



BOARD REPORT

REPORT No.: 2023-17

MEETING DATE: APRIL 20, 2023

SUBJECT: 2022 FOURTH QUARTER FINANCIAL REPORT AND PROGRAM LEVY
OPERATING SURPLUS DISPOSITION

RECOMMENDATION

THAT with respect to Report No. 2023-17 (Corporate Services Division) we, The District of Thunder Bay Social Services Administration Board, approve Option 1 – Return the full \$72,203 levy surplus to municipalities.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the 2022 Fourth Quarter Financial Report, and a recommendation regarding disposition of the 2022 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

Financial Status – Operating

Overall, spending on TBDSSAB delivered programs, for the period ended December 31, 2022, was \$45,927 (0.05%) higher than Budget, with a program levy operating surplus of \$72,203 (0.3% of the 2022 levy).

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

Table 1:

2022 Program Levy Operating Surplus/(Deficit)	
Social Assistance	\$ 43,129
Child Care and Early Years	\$ 616,552
Community Housing Programs	\$ 751,180
Direct-Owned Community Housing Building Operations	\$ (1,338,658)
Program Levy Operating Surplus	\$ 72,203

This result is fairly consistent with the 2022 Third Quarter Financial Report projection (Deficit: \$68,900). Although the overall program levy operating surplus is not material, there were significant variances within the programs:

- Child Care and Early Years:** There was a favourable variance (\$616,552) in Child Care and Early Years. In the fall of 2022, the Ministry of Education completed its reconciliation of the prior year results and advised Administration of a change in the funding model whereby the full Expansion Plan (100% Provincial) funding must be utilized before accessing the 80/20 Core funding (80% Provincial). As a result, \$281,032 that was recorded as due to province in 2021, has been recorded as revenue in 2022. Furthermore, this funding change impacted the 2022 cost-sharing, reducing the municipal share of Child Care and Early Years programming by \$344,338.
- Community Housing Programs:** There was a favourable variance (\$751,180) in Community Housing 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 at an average cost of \$703 per unit. In 2022 the average number of units per month was 324 at an average cost of \$643 per unit, contributing \$401,696 towards the favourable variance. This reflects the strategy to reduce higher cost 3+ bedroom rent supplement units as they arise and seek to engage more PHBs over time.

Also, the 2022 Ontario Works (OW) Program Delivery, and Integrated Social Services Program Support Budgets included administrative recovery from the Homelessness Prevention Program. This administrative recovery will now be applied to the Housing Programs Budget which contributes \$266,977 to the Community Housing Programs surplus.

- **Direct-Owned Community Housing Building Operations:** There was an unfavourable variance (\$1,338,658) in Direct-Owned Community Housing Building Operations. The largest single line item for the overage is snow removal, which was \$507,313 over budget, due to a greater number of snow-related events and a significant price increase that took effect in the fall of 2022.

Utilities were also \$410,457 higher than budget, in particular, sewer and water charges were \$224,895 higher due to a variety of factors including higher consumption levels than anticipated, gas and hydro were \$161,634 higher than budget due, in part to the colder than normal weather experienced in the spring as well as rising natural gas commodity prices.

Property tax was \$150,696 higher than budget reflecting higher than expected municipal tax rates in 2022.

In total, repairs and maintenance expenses were higher than budget by \$598,187. This variance includes \$185,999 overage related to damages to certain units requiring extensive rehabilitation and restoration, \$135,673 overage related to plumbing repairs, and \$97,642 overage related to electrical repairs.

Highlights for the 2022 year, and detailed variance explanations, are provided in Attachment #1: 2022 Fourth Quarter Financial Report – Operating Budget.

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 on these carryforward projects, for the period ended December 31, 2022, were \$1,132,217. Six projects, totaling \$99,144, will be carried forward into 2023.

The Board-approved capital budget for 2022 was \$4,237,900 representing 82 projects. Total capital expenditures on the projects, for the period ended December 31, 2022, were \$1,040,302. Fifty-four projects, totaling \$3,227,836, will be carried forward into 2023.

In total, 60 projects, totaling \$3,326,980 will be carried forward from previous years into 2023. These projects are identified per Report No. 2023-16, Carryforward of Capital Projects.

