



Financial Statements

Kenora District Services Board

December 31, 2017

Statement of Administrative Responsibility

The management of the Kenora District Services Board have prepared the accompanying financial statements and are responsible for their accuracy and integrity. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Board assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Board of Directors reviews and approves the financial statements before such statements are published for the residents of the District of Kenora. The external auditors have access to, and meet with the Board to discuss their audit and the results of their examination.

The 2017 Financial Statements have been reported on by the Kenora District Services Board external auditors, Grant Thornton LLP, the auditors appointed by the Board. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Barry Baltessen
Board Chair
Kenora District Services Board



Henry Wall
Chief Administrative Officer
Kenora District Services Board

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Independent Auditor's Report

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To the Board Members, Members of Municipal Council,
Inhabitants and Ratepayers as listed in Note 3 of
Kenora District Services Board

We have audited the accompanying financial statements of Kenora District Services Board, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kenora District Services Board as at December 31, 2017, and the results of its operations, changes in net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Thunder Bay, Canada
May 17, 2018

Chartered Professional Accountants
Licensed Public Accountants

Kenora District Services Board

Statement of Financial Position

As at December 31	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents <i>[note 4]</i>	11,361,721	10,190,219
Accounts receivable <i>[note 5]</i>	1,761,157	1,474,466
Total financial assets	13,122,878	11,664,685
LIABILITIES		
Accounts payable and accrued liabilities <i>[note 6]</i>	4,757,533	4,049,508
Post-retirement benefits <i>[note 10]</i>	915,038	894,922
Deferred revenue <i>[note 7]</i>	1,431,744	1,307,408
Long-term debt <i>[note 9]</i>	7,197,314	8,125,936
Total liabilities	14,301,629	14,377,774
NET FINANCIAL DEBT	(1,178,751)	(2,713,089)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>[note 11]</i> <i>[schedule 2]</i>	21,010,837	20,677,502
Prepaid expenses	462,951	10,674
	21,473,788	20,688,176
Accumulated surplus <i>[schedule 1]</i>	20,295,037	17,975,087

See accompanying notes to the financial statements.

Kenora District Services Board

Statement of Operations and Accumulated Surplus

Year ended December 31	2017	2017	2016
	Budget	Actual	Actual
	\$	\$	\$
	<i>[note 16]</i>		
REVENUES			
Government transfers - operating	22,639,298	23,339,825	21,570,379
Government transfers - capital	336,987	336,987	-
Municipal/TWOMO - operating	14,348,671	14,333,860	14,372,546
Municipal/TWOMO - capital	2,155,561	2,155,561	2,117,114
Rents	2,888,691	2,833,420	2,705,832
Interest	105,500	118,235	80,887
Other	77,735	117,210	108,685
Total revenues	42,552,443	43,235,098	40,955,443
EXPENSES			
Homelessness Program	2,463,389	1,823,515	1,671,832
Integrated Social Services Program	4,632	14,632	-
Child Care Program	6,559,290	6,913,740	6,295,392
Family Support Program	851,799	815,416	727,184
Ontario Works Program	7,721,313	8,388,367	8,148,543
Social Housing Program	10,565,758	10,289,841	10,776,340
Land Ambulance Program	12,703,115	12,729,610	12,243,952
Administrative Costs	49,518	50,660	65,834
	40,918,814	41,025,781	39,929,077
NET REVENUES BEFORE UNDERNOTED ITEM	1,633,629	2,209,317	1,026,366
Gain on disposal of tangible capital assets	200,000	110,633	202,832
Annual surplus	1,833,629	2,319,950	1,229,198
Accumulated surplus, beginning of year	17,975,087	17,975,087	16,745,889
Accumulated surplus, end of year	19,808,716	20,295,037	17,975,087

See accompanying notes to the financial statements.

