



	REPORT No.: 2019-56
MEETING DATE: NOVEMBER 20, 2019	DATE PREPARED: NOVEMBER 1, 2019
SUBJECT: 2019 THIRD QUARTER FINANCIAL REPORT	

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the 2019 Third Quarter Financial Report, and projection to year-end.

BACKGROUND

In accordance with Budget Policy No. CS-02:83, a Financial Report is prepared and reported to the Board quarterly, to provide a comparison of year-to-date and forecast revenues and expenditures to the approved Budget, and includes an explanation of significant variances to the approved Budget, by program area. The year-to-date and forecast information is provided on the same basis that Federal/Provincial funding is provided, where certain accruals for potential future employee entitlements are not considered, and are only funded when paid, and purchases of capital assets are reported as expenditures in the year purchased.

COMMENTS

Overall, total spending on TBDSSAB-delivered programs, for the period ended September 30, 2019, was \$3,637,200 (4.8%) less than the year-to-date Budget, with a net surplus of \$847,400.

At this time, the program levy operating surplus projected to year-end is \$161,200, or 0.7% of the 2019 Levy. A summary of net forecast cost variances, by program, is presented below:

2019 Forecast Program Levy Operating Surplus/(Deficit)	
Ontario Works	\$ 141,300
Child Care and Early Years	(6,600)
Community Housing	26,500
Forecast Program Levy Operating Surplus	\$ 161,200

This projected surplus at the end of the third quarter is due, in part, to:

- **Ontario Works Program Delivery Funding (PDF):** In April 2019, the Province issued its Ontario Works Service Delivery Priorities, one of which stated that budget submissions for 2019 should not exceed the previous year's actuals; For TBDSSAB, the 2018 actuals totalled \$10,640,233. Administration was able to negotiate an increase to \$10,698,288, however, this amount is \$654,212 less than the 2019 Board-approved Budget. Administration has taken various steps to mitigate the financial impact of the funding freeze, including holding several staff positions vacant during the year. Administration is forecasting TBDSSAB will exceed the maximum allowed PDF expenditures, for cost-sharing purposes, by \$188,600. At the Board's direction, this variance will be financed in 2019 using in-year program levy operating surplus.
- **Direct Operated Housing:** Spending to September 30, 2019 on materials was \$864,000 under budget, however numerous projects are in progress and will be completed and expensed during the 4th quarter, leading to forecast positive variance of \$88,800 for the year.

Highlights for the third quarter and full-year forecast to year end, as well as detailed variance explanations, are provided in Attachment #1 - 2019 Third Quarter Financial Report.

FINANCIAL LEGISLATIVE COMPLIANCE

TBDSSAB is required to file, and remit payment for, certain Federal, Provincial and other payroll remittances and contributions, including Canada Pension Plan, Employment Insurance, Employee Income Tax, Employer Health Tax, Harmonized Sales Tax, and the Ontario Municipal Employee Retirement Savings Plan.

Attachment #2 - Fiduciary Responsibility Checklist, certified by the Director – Corporate Services Division, and the Chief Administrative Officer, indicates that all filings and remittances were made in accordance with the established requirements and timelines, and that TBDSSAB is compliant with all applicable labour laws.

TBDSSAB is also required to file, and submit, certain financial and program reports to the Province, in accordance with its various funding agreements. All reports were filed in accordance with the established requirements and timelines.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this Report.



CONCLUSION

It is concluded that the 2019 Third Quarter Financial Report indicates a year-to-date net surplus of \$847,400, with a forecast program levy operating surplus for the year of \$161,200, or 0.7% of the 2019 Levy.

REFERENCE MATERIALS ATTACHED

Attachment #1 [2019 Third Quarter Financial Report](#)

Attachment #2 [Fiduciary Responsibility Checklist](#)

PREPARED BY:	Keri Greaves, CPA, CMA, Manager, Finance The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	 Georgina Daniels, FCPA, FCA, Director – Corporate Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	 William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board