Highlights for the 2022 year, and detailed variance explanations, are provided in Attachment #2: 2022 Fourth Quarter Financial Report – Capital Budget.

2022 Program Levy Operating Surplus Disposition

The 2022 TBDSSAB program levy operating surplus is \$72,203. The following options concerning the disposition of the surplus are presented:

- Option 1 – Return the surplus to municipalities. The full surplus of \$72,203 would be returned to municipalities using the 2022 weighted assessment calculation.
- Option 2 – Transfer to the Levy Stabilization Reserve Fund. The full surplus of \$72,203 would be transferred into the Levy Stabilization Reserve Fund to provide opportunities for relevant community initiatives that support programming outcomes.

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 2020-2023 strategic direction of Financial Stewardship, with a focus on ensuring accountability of TBDSSAB resources.

FINANCIAL IMPLICATIONS

This Report provides the financial results for the 2022 year, on the same basis as the approved Budget.

The financial implications relate to the disposition of the 2022 program levy operating surplus of \$72,203. Administration is recommending Option 1: Return the surplus to municipalities. The financial impact of the two options for each municipality, is presented in Attachment #4: Distribution of the 2022 Program Levy Operating Surplus by Municipality.



CONCLUSION

It is concluded that the 2022 Fourth Quarter Financial Report indicates a program levy operating surplus for the year of \$72,203, or 0.3% of the 2022 levy.

It is further concluded that the program levy operating surplus of \$72,203 should be returned to municipalities using the 2022 weighed assessment calculation.

REFERENCE MATERIALS

- Attachment #1 [2022 Fourth Quarter Financial Report – Operating Budget](#)
- #2 [2022 Fourth Quarter Financial Report – Capital Budget](#)
- #3 [Fiduciary Responsibility Checklist](#)
- #4 [Distribution of the 2022 Program Levy Operating Surplus by Municipality](#)

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SUBMITTED BY:	William (Bill) Bradica, Chief Administrative Officer



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

**2022 FOURTH 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 program levy operating surplus, or deficit, for the year.

EXECUTIVE SUMMARY

Reflecting results for the 12-month period ending December 31, 2022, this Report provides TBDSSAB's financial status for the year, and explains significant variances from the 2022 approved Operating Budget.

Overall, TBDSSAB incurred a favourable program levy operating surplus of \$72,203 for the 2022 year. Table 1 provides a breakdown of the year-end variances, by program.

Table 1:

2022 Program Levy Operating Surplus/(Deficit)	
Social Assistance	\$ 43,129
Child Care and Early Years	\$ 616,552
Community Housing Programs	\$ 751,180
Direct-Owned Community Housing Building Operations	\$ (1,338,658)
Program Levy Operating Surplus	\$ 72,203

Although the 2022 program levy operating surplus is fairly consistent with the Q3 forecast previously reported, there were several significant differences:

- Child Care and Early Years Funding – Through the 2021 year-end reconciliation with the Ministry of Education, completed in November, Administration was advised that all Expansion Plan funding (100% Provincial) was to be utilized prior to the 80/20 Provincial/Municipal Core funding. As a result, \$281,000 that had been recorded as Due to Province at the end of 2021 was recorded as Other Revenue in 2022. Furthermore, this impacted the 2022 cost-sharing calculation which resulted in a lower municipal levy contribution. As a result, there is a levy surplus of \$616,552 in Child Care and Early Years.



Direct-owned Community Housing Building Operations – In Q4 2022 the snow removal costs were approximately \$270,000 higher than the Q3 forecast, reflecting higher unit pricing and more November/December snow occurrences (20) than anticipated. Table 2 shows the 2022 Operating Budget revenue and expenditures, and actual results for the year.