Kenora District Services Board

Statement of Change in Net Financial Debt

Year ended December 31

	Budget 2017 \$ <i>[note 16]</i>	Actual 2017 \$	Actual 2016 \$
Annual surplus	1,833,629	2,319,950	1,229,198
Acquisition of tangible capital assets	(2,485,320)	(1,795,940)	(1,683,005)
Amortization of tangible capital assets	1,410,082	1,410,082	1,202,367
Gain on disposal of tangible capital assets	(200,000)	(110,633)	(202,832)
Proceeds on disposal of tangible capital assets	-	163,156	307,701
Acquisition of prepaid expenses	-	(462,951)	(10,674)
Use of prepaid expenses	-	10,674	19,002
Increase in net financial assets	558,391	1,534,338	861,757
Net financial debt, beginning of year	(2,713,089)	(2,713,089)	(3,574,846)
Net financial debt, end of year	(2,154,698)	(1,178,751)	(2,713,089)

See accompanying notes to the financial statements.

Kenora District Services Board Statement of Cash Flows

Year ended December 31	2017	2016
	\$	\$
OPERATIONS		
Annual surplus	2,319,950	1,229,198
Items not involving cash		
Amortization of tangible capital assets	1,410,082	1,202,367
Gain on disposal of tangible capital assets	(110,633)	(202,832)
	3,619,399	2,228,733
Net change in non-cash working capital balances		
Increase in accounts receivable	(286,691)	(141,556)
Increase in accounts payable and accrued liabilities	708,025	1,137,833
Increase in post-retirement benefits	20,116	51,431
Increase in deferred revenue	124,336	559,755
Decrease (increase) in prepaid expenses	(452,277)	8,328
Cash provided by operating transactions	3,732,908	3,844,524
CAPITAL		
Acquisition of tangible capital assets	(1,795,940)	(1,683,005)
Proceeds on disposal of tangible capital assets	163,156	307,701
Cash used in capital transactions	(1,632,784)	(1,375,304)
FINANCING		
Debt principal repayment	(928,622)	(880,427)
Cash used in financing transactions	(928,622)	(880,427)
Increase in cash and cash equivalents during year	1,171,502	1,588,793
Cash and cash equivalents, beginning of year	10,190,219	8,601,426
Cash and cash equivalents, end of year	11,361,721	10,190,219

See accompanying notes to the financial statements.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

GENERAL

The Kenora District Services Board was formed under the District Social Services Administration Board Act of the Province of Ontario to accommodate the provincial government's requirement to consolidate the delivery of social assistance, child care, social housing, land ambulance and other various government funded programs. The Kenora District Services Board delivers provincially mandated services on behalf of the citizens of the District of Kenora.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment.

Basis of accounting

The Board uses the accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. It recognizes a liability until the obligation or conditions underlying the liability is partly or wholly satisfied and recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board may undertake in the future. Significant accounting estimates include valuation allowance for accounts receivable, estimated useful lives of tangible capital assets and post-retirement benefits. Actual results could differ from these estimates.

Post-retirement benefits

The Board accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer defined benefit plan, as a defined contribution plan. Obligations for sick leave under accounts payable and accrued liabilities are accrued as the employees render the services necessary to earn the benefits. Vacation pay and other post-employment benefits are charged to operations in the year earned.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances in banks.

Deferred revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement, and not available for operating purposes, are accounted for as deferred revenue on the Statement of Financial Position. The revenue is recognized in the Statement of Operations and Accumulated Surplus in the year it is used for the specified purpose.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

[a] Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 to 20 years
Buildings and building improvements	20 to 60 years
Machinery and equipment	5 to 10 years
Vehicles	6 to 10 years

Work-in-progress is not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

[b] Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

[c] Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property to the Board are accounted for as the acquisition of a capital asset and the incurrence of an obligation. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

[d] Prepaid expenses

Amounts paid in advance of the receipt of goods or services are recorded as prepaid expense.

Revenue recognition

Restricted contributions, except for the Land Ambulance Program, are recognized as revenue in the year in which the related expenses are incurred. In the Land Ambulance Program, the Ministry of Health and Long-Term Care funding model permits the inclusion of prior years' deficits in the current year budgeting process. The restricted contributions related to the funding of the deficit are recognized in revenue when the budget is approved by the Ministry.

Unrestricted investment income is recognized as revenue when earned.

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.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Government transfers

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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

2. FINANCIAL INSTRUMENTS

[i] Fair value of financial instruments

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relative short periods to maturity of the instruments. The carrying value of the long-term debt may differ from its fair value due to the terms of repayment and interest rates charged.

