

**Rainy River District Social
Services Administration Board
Financial Statements
For the year ended
December 31, 2018**

**Rainy River District Social
Services Administration Board
Financial Statements
For the year ended December 31, 2018**

	Contents
Management's Responsibility for the Financial Statements	2
Independent Auditor's Report	3
Financial Statements	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Summary of Significant Accounting Policies	9
Notes to Financial Statements	12
Program Schedules	25

Rainy River District Social Services Administration Board Management's Responsibility for the Financial Statements

The accompanying financial statements of the Rainy River District Social Services Administration Board and all the information in this annual report are the responsibility of management and have been approved by the Board Chair and Director of Finance & Asset Management on behalf of the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Board maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Board's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Directors review the Board's financial statements and meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Board. The audit has been performed in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.


_____ Board Chair


_____ Director of Finance & Asset Management



Tel: 807-274-9848
Fax: 807-274-5142
www.bdo.ca

BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

Independent Auditor's Report

To the Board of Directors of
Rainy River District Social Services Administration Board

Opinion

We have audited the financial statements of Rainy River District Social Services Administration Board (the Entity), which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Operations and Accumulated Surplus, the Statement of Change in Net Financial Assets and the Statement of 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 the Entity as at December 31, 2018, and its financial performance 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
May 16, 2019

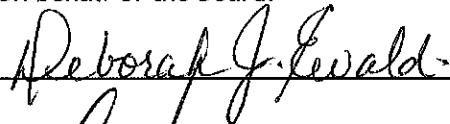
Rainy River District Social Services Administration Board Statement of Financial Position


December 31	2018	2017
Financial assets		
Cash and cash equivalents (Note 1)	\$ 4,041,564	\$ 2,296,311
Short-term deposits (Note 2)	4,919,213	3,882,762
Accounts receivable (Note 3)	2,404,240	2,386,030
	11,365,017	8,565,103
Liabilities		
Accounts payable and accrued liabilities (Note 4)	4,580,208	3,346,700
Deferred revenue (Note 5)	2,004,496	473,824
Long-term debt (Note 6)	866,065	1,076,393
Post-retirement benefits liability (Note 7)	523,100	505,700
	7,973,869	5,402,617
Net financial assets	3,391,148	3,162,486
Non-financial assets		
Tangible capital assets (Note 8)	15,457,141	15,834,431
Tangible capital assets under construction (Note 8)	1,579,410	517,227
Prepaid expenses	240,536	201,335
	17,277,087	16,552,993
Accumulated surplus (Note 9)	\$20,668,235	\$ 19,715,479

Commitments (Note 14)

Contingencies (Note 15)

On behalf of the Board:


 _____ Director


 _____ Director

Rainy River District Social Services Administration Board Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Revenues			
Ontario Works general allowance	\$ 1,965,950	\$ 2,103,536	\$ 2,001,429
Community homelessness prevention initiative	365,092	329,648	236,398
Low income energy assistance program	4,690	2,117	3,520
Child care	4,289,444	3,131,578	2,868,096
Social housing	2,160,555	2,179,682	2,149,690
RRDSSAB housing	3,130,955	3,170,890	3,515,851
Ontario Works program administration, employment assistance	977,883	1,024,977	967,800
Land ambulance	7,470,381	7,087,566	7,331,750
Community para-medicine program	146,900	134,455	128,062
Investment in affordable housing - 8-plex	1,251,000	413,650	496,550
Social infrastructure fund program (SIF)	99,800	124,650	276,348
Investment in affordable housing (IAH) - Ontario renovates	-	3,619	7,997
Family resource centres	1,153,963	760,712	626,829
RRDSSAB administration and board administration	669,606	547,816	675,754
Total revenues	23,686,219	21,014,896	21,286,074
Expenses			
Ontario Works general allowance	1,965,950	2,069,553	1,965,505
Community homelessness prevention initiative	365,092	333,622	246,764
Low income energy assistance program	4,690	2,117	3,520
Child care	4,289,444	3,108,321	2,817,708
Social housing	2,160,555	1,897,117	2,113,415
RRDSSAB housing	3,130,955	2,967,512	2,909,829
Ontario Works program administration, employment assistance	977,883	985,011	947,697
Land ambulance	7,470,381	7,121,402	7,203,574
Community para-medicine program	146,900	104,458	128,062
Social infrastructure fund program (SIF)	99,800	124,650	276,348
Family resource centres	1,153,963	760,712	595,594
RRDSSAB administration and board administration	673,454	587,665	576,568
Total expenses	22,439,067	20,062,140	19,784,584
Annual surplus	1,247,152	952,756	1,501,490
Accumulated surplus, beginning of year	19,715,479	19,715,479	18,213,989
Accumulated surplus, end of year (Note 9)	\$ 20,962,631	\$ 20,668,235	\$ 19,715,479

The accompanying summary of significant accounting policies, notes and program schedules are an integral part of these financial statements.

