



	REPORT No.: 2020-33
MEETING DATE: JULY 16, 2020	DATE PREPARED: JULY 07, 2020
SUBJECT: 2020 SECOND 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 2020 Second Quarter Financial Report, and projection to year-end.

BACKGROUND

The TBDSSAB 2020 Operating Budget was approved at the December 12, 2019 Board Meeting, Report No. 2019-61, The District of Thunder Bay Social Services Administration Board Proposed 2020 Operating and Capital Budgets, and By-Law 06-2019.

Subsequently, the Chief Administrative Officer implemented an organization realignment which included, among other things, consolidating the Client Services and Housing Services Divisions into the Integrated Social Services Division, and shifting the Infrastructure & Asset Management Department (formerly Facilities) into the Corporate Services Division.

The annual Budget is an essential tool for effective planning, analysis, and allocation of the Board's resources. To assist Administration in performing its financial management duties, a Realigned 2020 Operating Budget was developed, using the Board-approved Budget, to reflect the financial impact of the organization realignment. The realigned budget was approved by the Board via Report No. 2020-29, Realigned 2020 TBDSSAB Operating Budget.

Although there was no change in the total Budget, there was a shift in costs among the various programs. As a result, the realigned budget levy to municipalities and territories without municipal organization (TWOMO) related to OW is \$262,100 higher. However, this was offset by an equal reduction to the realigned budget levy related to Housing Programs.

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 June 30, 2020, was \$2,407,900 (4.9%) less than the year-to-date Budget, with a net surplus of \$321,900.

At this time, Administration is forecasting the operating levy to be on budget for the 2020 year, although there are variances expected between programs. A summary of net forecast cost variances, by program, is presented below:

Table 1:

2020 Forecast Program Levy Operating Surplus/(Deficit)			
Program	Budget	Forecast	Variance
Direct-Owned Community Housing Building Operations	\$ -	\$ -	\$ -
Ontario Works	(262,100)	(153,400)	108,700
Child Care and Early Years	-	-	-
Housing Programs	262,100	196,400	(65,700)
Interest on Unrestricted Funds	-	(43,000)	(43,000)
Forecast Program Levy Operating Surplus	\$ -	\$ -	\$ -

Highlights for the second quarter and full-year forecast to year-end, as well as detailed variance explanations, are provided in Attachment #1 - 2020 Second 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 2020 Second Quarter Financial Report indicates a year-to-date net surplus of \$321,900. At this time, Administration is projecting the overall operating levy will be on budget at year end.

REFERENCE MATERIALS ATTACHED

Attachment #1 [2020 Second 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



**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

2020 SECOND QUARTER FINANCIAL REPORT

Operating Budget



INTRODUCTION

A financial report is prepared and reported to The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) quarterly to provide a comparison of year-to-date and forecast revenues and expenses to the Board-approved budget, and includes an explanation of significant variances to the approved budget, by program area.

This report is provided on the same basis that Provincial funding is provided, and matches the annual budget format, 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. This report will identify any anticipated program levy operating surplus, or deficit, for the year.

EXECUTIVE SUMMARY

Reflecting results for the 6-month period ending June 30, 2020, this Report provides an indication of TBDSSAB's financial status for the year, and identification of any significant variances from the 2020 approved Operating Budget.

Early in 2020, TBDSSAB implemented an organizational realignment which, among other things, shifted the Infrastructure and Asset Management (formerly Facilities) Department into the Corporate Services Division, and combined the Client Services and Housing Services Divisions under the Integrated Social Services Division.

To assist Administration in performing its financial management duties, a Realigned 2020 Operating Budget was developed, using the Board-approved Budget, to reflect the financial impact of the organization realignment. Although there was no change in the total Budget, there was a shift in costs among the various programs. As a result, the realigned budget levy to municipalities and territories without municipal organization (TWOMO) related to OW is \$262,100 higher. However, this is offset by an equal reduction to the realigned budget levy related to Housing Programs.

Overall, from an operating levy perspective, Administration is currently forecasting to be on budget for the 2020 year, although there are expected variances between programs. Table 1 provides a breakdown of the forecast year-end variances, by program.



Table 1:

2020 Forecast Program Levy Operating Surplus/(Deficit)			
Program	Budget	Forecast	Variance
Direct-Owned Community Housing Building Operations	\$ -	\$ -	\$ -
Ontario Works	(262,100)	(153,400)	108,700
Child Care and Early Years	-	-	-
Housing Programs	262,100	196,400	(65,700)
Interest on Unrestricted Funds	-	(43,000)	(43,000)
Forecast Program Levy Operating Surplus	\$ -	\$ -	\$ -

Table 2 shows the 2020 Realigned Operating Budget revenue and expenditures, second quarter variances, and year-end projections.