[ii] Credit risk

Credit risk is the risk that a third party will fail to discharge its obligation to Kenora District Services Board, reducing the expected cash inflow from Kenora District Services Board's assets recorded at the Statement of Financial Position date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. Kenora District Services Board provides for an allowance for doubtful accounts to absorb credit losses. Kenora District Services Board has assessed that there are no significant concentrations of credit risk with respect to any class of financial assets.

3. PARTICIPATING MUNICIPALITIES AND TERRITORIES WITHOUT MUNICIPAL ORGANIZATION

City of Dryden
City of Kenora
District of Kenora territories without municipal organization
Municipality of Machin
Municipality of Red Lake
Municipality of Sioux Lookout
Township of Ear Falls
Township of Ignace
Township of Pickle Lake
Township of Sioux Narrows/Nestor Falls

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

4. CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Petty cash	4,550	4,550
Unrestricted		
General	4,661,591	3,454,249
Services	840,195	607,725
Ontario Works	258,733	498,245
Rent and Energy	37,202	78,550
Internally Restricted Accounts		
Working Reserve Fund	2,807,144	2,774,940
Land Ambulance	1,133,247	1,306,793
Social Housing	1,619,059	1,465,167
	11,361,721	10,190,219

5. ACCOUNTS RECEIVABLE

	2017 \$	2016 \$
Municipalities and Unincorporated Areas	-	83,822
Ministry of Community and Social Services	117,344	141,972
Ministry of Education	966,150	-
Ministry of Health and Long-Term Care	-	237,164
Ministry of Housing	-	98,100
Non-profit housing provider recoveries	-	195,514
HST receivable	559,378	650,933
Miscellaneous accounts receivable	67,176	26,920
	1,710,048	1,434,425
Tenant rents receivables	334,138	286,370
Allowance for doubtful accounts	(283,029)	(246,329)
	51,109	40,041
	1,761,157	1,474,466

Included in the tenant rents receivable is \$283,029 [2016 - \$246,329] which represents rents unpaid by former tenants for the years 2002 to 2017. It is unknown if these rents will be collected so they have been included in the allowance for doubtful accounts.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Trade accounts payable	1,437,782	1,885,926
Accrued wages	2,016,535	1,508,906
Accrued interest on long-term debt	251,502	291,499
Employee benefits	101,730	151,452
Keewatin Non-Profit Housing	46,474	46,474
Ministry of Education	-	56,871
Ministry of Housing	187,583	-
Ministry of Health and Long-Term Care	39,267	-
Municipalities and unincorporated areas		
City of Dryden	194,902	-
City of Kenora	25,472	-
Township of Ear Falls	30,805	-
Township of Ignace	198	-
Municipality of Red Lake	134,519	-
Municipality of Sioux Lookout	204,305	-
Township of Sioux Narrows/Nestor Falls	846	-
Northern Ontario Service Deliverers Association	71,088	41,932
Restricted liability - social housing entitlement	14,525	66,448
	4,757,533	4,049,508

7. DEFERRED REVENUE

	2017	2016
	\$	\$
Key deposits	2,256	2,256
Rent funding	8,160	8,160
Energy funding	46,159	49,363
Ministry of Municipal Affairs and Housing		
Community Homelessness Prevention Initiative	343,470	277,359
Investment in Affordable Housing	630,974	676,176
Survivors of Domestic Violence - Portable Housing Benefit Pilot	111,060	266,805
Prepaid tenants rents	27,702	27,289
Early Learning Child Care and Expansion	261,963	-
	1,431,744	1,307,408

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

The Board receives funding from the Ministry of Community and Social Services and the Ministry of Municipal Affairs and Housing. These funds are designated for specific programs or projects and can be deferred to the subsequent period if unspent. Once the program or project has been completed, any unspent funds must be returned to these funding bodies.

Prepaid tenant rents represent amounts received from current tenants for rent related to future periods.

8. PENSION AGREEMENTS

The Board makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. The amount contributed to OMERS for 2017 was \$74,520 [2016 - \$64,938] for current service.

