



	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

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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 FOURTH QUARTER FINANCIAL REPORT

Operating Budget



INTRODUCTION

A financial report is prepared by Administration and reported to the Board quarterly to provide a comparison of year-to-date and forecast revenues and expenses to the 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 program levy operating surplus, or deficit, for the year.

EXECUTIVE SUMMARY

Reflecting results for the 12-month period ending December 31, 2020, this report provides the District of Thunder Bay Social Services Administration Board's financial status for the year and identifies significant variances from the 2020 Board approved Operating Budget.

Early in 2020, TBDSSAB implemented an organizational realignment which, among other things, transferred the Infrastructure and Asset Management (formerly Facilities) Department into the Corporate Services Division (from the former Housing 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 Ontario Works is \$262,100 higher. However, this is offset by an equal reduction to the realigned budget levy related to Housing Programs.

Table 1 shows the 2020 Operating Budget revenue and expenditures, and actual results for the year.

**Table 1:**

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	22,512.5	22,512.5	-	0.0%
Federal grants	10,295.9	12,622.7	2,326.8	22.6%
Provincial grants	55,713.8	52,946.6	(2,767.2)	-5.0%
Rents	10,987.9	10,883.1	(104.8)	-1.0%
Other revenue	373.4	445.7	72.3	19.4%
Income on unrestricted funds	175.0	150.7	(24.3)	-13.9%
Income on restricted funds	200.0	886.5	686.5	343.2%
From (to) reserve funds	(2,348.3)	(3,532.0)	(1,183.7)	50.4%
Total Financing	97,910.2	96,915.7	(994.5)	-1.0%
Expenses				
Personnel services	14,002.3	13,780.2	222.1	1.6%
Interest on long-term debt	405.5	387.8	17.7	4.4%
Materials	17,685.2	17,983.9	(298.7)	-1.7%
Contract services	241.8	212.0	29.8	12.3%
Rents and financial expenses	206.9	173.0	33.9	16.4%
External transfers	62,670.3	60,587.6	2,082.7	3.3%
Loan principal repayment	2,698.2	2,705.0	(6.8)	-0.3%
Total Expenses	97,910.2	95,829.5	2,080.7	2.1%
Excess (Deficiency) of Revenues over Expenses	-	1,086.2	1,086.2	n/a

Overall, TBDSSAB incurred a favourable program levy operating surplus of \$1,086,173 for the 2020 year. Table 2 provides a breakdown of the year-end surplus, by program:

Table 2:

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



2020 FOURTH QUARTER OPERATING BUDGET RESULTS

The Fourth Quarter Financial Report provides TBDSSAB's financial status for the year ending December 31, 2020 and identifies any significant variances from the 2020 Operating Budget. Overall, TBDSSAB recorded a net surplus of \$1,086,173 for the 2020 year. 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 Human Resources.

Table 3:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	259.8	213.9	(45.9)	-17.7%
Ontario Works	621.9	522.9	(99.0)	-15.9%
Child care and early years programs	188.0	167.0	(21.0)	-11.2%
Housing programs	220.5	196.1	(24.4)	-11.1%
Total Allocation	1,290.2	1,099.8	(190.4)	-14.8%
Expenses				
Personnel services	953.5	917.0	36.5	3.8%
Materials	239.4	128.6	110.8	46.3%
Contract services	97.3	54.2	43.1	44.3%
Total Expenses	1,290.2	1,099.8	190.4	14.8%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a

Table 3, above, shows the 2020 Operating Budget revenues and expenditures, and results for the 2020 year 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 pre-determined weighting approved through the annual Operating Budget. Expense highlights for 2020 include:

Personnel Services	\$36,500 (3.8%) favourable
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Personnel Services expenses were under budget by \$36,500 in 2020 due to temporarily vacant positions during the year.



Materials	\$110,800 (46.3%) favourable
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Materials expenses were under budget by \$110,800 at year-end due to COVID-19 pandemic restrictions including lower travel, training, and in-person meetings.