Table 2:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Financing								
Levy to municipalities & TWOMO	11,256.3	11,256.3	-	0.0%	22,512.5	22,512.5	-	0.0%
Federal grants	5,148.0	4,784.3	(363.7)	-7.1%	10,295.9	11,419.2	1,123.3	10.9%
Provincial grants	27,856.9	26,375.7	(1,481.2)	-5.3%	55,713.8	56,863.6	1,149.8	2.1%
Rents	5,494.0	5,442.4	(51.5)	-0.9%	10,987.9	10,889.3	(98.6)	-0.9%
Other revenue	186.7	195.5	8.8	4.7%	373.4	465.4	92.0	24.6%
Income on unrestricted funds	87.5	84.0	(3.5)	-4.1%	175.0	132.0	(43.0)	-24.6%
Income on restricted funds	100.0	83.1	(16.9)	-16.9%	200.0	200.0	-	0.0%
From (to) reserve funds	(1,134.2)	(1,312.2)	(178.1)	15.7%	(2,268.3)	(2,349.6)	(81.3)	3.6%
Total Financing	48,995.1	46,909.1	(2,086.0)	-4.3%	97,990.2	100,132.3	2,142.1	2.2%
Expenses								
Personnel services	7,003.6	6,695.8	307.8	4.4%	14,007.2	13,798.0	209.2	1.5%
Interest on long-term debt	202.8	194.6	8.2	4.0%	405.5	408.1	(2.6)	-0.6%
Materials	8,880.2	8,726.7	153.5	1.7%	17,760.3	17,896.1	(135.8)	-0.8%
Contract services	120.9	96.8	24.1	20.0%	241.8	304.6	(62.8)	-26.0%
Rents and financial expenses	103.5	90.1	13.4	12.9%	206.9	222.3	(15.4)	-7.4%
External transfers	31,335.2	29,432.2	1,902.9	6.1%	62,670.3	64,806.1	(2,135.8)	-3.4%
Loan principal repayment	1,349.1	1,351.1	(2.0)	-0.1%	2,698.2	2,697.1	1.1	0.0%
Total Expenses	48,995.1	46,587.2	2,407.9	4.9%	97,990.2	100,132.3	(2,142.1)	-2.2%
Excess (Deficiency) of Revenues over Expenses	-	321.9	321.9	n/a	-	-	-	n/a

Highlights for Q2 and the full-year forecast include:

External Transfers	Forecast \$2,135,800 (3.4%) unfavourable
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External Transfers to funded agencies, individuals, and families were lower than budget in Q2, but are forecast to be \$2,135,800 higher than budget for the year, mainly due to higher Ontario Works (OW) financial assistance issued to eligible individuals and households including the COVID-19 Emergency Benefit, and the new Social Services Relief Fund established in response to the COVID-19 Pandemic. Both programs are funded 100% by the Province and have no financial impact on the levy.



2020 SECOND QUARTER OPERATING BUDGET RESULTS

The Second Quarter Report provides an indication of TBDSSAB's financial status as at June 30, 2020, and a projection for the year, and identifies any significant variances from the 2020 Operating Budget. Overall, in Q2, TBDSSAB recorded a net surplus of \$321,900, and the operating levy is projected to be on budget at year-end. The financial detail for each program area is provided below.

A. Board and Office of the Chief Administrative Officer

This section includes expenses associated with the Board, and Office of the Chief Administrative Officer (CAO), including Communications and Human Resources.

Table 3:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Allocation								
Direct-owned community housing building operations	129.9	97.7	(32.2)	-24.8%	259.8	242.7	(17.1)	-6.6%
Ontario Works	311.0	243.7	(67.2)	-21.6%	621.9	584.9	(37.0)	-5.9%
Child care and early years programs	94.0	82.3	(11.7)	-12.5%	188.0	175.6	(12.4)	-6.6%
Housing programs	110.3	96.7	(13.6)	-12.3%	220.5	209.2	(11.3)	-5.1%
Total Allocation	645.1	520.4	(124.7)	-19.3%	1,290.2	1,212.4	(77.8)	-6.0%
Expenses								
Personnel services	476.8	431.7	45.1	9.5%	953.5	884.1	69.4	7.3%
Materials	119.7	67.0	52.7	44.0%	239.4	220.7	18.7	7.8%
Contract services	48.7	21.8	26.9	55.3%	97.3	107.6	(10.3)	-10.6%
Total Expenses	645.1	520.4	124.7	19.3%	1,290.2	1,212.4	77.8	6.0%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a	-	-	-	n/a

Table 3, above, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for the Board and Office of the CAO.

Expenses related to the Board and Office of the CAO are allocated to programs as Internal Administration Allocation, based on a predetermined weighting approved through the annual Operating Budget. Expense highlights for Q2 and the full-year forecast include:

Personnel Services	Forecast \$69,400 (7.3%) favourable
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Personnel Services expenses were under budget in Q2 and are forecast to be under budget by \$69,400 at year-end due to temporarily vacant positions during the year. All positions are now filled or are in the recruitment process.

**B. Corporate Services**

Corporate Services includes costs associated with Purchasing, Finance, Information Services, and Infrastructure and Asset Management.