Table 2:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	23,054.3	23,054.3	-	0.0%
Federal grants	12,090.2	11,429.8	(660.4)	-5.5%
Provincial grants	54,598.3	57,979.3	3,381.0	6.2%
Rents	11,102.1	11,148.1	46.0	0.4%
Other revenue	412.2	1,008.6	596.4	144.7%
Interest on unrestricted funds	100.0	100.0	-	0.0%
Interest on restricted funds	722.6	802.8	80.2	11.1%
From (to) reserve funds	(2,977.1)	(6,311.5)	(3,334.4)	112.0%
Prior year surplus	-	9.3	9.3	n/a
Total Financing	99,102.6	99,220.7	118.1	0.1%
Expenses				
Personnel services	14,170.9	13,578.1	592.8	4.2%
Interest on long-term debt	286.1	285.1	1.0	0.3%
Materials	18,412.9	18,687.0	(274.1)	-1.5%
Contract services	260.9	551.1	(290.2)	-111.2%
Rents and financial expenses	194.3	179.0	15.3	7.9%
External transfers	63,237.3	63,328.0	(90.7)	-0.1%
Loan principal repayment	2,540.2	2,540.2	0.0	0.0%
Total Expenses	99,102.6	99,148.5	(45.9)	0.0%
Excess (Deficiency) of Revenues over Expenses	-	72.2	72.2	n/a

2022 FOURTH QUARTER OPERATING BUDGET RESULTS

The Fourth Quarter Report provides an indication of TBDSSAB's financial status for the year ending December 31, 2022 and identifies any significant variances from the 2022 Operating Budget. Overall, TBDSSAB recorded a net surplus of \$72,203 for the 2022 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 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	312.0	310.8	(1.2)	-0.4%
Ontario Works	646.0	641.1	(4.9)	-0.8%
Child care and early years programs	161.8	156.2	(5.6)	-3.4%
Housing programs	226.3	220.7	(5.6)	-2.5%
Total Allocation	1,346.1	1,328.9	(17.2)	-1.3%
Expenses				
Personnel services	1,057.9	1,069.9	(12.0)	-1.1%
Materials	207.9	173.2	34.7	16.7%
Contract services	80.3	85.8	(5.5)	-6.9%
Total Expenses	1,346.1	1,328.9	17.2	1.3%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a

Table 3, above, shows the 2022 Operating Budget revenues and expenditures, and results for the 2022 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 predetermined weighting approved through the annual Operating Budget. Overall, Board and Office of the CAO expenses were materially on budget for the 2022 year.

B. Corporate Services

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

Table 4:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	1,394.4	1,283.7	(110.7)	-7.9%
Ontario Works	2,175.8	2,144.3	(31.5)	-1.4%
Child care and early years programs	128.3	128.6	0.3	0.2%
Housing programs	233.0	234.4	1.4	0.6%
Total Allocation	3,931.5	3,791.0	(140.5)	-3.6%
Financing				
Levy to municipalities and TWOMO	(100.0)	(100.0)	-	0.0%
Interest on unrestricted funds	100.0	100.0	-	0.0%
Interest on restricted funds	722.6	802.8	80.2	11.1%
Other revenue	1.5	3.1	1.6	103.6%
From (to) reserve funds	(722.6)	(802.8)	(80.2)	11.1%
Total Financing	1.5	3.1	1.6	103.6%
Expenses				
Personnel services	2,703.6	2,528.0	175.6	6.5%
Materials	1,166.9	1,139.1	27.8	2.4%
Contract services	89.6	154.1	(64.5)	-72.0%
Rents and financial expenses	13.5	13.4	0.1	0.7%
Total Expenses	3,973.6	3,834.6	139.0	3.5%
Recoveries				
From HQ building operations	40.6	40.6	-	0.0%
Total Expenses Less Recoveries	3,933.0	3,794.0	139.0	3.5%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a

Table 4, above, shows the 2022 Operating Budget revenues and expenditures, and results for the 2022 year for Corporate Services.



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 2022 include:

Personnel Services	\$175,600 (6.5%) favourable
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Personnel Services expenses were lower than budget by \$175,600 at year-end due to temporarily vacant positions throughout the year, particularly in the Infrastructure and Asset Management Department.

Contract Services	\$64,500 (72.0%) unfavourable
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Contract Services expenses were higher than budget by \$64,500 at year-end, mainly due to unexpected legal expenses.

Also, as a result of the temporarily vacant positions identified above, Administration had contracted with several Vendors of Record to develop schematic designs and provide contract management for certain capital projects during the year. This unfavourable variance is allocated directly to the Direct-Owned Community Housing Building Operations program area.

C. Office Headquarters Building Operations

Table 5, below, shows the 2022 Operating Budget revenues and expenditures, and results for the 2022 year for the Office Headquarters Building Operations.

