



## BOARD REPORT

REPORT No.: 2022-47

MEETING DATE: JULY 21, 2022

SUBJECT: 2022 SECOND QUARTER FINANCIAL REPORT

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### RECOMMENDATION

For information only.

### REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the 2022 Second 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 June 30, 2022, was \$2,602,100 (5.3%) less than the year-to-date Budget, with a net deficit of \$480,600.

The program levy operating surplus projected to year-end is \$118,300, or 0.5% of the 2022 Levy. A summary of net forecast cost variances, by program, is presented below:

**Table 1:**

| <b>2022 Forecast Program Levy Operating Surplus/(Deficit)</b> |                   |
|---|-------------------|
| Social Assistance   | \$ 190,800        |
| Child Care and Early Years                                    | \$ 10,100         |
| Community Housing Programs                                    | \$ 575,500        |
| Direct-Owned Community Housing Building Operations            | \$ (658,100)      |
| <b>Forecast Program Levy Operating Surplus</b>                | <b>\$ 118,300</b> |

This projected surplus at the end of the second quarter is due primarily to:

- Social Assistance:** Employment assistance benefits have been significantly less than budget in Q2, however Administration has undertaken several employment-focused initiatives which has reduced the potential Social Assistance surplus. Temporary staff vacancies during the year have also contributed to the expected surplus.
- Community Housing Programs:** Administration expects favourable variances in the various rent supplement programs. Administration is lessening its reliance on the private market landlord rent supplement program to meet service level standards, in favour of the more flexible portable housing benefit (PHB). The private market landlord rent supplement budget allowed for 344 units per month. In Q2, the number of units per month averaged 331, and the forecast for the year is a monthly average of 320 rent supplement units. This reflects the strategy to reduce 3+ bedroom rent supplement units as they arise and seek to engage more PHBs over time. This favourable variance contributes \$455,200 to the projected program levy operating surplus.
- Direct-Owned Community Housing Building Operations:** Repairs and maintenance expenses in Q2 have been significantly higher than budget. Increases have been experienced in nearly all areas including doors and windows, electrical, mechanical, and plumbing repairs. As well, the housing portfolio has experienced several major incidents requiring significant restoration. Operating Services, primarily snow removal, are expected to be higher than budget due to the significant snowfalls experienced in the spring. Municipal property taxes are also higher than budget.

Highlights for the second quarter and full-year forecast to year-end, as well as detailed variance explanations, are provided in Attachment #1 - 2022 Second Quarter Financial Report.

### **Financial Status – Capital**

At the end of 2021, the Chief Administrative Officer approved the carryforward of 32 capital projects totaling \$1,372,087. Total capital expenditures and commitments on these carryforward projects, for the period ended June 30, 2022, were \$1,201,631.

The Board-approved capital budget for 2022 was \$4,237,900 representing 82 projects. Total capital expenditures and commitments on the projects, for the period ended June 30, 2022, were \$134,486. Vacancies in key positions within the Infrastructure and Asset Management Department have resulted in delays, however, Administration expects most capital projects to be completed in the 2022 year.

Highlights for the second quarter capital expenditures and project status updates are provided in Attachment #2 – 2022 Second Quarter Financial Report – Capital.

### **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 #3 - 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.

### **STRATEGIC PLAN IMPACT**

This Report relates to the Board's strategic direction of Financial Stewardship, with a focus on ensuring accountability of TBDSSAB resources.

### **FINANCIAL IMPLICATIONS**



There are no direct financial implications associated with this Report.

### **CONCLUSION**

It is concluded that the 2022 Second Quarter Financial Report indicates a year-to-date net deficit of \$480,600, with a forecast program levy operating surplus for the year of \$118,300, or 0.5% of the 2022 Levy.

**REFERENCE MATERIALS**

- Attachment #1 [2022 Second Quarter Financial Report - Operating](#)
- #2 [2022 Second Quarter Financial Report – Capital](#)
- #3 [Fiduciary Responsibility Checklist](#)

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