Table 4:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Allocation								
Direct-owned community housing building operations	1,624.3	1,558.7	(65.6)	-4.0%	3,248.5	3,179.9	(68.6)	-2.1%
Ontario Works	1,072.5	1,122.7	50.2	4.7%	2,145.0	2,141.2	(3.8)	-0.2%
Child care and early years programs	68.3	72.4	4.1	6.0%	136.5	137.1	0.6	0.4%
Housing programs	94.9	99.2	4.3	4.6%	189.7	188.6	(1.1)	-0.6%
Total Allocation	2,859.9	2,853.0	(6.9)	-0.2%	5,719.7	5,646.8	(72.9)	-1.3%
Financing								
Levy to municipalities and TWOMO	(87.5)	(87.5)	-	0.0%	(175.0)	(175.0)	-	0.0%
Income on unrestricted funds	87.5	84.0	(3.5)	-4.1%	175.0	132.0	(43.0)	-24.6%
Income on restricted funds	100.0	83.1	(16.9)	-16.9%	200.0	200.0	-	0.0%
Other revenue	9.7	22.5	12.8	133.1%	19.3	34.5	15.2	78.8%
From (to) reserve funds	(100.0)	(83.1)	16.9	-16.9%	(200.0)	(200.0)	-	0.0%
Total Financing	9.7	19.0	9.3	96.4%	19.3	(8.5)	(27.8)	-144.0%
Expenses								
Personnel services	2,349.5	2,302.5	47.0	2.0%	4,699.0	4,672.5	26.5	0.6%
Materials	597.0	669.9	(72.9)	-12.2%	1,194.0	1,179.7	14.3	1.2%
Contract services	27.3	20.8	6.5	23.7%	54.5	56.0	(1.5)	-2.8%
Rents and financial expenses	9.8	8.4	1.4	14.2%	19.5	17.0	2.5	12.8%
Total Expenses	2,983.5	3,001.5	(18.0)	-0.6%	5,967.0	5,925.2	41.8	0.7%
Recoveries								
From housing programs	28.9	40.0	(11.2)	-38.8%	57.7	73.3	(15.6)	-27.0%
From homelessness programs	4.8	5.7	(0.9)	-18.6%	9.6	9.9	(0.3)	-3.1%
From EarlyON	8.3	8.3	-	0.0%	16.6	16.6	-	0.0%
From HQ building operations	72.1	72.1	-	0.0%	144.1	144.1	-	0.0%
Total Expenses Less Recoveries	2,869.5	2,875.5	(6.0)	-0.2%	5,739.0	5,681.3	57.7	1.0%
Excess (Deficiency) of Revenues over Expenses	-	(3.5)	(3.5)	n/a	-	(43.0)	(43.0)	n/a

Table 4, above, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for Corporate Services.

Interest on Unrestricted Funds Forecast \$43,000 (24.6%) Unfavourable

Interest on Unrestricted Funds was slightly lower than budget in Q2 and is forecast to be under budget by \$43,000 at year-end as the Bank of Canada has reduced the prime interest rate by 1.5 basis points since March.



Expenses related to Corporate Services are allocated to programs as Internal Administration Allocation, based on a predetermined weighting approved through the annual Operating Budget. Expense highlights for Q2 and the full-year forecast include:

Personnel Services	Forecast \$26,500 (0.6%) favourable
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Personnel Services expenses were lower than budget in Q2 and are forecast to be under budget by \$26,500 at year-end due to temporarily vacant positions during the year. All positions are now filled or are in the recruitment process.

C. Office Headquarters Building Operations

Table 5, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for the Office Headquarters Building Operations. Overall, expenses are under budget in Q2 but are forecast to be at budget at year-end.

Table 5:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Allocation								
Ontario Works	469.1	469.1	-	0.0%	938.2	938.2	-	0.0%
Child care and early years programs	34.0	34.0	-	0.0%	68.0	68.0	-	0.0%
Housing programs	176.8	176.8	-	0.0%	353.6	353.6	-	0.0%
Total Allocation	679.9	679.9	-	0.0%	1,359.8	1,359.8	-	0.0%
Financing								
Other revenue	1.8	2.3	0.5	29.9%	3.5	3.5	-	0.0%
From (to) reserve funds	(55.7)	(95.7)	(40.0)	71.9%	(111.3)	(111.3)	-	0.0%
Imputed rent adjustment	(56.2)	(85.0)	(28.8)	51.3%	(112.3)	(112.3)	-	0.0%
Total Financing	(110.1)	(178.3)	(68.3)	62.1%	(220.1)	(220.1)	-	0.0%
Expenses								
Interest on long-term debt	58.4	49.1	9.3	16.0%	116.8	116.8	-	0.0%
Materials	295.4	233.9	61.5	20.8%	590.7	590.7	-	0.0%
Loan principal repayment	135.5	138.0	(2.5)	-1.8%	271.0	271.0	-	0.0%
Internal administrative expense	80.6	80.6	-	0.0%	161.2	161.2	-	0.0%
Total Expenses	569.9	501.6	68.3	12.0%	1,139.7	1,139.7	-	0.0%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a	-	-	-	n/a

Expenses related to Office Headquarters Building Operations are allocated to programs as an Imputed Rent, based on a predetermined calculation approved through the annual Operating Budget.



D. Direct-Owned Community Housing Building Operations

TBDSSAB operates and maintains 2,488 direct-owned housing units throughout the District of Thunder Bay. Table 6, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for Direct-Owned Community Housing Building Operations. Overall, expenses are less than revenues in Q2, but are forecast to be on budget at year-end.

Table 6:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Financing								
Levy to municipalities & TWOMO	3,389.7	3,389.7	-	0.0%	6,779.4	6,779.4	-	0.0%
Federal grants	1,503.4	1,503.4	-	0.0%	3,006.7	3,006.7	-	0.0%
Rents	5,494.0	5,442.4	(51.5)	-0.9%	10,987.9	10,889.3	(98.6)	-0.9%
Other revenue	143.6	116.5	(27.1)	-18.8%	287.2	269.8	(17.4)	-6.1%
From (to) reserve funds	(1,133.5)	(1,133.5)	-	0.0%	(2,267.0)	(2,348.3)	(81.3)	3.6%
Total Financing	9,397.1	9,318.5	(78.6)	-0.8%	18,794.2	18,596.9	(197.3)	-1.0%
Expenses								
Interest on long-term debt	144.4	145.5	(1.2)	-0.8%	288.7	291.3	(2.6)	-0.9%
Materials	6,728.7	6,707.4	21.3	0.3%	13,457.4	13,396.0	61.4	0.5%
Rents and financial expenses	29.2	22.6	6.6	22.5%	58.4	58.4	-	0.0%
Loan principal repayment	1,213.6	1,213.1	0.5	0.0%	2,427.2	2,426.1	1.1	0.0%
Internal administration allocation	1,825.6	1,722.5	103.1	5.6%	3,651.1	3,562.5	88.6	2.4%
Total Expenses	9,941.4	9,811.1	130.3	1.3%	19,882.8	19,734.3	148.5	0.7%
Recoveries								
From Non-Profit rent supplement	525.6	561.5	36.0	6.8%	1,051.1	1,105.5	54.4	5.2%
From IAH rent supplement	13.0	11.1	(1.9)	-14.5%	26.0	21.5	(4.5)	-17.3%
From HFG housing allowance	5.8	6.9	1.1	19.6%	11.5	10.4	(1.1)	-9.6%
Total Expenses Less Recoveries	9,397.1	9,231.6	165.5	1.8%	18,794.2	18,596.9	197.3	1.0%
Excess (Deficiency) of Revenues over Expenses	-	86.9	86.9	n/a	-	-	-	n/a