Contract Services	\$43,100 (44.3%) favourable
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Contract Services expenses were under budget by \$43,100 at year-end as legal and human resources consulting costs were less than expected.

B. Corporate Services

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

Table 4, below, shows the 2020 Operating Budget revenues and expenditures, and results for the 2020 year for Corporate Services.

Expenses related to Corporate Services are allocated to programs as Internal Administration Allocation, based on a pre-determined weighting approved through the annual Operating Budget. Expense highlights for 2020 include:

Personnel Services	\$59,900 (1.3%) favourable
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Personnel Services expenses were under budget by \$59,900 in 2020 due to temporarily vacant positions during the year.

Contract Services	\$37,900 (36.2%) favourable
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Contract Services expenses were under budget by \$37,900 at year-end due to less consulting costs related to the Bertrand Court development than was expected in the budget.



Table 4:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	3,248.5	3,171.2	(77.3)	-2.4%
Ontario Works	2,145.0	2,110.2	(34.8)	-1.6%
Child care and early years programs	136.5	134.0	(2.5)	-1.8%
Housing programs	189.7	183.6	(6.1)	-3.2%
Total Allocation	5,719.7	5,599.0	(120.7)	-2.1%
Financing				
Levy to municipalities and TWOMO	(175.0)	(175.0)	-	0.0%
Income on unrestricted funds	175.0	150.7	(24.3)	-13.9%
Income on restricted funds	200.0	886.5	686.5	343.2%
Other revenue	19.3	36.2	16.9	87.8%
From (to) reserve funds	(150.0)	(886.5)	(736.5)	491.0%
Total Financing	69.3	11.9	(57.4)	-82.8%
Expenses				
Personnel services	4,699.0	4,639.1	59.9	1.3%
Materials	1,194.0	1,163.0	31.0	2.6%
Contract services	104.5	66.7	37.9	36.2%
Rents and financial expenses	19.5	9.8	9.7	49.6%
Total Expenses	6,017.0	5,878.6	138.4	2.3%
Recoveries				
From housing programs	57.7	73.0	(15.3)	-26.5%
From homelessness programs	9.6	9.6	(0.0)	-0.3%
From EarlyON	16.6	16.6	-	0.0%
From HQ building operations	144.1	144.1	-	0.0%
Total Expenses Less Recoveries	5,789.0	5,635.3	153.7	2.7%
Excess (Deficiency) of Revenues over Expenses	-	(24.3)	(24.3)	n/a



C. Office Headquarters Building Operations

Table 5, below, shows the 2020 Operating Budget revenues and expenditures and results for the 2020 year for the Office Headquarters Building Operations.

Table 5:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	149.6	149.6	-	0.0%
Ontario Works	938.2	938.2	-	0.0%
Child care and early years programs	68.0	68.0	-	0.0%
Housing programs	204.0	204.0	-	0.0%
Total Allocation	1,359.8	1,359.8	-	0.0%
Financing				
Other revenue	3.5	4.7	1.2	33.3%
From (to) reserve funds	(191.3)	(191.3)	-	0.0%
Imputed rent adjustment	(112.3)	(108.8)	3.5	-3.1%
Total Financing	(300.1)	(295.5)	4.6	-1.5%
Expenses				
Interest on long-term debt	116.8	100.7	16.1	13.8%
Materials	510.7	521.8	(11.1)	-2.2%
Contract services	-	1.7	(1.7)	n/a
Loan principal repayment	271.0	279.0	(8.0)	-3.0%
Internal administrative expense	161.2	161.2	-	0.0%
Total Expenses	1,059.7	1,064.3	(4.6)	-0.4%
Excess (Deficiency) of Revenues over Expenses	-	-	-	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. 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 6, below, shows the 2020 Operating Budget revenues and expenditures and results for the 2020 year for ISS Program Support.