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. Expense highlights for 2022 include:

Materials	\$47,900 (9.0%) favourable
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Materials expenses were lower than budget by \$47,900 at year-end due to lower utility and communication costs.



Table 5:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	250.9	250.9	-	0.0%
Ontario Works	961.8	961.8	-	0.0%
Child care and early years programs	69.7	69.7	-	0.0%
Housing programs	111.5	111.5	-	0.0%
Total Allocation	1,393.9	1,393.9	-	0.0%
Financing				
Other revenue	3.5	0.6	(2.9)	-81.7%
From (to) reserve funds	(199.1)	(199.1)	-	0.0%
Imputed rent adjustment	(212.6)	(255.4)	(42.8)	20.1%
Total Financing	(408.2)	(453.9)	(45.7)	11.2%
Expenses				
Interest on long-term debt	98.4	100.6	(2.2)	-2.3%
Materials	529.6	481.7	47.9	9.0%
Loan principal repayment	297.0	297.0	-	0.0%
Internal administrative expense	60.7	60.7	-	0.0%
Total Expenses	985.7	940.0	45.7	4.6%
Excess (Deficiency) of Revenues over Expenses	-	-	-	n/a

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 2022 Operating Budget revenues and expenditures, and results for the 2022 year for ISS Program Support.

Table 6:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Allocation				
Direct-owned community housing building operations	168.8	160.2	(8.6)	-5.1%
Ontario Works	979.5	1,000.3	20.8	2.1%
Child care and early years programs	362.7	366.3	3.6	1.0%
Housing programs	472.7	450.7	(22.0)	-4.7%
Total Allocation	1,983.7	1,977.5	(6.2)	-0.3%
Financing				
Other revenue	-	-	-	n/a
Total Financing	-	-	-	n/a
Expenses				
Personnel services	2,214.8	2,074.5	140.3	6.3%
Materials	56.2	37.1	19.1	34.0%
Contract services	-	-	-	n/a
Total Expenses	2,271.0	2,111.6	159.4	7.0%
Recoveries				
From homelessness programs	287.3	134.1	(153.2)	-53.3%
Total Expenses Less Recoveries	1,983.7	1,977.5	6.2	0.3%
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 2022 include:

Personnel Services	\$140,300 (6.3%) favourable
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Personnel Services costs were less than budget by \$140,300 at year-end, due to temporarily vacant positions during the year.

Recovery from Homelessness Programs	\$153,200 (53.3%) unfavourable
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The 2022 Integrated Social Services Program Support Budget included administrative recovery from the Homelessness Prevention Program. This administrative recovery will now be applied to the Housing Programs Budget.

E. Social Assistance

Through the Ontario Works (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.

Table 7, below, shows the 2022 Operating Budget revenues and expenditures, and actual results for OW Programs. Overall, OW program expenses were \$54,700 lower than budget at year-end resulting in a levy surplus of \$43,100.



Table 7:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	3,688.9	3,688.9	-	0.0%
Provincial grants	30,244.7	30,196.9	(47.8)	-0.2%
Other revenues	-	6.7	6.7	n/a
From (to) reserve funds	-	-	-	n/a
Imputed rent adjustment	146.7	176.2	29.5	20.1%
Total Financing	34,080.3	34,068.8	(11.5)	0.0%
Expenses				
Personnel services	3,957.1	3,735.6	221.5	5.6%
Materials	552.7	502.8	49.9	9.0%
Contract services	10.0	7.2	2.8	27.6%
Rents and financial expenses	112.8	104.8	8.0	7.1%
External transfers	24,678.2	24,656.3	21.9	0.1%
Internal administration allocation	3,928.1	4,057.1	(129.0)	-3.3%
Imputed rent recovery	961.8	961.8	-	0.0%
Total Expenses	34,200.7	34,025.6	175.1	0.5%
Recoveries				
From homelessness programs	120.4	-	(120.4)	-100.0%
Total Expenses Less Recoveries	34,080.3	34,025.6	54.7	0.2%
Excess (Deficiency) of Revenues over Expenses	-	43.1	43.1	n/a

Provincial grants are determined by applying the various cost-sharing formulae to actual expenses. Expense highlights for the 2022 year include:

Personnel Services	\$221,500 (5.6%) favourable
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Personnel Services costs were less than budget by \$221,500 at year-end, due to temporarily vacant positions during the year.