Highlights for Q2 and the full-year forecast include:

Materials	Forecast \$61,400 (0.5%) favourable
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Materials costs were lower than budget in Q2 and are expected to be \$61,400 less than budget at year-end. A further breakdown of Direct-Owned Community Housing Building Operations Materials is provided in Table 7, below:

2020 Second Quarter Financial Report
Operating Budget

Table 7:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Materials								
Repairs and maintenance	966.9	830.8	136.1	14.1%	1,933.7	1,933.7	-	0.0%
Operating services	905.5	914.4	(8.9)	-1.0%	1,810.9	1,810.9	-	0.0%
Insurance	275.9	269.4	6.5	2.4%	551.8	552.8	(1.0)	-0.2%
Gas	306.0	315.2	(9.2)	-3.0%	612.0	580.4	31.6	5.2%
Electricity	837.6	931.2	(93.6)	-11.2%	1,675.2	1,644.2	31.0	1.9%
Water	713.9	722.5	(8.7)	-1.2%	1,427.7	1,431.1	(3.4)	-0.2%
Hot water tanks	42.2	43.1	(0.9)	-2.2%	84.3	81.1	3.2	3.8%
Municipal taxes	2,680.9	2,680.9	-	0.0%	5,361.8	5,361.8	-	0.0%
Total	6,728.7	6,707.4	21.3	0.3%	13,457.4	13,396.0	61.4	0.5%

Gas and Electricity expenses have been trending under-budget in 2020. In recent years, TBDSSAB has undertaken significant capital improvement projects to update equipment and improve energy efficiency. Repairs, maintenance, and operating services are expected to be slightly under budget at year-end.

Internal Administration Allocation	Forecast \$88,600 (2.4%) favourable
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Internal Administration is comprised of Board and Office of the CAO, Corporate Services, and Integrated Social Services Program Support. These costs are allocated to programs based on a predetermined weighting approved through the annual Operating Budget. Further variance explanation is provided above and below.



E. Integrated Social Services Program Support

Integrated Social Services (ISS) Program Support includes costs associated with integrated program eligibility, policy and data research, and the shared intake and reception area located at TBDSSAB headquarters.

Table 8, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for ISS Program Support.

Table 8:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Allocation								
Direct-owned community housing building operations	71.4	66.1	(5.3)	-7.5%	142.8	139.9	(2.9)	-2.0%
Ontario Works	550.9	487.5	(63.4)	-11.5%	1,101.8	1,054.8	(47.0)	-4.3%
Child care and early years programs	197.2	187.3	(9.8)	-5.0%	394.3	389.3	(5.0)	-1.3%
Housing programs	149.6	140.0	(9.6)	-6.4%	299.2	296.2	(3.0)	-1.0%
Total Allocation	969.1	880.8	(88.2)	-9.1%	1,938.1	1,880.2	(57.9)	-3.0%
Financing								
Other revenue	26.9	41.5	14.7	54.7%	53.7	68.4	14.7	27.4%
From (to) reserve funds	25.0	-	(25.0)	-100.0%	50.0	50.0	-	0.0%
Total Financing	51.9	41.5	(10.3)	-19.9%	103.7	118.4	14.7	14.2%
Expenses								
Personnel services	1,106.7	1,053.2	53.4	4.8%	2,213.3	2,182.2	31.1	1.4%
Materials	26.3	4.9	21.4	81.5%	52.6	31.7	20.9	39.7%
Contract services	27.5	2.6	24.9	90.4%	55.0	56.0	(1.0)	-1.8%
Total Expenses	1,160.5	1,060.8	99.7	8.6%	2,320.9	2,269.9	51.0	2.2%
Recoveries								
From housing programs	17.0	9.5	7.5	44.2%	34.0	33.4	0.6	1.8%
From homelessness programs	56.8	63.1	(6.3)	-11.2%	113.5	106.3	7.2	6.3%
From EarlyON	57.3	57.3	-	0.0%	114.5	114.5	-	0.0%
From HQ building operations	8.6	8.6	-	0.0%	17.1	17.1	-	0.0%
Total Expenses Less Recoveries	1,020.9	922.4	98.5	9.7%	2,041.8	1,998.6	43.2	2.1%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a	-	-	-	n/a

Expenses related to ISS Program Support are allocated to programs as Internal Administration Allocation, based on a predetermined weighting approved through the annual Operating Budget. Expense highlights for Q2 and the full-year forecast include:

Personnel Services	Forecast \$31,100 (1.4%) favourable
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Personnel Services costs were less than budget in Q2 and are forecast to be under budget by \$31,100 at year-end, due to temporarily vacant positions throughout the year. One temporary vacancy has been held vacant pending the re-opening of the satellite office in Geraldton, closed due to COVID-19 restrictions.