9. LONG-TERM DEBT

[a] The balance of debt reported on the Statement of Financial Position is made up of the following:

	2017	2016
	\$	\$
Canada Mortgage and Housing Corporation		
Debentures payable for rental properties transferred to Kenora District Services Board on January 1, 2001, repayable at various fixed amounts including interest at various fixed rates, maturing on dates ranging from January 1, 2017 through January 1, 2028.	3,920,311	4,576,404
Debentures payable for rental properties transferred to Kenora District Services Board on January 1, 2001, repayable monthly at \$5,316 including interest at 2.40%.	427,234	482,366
The Corporation of the City of Dryden		
Debenture payable for properties transferred to Kenora District Services Board on January 1, 2001, repayable semi-annually at \$63,855 including interest at 6%, maturing June 30, 2020.	292,437	397,834
Bank of Montreal		
Debenture repayable monthly at \$9,333 plus interest at 2.89%, maturing October 31, 2020.	2,557,332	2,669,332
	7,197,314	8,125,936

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

[b] Principal due on debt is summarized as follows:

	\$
2018	978,629
2019	869,906
2020	827,149
2021	684,196
2022	499,177
Thereafter	3,338,256
	<u>7,197,313</u>

[c] Total interest charges for debt reported on the Statement of Operations and Accumulated Surplus are \$374,956 [2016 - \$437,382].

10. POST-RETIREMENT BENEFITS

Kenora District Services Board provides the following benefits to employees who have been a member of the benefits plan for at least one year immediately prior to retirement from active service with retirement under the terms of the OMERS pension plan.

- Extended health care drug plan
- Dental benefits
- Semi-private hospital coverage
- Vision care

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

Discount rate	3.25%	
General inflation rate	2.50%	
Health care cost increase	7.0%	after the first year of the valuation with the rate decreasing 0.5% per year to an ultimate rate of 3.5%
Dental care cost increase	3.5%	per year

	2017 \$	2016 \$
Post-retirement benefits liability		
Accrued post-retirement benefits obligation	1,278,295	1,246,982
Unamortized gains	(363,257)	(352,060)
Post-retirement - benefits liability	915,038	894,922
Post-retirement benefits expense		
Current year benefit costs	69,582	65,381
Interest on accrued benefit obligation	42,862	44,114
Employer contribution	(92,328)	(54,473)
Post-retirement benefits expense	20,116	55,022

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

11. TANGIBLE CAPITAL ASSETS

Schedule 2 provides information on the tangible capital assets of the Board by major asset class, as well as accumulated amortization of the assets controlled.

There were no write-downs of assets during 2017 [2016 - \$nil].

Interest capitalized during 2017 was \$nil [2016 - \$nil].

There were no contributed tangible capital assets in 2017 [2016 - \$nil].

12. SEGMENTED INFORMATION

The Board is a diversified para-municipal organization engaged in the provision of social services to residents of the Kenora District 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:

Homelessness Program, Integrated Services Program, Child Care Program, Family Support Program and Ontario Works Program

These programs represent social services that are meant to help the less fortunate in society, and are provided to help individuals and families in need in the service area.

Land Ambulance Program

This program represents ambulance services provided to the service area. The ambulance service transports the injured to the hospital and provides emergency medical care to those in distress.

Social Housing Program

The social housing program is provided to help shelter families and elderly in need in the service area.

Administration and Board Costs

The administration and Board costs relate to the operations of Kenora District Services Board.

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

13. RESERVES AND RESERVE FUNDS

The continuity of reserves and reserve funds which makes up part of accumulated surplus in Schedule 1 is as follows:

	2017	2016
	\$	\$
Reserves		
Balance, beginning of year	1,053,381	1,090,589
Increases		
Transfer from current operations	151,181	329,384
Interest earned	52,493	10,929
	203,674	340,313
Decreases		
Transfer to current operations	216,339	377,521
Balance, end of year	1,040,716	1,053,381
	2017	2016
	\$	\$
Reserve funds		
Balance, beginning of year	5,495,466	5,532,305
Increases		
Contributions from current operations	1,061,802	201,632
Interest earned	68,750	29,598
	1,130,552	231,230
Decreases		
Contributions to current operations	142,135	268,069
Balance, end of year	6,483,883	5,495,466

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

14. DESIGNATED ASSETS

Of the financial assets reported on the Statement of Financial Position, the Board has designated \$6,483,883 [2016 - \$5,495,466] to support reserve funds.