**Rainy River District Social Services Administration Board
Statement of Change in Net Financial Assets**

For the year ended December 31	Budget 2018	Actual 2018	2017
Annual surplus	\$ 1,247,152	\$ 952,756	\$ 1,501,490
Acquisition of tangible capital assets	(2,067,500)	(414,234)	(847,591)
Amortization of tangible capital assets	771,589	791,524	791,660
Acquisition of assets under construction	-	(1,062,183)	(517,227)
	(48,759)	267,863	928,332
Change in prepaid expenses	-	(39,201)	(53,521)
Net change in net financial assets	(48,759)	228,662	874,811
Net financial assets, beginning of year	3,162,486	3,162,486	2,287,675
Net financial assets, end of year	\$ 3,113,727	\$ 3,391,148	\$ 3,162,486

Rainy River District Social Services Administration Board Statement of Cash Flows

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 952,756	\$ 1,501,490
Items not involving cash		
Amortization	791,524	791,660
Changes in non-cash operating balances		
Accounts receivable	(18,210)	(1,026,351)
Accounts payable and accrued liabilities	1,233,508	(212,304)
Deferred revenue	1,530,672	194,753
Post-retirement benefits	17,400	40,300
Prepaid expenses	(39,201)	(53,521)
	<u>4,468,449</u>	<u>1,236,027</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(1,476,417)</u>	<u>(1,364,818)</u>
Investing transactions		
Acquisition of short-term deposits	<u>(1,036,451)</u>	<u>(732,762)</u>
Financing transactions		
Repayment of long-term debt	<u>(210,328)</u>	<u>(240,547)</u>
Increase in cash and cash equivalents during the year	1,745,253	(1,102,100)
Cash and cash equivalents, beginning of year	<u>2,296,311</u>	<u>3,398,411</u>
Cash and cash equivalents, end of year	<u>\$ 4,041,564</u>	<u>\$ 2,296,311</u>

Rainy River District Social Services Administration Board Summary of Significant Accounting Policies

December 31, 2018

Nature of Business	<p>The Board is engaged in the provision of social services to residents of the Rainy River District and serves as a collection and administrative agent for social assistance, child care, social housing, land ambulance services and various government funded programs. The Board has been established under the District Social Services Administration Boards Act of the Province of Ontario. Its' members are the ten Municipalities in the District, plus representatives from three unincorporated areas in the District.</p>
Management's Responsibility	<p>The financial statements of Rainy River District Social Services Administration Board are representations of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards.</p>
Basis of Accounting	<p>Revenues and expenditures are reported on the accrual basis of accounting.</p> <p>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.</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents consist of cash on hand, bank balances and investments in term deposits with maturities of three months or less.</p>
Short-Term Deposits	<p>Short-term deposits consists of investments in term deposits with maturities of more than three months.</p>
Revenue Recognition	<p>Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.</p> <p>Unrestricted investment income is recognized as revenue when earned.</p> <p>Rental revenue is recognized monthly when the units are occupied and if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p>

Rainy River District Social Services Administration Board Summary of Significant Accounting Policies

December 31, 2018

Deferred Revenue Revenue restricted by legislation, regulation or agreement and not available for operating purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations and accumulated surplus in the year in which it is used for the specified purpose.

Use of Estimates The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

The estimates used in preparation of these financial statements are the allowance for doubtful accounts receivable, the useful lives of the property, plant and equipment, and the present value of the Board's employee post-retirement benefits.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis commencing once the asset is available for productive use as follows:

Land improvements	15 to 25 years
Buildings	20 to 60 years
Ambulance equipment	5 years
Furniture and equipment	10 years
Vehicles	5 to 10 years
Computer hardware	5 years
Computer software	5 years

Rainy River District Social Services Administration Board Summary of Significant Accounting Policies

December 31, 2018

Retirement Benefits and Other Employee Benefit Plans

Rainy River District Social Services Administration Board is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Board has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Board records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Taxation Revenue

Taxation revenue consists of contributions from member Municipalities. Taxation revenue is recognized based on the member's proportionate share of program costs and is apportioned to each member Municipality based on the members weighted property tax assessment values.

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

1. Cash and Cash Equivalents

The balance of cash reported on the statement of financial position is made up of the following:

	2018	2017
Unrestricted cash and cash equivalents	\$ 3,048,315	\$ 1,277,207
Cash and cash equivalents restricted by Board resolution	993,249	1,019,104
	\$ 4,041,564	\$ 2,296,311

Certain surplus funds are set aside by Board resolution for specific purposes and referred to as reserve funds. Cash and cash equivalents restricted by Board resolution represents the assets that are maintained in respect of those reserve funds (Note 9).