Table 6:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	142.8	134.3	(8.5)	-6.0%
Ontario Works	1,101.8	1,029.9	(71.9)	-6.5%
Child care and early years programs	394.3	380.0	(14.3)	-3.6%
Housing programs	299.2	282.3	(16.9)	-5.6%
Total Allocation	1,938.1	1,826.4	(111.7)	-5.8%
Financing				
Other revenue	53.7	67.2	13.5	25.1%
From (to) reserve funds	-	-	-	n/a
Total Financing	53.7	67.2	13.5	25.1%
Expenses				
Personnel services	2,213.3	2,143.6	69.7	3.1%
Materials	52.6	11.6	41.0	78.0%
Contract services	5.0	6.3	(1.3)	-25.4%
Total Expenses	2,270.9	2,161.5	109.4	4.8%
Recoveries				
From housing programs	34.0	32.9	1.1	3.1%
From homelessness programs	113.5	103.3	10.2	9.0%
From EarlyON	114.5	114.5	-	0.0%
From HQ building operations	17.1	17.1	-	0.0%
Total Expenses Less Recoveries	1,991.8	1,893.6	98.2	4.9%
Excess (Deficiency) of Revenues over Expenses	-	-	-	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 2020 include:

Personnel Services	\$69,700 (3.1%) favourable
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Personnel Services expenses were under budget by \$69,700 in 2020 due to temporarily vacant positions during the year.

Materials	\$41,000 (78.0%) favourable
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Materials expenses were under budget by \$41,000 at year-end primarily resulting from less travel and meeting costs due to COVID-19 restrictions.



E. Social Assistance

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

The following significant events have impacted 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. TBDSSAB experienced a decline in its OW caseload during 2020, likely due to OW recipients leaving, or not applying for, social assistance to participate in the Canada Emergency Response Benefit (CERB).
- The Province established the Emergency Benefit as a monthly discretionary benefit for OW recipients who were not in receipt of the CERB and who were seeking assistance for exceptional COVID-19 costs. Over \$900,000 was issued to recipients from March to July, however this benefit was 100% Provincially funded.

Table 7, below, shows the 2020 Operating Budget revenues and expenditures, and actual results for OW programs. Overall, OW program expenses were \$149,100 lower than revenues, including the impacts of the budget realignment.



Table 7:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	3,740.0	3,740.0	-	0.0%
Provincial grants	33,013.1	32,661.4	(351.7)	-1.1%
Other revenues	-	0.0	0.0	n/a
From (to) reserve funds	-	-	-	n/a
Imputed rent adjustment	77.4	75.1	(2.3)	-3.0%
Total Financing	36,830.5	36,476.4	(354.1)	-1.0%
Expenses				
Personnel services	3,973.1	3,880.8	92.3	2.3%
Materials	729.7	1,046.1	(316.4)	-43.4%
Contract services	10.0	55.8	(45.8)	-458.2%
Rents and financial expenses	118.2	127.7	(9.5)	-8.0%
External transfers	27,448.6	26,859.3	589.3	2.1%
Internal administration allocation	3,989.3	3,783.5	205.8	5.2%
Imputed rent recovery	938.2	938.2	-	0.0%
Total Expenses	37,207.1	36,691.4	515.7	1.4%
Recoveries				
From homelessness programs	114.5	102.0	(12.5)	-10.9%
Total Expenses Less Recoveries	37,092.6	36,589.4	503.2	1.4%
Excess (Deficiency) of Revenues over Expenses	(262.1)	(113.0)	149.1	-56.9%

Provincial Grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for the 2020 year include:

Personnel Services	\$92,300 (2.3%) favourable
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Personnel Services expenses were under budget by \$92,300 in 2020, due to temporarily vacant positions early in the year.

Materials	\$316,400 (43.4%) unfavourable
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Materials expenses were \$316,400 more than budget in 2020. TBDSSAB received an additional funding allocation from the Province to implement an electronic document management system and digitize all OW client records. TBDSSAB also purchased a generator for its office headquarters to further support its disaster recovery plan and ensure service continuity.



