424
Play based materials and equipment	85,000	85,002	170,782
Repairs and maintenance	85,000	85,000	171,912
Expansion admin expenses	-	30,284	104,415
Home child care expenses	-	27,600	27,600
Fee stabilization	-	-	21,852
	6,937,875	5,965,185	7,719,822
Family support program			
Early On	1,338,556	1,293,227	1,446,556
Data analysis coordinator	73,153	72,987	73,153
Planning expenses	30,100	30,100	30,100
	1,441,809	1,396,314	1,549,809
Total expenditures	8,379,684	7,361,499	9,269,631
Excess (deficiency) of revenue over expenditures before net transfers to reserves	-	-	-
Transfer to reserves - current	-	-	-
Transfer to reserves - prior	-	-	-
Net transfer to reserves	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
HOMELESSNESS PROGRAMS
Schedule of Revenue and Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020 Budget \$	January to March (3 months) \$	April to December (9 months) \$	2020 Total \$	2019 Total \$
Revenue					
Provincial subsidy - CHPI	723,578	294,201	709,175	1,003,376	514,570
Provincial subsidy - OESP	-	-	2,972	2,972	3,588
	723,578	294,201	712,147	1,006,348	518,158
Expenditures					
Program expense					
- Social Services Relief	-	20,000	606,319	626,319	-
Program expense					
- Housing with Related Supports	440,832	156,497	37,935	194,432	259,098
Program expense					
- Emergency Shelter Solutions	155,000	98,000	26,258	124,258	155,763
Program expense					
- Homelessness Prevention	120,746	18,022	37,280	55,302	77,567
Program expense					
- Other Services and Support	7,000	1,682	1,383	3,065	2,011
Program expense					
- OESP Expenses	-	-	2,972	2,972	3,588
Program expense					
- CHPI Administration Expenses	-	-	-	-	20,131
Total expenditures	723,578	294,201	712,147	1,006,348	518,158
Excess of revenue over expenditures	-	-	-	-	-

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
OTHER REVENUE AND EXPENDITURES
Schedule of Revenue and Expenditures
Year ended December 31, 2020 with comparative figures for 2019

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Interest income	99,163	169,880	265,545
NOSDA	-	97	280
Other	120,532	120,532	130,578
Total revenue	219,695	290,509	396,403
Expenditures			
Municipal apportionment	99,163	99,163	99,163
IT expenses	147,534	85,560	97,741
NOSDA expenses	-	98	280
Total expenditures	246,697	184,821	197,184
Excess (deficiency) of revenue over expenditures before net transfers (to) from reserves	(27,002)	105,688	199,219
Transfer from reserves - current	147,534	85,560	97,741
Transfer to reserves - current	(120,532)	(171,039)	(182,624)
Net transfer to reserves	27,002	(85,479)	(84,883)
Excess (deficiency) of revenue over expenditures before undernoted item	-	20,209	114,336
Amortization of capital assets	-	(67,465)	(82,383)
Excess of revenue over expenditures	-	(47,256)	31,953

MANITOULIN-SUDBURY DISTRICT SERVICES BOARD
OTHER REVENUE AND EXPENDITURES
Schedule of Continuity of Reserves
Year ended December 31, 2020

SCHEDULE 7

	Working Funds	Tech Refresh	Benefits Reserve	Vehicle and Equipment Replacement Reserve	Building Capital Funds	Total
	\$	\$	\$	\$	\$	\$
RESERVES						
Balance, beginning of year	1,690,524	241,610	706,722	586,868	1,725,832	4,951,556
Transfers from operations	165,641	29,972	-	107,739	610,046	913,398
Balance, end of year	1,856,165	271,582	706,722	694,607	2,335,878	5,864,954