2. Short-Term Deposits

The balance of short-term deposits reported on the statement of financial position is made up of the following:

	2018	2017
Unrestricted term deposits, interest rate of 2.22% (2017 - 1.30%), maturing on June 26, 2019 (2017 - June 26, 2018).	\$ 2,261,715	\$ 1,681,195
Term deposits restricted by Board resolution, interest rate of 2.22% (2017 - 1.30%), maturing on June 26, 2019 (2017 - June 26, 2018).	2,657,498	1,820,813
Term deposits restricted by Board resolution, interest rate of 1.59%, matured on May 16, 2018.	-	380,754
	\$ 4,919,213	\$ 3,882,762

Certain surplus funds are set aside by Board resolution for specific purposes and referred to as reserve funds. Short term deposits restricted by Board resolution represents the assets that are maintained in respect of those reserve funds (Note 9).

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

3. Accounts Receivable

	2018	2017
Municipalities	\$ 7,525	\$ 49,151
Provincial	1,802,618	1,786,290
Affordable housing program, extended affordable housing program and investment in affordable housing program	788,184	829,701
HST	334,492	321,466
Other	284,795	209,579
Allowance for doubtful accounts	(813,374)	(810,157)
	\$ 2,404,240	\$ 2,386,030

4. Accounts Payable and Accrued Liabilities

	2018	2017
Provincial	\$ 2,216,191	\$ 1,134,949
Affordable housing program, extended affordable housing program and investment in affordable housing program	788,184	829,701
Trade accounts payable	1,069,535	963,007
Accrued wages and benefits	506,298	419,043
	\$ 4,580,208	\$ 3,346,700

5. Deferred Revenue

	Opening balance	Contributions received	Recognized in Accounts Payable	Revenue recognized	Ending balance
Ministry of Municipal Affairs and Housing	\$ 35,999	\$ 138,689	\$ -	\$ (124,650)	\$ 50,038
Prepaid tenant rents	13,111	16,831	-	(13,111)	16,831
Other	4,572	4,000	-	(2,117)	6,455
Ministry of Education	381,197	5,489,462	(381,197)	(3,615,164)	1,874,298
Northwest LHIN	38,945	122,387	-	(104,458)	56,874
	\$ 473,824	\$ 5,771,369	\$ (381,197)	\$(3,859,500)	\$2,004,496

**Rainy River District Social Services Administration Board
Notes to Financial Statements**

December 31, 2018

6. Long-term Debt

	2018	2017
Debentures payable to the Ministry, various interest rates (6.09% to 7.81%), and various maturity dates to January 1, 2024.	<u>\$ 866,065</u>	<u>\$ 1,076,393</u>

Repayments required on long-term debt for the next five years are due as follows:

Year	Principal	Interest	Total
2019	\$ 224,490	\$ 56,241	\$ 280,731
2020	239,617	41,114	280,731
2021	164,915	24,956	189,871
2022	114,953	14,717	129,670
2023	122,090	7,580	129,670
	<u>\$ 866,065</u>	<u>\$ 144,608</u>	<u>\$ 1,010,673</u>

The gross interest relating to the above long-term liability was \$66,559 (2017 - \$81,964).

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

7. Post-Retirement Benefits Liability

Rainy River District Social Services Administration Board provides the following benefits to eligible full-time employees who are members of the Canadian Union of Public Employees (CUPE):

- Extended health care
- Semi-private hospital coverage
- Dental benefits

Post-Retirement Benefits Liability	2018	2017
Accrued post-retirement benefits obligation	\$ 523,100	\$ 505,700
Post-Retirement Benefits Expenditure	2018	2017
Current year benefit costs	\$ 29,300	\$ 34,400
Interest on accrued benefit obligation	16,300	20,200
Amortized actuarial (gains) losses	1,300	11,500
Employee contributions	(29,500)	(25,800)
Post-retirement benefits expenditure	\$ 17,400	\$ 40,300

The significant actuarial assumptions adopted and estimated for the calculation of the accrued benefit obligations are as follows:

	2018	2017
Discount on accrued benefit obligations	3.20%	3.25%
Dental cost trend rates	2.75%	2.75%
Extended health care trend rates	5.75%	6.00%

For December 31, 2018, extended health care trend rates are assumed to be 5.75%, decreasing by 0.25% per annum to an ultimate rate of 4.50% thereafter.