External Transfers	\$589,300 (2.1%) favourable
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External transfers, financial and employment benefits issued to, or on behalf of, OW clients, were \$589,300 less than budget in 2020. Financial Assistance payments were trending higher prior to the COVID-19 pandemic. As well, TBDSSAB issued additional funds to clients through the Province's "Emergency Benefit" to assist clients with additional financial challenges caused by COVID-19. However, the caseload decreased significantly in the last half of the year, ending the year 15% lower than the end of 2019, resulting in lower financial assistance issuances. OW financial assistance benefits are 100% Provincially funded so there was no financial impact on the levy.

Internal Administration Allocation	\$205,800 (5.2%) favourable
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Internal Administration is comprised of Board, Office of the Chief Administrative Officer, 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 was provided above.

F. 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 impacted 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 emergency child care services for front-line workers. On June 12, all child care centres were allowed to open under new strict guidelines, however child care centres took a measured approach to re-opening with many not opening until September and at a lower capacity.

Table 8, below, shows the 2020 Operating Budget revenues and expenditures, and actual results for Child Care and EarlyON programs. Overall, Child Care and EarlyON program expenses were less than revenues by \$720,100 at year-end.



Table 8:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	1,741.2	1,741.2	-	0.0%
Federal grants	-	2,223.4	2,223.4	n/a
Provincial grants	16,230.7	12,105.9	(4,124.8)	-25.4%
Other revenues	-	0.4	0.4	n/a
From (to) reserve funds	-	-	-	n/a
Imputed rent adjustment	5.6	5.4	(0.2)	-2.8%
Total Financing	17,977.5	16,076.3	(1,901.2)	-10.6%
Expenses				
Personnel services	404.1	404.6	(0.5)	-0.1%
Materials	49.1	36.6	12.5	25.4%
Contract services	1.0	-	1.0	100.0%
External transfers	16,605.4	14,034.8	2,570.6	15.5%
Internal administration allocation	1,044.3	1,006.5	37.8	3.6%
Imputed rent recovery	68.0	68.0	-	0.0%
Total Expenses	18,171.9	15,550.6	2,621.3	14.4%
Recoveries				
Other recoveries	194.4	194.4	-	0.0%
Total Expenses Less Recoveries	17,977.5	15,356.2	2,621.3	14.6%
Excess (Deficiency) of Revenues over Expenses	-	720.1	720.1	n/a

Federal and Provincial Grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for the 2020 year include:

External Transfers	\$2,570,600 (15.5%) favourable
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A further breakdown of this variance is provided in Table 9, below:

**Table 9:**

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
External Transfers				
Fee Subsidy	4,500.0	1,961.9	2,538.1	56.4%
Special Needs	1,590.6	1,502.1	88.5	5.6%
General Operating	5,488.1	5,218.1	270.0	4.9%
Occupancy Incentive	300.0	172.8	127.2	42.4%
Wage Enhancement	1,225.2	858.7	366.5	29.9%
Other	321.7	190.0	131.7	40.9%
Expansion Plan	-	-	-	n/a
Early Learning and Child Care	-	681.5	(681.5)	n/a
Federal Safe Restart	-	998.7	(998.7)	n/a
EarlyON	2,002.4	1,326.9	675.5	33.7%
Journey Together	1,177.4	1,124.0	53.4	4.5%
Total	16,605.4	14,034.8	2,570.6	15.5%

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

The Province introduced a fixed-cost funding model for child care centres during the closure period. This model required child care centres to apply for any/all federal funding programs, primarily the Canada Emergency Wage Subsidy (CEWS) which covered the lesser of 75% or \$847 of weekly wages. TBDSSAB was able to 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. This "financial sustainability" funding model replaced the traditional fee subsidy and general operating funding models during the closure and re-opening transition periods. As a result, less TBDSSAB subsidy was provided to child care centres during these periods.