Materials	\$49,900 (9.0%) favourable
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Materials expenses were lower than budget by \$49,900 at year-end due, in part, to pandemic restrictions which resulted in lower costs associated with on-site client training.



Internal Administration Allocation	\$129,000 (3.3%) unfavourable
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Internal Administration is comprised of Board, Office of the CAO, Corporate Services, and ISS 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. In addition to the budget, costs associated with community hubs and an allocation of property management costs was added in 2022 to reflect the services provided to social assistance recipients.

Recovery from Homelessness Programs	\$120,400 (100.0%) unfavourable
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The 2022 OW Program Delivery Budget included administrative recovery from the Homelessness Prevention Program. This administrative recovery will now be applied to the Housing Programs Budget.

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:

- Canada-Wide Early Learning and Child Care (CWELCC) – The Province of Ontario signed on to the Federal government's national affordable child care program in April. Through the CWELCC, Service Managers will receive funding to provide to participating licensees in order to reduce parent fees and increase workforce compensation.

Table 8, below, shows the 2022 Operating Budget revenues and expenditures, and actual results for child care and early years' programs.

Overall, child care and early years' program expenses were \$476,500 higher, however there was a \$616,600 surplus at year-end.



Table 8:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	1,675.1	1,675.1	-	0.0%
Federal grants	1,995.2	3,101.0	1,105.8	55.4%
Provincial grants	15,454.4	18,230.9	2,776.5	18.0%
Other revenue	-	281.0	281.0	n/a
From (to) reserve funds	-	(3,072.5)	(3,072.5)	n/a
Imputed rent adjustment	10.6	12.8	2.2	20.5%
Total Financing	19,135.3	20,228.3	1,093.0	5.7%
Expenses				
Personnel services	437.8	465.2	(27.4)	-6.3%
Materials	36.8	34.1	2.7	7.4%
Contract services	1.0	-	1.0	100.0%
External transfers	17,937.2	18,391.7	(454.5)	-2.5%
Internal administration allocation	877.7	876.0	1.7	0.2%
Imputed rent recovery	69.7	69.7	-	0.0%
Total Expenses	19,360.2	19,836.7	(476.5)	-2.5%
Recoveries				
Other recoveries	224.9	224.9	-	0.0%
Total Expenses Less Recoveries	19,135.3	19,611.8	(476.5)	-2.5%
Excess (Deficiency) of Revenues over Expenses	-	616.6	616.6	n/a

Federal and Provincial grants are determined by applying the various cost-sharing formulae to actual expenses. As discussed earlier in the report, late in 2022 Administration was advised that all Expansion Plan funding (100% Provincial) was to be utilized prior to the 80/20 Provincial/Municipal Core funding. As a result, \$281,000 that had been recorded as Due to Province at the end of 2021 was recorded as Other Revenue in 2022. Furthermore, this impacted the 2022 provincial grant calculation which resulted in a lower municipal levy contribution.

Expense highlights for the 2022 year include:

External Transfers **\$454,500 (2.5%) unfavourable**

External transfers for child care and early years were greater than budget at year-end due to implementation of the CWELCC. The additional CWELCC expense is 100% federally funded and will not impact the levy. A further breakdown of External Transfers is provided in Table 9, below:

Table 9:

Description	Year 2022			
	Budget	Forecast	Variance	
	(\$000s)	(\$000s)	(\$000s)	(%)
External Transfers				
Fee Subsidy	4,500.0	2,439.5	2,060.5	45.8%
Special Needs	1,590.6	1,567.0	23.6	1.5%
General Operating	5,603.4	7,167.5	(1,564.1)	-27.9%
Occupancy Incentive	300.0	300.0	-	0.0%
Wage Enhancement	1,225.2	1,212.1	13.1	1.1%
Other	313.6	210.2	103.4	33.0%
Workforce Funding	1,044.5	169.5	875.0	83.8%
Federal Safe Restart	-	21.4	(21.4)	n/a
EarlyON	2,182.5	2,146.3	36.2	1.7%
Journey Together	1,177.4	1,177.4	(0.0)	0.0%
CWELCC	-	1,980.7	(1,980.7)	n/a
Total	17,937.2	18,391.7	(454.5)	-2.5%

Utilization of Fee Subsidy was lower in 2022 and the CWELCC fee reduction further reduced the amount of Fee Subsidy provided to Child Care Operators. This favourable variance was redistributed to Operators in the form of General Operating subsidy.