Rainy River District Social Services Administration Board
Notes to Financial Statements

December 31, 2018

8. Tangible Capital Assets

													2018
	Land and Land Improvements	Buildings	Ambulance Equipment	Furniture and Equipment	Automotive - Ambulances	Automotive - Other	Computer Hardware	Computer Software	Total				
Cost, beginning of year	\$ 1,263,503	\$22,600,648	\$ 542,798	\$ 181,838	\$ 2,073,880	\$ 91,596	\$ 226,208	\$ 256,744	\$27,237,215				
Additions	61,926	167,773	31,189	-	136,321	-	8,507	8,518	414,234				
Disposals	-	-	-	-	(125,553)	-	-	(19,824)	(145,377)				
Cost, end of year	1,325,429	22,768,421	573,987	181,838	2,084,648	91,596	234,715	245,438	27,506,072				
Accumulated amortization, beginning of year	16,020	8,917,282	245,771	98,691	1,614,093	58,674	198,904	253,349	11,402,784				
Amortization	4,460	474,603	109,007	11,525	169,081	9,153	11,624	2,071	791,524				
Disposals	-	-	-	-	(125,553)	-	-	(19,824)	(145,377)				
Accumulated amortization, end of year	20,480	9,391,885	354,778	110,216	1,657,621	67,827	210,528	235,596	12,048,931				
Net carrying amount, end of year	\$ 1,304,949	\$13,376,536	\$ 219,209	\$ 71,622	\$ 427,027	\$ 23,769	\$ 24,187	\$ 9,842	\$15,457,141				

**Rainy River District Social Services Administration Board
Notes to Financial Statements**

December 31, 2018

8. Tangible Capital Assets (continued)

								2017	
	Land and Land Improvements	Buildings	Ambulance Equipment	Furniture and Equipment	Automotive - Ambulances	Automotive - Other	Computer Hardware	Computer Software	Total
Cost, beginning of year	\$ 1,263,503	\$22,051,074	\$ 520,548	\$ 138,386	\$ 1,752,887	\$ 91,596	\$ 218,067	\$ 256,744	\$ 26,292,805
Additions	-	549,574	22,250	43,452	320,993	-	8,141	-	944,410
Cost, end of year	1,263,503	22,600,648	542,798	181,838	2,073,880	91,596	226,208	256,744	27,237,215
Accumulated amortization, beginning of year	11,560	8,469,678	141,842	90,390	1,424,151	49,521	187,865	236,117	10,611,124
Amortization	4,460	447,604	103,929	8,301	189,942	9,153	11,039	17,232	791,660
Accumulated amortization, end of year	16,020	8,917,282	245,771	98,691	1,614,093	58,674	198,904	253,349	11,402,784
Net carrying amount, end of year	\$ 1,247,483	\$13,683,366	\$ 297,027	\$ 83,147	\$ 459,787	\$ 32,922	\$ 27,304	\$ 3,395	\$15,834,431

The net book value of tangible capital assets not being amortized because they are under construction is \$1,579,410 (2017 - \$517,227). These items are recognized separately as tangible capital assets under construction in the statement of financial position.

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

9. Accumulated Surplus

The Board segregates its accumulated surplus in the following categories:

	2018	2017
Investment in tangible capital assets		
Tangible capital assets	\$ 17,036,551	\$ 16,351,657
Social housing debentures outstanding	(866,065)	(1,076,393)
	16,170,486	15,275,264
Unrestricted net assets		
Ontario Works General Allowance	77,289	43,306
Community Homelessness Prevention Initiative	6,116	10,091
Community Para-Medicine Program	29,998	-
Child Care	230,654	207,397
Social Housing	270,524	(13,323)
RRDSSAB Housing	1,049,864	914,191
Ontario Works Program Administration, Employment Assistance	337,512	297,546
Land Ambulance	136,913	107,990
Investment in affordable housing - 8-plex	(445,859)	(6,811)
Investment in affordable housing (IAH) - Ontario renovates	193,593	189,974
Family resource centres	54,195	54,195
RRDSSAB Administration and Board Administration	(781,059)	(625,115)
	1,159,740	1,179,441
Other allocated deficits		
Accrued stat/vacation/OT/sick time	(268,384)	(223,025)
Post-retirement benefits	(523,100)	(505,700)
	(791,484)	(728,725)
Working fund reserves	739,649	934,649
Reserve funds		
Land Ambulance	1,405,781	1,249,324
Social Housing and RRDSSAB Housing	1,028,894	967,953
RRDSSAB Administration	955,169	837,573
	3,389,844	3,054,850
Total reserve funds	3,389,844	3,054,850
	\$ 20,668,235	\$ 19,715,479

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and non-financial assets.

Reserve funds represent funds set aside by Board resolution for specific purposes.