Materials

Forecast **\$20,900 (39.7%) favourable**

Material costs were lower than budget in Q2 and are expected to be under budget by \$20,900 at year-end, primarily resulting from less travel and meeting costs due to COVID-19 restrictions.

F. Ontario Works (OW)

Through the OW program, TBDSSAB provides short-term social assistance to, or on behalf of, eligible individuals and families in the form of financial and employment benefits to assist recipients to reach financial independence through employment.

The following significant events have impacted, or will impact, the financial performance within the OW program:

- COVID-19 Pandemic – The full social and economic impact of the COVID-19 Pandemic and the resulting social distancing and other measures imposed by all levels of government are not yet known.
- The Province established the Emergency Benefit as a monthly discretionary benefit for OW recipients who are not in receipt of the Canada Emergency Response Benefit (CERB) and who are seeking assistance for exceptional COVID-19 costs. The benefit is available from March to July and is 100% provincially funded.

Table 9, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for the OW program. Overall, OW program expenses were less than revenues in Q2, but are forecast to be higher than revenues by \$153,400 at year-end resulting in a levy surplus of \$108,700 compared to the realigned 2020 Budget.



Table 9:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Financing								
Levy to municipalities & TWOMO	1,870.0	1,870.0	-	0.0%	3,740.0	3,740.0	-	0.0%
Provincial grants	16,506.6	17,222.2	715.6	4.3%	33,013.1	34,109.6	1,096.5	3.3%
Other revenues	-	-	-	n/a	-	-	-	n/a
From (to) reserve funds	-	-	-	n/a	-	-	-	n/a
Imputed rent adjustment	38.7	58.6	19.9	51.5%	77.4	77.4	-	0.0%
Total Financing	18,415.3	19,150.8	735.6	4.0%	36,830.5	37,927.0	1,096.5	3.0%
Expenses								
Personnel services	1,989.0	1,831.6	157.4	7.9%	3,978.0	3,859.5	118.5	3.0%
Materials	362.4	163.9	198.5	54.8%	724.8	718.4	6.4	0.9%
Contract services	5.0	34.1	(29.1)	-582.3%	10.0	50.0	(40.0)	-400.0%
Rents and financial expenses	59.1	54.9	4.2	7.1%	118.2	136.1	(17.9)	-15.1%
External transfers	13,724.3	14,564.3	(840.0)	-6.1%	27,448.6	28,581.8	(1,133.2)	-4.1%
Internal administration allocation	1,994.7	1,914.2	80.4	4.0%	3,989.3	3,901.5	87.8	2.2%
Imputed rent recovery	469.1	469.1	-	0.0%	938.2	938.2	-	0.0%
Total Expenses	18,603.6	19,032.2	(428.6)	-2.3%	37,207.1	38,185.5	(978.4)	-2.6%
Recoveries								
From homelessness programs	57.3	62.7	5.5	9.5%	114.5	105.1	(9.4)	-8.2%
Total Expenses Less Recoveries	18,546.3	18,969.5	(423.2)	-2.3%	37,092.6	38,080.4	(987.8)	-2.7%
Excess (Deficiency) of Revenues over Expenses	(131.1)	181.4	312.4	-238.4%	(262.1)	(153.4)	108.7	-41.5%

Provincial grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for Q2 and the full-year forecast include:

Personnel Services	Forecast \$118,500 (3.0%) favourable
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Personnel Services expenses were under budget in Q2 and are forecast to be under budget by \$118,500 at year-end due to temporarily vacant positions early in the year. All positions are now filled or are in the recruitment process.

External Transfers	Forecast \$1,133,200 (4.1%) unfavourable
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The full impact of the COVID-19 Pandemic on external transfers, payments to eligible individuals, and families, is uncertain. Financial Assistance payments were trending higher prior to the implementation of social distancing measures. TBDSSAB has issued additional funds to clients through the Province's "Emergency Benefit" to assist clients with additional financial challenges caused by COVID-19. This benefit has been extended through July. At this time, Administration anticipates external transfers will be \$1,133,200 higher than budget. This variance will be closely monitored in the months ahead. OW financial assistance benefits are 100% Provincially funded so there is no financial impact on the levy.



G. Child Care and Early Years

TBDSSAB is the service system manager for child care and early years' services in the District of Thunder Bay and administers Child Care and EarlyON programs to create a comprehensive, consistent, quality-driven system to support children and families.

The following significant events have impacted, or will impact, the financial performance within the Child Care and Early Years programs:

- COVID-19 Pandemic – In March, in response to the COVID-19 Pandemic, the Province temporarily closed all Child Care and EarlyON centres. Subsequently, certain child care centres were allowed to re-open to provide child care services for workers deemed to be essential by the Province. On June 12, all child care centres were allowed to open under new strict guidelines, however child care centres have taken a measured approach to re-opening. Administration continues to work closely with child care centres to develop and implement re-opening plans.

Table 10, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances, and year-end projections for Child Care and Early Years programs. Overall, Child Care and Early Years program expenses were slightly less than revenues in Q2 but are forecast to be on budget at year-end.