In September, all child care centres re-opened and regular funding resumed. Administration reconciled the financial information provided by child care centres for the closure and re-opening periods and this amount was approved by the Ministry of Education.

In addition, TBDSSAB issued \$998,700 of its \$1.8 million Federal Safe Restart Funding allocation to help child care and EarlyON centres adapt to the COVID-19 environment and address the unique needs of child care centres. The remaining Federal Safe Restart funds are available to be issued to child care centres in 2021.



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 a significant program levy operating surplus in Child Care and Early Years, as the 2020 underspending is in the 80/20 Provincial/Municipal funding component.

Internal Administration Allocation	\$37,800 (3.6%) favourable
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Internal Administration is comprised of Board, Office of the Chief Administrative Officer, 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 was provided above.

G. 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 impacted 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 has used the SSRF to assist partner organizations offering housing and related supports to individuals and households dealing with the COVID-19 Pandemic.

Table 10, below, shows the 2020 Operating Budget revenues and expenditures, and actual results for Housing Programs.



Table 10:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	10,289.7	10,289.7	-	0.0%
Federal grants	7,289.2	7,392.6	103.4	1.4%
Provincial grants	6,470.0	8,179.3	1,709.3	26.4%
Other revenue	9.7	65.8	56.1	578.2%
From (to) reserve funds	260.0	197.8	(62.2)	-23.9%
Imputed rent adjustment	16.9	16.3	(0.6)	-3.4%
Total Financing	24,335.5	26,141.5	1,806.0	7.4%
Expenses				
Personnel services	1,759.3	1,795.1	(35.8)	-2.0%
Materials	1,452.3	1,842.9	(390.6)	-26.9%
Contract services	24.0	27.4	(3.4)	-14.1%
Rents and financial expenses	10.8	8.5	2.3	21.3%
External transfers	18,616.3	19,693.4	(1,077.1)	-5.8%
Internal administration allocation	2,708.5	2,724.5	(16.0)	-0.6%
Imputed rent recovery	204.0	204.0	-	0.0%
Total Expenses	24,775.2	26,295.8	(1,520.6)	-6.1%
Recoveries				
From Ontario Works	120.6	120.6	-	0.0%
From housing programs	86.4	83.4	(3.0)	-3.5%
From homelessness programs	494.8	533.8	39.0	7.9%
Total Expenses Less Recoveries	24,073.4	25,558.0	(1,484.6)	-6.2%
Excess (Deficiency) of Revenues over Expenses	262.1	583.5	321.4	122.6%

Federal and Provincial grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for the 2020 year include:

Materials	\$390,600 (26.9%) unfavourable
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Materials expenses were higher than budget by \$390,600 in 2020. A further breakdown of this variance is provided in Table 11, below:



Table 11:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Materials				
OPHI	1,000.0	922.2	77.9	7.8%
COCHI	222.7	416.8	(194.1)	-87.2%
SHAIIP	-	305.4	(305.4)	n/a
Other	229.6	198.6	31.0	13.5%
Total	1,452.3	1,842.9	(390.6)	-26.9%

One project under the Social Housing Apartment Improvement Program (SHAIIP) was expected to be complete in the 2019 year, however, was extended into 2020, resulting in an unfavourable variance. SHAIIP 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 100% funded by the Federal and Provincial government.