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

10. Government Transfers - Federal

	2018	2017
Operating		
Flow-through from Ministry of Municipal Affairs and Housing	\$ 1,610,543	\$ 1,702,767

11. Government Transfers - Provincial

	2018	2017
Operating		
Ministry of Municipal Affairs and Housing	\$ 892,998	\$ 1,460,478
Ministry of Health and Long-Term Care	2,912,618	3,085,016
Ministry of Community and Social Services	2,548,234	2,341,845
Ministry of Education	3,613,864	3,081,396
North West Local Health Integration Network (LHIN)	104,458	122,418
Total provincial transfers	\$ 10,072,172	\$ 10,091,153

12. Expenses by Object

	Budget 2018	Actual 2018	2017
Salaries and benefits	\$ 8,900,251	\$ 8,466,062	\$ 8,433,470
Long-term debt interest	66,559	66,559	81,964
Materials	3,100,371	2,081,583	2,196,441
Contracted services	-	9,327	-
Rents and financial expenses	594,947	1,340,926	1,197,962
External transfers	9,005,350	7,288,759	7,042,787
Amortization	771,589	791,524	791,660
Post-employment benefits	-	17,400	40,300
	\$ 22,439,067	\$ 20,062,140	\$ 19,784,584

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

13. Adequacy of Housing Providers' Capital Reserve Funds

RRDSSAB and certain non-profit housing providers are required to establish capital reserve funds for financing future major repairs and replacements.

RRDSSAB has used the Analysis of Building Condition Assessment and Reserve Funds for the RRDSSAB Study of the Stonewell Group Inc. and other information as available to evaluate the adequacy of annual contributions to the capital reserve funds of certain housing providers that receive funding from RRDSSAB.

The Study was completed in 2004 and indicated that, based on a capital reserve funding level of \$116,441 annually over a 30 year period, the aggregate of the capital reserve funds for the provincial reformed, urban native, and Section 95 non-profit providers that receive funding from RRDSSAB would be deficient. The Study recommended annual funding of \$314,000 or a one-time top up of \$4.13 million in order to avoid future deficiencies in the reserve funds of these housing providers.

The capital reserve funds of housing providers were evaluated on the basis of expected repair and replacement costs and life expectancy of the building projects. Such evaluation is based on numerous assumptions and future events.

A Building Condition Assessment and Reserve Fund Study was also completed on the housing units owned and operated by RRDSSAB by FIRM Associates Inc. in 2008. Based on this assessment, the future deficiency of the reserve funds for these housing units was estimated at \$9,402,000.

The study by FIRM Associates Inc. indicated that, over the next 20 year period the reserve funds would require \$463,000 annually to avoid future deficiencies.

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

14. Commitments

The Board is party to an operating lease for its Land Ambulance building premises in Atikokan, Ontario, at \$2,128 per month for 2018, under a lease expiring December 31, 2021, 1.50% annual increases.

The minimum annual lease payment for the next three years is as follows:

Year	Amount
2019	\$25,931
2020	\$25,320
2021	\$26,715

15. Contingencies

Various claims have been filed against the Board for incidents which arose in the ordinary course of business. At December 31, 2018, the amounts and likelihood of success for those claims were undeterminable. In the event that claims are successful or settled, management believes that such claims are not expected to have a material effect on the Board's financial position. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

16. Pension Agreements

The employees of the Board participate in the Ontario Municipal Retirement System ("OMERS"). The Board also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to some employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contributions plan as insufficient information is available to account for the plan as a defined benefit plan. The contribution payable in exchange for services rendered during a period is recognized as an expense during that period.

OMERS provides pension services to approximately 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2018. The results of this valuation disclosed total actuarial liabilities of \$99,058 million in respect of benefits accrued for service with actuarial assets at that date of \$94,867 million indicating an actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Board does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Board to OMERS for 2018 were \$587,159 (2017 - \$572,280) for current services.

Rainy River District Social Services Administration Board Notes to Financial Statements

December 31, 2018

17. Segmented Information

The Board is a diversified para-municipal organization engaged in the provision of social services to residents of Rainy River District Social Services Administration Board and serves as a collection and administrative agent for social assistance, child care, social housing, land ambulance services and various government funded programs. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

General government consists of the revenue and expense that relate to the administrative and board costs of Rainy River District Social Services Administration Board.

Health - Ambulance Services

Health services are represented by ambulance services. The ambulance services provide emergency medical care to those in distress and transportation services to the injured.

Social Services - General Assistance

Social services - general assistance is comprised of social assistance provided to help individuals and families in need.

Social Services - Child Care

The Board provides assistance to help families with the cost of child care and youth programs.

Social Housing

Social housing is provided to help shelter families and elderly in need.