15. EXPENSES BY OBJECT

	Budget 2017	Actual 2017	Actual 2016
	\$	\$	\$
Salaries and benefits	15,019,843	14,946,971	14,230,736
Long-term debt interest	414,965	374,956	437,382
Materials	3,954,955	4,140,824	4,565,748
Contract services	591,069	637,586	601,275
Rent and financial	421,913	426,743	423,799
External transfers	19,105,987	19,098,936	18,467,770
Amortization	1,410,082	1,410,082	1,202,367
	40,918,814	41,036,098	39,929,077

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

16. BUDGET FIGURES

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the Statement of Operations and Accumulated Surplus has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements:

	Approved Fiscal Plan \$	Adjustments \$	Fiscal Plan per Financial Statements \$
Revenue			
Government transfers -			
Operating	22,639,298	-	22,639,298
Capital	336,987	-	336,987
Municipal/TWOMO -			
Operating	14,348,671	-	14,348,671
Capital	2,155,561	-	2,155,561
Rents	2,888,691	-	2,888,691
Interest	105,500	-	105,500
Other	77,735	-	77,735
	42,552,443	-	42,552,443
Expenses			
Homelessness Program	2,463,389	-	2,463,389
Integrated Social Services Program	-	4,632	4,632
Child Care Program	6,345,729	213,561	6,559,290
Family Support Program	851,799	-	851,799
Ontario Works Program	7,751,313	(30,000)	7,721,313
Social Housing Program	12,556,938	(1,991,180)	10,565,758
Land Ambulance Programs	12,713,275	(10,160)	12,703,115
Administrative costs	70,000	(20,482)	49,518
	42,752,443	(1,833,629)	40,918,814
Gain on disposal of tangible capital assets	200,000	-	200,000
Annual surplus	-	(1,833,629)	1,833,629
Interfund transfers	(164,376)	(164,376)	
Capital items	2,485,320	2,485,320	
Debt repayments	922,767	922,767	
Amortization	-	(1,410,082)	
Approved surplus	3,243,711	1,833,629	

Kenora District Services Board

Notes to the Financial Statements

December 31, 2017

17. COMMITMENTS

The Board has entered into lease agreements for various premises for Land Ambulance and Ontario Works facilities, expiring at various times between December 31, 2017 and January 31, 2020.

The future payments expected over the next three years are as follows:

	\$
2018	283,798
2019	271,301
2020	48,084
	<hr/> 603,183 <hr/>

18. PROVINCE OF ONTARIO GRANTS

Revenue from the Province of Ontario has been calculated according to the terms of the governing statutes and is subject to final approval by the Province. Ultimate determination of amounts is dependent upon the reconciliation of funding by the Province of Ontario. Adjustment to the accounting records is made at the time of final settlement.

19. CONTINGENT LIABILITIES

The Board is subject to legal proceedings and claims from time to time, which arise in the normal course of business for which the amount of settlement, if any, is indeterminable at this time. The settlement, if any, will be expensed in the financial statements at the time of settlement.

Kenora District Services Board
Schedule of Accumulated Surplus

Schedule 1

Year ended December 31	2017	2016
	\$	\$
Surpluses		
Investment in tangible capital assets	21,010,837	20,677,502
Long-term debt	(7,197,314)	(8,125,936)
Unfunded liabilities		
Land ambulance capital expenses	(269,002)	(331,362)
Accrued interest on long-term debt	(251,502)	(291,499)
Post-retirement benefits	(522,581)	(502,465)
Total surpluses	12,770,438	11,426,240
Reserves		
Working fund	674,347	538,728
Child Care mitigation	61,150	277,490
Emergency Medical Services	237,163	237,163
Ontario Works	68,056	-
Total reserves	1,040,716	1,053,381
Reserve funds		
Land Ambulance	991,384	1,119,498
Social Housing	2,682,194	1,601,028
Working Fund	2,810,305	2,774,940
Total reserves and reserve funds	6,483,883	5,495,466
Accumulated surplus	20,295,037	17,975,087