External Transfers **\$1,077,100 (5.8%) unfavourable**

External transfers for Community Housing were \$1,077,100 higher than budget in 2020. A further breakdown of this variance is provided in Table 12, below:

Table 12:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
External Transfers				
Provincial Reformed	6,210.0	6,016.4	193.6	3.1%
Urban Native housing program	1,856.5	1,775.2	81.3	4.4%
Private landlord rent supplement	3,203.4	3,197.5	5.9	0.2%
Non-profit rent supplement	721.7	722.1	(0.4)	0.0%
Strong Communities rent supplement	427.5	404.0	23.5	5.5%
Portable Housing Benefit	329.7	322.1	7.6	2.3%
IAH Rent Supplement	63.0	21.2	41.8	66.3%
IAH Ontario Renovates	-	186.8	(186.8)	n/a
IAH Ext rental housing	114.0	211.4	(97.4)	-85.4%
IAH Ext Ontario Renovates	-	142.9	(142.9)	n/a
IAH-SIF rental housing	529.7	529.7	0.0	0.0%
IAH-SIF housing allowance	38.2	56.7	(18.5)	-48.5%
IAH-SIF Ontario Renovates	-	2.2	(2.2)	n/a
OPHI Ontario Renovates	456.7	429.2	27.5	6.0%
COCHI capital repairs	276.5	-	276.5	100.0%
COCHI rent supplement	145.5	158.1	(12.6)	-8.7%
Reaching Home	11.1	44.5	(33.4)	-300.8%
CHPI	3,049.9	4,252.4	(1,202.5)	-39.4%
Home for Good	1,182.9	1,221.0	(38.1)	-3.2%
Total	18,616.3	19,693.4	(1,077.1)	-5.8%



The favorable variance in Provincial Reformed (\$193,600) and Urban Native housing programs (\$81,300) reflects the balances recovered or recoverable by TBDSSAB as a result of year-end financial settlements with housing providers.

Expenses under the Investment in Affordable Housing programs were higher than budget in 2020 due to timing of project completions. IAH programs are funded 100% by the Federal and Provincial government.

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.

H. Direct-Owned Community Housing Building Operations

TBDSSAB operates and maintains 2,488 direct-owned housing units throughout the District of Thunder Bay. Table 13, below, shows the 2020 Operating Budget revenues and expenditures, and actual results for Direct-Owned Community Housing Building Operations.



Table 13:

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	6,916.6	6,916.6	-	0.0%
Federal grants	3,006.7	3,006.7	-	0.0%
Rents	10,987.9	10,883.1	(104.8)	-1.0%
Other revenue	287.2	271.3	(15.9)	-5.5%
From (to) reserve funds	(2,267.0)	(2,652.0)	(385.0)	17.0%
Imputed rent adjustment	12.4	12.0	(0.4)	-3.5%
Total Financing	18,943.8	18,437.7	(506.1)	-2.7%
Expenses				
Interest on long-term debt	288.7	287.2	1.5	0.5%
Materials	13,457.4	13,233.2	224.2	1.7%
Rents and financial expenses	58.4	27.0	31.4	53.8%
Loan principal repayment	2,427.2	2,426.0	1.2	0.0%
Internal administration allocation	3,651.1	3,519.3	131.8	3.6%
Imputed rent recovery	149.6	149.6	-	0.0%
Total Expenses	20,032.4	19,642.3	390.1	1.9%
Recoveries				
From Non-Profit rent supplement	1,051.1	1,087.7	36.6	3.5%
From IAH rent supplement	26.0	26.6	0.6	2.3%
From HFG housing allowance	11.5	10.1	(1.4)	-12.0%
Total Expenses Less Recoveries	18,943.8	18,517.9	425.9	2.2%
Excess (Deficiency) of Revenues over Expenses	-	(80.2)	(80.2)	n/a

Expense highlights for the 2020 year include:

Materials	\$224,200 (1.7%) favourable
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Materials costs were lower than budget in 2020. A further breakdown of Direct-Owned Community Housing Building Operations Materials is provided in Table 14, below:

**Table 14:**

Description	Year 2020			
	Budget (\$000s)	Actuals (\$000s)	Variance	
			(\$000s)	(%)
Materials				
Repairs and maintenance	1,933.7	2,046.7	(113.0)	-5.8%
Operating services	1,810.9	1,759.0	51.9	2.9%
Insurance	551.8	549.3	2.5	0.5%
Gas	612.0	570.0	42.0	6.9%
Electricity	1,675.2	1,630.5	44.7	2.7%
Water	1,427.7	1,481.1	(53.4)	-3.7%
Hot water tanks	84.3	85.4	(1.1)	-1.3%
Municipal taxes	5,361.8	5,111.2	250.6	4.7%
Total	13,457.4	13,233.2	224.2	1.7%

The favourable variance is mainly due to lower municipal property tax expense, a result of the reduction in the multi-residential tax ratio in the City of Thunder Bay. Repairs and maintenance were over budget due mainly to higher costs related to leaks and other plumbing issues.

Internal Administration Allocation	\$131,800 (3.6%) favourable
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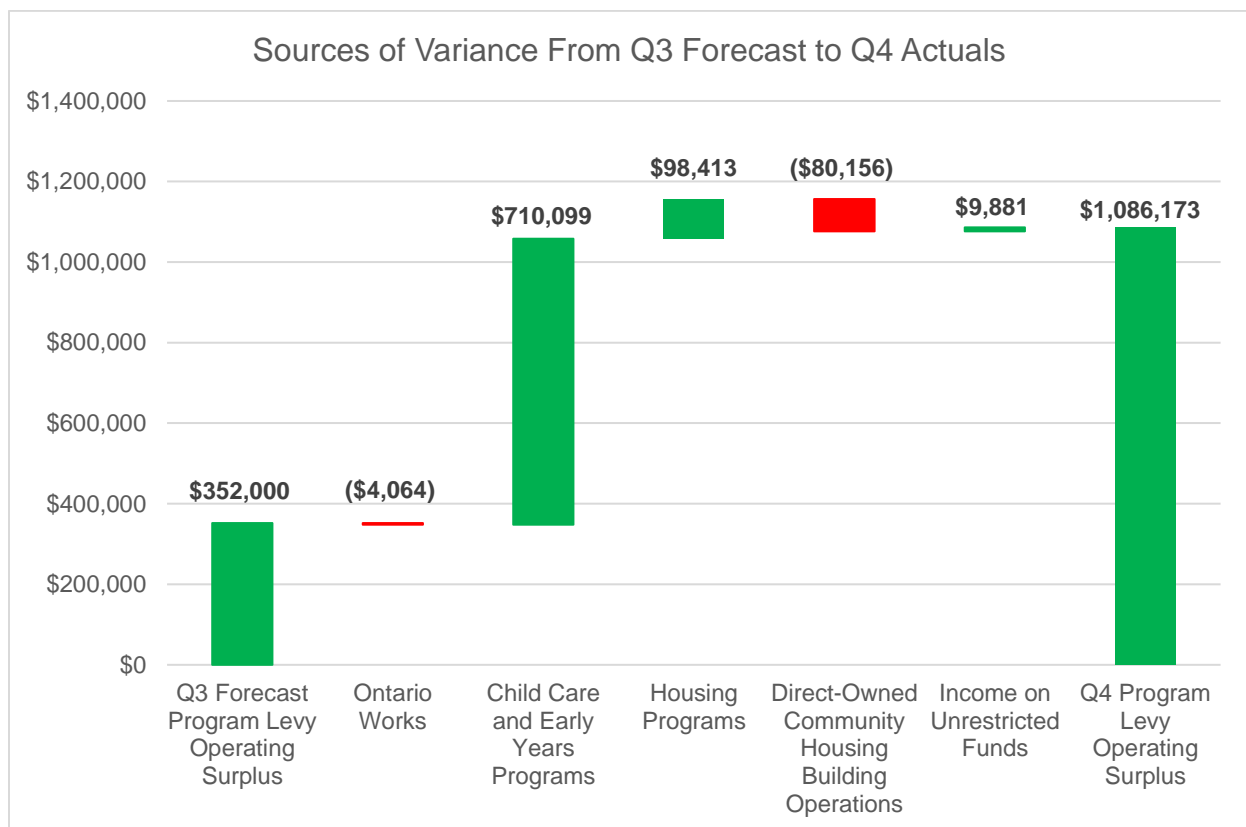
Internal Administration is comprised of the Board, Office of the Chief Administrative Officer, Corporate Services, and Integrated Social Services Program Support. These costs are allocated to programs based on a predetermined weighting approved through the annual Operating Budget. Further variance explanation has been provided above.