**Rainy River District Social Services Administration Board
Notes to Financial Statements**

December 31, 2018

17. Segmented Information (continued)

For the year ended December 31, 2018	General Government	Health - Ambulance Services	Social Services -			2018 Total
			General Assistance	Social Services - Child Care	Social Housing	
Revenues						
Grants	\$ -	\$ 3,017,075	\$ 2,877,882	\$ 3,613,864	\$ 2,173,894	\$ 11,682,715
Municipalities	(309,956)	4,151,857	376,291	275,934	2,122,236	6,616,362
Rents	-	-	-	-	1,311,143	1,311,143
Interest	131,988	-	-	-	-	131,988
Other	725,785	53,089	206,104	2,492	285,218	1,272,688
Total revenues	547,817	7,222,021	3,460,277	3,892,290	5,892,491	21,014,896
Expenses						
Salaries, wages and benefits	224,792	5,904,895	760,757	273,588	1,302,030	8,466,062
Long-term debt charges	-	-	-	-	66,559	66,559
Materials	286,875	590,692	23,499	70,909	1,109,608	2,081,583
Contracted services	-	-	9,327	-	-	9,327
Rents and financial expenses	6,903	420,478	184,003	147,054	582,488	1,340,926
External transfers	-	-	2,377,841	3,377,482	1,533,436	7,288,759
Post-employment benefits	-	17,400	-	-	-	17,400
Amortization	69,095	292,395	1,945	-	428,089	791,524
Total expenses	587,665	7,225,860	3,357,372	3,869,033	5,022,210	20,062,140
Net surplus (deficit)	\$ (39,848)\$	(3,839)\$	102,905 \$	23,257 \$	870,281 \$	952,756

**Rainy River District Social Services Administration Board
Notes to Financial Statements**

December 31, 2018

17. Segmented Information (continued)

For the year ended December 31, 2017	General Government	Health - Ambulance Services	Social Services - General Assistance	Social Services - Child Care	Social Housing	2017 Total
Revenues						
Grants	-	\$ 3,207,434	\$ 2,578,242	\$ 3,081,396	\$ 2,926,847	\$ 11,793,919
Municipalities	(96,584)	4,042,235	439,174	394,529	1,953,993	6,733,347
Rents	-	-	-	-	1,302,159	1,302,159
Interest	64,398	-	-	-	-	64,398
Other	707,942	210,142	191,729	19,001	263,437	1,392,251
Total revenues	675,756	7,459,811	3,209,145	3,494,926	6,446,436	21,286,074
Expenses						
Salaries, wages and benefits	192,182	5,968,561	711,311	318,872	1,242,544	8,433,470
Long-term debt charges	-	-	-	-	81,964	81,964
Materials	296,627	660,205	37,438	70,275	1,131,896	2,196,441
Rents and financial expenses	3,370	354,309	183,291	110,845	546,147	1,197,962
External transfers	-	-	2,213,339	2,913,310	1,916,138	7,042,787
Post-employment benefits	-	40,300	-	-	-	40,300
Amortization	84,387	308,260	1,629	-	397,384	791,660
Total expenses	576,566	7,331,635	3,147,008	3,413,302	5,316,073	19,784,584
Net surplus	\$ 99,190	\$ 128,176	\$ 62,137	\$ 81,624	\$ 1,130,363	\$ 1,501,490

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Ontario Works General Allowance			
Revenue			
Provincial	\$ 1,778,950	\$ 1,900,588	\$ 1,758,967
Municipal	-	-	55,042
Client income	150,000	159,206	151,031
Repayments	7,000	28,540	11,564
Reimbursements	30,000	15,202	24,825
	<u>1,965,950</u>	<u>2,103,536</u>	<u>2,001,429</u>
Expenses			
General assistance			
Basic needs	850,000	960,666	876,820
Basic shelter	900,000	936,711	951,604
Board and lodging	25,000	11,850	18,554
Special diet	24,000	21,086	21,987
Temporary care	7,500	12,504	4,571
Advanced age	250	132	-
Up front costs	1,000	467	-
Transitional child benefit	25,000	24,459	19,277
Employment startup	19,000	11,790	10,833
Personal needs	14,000	9,287	10,646
Full-time employment	2,200	1,562	1,598
Dental and eye care	24,500	17,934	8,080
Special assistance			
Travel and transportation	1,000	567	90
Funerals	20,000	31,414	10,586
Dental services	-	-	1,412
Prosthetic and eye glasses	3,000	1,331	1,056
Other	21,500	9,686	12,180
Special needs			
Surgical supplies	3,000	-	-
Medical transportation	25,000	18,107	16,211
	<u>1,965,950</u>	<u>2,069,553</u>	<u>1,965,505</u>
Net change in program for the year	\$ -	\$ 33,983	\$ 35,924

**Rainy River District Social Services Administration Board
Program Schedules**

<u>For the year ended December 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
Community Homelessness Prevention Initiative			
Revenue			
Provincial	\$ 365,092	\$ 329,648	\$ 236,398
Expenses			
Program	310,329	283,481	210,522
Salaries and wages	54,763	50,141	36,242
	<u>365,092</u>	<u>333,622</u>	<u>246,764</u>
Net change in program for the year	<u>\$ -</u>	<u>\$ (3,974)</u>	<u>\$ (10,366)</u>

**Rainy River District Social Services Administration Board
Program Schedules**

<u>For the year ended December 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
Low Income Energy Assistance Program			
Revenue			
Other revenue	\$ 4,690	\$ 2,117	\$ 3,520
Expenses			
Program	4,690	2,117	3,520
Net change in program for the year	\$ -	\$ -	\$ -