Kenora District Services Board
Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2017

	Land \$	Land Improvements \$	Building and building Improvements \$	Machinery and Equipment \$	Vehicles \$	Work-in- Progress \$	Assets held for sale \$	Total 2017 \$	Total 2016 \$
COST									
Balance, beginning of year	3,222,397	734,317	20,051,438	1,667,849	3,489,199	1,000,524	428,501	30,594,225	29,093,398
Add									
Additions during the year	100,000	173,325	429,278	72,501	447,050	573,786	-	1,795,940	1,683,005
Less									
Disposals during the year	-	-	-	-	496,845	-	105,770	602,615	182,178
Transfers	-	-	766,590	-	-	(766,590)	-	-	-
Balance, end of year	3,322,397	907,642	21,247,306	1,740,350	3,439,404	807,720	322,731	31,787,550	30,594,225
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	103,964	5,978,073	1,275,753	2,421,078	-	137,855	9,916,723	8,791,665
Add									
Amortization during the year	-	39,660	670,184	127,154	564,900	-	7,268	1,409,166	1,202,367
Less									
Accumulated amortization on disposals	-	-	-	-	514,274	-	34,902	549,176	77,309
Balance, end of year	-	143,624	6,648,257	1,402,907	2,471,704	-	110,221	10,776,713	9,916,723
Net book value of tangible capital assets, beginning of year	3,222,397	630,353	14,073,365	392,096	1,068,121	1,000,524	290,646	20,677,502	20,301,733
Net book value of tangible capital assets, end of year	3,322,397	764,018	14,599,049	337,443	967,700	807,720	212,510	21,010,837	20,677,502

Kenora District Services Board

Schedule of Segment Disclosure

Schedule 3

Year ended December 31, 2017

	Homelessness Program		Integrated Services Program		Child Care Program		Family Support Program		Ontario Works Program	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Revenues										
Government transfers - operating	1,877,980	1,860,320	-	-	6,155,249	5,326,691	673,040	599,887	7,108,746	6,631,933
Government transfers - capital	336,987	-	-	-	-	-	-	-	-	-
Municipal/TWOMO - operating	-	-	-	-	557,259	591,181	127,269	127,297	1,408,800	1,516,610
Municipal/TWOMO - capital	-	-	-	-	-	-	-	-	-	-
Rents	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	5,222	-
Other	6,035	8,160	10,000	-	-	-	-	-	-	-
	2,221,002	1,868,480	10,000	-	6,712,508	5,917,872	800,309	727,184	8,522,768	8,148,543
Expenditures										
Salaries and benefits	42,255	-	2,035,286	1,950,683	-	-	68,682	-	170,868	104,722
Long-term debt charges	-	-	-	-	-	-	-	-	-	-
Materials	-	-	299,132	290,715	-	-	18,600	-	42,946	29,818
Contracted services	-	-	72,132	61,293	-	2,748	29,550	-	10,636	-
Rents and financial	-	-	264,603	260,858	-	-	-	-	10,704	11,928
External transfers	1,559,283	1,523,928	-	-	6,333,700	5,756,012	698,584	717,184	5,721,454	5,630,276
Amortization	-	-	4,632	27,999	-	-	-	-	-	-
	1,601,538	1,523,928	2,675,785	2,591,548	6,333,700	5,758,760	815,416	717,184	5,956,608	5,776,744
Internal transfers	221,977	147,904	(2,661,153)	(2,591,548)	580,040	536,632	-	10,000	2,431,759	2,371,799
	1,823,515	1,671,832	14,632	-	6,913,740	6,295,392	815,416	727,184	8,388,367	8,148,543
Surplus (deficit) for the year before undernoted item	397,487	196,648	(4,632)	-	(201,232)	(377,520)	(15,107)	-	134,401	-
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-
Surplus (deficit), for the year	397,487	196,648	-	-	(201,232)	(377,520)	(15,107)	-	134,401	-

Kenora District Services Board
Schedule of Segment Disclosure

Schedule 3 (continued)