CONCLUSION

The Third Quarter Financial Report identified a forecast program levy operating surplus of \$352,000, with OW accounting for \$108,900 (unfavourable), Child Care and Early Years accounting for \$10,000, Housing Programs accounting for \$485,100, and income on unrestricted funds accounting for \$34,200 (unfavourable).

Through the 2020 Fourth Quarter Financial Report, TBDSSAB incurred a program levy operating surplus of \$1,086,173 for the 2020 year. The increase in the program levy operating surplus, compared to the third quarter forecast, is primarily due to the change in the Child Care and Early Years Programs funding formula for the closure/re-opening period. The chart, below, summarizes the change from Q3 estimates to Q4 actuals, 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	X	X	
Employment Insurance Premiums	X	X	X	X	
Employer Health Tax (EHT) Premiums	X	X	X	X	
Income Tax Deductions	X	X	X	X	
OMERS Contributions	X	X	X	X	
Workplace Safety and Insurance Board Remittances	X	X	X	X	
T4s	X				
EHT Annual Return	X				
Harmonized Sales Tax Rebate	X		X		
Tax Filing (TBDHC)		X			
Internal Governance					
Bank Reconciliation	X	X	X	X	
Listing of Cheques	X	X	X	X	
Debt Payments Made	X	X	X	X	
Insurance Renewal	X			X	
Provincial Reporting					
Ontario Works Monthly Subsidy Claim (20 th of each month)	X	X	X	X	
OW Budget Submission				X	
OW Mid-Year and Year-End Report	X			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	X	X	
Canada-Ontario Housing Benefit			X	X	
Investment in Affordable Housing Report	X	X	X	X	
Ontario Priorities Housing Initiative Report	X	X	X	X	
Social Housing Apartment Improvement Program Report	X				
Community Homelessness Prevention Initiative Report	X	X		X	
Home for Good Report	X	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

Date

Chief Administrative Officer

Date

The District of Thunder Bay Social Services Administration Board
Distribution of the 2020 Program Levy Operating Surplus by Municipality

Municipality	2020 Weighted Assessment \$	(%)	Option 1 Distribution \$	Option 2 Distribution \$	Option 3 Distribution \$
Conmee	70,781,505	0.3538%	3,843	-	2,989
Dorion	50,225,071	0.2510%	2,726	-	2,121
Gillies	40,501,572	0.2024%	2,198	-	1,710
Greenstone	686,754,387	3.4327%	37,285	-	29,003
Manitouwadge	53,154,814	0.2657%	2,886	-	2,245
Marathon	158,151,147	0.7905%	8,586	-	6,679
Neebing	346,489,391	1.7319%	18,811	-	14,633
Nipigon	99,656,535	0.4981%	5,410	-	4,209
O'Connor	75,598,875	0.3779%	4,105	-	3,193
Oliver & Paipoonge	845,415,933	4.2258%	45,899	-	35,704
Red Rock	39,108,852	0.1955%	2,123	-	1,652
Schreiber	46,379,404	0.2318%	2,518	-	1,959
Shuniah	799,051,587	3.9941%	43,383	-	33,747
Terrace Bay	122,019,289	0.6099%	6,625	-	5,153
Thunder Bay	14,280,272,808	71.3800%	775,311	-	603,101
TWOMO	2,292,461,941	11.4589%	124,464	-	96,818
Total	20,006,023,111	100.0000%	1,086,173	-	844,916