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 supports individuals and families through rent supplement agreements and portable housing benefits. The following significant events impacted the financial performance within Housing Programs:

- Homelessness Prevention Program (HPP) – Effective April 1, 2022, the HPP consolidates the Community Homelessness Prevention Initiative (CHPI), Home for Good (HFG), and the Strong Communities Rent Supplement Program into a single, more flexible, program.

Table 10:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	9,364.5	9,364.5	-	0.0%
Federal grants	7,621.6	5,855.4	(1,766.2)	-23.2%
Provincial grants	8,899.2	9,551.5	652.3	7.3%
Other revenue	130.0	79.6	(50.4)	-38.7%
From (to) reserve funds	310.0	310.0	-	0.0%
Prior year surplus	-	9.3	9.3	n/a
Imputed rent adjustment	17.0	20.4	3.4	20.2%
Total Financing	26,342.3	25,190.7	(1,151.6)	-4.4%
Expenses				
Personnel services	436.5	489.4	(52.9)	-12.1%
Materials	2,293.5	1,012.1	1,281.4	55.9%
Contract services	70.0	45.6	24.4	34.9%
Rents and financial expenses	-	-	-	n/a
External transfers	20,620.5	20,277.1	343.4	1.7%
Internal administration allocation	3,277.4	3,220.7	56.7	1.7%
Imputed rent recovery	111.5	111.5	-	0.0%
Total Expenses	26,809.4	25,156.3	1,653.1	6.2%
Recoveries				
From housing programs	299.7	291.4	(8.3)	-2.8%
From homelessness programs	167.4	425.4	258.0	154.1%
Total Expenses Less Recoveries	26,342.3	24,439.5	1,902.8	7.2%
Excess (Deficiency) of Revenues over Expenses	-	751.2	751.2	n/a

Table 10, above, shows the 2022 Operating Budget revenues and expenditures, and actual results for Housing Programs. Overall, Housing Program expenses were lower than budget by \$1,902,800 at year-end, and there was a program levy operating surplus of \$751,200 for the year.

Federal and Provincial grants are determined by applying various cost-sharing formulae to actual expenses. Expense highlights for the 2022 year include:

Materials	\$1,281,400 (55.9%) favourable
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Materials were lower than budget by \$1,281,400 lower than budget at year-end. A further breakdown of this variance is provided in Table 11, below:

Table 11:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Materials				
OPHI	400.5	721.2	(320.7)	-80.1%
COCHI	1,867.1	267.9	1,599.2	85.7%
Other	25.9	23.0	2.9	11.3%
Total	2,293.5	1,012.1	1,281.4	55.9%

Ontario Priorities Housing Initiative (OPHI) funds, expected to be spent on the Bertrand Court regeneration project in 2021, were redirected to various projects within the approved 2022 TBDSSAB Capital Budget. The favourable variance in the Canada-Ontario Community Housing Initiative (COCHI) is due to timing of project completions. OPHI and COCHI are funded 100% by the Federal and Provincial governments.

External Transfers	\$343,400 (1.7%) favourable
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External transfers for Housing Programs were higher than budget in 2022. A further breakdown of this variance is provided in Table 12, below.

In 2022 there was a favourable variance of \$483,500 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 at an average cost of \$703 per unit. In 2022, the number of units per month averaged 324 with an average cost of \$643 per unit. This reflects the strategy to reduce 3+ bedroom rent supplement units as they arise and seek to engage more PHBs over time.