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Child Care			
Revenue			
Provincial	\$ 4,099,403	\$ 2,938,992	\$ 2,551,132
Municipal	190,041	190,094	308,689
Miscellaneous	-	2,492	8,275
	<u>4,289,444</u>	<u>3,131,578</u>	<u>2,868,096</u>
Expenses			
Allocated administration costs	73,050	70,642	65,420
Building maintenance and rent	12,861	12,861	12,861
Program administration costs	81,508	83,025	38,601
Service provider payments	3,870,437	2,721,039	2,484,184
Travel and training	8,000	3,949	3,548
Wages and benefits	243,588	216,805	213,094
	<u>4,289,444</u>	<u>3,108,321</u>	<u>2,817,708</u>
Net change in program for the year	\$ -	\$ 23,257	\$ 50,388

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Social Housing			
Revenue			
Municipal	\$ 858,958	\$ 858,958	\$ 829,989
Federal	1,216,818	1,216,816	1,216,816
Provincial - housing projects	-	6,282	30,798
RGI calculation and administration fees	84,779	91,591	66,190
Miscellaneous	-	6,035	5,897
	<u>2,160,555</u>	<u>2,179,682</u>	<u>2,149,690</u>
Expenses			
Service provider payments	1,621,671	1,361,401	1,585,578
Allocated administration costs	91,834	89,425	88,527
Amortization	1,281	1,282	1,282
Building maintenance and rent	22,018	22,018	22,018
Program administration costs	77,975	55,343	35,366
Wages and benefits	345,776	367,648	380,644
	<u>2,160,555</u>	<u>1,897,117</u>	<u>2,113,415</u>
Net change in program for the year	\$ -	\$ 282,565	\$ 36,275

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
RRDSSAB Housing			
Revenue			
Rent	\$ 1,294,000	\$ 1,311,143	\$ 1,302,159
Municipal	1,263,278	1,263,278	1,124,004
Federal	393,728	393,727	485,951
Provincial - Social Housing Improvement Program funding	-	-	397,332
Provincial - SCRS	23,195	18,770	23,052
Administration and other revenue	156,754	183,972	183,353
	<u>3,130,955</u>	<u>3,170,890</u>	<u>3,515,851</u>
Expenses			
Allocated administration	56,468	56,468	56,988
Amortization	416,333	426,808	396,101
Equipment and repairs	34,860	24,489	27,966
General operating expenses	530,800	405,978	410,934
Insurance	54,600	66,208	53,798
Interest on long-term debt	66,559	66,559	81,964
Information technology costs	25,200	25,822	34,431
Other expenses	57,040	67,497	62,260
Property taxes	296,000	283,678	287,618
Rent - administrative office	17,740	22,574	17,772
Rent supplement	61,912	47,385	54,212
Repairs and maintenance	-	104	-
Salaries and wages	949,093	934,382	861,899
Telephone	22,500	24,201	21,056
Travel and training	13,850	8,690	6,365
Utilities	528,000	506,669	536,465
	<u>3,130,955</u>	<u>2,967,512</u>	<u>2,909,829</u>
Net change in program for the year	\$ -	\$ 203,378	\$ 606,022

**Rainy River District Social Services Administration Board
Program Schedules**

<u>For the year ended December 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
Ontario Works Program Administration, Employment Assistance			
Revenue			
Provincial	\$ 601,592	\$ 647,646	\$ 582,878
Municipal	376,291	376,291	384,132
Other income	-	1,040	790
	<u>977,883</u>	<u>1,024,977</u>	<u>967,800</u>
Expenses			
Advertising	500	-	-
Allocated administration	122,024	119,614	118,994
Amortization	1,345	1,945	1,629
Audit	4,970	5,764	5,250
Bank charges	3,000	3,743	3,174
Computer maintenance	2,950	1,500	3,094
Contracts - miscellaneous	-	9,327	-
Equipment leases	1,650	1,159	1,594
Insurance	8,500	7,370	8,181
Miscellaneous	850	975	686
Office supplies and expenses	1,550	46	818
Postage	5,700	4,732	5,530
Program related expenses	57,500	25,032	37,339
Repairs and maintenance	1,700	248	269
Rent - administrative office	46,819	46,353	46,099
Telephone	3,700	3,263	3,571
Travel and training	25,350	10,394	19,923
Wages and benefits	689,775	743,546	691,546
	<u>977,883</u>	<u>985,011</u>	<u>947,697</u>
Net change in program for the year	\$ -	\$ 39,966	\$ 20,103