Table 10:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Financing								
Levy to municipalities & TWOMO	870.6	870.6	-	0.0%	1,741.2	1,741.2	-	0.0%
Federal grants	-	41.0	41.0	n/a	-	1,041.0	1,041.0	n/a
Provincial grants	8,115.4	5,366.5	(2,748.9)	-33.9%	16,230.7	14,892.7	(1,338.0)	-8.2%
From (to) reserve funds	-	-	-	n/a	-	-	-	n/a
Imputed rent adjustment	2.8	4.2	1.4	51.7%	5.6	5.6	-	0.0%
Total Financing	8,988.8	6,282.3	(2,706.5)	-30.1%	17,977.5	17,680.5	(297.0)	-1.7%
Expenses								
Personnel services	202.1	199.7	2.4	1.2%	404.1	407.4	(3.3)	-0.8%
Materials	24.6	31.6	(7.1)	-28.8%	49.1	46.8	2.3	4.7%
Contract services	0.5	-	0.5	100.0%	1.0	1.0	-	0.0%
External transfers	8,302.7	5,603.0	2,699.7	32.5%	16,605.4	16,324.2	281.2	1.7%
Internal administration allocation	522.2	504.7	17.4	3.3%	1,044.3	1,027.5	16.8	1.6%
Imputed rent recovery	34.0	34.0	-	0.0%	68.0	68.0	-	0.0%
Total Expenses	9,086.0	6,373.0	2,712.9	29.9%	18,171.9	17,874.9	297.0	1.6%
Recoveries								
Other recoveries	97.2	97.2	-	0.0%	194.4	194.4	-	0.0%
Total Expenses Less Recoveries	8,988.8	6,275.8	2,712.9	30.2%	17,977.5	17,680.5	297.0	1.7%
Excess (Deficiency) of Revenues over Expenses	-	6.5	6.5	n/a	-	-	-	n/a



Federal and Provincial grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for Q2 and the full-year forecast include:

External Transfers	Forecast \$281,200 (1.7%) favourable
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External transfers for child care and early years were less than budget in Q2 and are expected to be less than budget at year-end. A further breakdown of External Transfers is provided in Table 11, below:

Table 11:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
External Transfers								
Fee Subsidy	2,250.0	1,145.0	1,105.0	49.1%	4,500.0	4,500.0	-	0.0%
Special Needs	795.3	795.0	0.3	0.0%	1,590.6	1,590.6	-	0.0%
General Operating	2,744.1	1,766.0	978.1	35.6%	5,488.1	4,488.1	1,000.0	18.2%
Occupancy Incentive	150.0	-	150.0	100.0%	300.0	300.0	-	0.0%
Wage Enhancement	612.6	277.9	334.7	54.6%	1,225.2	903.0	322.2	26.3%
Other	160.9	59.4	101.4	63.1%	321.7	321.7	-	0.0%
Expansion Plan	-	-	-	n/a	-	-	-	n/a
Early Learning and Child Care	-	41.0	(41.0)	n/a	-	1,041.0	(1,041.0)	n/a
EarlyON	1,001.2	930.1	71.1	7.1%	2,002.4	2,002.4	-	0.0%
Journey Together	588.7	588.6	0.1	0.0%	1,177.4	1,177.4	-	0.0%
Total	8,302.7	5,603.0	2,699.7	32.5%	16,605.4	16,324.2	281.2	1.7%

The Provincial order resulted in the closure of all child care centres. Some EarlyON centres and special needs programs continued to provide virtual programming during the closure period.

The Province has introduced a fixed-cost funding model for child care centres during the closure period. This model requires child care centres to apply for any/all federal funding programs, primarily the Canada Emergency Wage Subsidy (CEWS) which covers the lesser of 75% or \$847 of weekly wages. TBDSSAB may provide 100% federal Early Learning and Child Care (ELCC) funding to top-up wage and benefit costs. TBDSSAB's 2020 planning allocation included \$1,045,572 for ELCC.

Administration continues to work with child care and EarlyON centres to determine the financial impact of the closure period and the provision of emergency child care, and a reconciliation will be provided to the Province in August, for approval. The financial implications of re-opening plans will also be reviewed and presented to the Province.

At this time, Child Care and EarlyON external transfers are forecast to be \$281,200 less than budget, which includes the Wage Enhancement funding during the closure period that is deemed ineligible. Also, the forecast shifts \$1 million from General Operating, to federal ELCC, reflecting the province's direction to utilize federal funding where possible.



H. Housing Programs

TBDSSAB is the service system manager for various housing and homelessness programs and services in the District of Thunder Bay. TBDSSAB supports 929 housing units operated by non-profit housing providers, and over 600 units through rent supplement agreements.

The following significant events have impacted, or will impact, the financial performance within Housing Programs:

- **COVID-19 Pandemic** – In response to the COVID-19 Pandemic, the Province announced the Social Services Relief Fund (SSRF) through the Community Homelessness Prevention Initiative (CHPI) in April. TBDSSAB will use the SSRF to assist partner organizations offering housing and related supports to individuals and households dealing with the COVID-19 Pandemic.

Table 12, below, shows the 2020 Operating Budget revenues and expenditures, second quarter variances and year-end projections for Housing Programs.