Table 12:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
External Transfers				
Provincial Reformed	6,084.8	5,995.6	89.2	1.5%
Urban Native housing program	1,214.3	1,287.2	(72.9)	-6.0%
Private landlord rent supplement	2,918.4	2,507.6	410.8	14.1%
Non-profit rent supplement	766.4	726.1	40.3	5.3%
Strong Communities rent supplement	107.1	74.6	32.4	30.3%
Portable Housing Benefit	599.4	553.0	46.4	7.7%
IAH Rent Supplement	120.4	122.4	(2.0)	-1.7%
IAH Ontario Renovates	-	77.3	(77.3)	n/a
IAH-SIF housing allowance	85.1	47.8	37.3	43.8%
OPHI Ontario Renovates	764.8	385.9	378.9	49.5%
COCHI capital repairs	-	-	-	n/a
COCHI rent supplement	730.8	654.8	76.0	10.4%
COCHI transitional operating	90.9	91.0	(0.1)	-0.1%
Reaching Home	60.0	47.3	12.7	21.2%
CHPI	3,280.0	3,441.8	(161.8)	-4.9%
SSRF	2,640.7	3,163.1	(522.4)	-19.8%
Home for Good	1,157.4	1,101.6	55.8	4.8%
Total	20,620.5	20,277.1	343.4	1.7%

Recovery from Homelessness Programs	\$258,000 (154.1%) favourable
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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 (\$267,000) will now be applied to the Housing Programs Budget.

H. Direct-Owned Community Housing Building Operations

TBDSSAB operates and maintains 2,493 direct-owned housing units throughout the District of Thunder Bay. Table 13, below, shows the 2022 Operating Budget revenues and expenditures, and actual results for direct-owned Community Housing building operations. Overall, direct-owned Community Housing building operations expenses were higher than budget by \$1,571,000 at year-end resulting in a program levy operating deficit of \$1,338,700 for the year.

Table 13:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Financing				
Levy to municipalities & TWOMO	8,425.8	8,425.8	-	0.0%
Federal grants	2,473.4	2,473.4	-	0.0%
Provincial grants	-	-	-	n/a
Rents	11,102.1	11,148.1	46.0	0.4%
Other revenue	277.2	637.5	360.3	130.0%
From (to) reserve funds	(2,365.4)	(2,547.1)	(181.7)	7.7%
Imputed rent adjustment	38.3	46.0	7.7	20.0%
Total Financing	19,951.4	20,183.7	232.3	1.2%
Expenses				
Personnel services	3,363.2	3,215.6	147.6	4.4%
Interest on long-term debt	187.7	184.5	3.2	1.7%
Materials	13,569.3	15,306.9	(1,737.6)	-12.8%
Contract services	10.0	258.3	(248.3)	-2483.1%
Rents and financial expenses	68.0	60.8	7.2	10.6%
External transfers	1.4	2.9	(1.5)	-106.1%
Loan principal repayment	2,243.2	2,243.2	0.0	0.0%
Internal administration allocation	1,875.2	1,754.7	120.5	6.4%
Imputed rent recovery	250.9	250.9	-	0.0%
Total Expenses	21,568.9	23,277.8	(1,708.9)	-7.9%
Recoveries				
From Non-Profit rent supplement	1,114.1	1,095.4	(18.7)	-1.7%
From IAH rent supplement	54.8	64.5	9.7	17.6%
From HFG housing allowance	5.9	8.3	2.4	40.5%
Recovery from Ontario Works progra	126.8	271.4	144.6	114.0%
Recovery from homelessness progra	211.3	211.3	-	0.0%
Recovery from homelessness progra	84.5	84.5	-	0.0%
Recovery from building overhead	20.1	20.1	-	0.0%
Total Expenses Less Recoveries	19,951.4	21,522.4	(1,571.0)	-178.3%
Excess (Deficiency) of Revenues over Expenses	-	(1,338.7)	(1,338.7)	n/a

Highlights for the 2022 year include:

Other Revenue	\$360,300 (130.0%) favourable
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Net insurance proceeds of \$352,500 related to the 170 Wadsworth (Nipigon) fire were recorded as other revenue and transferred into the Capital Regeneration Reserve Fund. The house will not be rebuilt.