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Land Ambulance			
Revenue			
Provincial	\$ 3,193,786	\$ 2,882,620	\$ 3,079,373
Municipal	4,276,595	4,151,857	4,042,235
Miscellaneous revenue	-	53,089	210,142
	<u>7,470,381</u>	<u>7,087,566</u>	<u>7,331,750</u>
Expenses			
Allocated administration	91,145	88,735	87,831
Ambulance base leases and office rent	148,612	158,120	148,612
Amortization	270,864	292,395	308,260
Computer maintenance and supplies	78,750	76,524	73,876
Equipment	40,100	25,181	34,081
Insurance	86,950	85,579	90,565
Licences	2,200	(153)	1,910
Laundry and uniforms	53,000	45,963	40,145
Medical supplies	125,000	91,818	80,663
Program expenses	77,475	116,604	61,264
Repairs and maintenance - base and vehicles	195,887	215,080	273,830
Telephone and communications	21,920	24,145	25,081
Travel and training	59,525	44,708	58,970
Utilities	29,800	28,386	28,704
Wages and benefits	6,189,153	5,828,317	5,889,782
	<u>7,470,381</u>	<u>7,121,402</u>	<u>7,203,574</u>
Net change in program for the year	\$ -	\$ (33,836)	\$ 128,176

**Rainy River District Social Services Administration Board
Program Schedules**

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Community Para-Medicine Program			
Revenue			
Provincial	\$ 146,900	\$ 134,455	\$ 128,062
Expenses			
Public relations	6,200	75	-
Equipment	-	-	1,318
Vehicle costs	5,000	10,044	4,174
Supplies	-	309	218
Training	900	52	3,273
Wages and benefits	134,800	93,978	119,079
	<u>146,900</u>	<u>104,458</u>	<u>128,062</u>
Net change in program for the year	\$ -	\$ 29,997	\$ -

**Rainy River District Social Services Administration Board
Program Schedules**

<u>For the year ended December 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
Investment in Affordable Housing - 8-Plex			
Revenue			
Provincial	\$ 829,875	\$ 413,650	\$ 496,550
Municipal	421,125	-	-
	<u>1,251,000</u>	<u>413,650</u>	<u>496,550</u>
Expenses			
Program expenses	-	-	-
Net change in program for the year	<u>\$ 1,251,000</u>	<u>\$ 413,650</u>	<u>\$ 496,550</u>

**Rainy River District Social Services Administration Board
Program Schedules**

<u>For the year ended December 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
Social Infrastructure Fund Program (SIF)			
Revenue			
Provincial	\$ 99,800	\$ 124,650	\$ 276,348
Expenses			
Program	99,800	124,650	276,348
Net change in program for the year	\$ -	\$ -	\$ -

Investment in Affordable Housing (IAH) - Ontario Renovates

Revenue			
Other	\$ -	\$ 3,619	\$ 7,997
Expenses			
Program	-	-	-
Net change in program for the year	\$ -	\$ 3,619	\$ 7,997

Rainy River District Social Services Administration Board Program Schedules

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
Family Resource Centres/EarlyON			
Revenue			
Provincial	\$ 1,068,123	\$ 674,872	\$ 530,264
Municipal	85,840	85,840	85,840
Other revenue	-	-	10,725
	<u>1,153,963</u>	<u>760,712</u>	<u>626,829</u>
Expenses			
Allocated administration	12,180	12,180	16,443
Other program expenses	2,300	1,065	3,558
Planning and development	26,400	24,936	31,313
Rent - administrative office	7,200	7,200	7,200
Service provider payments	1,020,751	656,444	429,128
Travel and training	9,868	2,104	2,174
Wages and benefits	75,264	56,783	105,778
	<u>1,153,963</u>	<u>760,712</u>	<u>595,594</u>
Net change in program for the year	\$ -	\$ -	\$ 31,235

**Rainy River District Social Services Administration Board
Program Schedules**

For the year ended December 31	Budget 2018	Actual 2018	Actual 2017
RRDSSAB Administration and Board Administration			
Revenue			
Administration fees	\$ 445,441	\$ 437,064	\$ 434,202
Rental income	268,396	230,314	221,184
Interest income	30,000	131,988	64,398
Other income	40,725	58,406	52,554
Municipal recovery	(114,956)	(309,956)	(96,584)
	<u>669,606</u>	<u>547,816</u>	<u>675,754</u>
Expenses			
Amortization	81,766	69,095	84,387
Bank charges	2,000	1,464	5,048
Computer maintenance	68,050	51,468	75,536
Consulting and contracts	1,000	-	-
Fees and memberships	11,100	15,430	13,269
Insurance	3,400	2,997	3,213
Meetings	3,000	67	1,953
Other administration expenses	46,450	38,729	41,511
Professional fees	9,200	4,903	1,130
Repairs and maintenance	70,665	68,807	71,658
Telephone and internet	28,700	32,276	29,587
Travel and training	63,950	58,669	41,821
Utilities	23,400	11,968	12,798
Wages and benefits	260,773	231,792	194,657
	<u>673,454</u>	<u>587,665</u>	<u>576,568</u>
Net change in program for the year	\$ (3,848)	\$ (39,849)	\$ 99,186