



BOARD REPORT

REPORT No.: 2022-66

MEETING DATE: NOVEMBER 17, 2022

SUBJECT: 2022 THIRD QUARTER FINANCIAL REPORT

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the 2022 Third Quarter Financial Report, and projection to year-end.

BACKGROUND

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

COMMENTS

Overall, total spending on TBDSSAB-delivered programs, for the period ended September 30, 2022, was \$3,643,000 (4.9%) less than the year-to-date Budget, with a net deficit of \$555,000.

The program levy operating deficit projected to year-end is \$68,900, or 0.3% of the 2022 Levy. A summary of net forecast cost variances, by program, is presented below:

Table 1:

2022 Forecast Program Levy Operating Surplus/(Deficit)	
Social Assistance	\$ 15,000
Child Care and Early Years	\$ -
Community Housing Programs	\$ 752,200
Direct-Owned Community Housing Building Operations	\$ (836,100)
Forecast Program Levy Operating Surplus/(Deficit)	\$ (68,900)

This projected deficit at the end of the third quarter is due primarily to:

- 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 Q3 the number of units per month averaged 329, and the forecast for the year is a monthly average of 323 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 \$416,300 to the community housing programs surplus.

Also, the 2022 OW Program Delivery and Integrated Social Services Program Support Budgets included administrative recovery from the Homelessness Prevention Program (formerly the Community Homelessness Prevention Initiative). This administrative recovery will now be applied to the Housing Programs Budget which contributes \$231,000 to the community housing programs surplus.

- Direct-Owned Community Housing Building Operations:** Repairs and maintenance expenses in Q3 year-to-date 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 higher than budget due to the significant snowfalls experienced this past winter season. Municipal property taxes are also higher than budget.

Highlights for the third quarter and full-year forecast to year-end, as well as detailed variance explanations, are provided in Attachment #1 - 2022 Third 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 September 30, 2022, were \$1,155,607.

The Board-approved capital budget for 2022 was \$4,237,900 representing 83 projects. Total capital expenditures and commitments on the projects, for the period ended September 30, 2022, were \$2,447,828. Vacancies in key positions within the Infrastructure and Asset Management Department and supply chain challenges have resulted in delays. Twenty-three (23) projects have not yet started, and although it is anticipated that most of the capital projects will be scoped by the end of the year, they will be required to be carried into 2023 for completion.

Highlights for the third quarter capital expenditures and project status updates are provided in Attachment #2 – 2022 Third 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



Although a program levy operating deficit of \$68,900 is projected, at this time there are no direct financial implications associated with this Report. Administration will continue to monitor the financial variances and once 2022 year-end procedures are substantially complete, if necessary, Administration will present a Report to the Board with options to mitigate any deficit.

CONCLUSION

It is concluded that the 2022 Third Quarter Financial Report indicates a year-to-date net deficit of \$555,000, with a forecast program levy operating deficit for the year of \$68,900, or 0.3% of the 2022 Levy.

REFERENCE MATERIALS

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

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