Table 12:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Financing								
Levy to municipalities & TWOMO	5,213.5	5,213.5	-	0.0%	10,426.9	10,426.9	-	0.0%
Federal grants	3,644.6	3,240.0	(404.6)	-11.1%	7,289.2	7,371.5	82.3	1.1%
Provincial grants	3,235.0	3,787.1	552.1	17.1%	6,470.0	7,861.3	1,391.3	21.5%
Other revenue	4.9	12.7	7.8	161.8%	9.7	89.2	79.5	819.6%
From (to) reserve funds	130.0	-	(130.0)	-100.0%	260.0	260.0	-	0.0%
Imputed rent adjustment	14.7	22.1	7.4	50.8%	29.3	29.3	-	0.0%
Total Financing	12,242.6	12,275.3	32.7	0.3%	24,485.1	26,038.1	1,553.0	6.3%
Expenses								
Personnel services	879.7	877.1	2.5	0.3%	1,759.3	1,792.3	(33.0)	-1.9%
Materials	726.2	848.0	(121.9)	-16.8%	1,452.3	1,712.1	(259.8)	-17.9%
Contract services	12.0	17.5	(5.5)	-45.5%	24.0	34.0	(10.0)	-41.7%
Rents and financial expenses	5.4	4.2	1.2	22.4%	10.8	10.8	-	0.0%
External transfers	9,308.2	9,265.0	43.2	0.5%	18,616.3	19,900.1	(1,283.8)	-6.9%
Internal administration allocation	1,354.3	1,371.9	(17.7)	-1.3%	2,708.5	2,727.3	(18.8)	-0.7%
Imputed rent recovery	176.8	176.8	-	0.0%	353.6	353.6	-	0.0%
Total Expenses	12,462.4	12,560.4	(98.0)	-0.8%	24,924.8	26,530.2	(1,605.4)	-6.4%
Recoveries								
From Ontario Works	60.3	60.3	-	0.0%	120.6	120.6	-	0.0%
From housing programs	43.2	26.4	(16.8)	-39.0%	86.4	82.7	(3.7)	-4.3%
From homelessness programs	247.4	249.1	1.7	0.7%	494.8	485.2	(9.6)	-1.9%
Total Expenses Less Recoveries	12,111.5	12,224.6	(113.1)	-0.9%	24,223.0	25,841.7	(1,618.7)	-6.7%
Excess (Deficiency) of Revenues over Expenses	131.1	50.6	(80.4)	-61.4%	262.1	196.4	(65.7)	-25.1%



Overall, Housing Program expenses are lower than revenues in Q2, and are forecast to be less than budget by \$196,400 at year-end, resulting in a levy deficit of \$65,700 compared to the realigned 2020 Budget.

Federal and Provincial grants are determined by applying various cost-sharing formulae to actual expenses. Expense highlights for Q2 and the full-year forecast include:

Materials	Forecast \$259,800 (15.2%) unfavourable
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Materials were higher than budget in Q2 and are expected to be \$259,800 higher than budget at year-end. A further breakdown of this variance is provided in Table 13, below:

Table 13:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
Materials								
OPHI	500.0	425.7	74.3	14.9%	1,000.0	974.4	25.6	2.6%
COCHI	111.4	11.6	99.7	89.6%	222.7	167.8	54.9	24.7%
SHAIP	-	305.4	(305.4)	n/a	-	305.4	(305.4)	n/a
Other	114.8	105.3	9.5	8.3%	229.6	264.5	(34.9)	-15.2%
Total	726.2	848.0	(121.9)	-16.8%	1,452.3	1,712.1	(259.8)	-17.9%

One project under the Social Housing Apartment Improvement Program (SHAIP) was expected to be complete in the 2019 year, however, was extended into 2020, resulting in an unfavourable variance. SHAIP is 100% Provincially funded, so there is no impact on the levy. The Ontario Priorities Housing Initiative (OPHI) and Canada Ontario Community Housing Initiative (COCHI) are also 100% funded by the Federal and Provincial government.

External Transfers	Forecast \$1,283,800 (6.9%) unfavourable
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External transfers for Housing Programs were lower than budget in Q2 but are expected to be \$1,283,800 higher than budget at year-end. A further breakdown of this variance is provided in Table 14, below:

2020 Second Quarter Financial Report
Operating Budget

Table 14:

Description	Year-To-Date				Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance		Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)			(\$000s)	(%)
External Transfers								
Provincial Reformed	3,105.0	3,048.8	56.2	1.8%	6,210.0	6,109.1	100.9	1.6%
Urban Native housing program	928.3	1,007.9	(79.7)	-8.6%	1,856.5	1,820.8	35.7	1.9%
Private landlord rent supplement	1,601.7	1,629.5	(27.8)	-1.7%	3,203.4	3,271.9	(68.5)	-2.1%
Non-profit rent supplement	360.9	361.1	(0.3)	-0.1%	721.7	720.8	0.9	0.1%
Strong Communities rent supplement	213.8	206.6	7.2	3.4%	427.5	407.7	19.8	4.6%
Portable Housing Benefit	164.9	159.6	5.3	3.2%	329.7	334.2	(4.5)	-1.4%
IAH Rent Supplement	31.5	13.1	18.4	58.5%	63.0	28.6	34.4	54.6%
IAH Ontario Renovates	-	66.2	(66.2)	n/a	-	66.6	(66.6)	n/a
IAH Ext rental housing	57.0	-	57.0	100.0%	114.0	211.9	(97.9)	-85.9%
IAH Ext Ontario Renovates	-	49.9	(49.9)	n/a	-	183.0	(183.0)	n/a
IAH-SIF rental housing	264.9	-	264.9	100.0%	529.7	529.7	-	0.0%
IAH-SIF housing allowance	19.1	22.5	(3.4)	-17.6%	38.2	52.3	(14.1)	-36.9%
IAH-SIF Ontario Renovates	-	2.4	(2.4)	n/a	-	2.4	(2.4)	n/a
OPHI Ontario Renovates	228.4	144.3	84.1	36.8%	456.7	456.7	-	0.0%
COCHI capital repairs	138.3	-	138.3	100.0%	276.5	241.4	35.1	12.7%
COCHI rent supplement	72.8	54.1	18.7	25.7%	145.5	171.6	(26.1)	-17.9%
Reaching Home	5.6	25.5	(19.9)	-359.4%	11.1	90.6	(79.5)	-716.2%
CHPI	1,525.0	1,855.0	(330.0)	-21.6%	3,049.9	3,983.0	(933.1)	-30.6%
Home for Good	591.5	618.5	(27.0)	-4.6%	1,182.9	1,217.8	(34.9)	-3.0%
Total	9,308.2	9,265.0	43.2	0.5%	18,616.3	19,900.1	(1,283.8)	-6.9%

The unfavorable variance is mainly due to the new SSRF (\$1,168,300) under CHPI. The SSRF was established by the Province in April, in response to the COVID-19 pandemic. The SSRF is 100% Provincially funded and does not impact the levy.