Year ended December 31, 2017

	Social Housing Program		Land Ambulance Program		Administration Costs		Board Costs		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Government transfers - operating	2,652,444	2,621,783	4,872,366	4,529,765	-	-	-	-	23,339,825	21,570,379
Government transfers - capital	-	-	-	-	-	-	-	-	336,987	-
Municipal/TWOMO - operating	4,779,628	4,763,668	7,460,904	7,373,790	-	-	-	-	14,333,860	14,372,546
Municipal/TWOMO - capital	1,789,316	1,771,600	366,245	345,514	-	-	-	-	2,155,561	2,117,114
Rents	2,833,420	2,705,832	-	-	-	-	-	-	2,833,420	2,705,832
Interest	18,032	-	13,748	198	81,233	80,689	-	-	118,235	80,887
Other	75,025	72,174	-	2,680	26,150	25,671	-	-	117,210	108,685
	12,147,865	11,935,057	12,713,263	12,251,947	107,383	106,360	-	-	43,235,098	40,955,443
Expenditures										
Salaries and benefits	1,081,412	1,091,700	10,326,784	9,985,366	1,166,717	1,042,659	54,967	55,606	14,946,971	14,230,736
Long-term debt charges	290,218	347,573	84,729	89,809	9	-	-	-	374,956	437,382
Materials	2,551,618	3,061,505	1,017,686	982,416	144,713	153,558	66,129	47,736	4,140,824	4,565,748
Contracted services	190,476	170,429	203,451	227,432	131,341	139,373	-	-	637,586	601,275
Rents and financial	-	444	145,620	143,137	5,816	7,432	-	-	426,743	423,799
External transfers	4,769,402	4,835,947	9,513	4,423	-	-	7,000	-	19,098,936	18,467,770
Amortization	875,487	607,987	480,445	510,944	49,518	55,437	-	-	1,410,082	1,202,367
	9,758,613	10,115,585	12,268,228	11,943,527	1,498,114	1,398,459	128,096	103,342	41,036,098	39,929,077
Internal transfers	531,228	660,755	461,382	300,425	(1,447,454)	(1,332,625)	(128,096)	(103,342)	(10,317)	-
	10,289,841	10,776,340	12,729,610	12,243,952	50,660	65,834	-	-	41,025,781	39,929,077
Surplus (deficit) for the year before undernoted item										
Gain on disposal of tangible capital assets	1,858,024	1,158,717	(16,347)	7,995	56,723	40,526	-	-	2,209,317	1,026,366
	109,633	201,632	1,000	1,200	-	-	-	-	110,633	202,832
Surplus (deficit), for the year										
	1,967,657	1,360,349	(15,347)	9,195	56,723	40,526	-	-	2,319,950	1,229,198

Kenora District Services Board
Summary of Levies to Participating Municipalities

Schedule 4

Year ended December 31

							2017	2016	2017	2016
	Child Care	Social Housing	Ontario Works	Land Ambulance	Working Fund	Board Costs	Total	Total	%	%
	\$	\$	\$	\$	\$	\$	\$	\$		
City of Dryden	60,102	576,753	123,693	490,463	-	-	1,251,011	1,242,868	7.6	7.5
City of Kenora	158,400	1,520,053	325,996	1,293,012	-	-	3,297,461	3,165,528	20.0	19.2
Municipality of Machin	13,964	134,006	28,740	113,955	-	-	290,665	284,716	1.8	1.7
Municipality of Red Lake	44,700	428,952	91,995	364,657	-	-	930,304	954,416	5.6	5.8
Municipality of Sioux Lookout	45,111	432,893	92,840	367,999	-	-	938,843	916,724	5.7	5.6
Township of Ear Falls	6,161	59,120	12,679	50,444	-	-	128,404	131,500	0.8	0.8
Township of Ignace	6,982	67,003	14,370	56,826	-	-	145,181	140,188	0.9	0.9
Township of Pickle Lake	2,533	24,305	5,213	20,360	-	-	52,411	51,564	0.3	0.3
Township of Sioux Narrows/Nestor Falls	34,433	330,417	70,861	281,090	-	-	716,801	736,860	4.3	4.5
Unincorporated Areas	312,142	2,995,442	642,413	4,788,343	-	-	8,738,340	8,865,296	53.0	53.8
	684,528	6,568,944	1,408,800	7,827,149	-	-	16,489,421	16,489,660		