



	REPORT No.: 2021-15
MEETING DATE: APRIL 15, 2021	DATE PREPARED: MARCH 31, 2021
SUBJECT: 2020 FOURTH QUARTER FINANCIAL REPORT AND PROGRAM LEVY OPERATING SURPLUS DISPOSITION	

RECOMMENDATION

THAT with respect to Report No. 2021-15 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board, approve Option 3 – Transfer the net levy surplus related to various housing programs of \$241,257 to the Capital Regeneration Reserve Fund, and return the remaining net surplus of \$844,916 using the 2020 cost apportionment.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the 2020 Fourth Quarter Financial Report, and a recommendation regarding disposition of the 2020 program levy operating surplus.

BACKGROUND

In accordance with Budget Policy No. CS-02:83, a Financial Report is prepared and reported to the Board quarterly. This report provides 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 December 31, 2020, was \$2,080,711 (2.1%) less than Budget, with a program levy operating surplus of \$1,086,173 (4.8% of the 2020 levy).

A summary of net cost variances, by program, is presented below:

Table 1:

2020 Program Levy Operating Surplus/(Deficit)	
Ontario Works	\$ 149,136
Child Care and Early Years	720,099
Housing Programs	321,413
Direct-Owned Community Housing Building Operations	(80,156)
Interest on Unrestricted Funds	(24,319)
Program Levy Operating Surplus	\$1,086,173

This result is consistent with the 2020 Third Quarter Financial Report projection (Surplus: \$352,000), with exception of Child Care and Early Years. Based on the amended Service Contract from the Ministry of Education, Provincial Grants have been calculated with the closure and re-opening periods funded at 100%, and the remainder of the year funded based on the regular, pro-rated, funding formulae. This results in underspending in the 80/20 Provincial/Municipal funding component and a significant program levy operating surplus in Child Care and Early Years.

Highlights for the 2020 year, and detailed variance explanations, are provided in Attachment #1: 2020 Fourth Quarter Financial Report.

2020 PROGRAM LEVY OPERATING SURPLUS DISPOSITION

The 2020 TBDSSAB Program Levy Operating Surplus is \$1,086,173. The following options concerning the surplus disposition are presented:

- Option 1 – Return the full \$1,086,173 levy surplus. This option would return the entire surplus using the 2020 cost apportionment.
- Option 2 – Transfer the full \$1,086,173 levy surplus to the Capital Regeneration Reserve Fund to further support financing of the Bertrand Court Redevelopment project. The Capital Regeneration Reserve Fund was established to reinvest in new/renovated housing units, following the Board-approved Property Portfolio Action Plan. This option would transfer \$1,086,173 to the Capital Regeneration Reserve Fund to further support the Bertrand Court Redevelopment strategy.
- Option 3 – Transfer the net levy surplus related to Housing Programs (\$321,413) and Direct-Owned Community Housing Building Operations (\$80,156 unfavourable) to the Capital Regeneration Reserve Fund and return the remaining net levy surplus. This option would transfer \$241,257 to the Capital Regeneration Reserve Fund and return \$844,916 using the 2020 cost apportionment.

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

This Report provides the financial results for the 2020 year, on the same basis as the approved Budget.

The financial implications relate to the disposition of the 2020 program levy operating surplus of \$1,086,173. Administration is recommending Option 3, Transferring \$241,257 to the Capital Regeneration Reserve Fund and returning \$844,916 using the 2020 cost apportionment.

The financial impact for each municipality, is presented in Attachment #3.



CONCLUSION

It is concluded that the 2020 Fourth Quarter Financial Report indicates a program levy operating surplus for the year of \$1,086,173, or 4.8% of the 2020 levy.

It is further concluded that the net housing surplus of \$241,257 be transferred to the Capital Regeneration Reserve Fund to support capital redevelopment within the Direct-Owned Housing Portfolio, and the remaining net levy surplus of \$844,916 be returned using the 2020 cost apportionment formula.

REFERENCE MATERIALS ATTACHED

- Attachment #1 [2020 Fourth Quarter Financial Report](#)
- Attachment #2 [Fiduciary Responsibility Checklist](#)
- Attachment #3 [Distribution of the 2020 Program Levy Operating Surplus by Municipality](#)

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