Administration also expects unfavourable variances in the various Investment in Affordable Housing (IAH) programs due to timing of project completions. IAH programs are also funded 100% by the Federal and Provincial government.

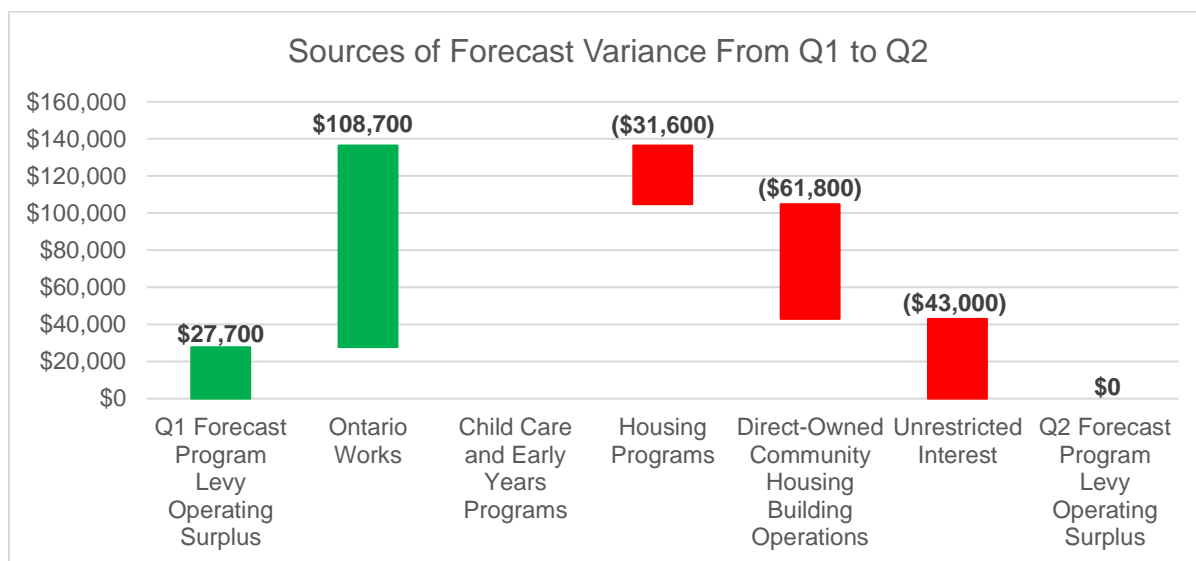
At this time, costs under the private landlord rent supplement programs are expected to be \$68,500 higher than budget due to higher average costs of rent supplement agreements experienced so far in 2020. This unfavourable variance is offset by expected favourable variance related to year-end financial settlements with Provincial Reformed non-profit housing providers.



CONCLUSION

The 2020 First Quarter Financial Report identified a forecast program levy operating surplus of \$27,700 with Direct-Owned Community Housing Building Operations accounting for \$61,800 and Housing Programs accounting for \$34,100 (deficit).

Through the 2020 Second Quarter Financial Report, Administration is projecting the operating levy to be at budget for the 2020 year. The chart below summarizes the change in estimates from Q1 to Q2, by program.





**THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD**

Fiduciary Responsibility Checklist

Year: 2020

[Supporting Documents](#)

	Q1	Q2	Q3	Q4	Comments
Corporate Filings					
Canada Pension Plan Contributions	X	X			
Employment Insurance Premiums	X	X			
Employer Health Tax (EHT) Premiums	X	X			
Income Tax Deductions	X	X			
OMERS Contributions	X	X			
Workplace Safety and Insurance Board Premiums	X	X			
T4s	X				
EHT Annual Return	X				
Harmonized Sales Tax Rebate	X				
Tax Filing (TBDHC)		X			
Internal Governance					
Bank Reconciliation	X	X			
Listing of Cheques	X	X			
Debt Payments Made	X	X			
Insurance Renewal	X				
Provincial Reporting					
Ontario Works Monthly Subsidy Claim (20 th of each month)	X	X			
OW Budget Submission					
OW Mid-Year and Year-End Report	X				
Child Care & Early Years Estimates Report					
Child Care & Early Years Financial Statement Report					
Service Manager Annual Information Return	X				
Canada-Ontario Community Housing Initiative Report	X	X			
Canada-Ontario Housing Benefit					
Investment in Affordable Housing Report	X	X			
Ontario Priorities Housing Initiative Report	X	X			
Social Housing Apartment Improvement Program Report	X				
Community Homelessness Prevention Initiative Report	X	X			
Home for Good Report	X	X			

I certify, to the best of my knowledge and belief, that the above remittances, contributions, filings, and reporting requirements were completed during the period in accordance with established requirements and timelines.

And, I certify, to the best of my knowledge and belief, that TBDSSAB is in compliance with all applicable labour laws, including the Occupational Health and Safety Act, Accessibility for Ontarians with Disabilities Act, Employment Standards Act, and Canada Labour Code.

Director - Corporate Services Division

09-Jul-20
Date

Chief Administrative Officer

09-Jul-20
Date