Materials	\$1,737,600 (12.8%) unfavourable
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Materials were higher than budget by \$1,737,600 in 2022. A further breakdown of this variance is provided in Table 14, below:

Table 14:

Description	Year 2022			
	Budget (\$000s)	Forecast (\$000s)	Variance	
			(\$000s)	(%)
Materials				
Repairs and maintenance	1,848.7	2,446.9	(598.2)	-32.4%
Operating services	1,751.0	2,359.9	(608.9)	-34.8%
Insurance	643.1	670.2	(27.1)	-4.2%
Gas	601.7	662.2	(60.5)	-10.1%
Electricity	1,710.5	1,811.6	(101.1)	-5.9%
Water	1,553.6	1,778.5	(224.9)	-14.5%
Hot water tanks	83.4	107.3	(23.9)	-28.7%
Municipal taxes	5,044.0	5,194.7	(150.7)	-3.0%
Other	333.3	275.5	57.8	17.3%
Total	13,569.3	15,306.9	(1,737.6)	-12.8%

Repairs and maintenance expenses in 2022 were significantly higher than budget. Increases were experienced in nearly all areas including doors and windows, electrical, mechanical, and plumbing repairs. Call-out volume was higher in 2022, and the housing portfolio experienced more major incidents requiring significant restoration versus prior years.

The unfavourable variance in operating services was driven primarily by snow removal costs which were \$507,300 higher than budget due to the significant snow events that occurred in 2022.

An unfavourable variance in municipal property taxes of \$150,700 occurred as the municipal tax rates were higher than expected. And utilities costs (Gas and Electricity) were \$161,600 higher than budget as a result of higher consumption levels experienced partially due to colder and longer winter conditions.



Contract Services **\$248,300 (2438.1%) unfavourable**

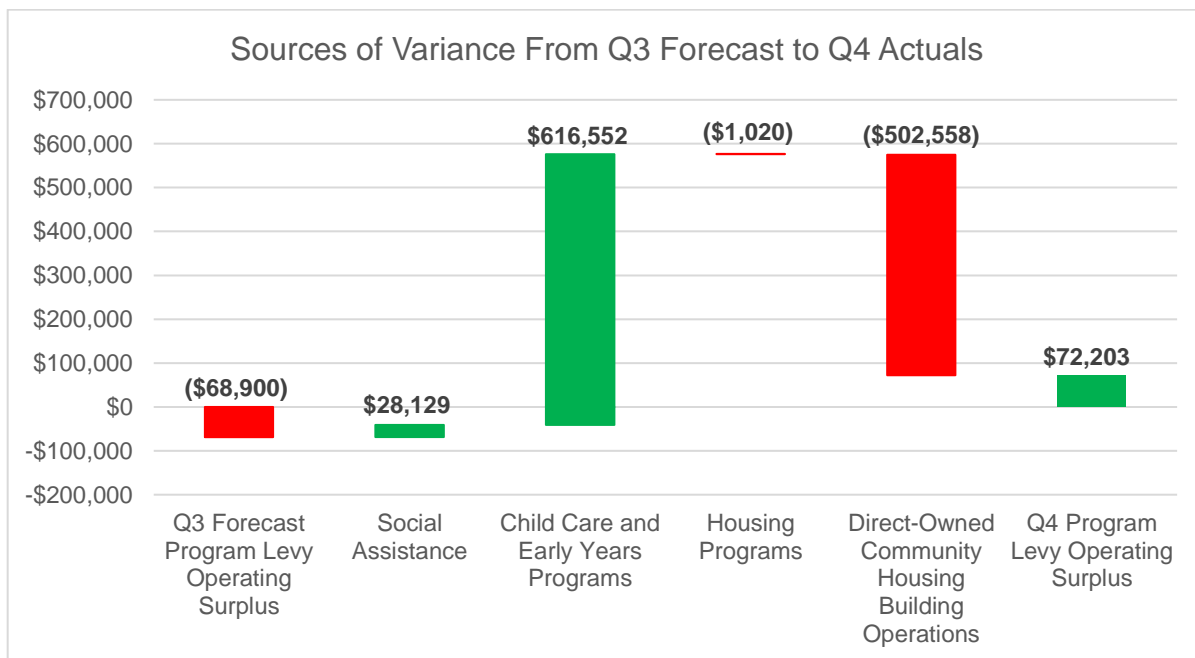
Contract Services costs were higher than budget by \$248,300 at year-end. This unfavourable variance is due to consulting costs related to the Bertrand Court Regeneration project which were financed from the Capital Regeneration Reserve Fund.

Also, Administration had contracted with a consultant to perform a physical security audit of TBDSSAB properties which was completed in 2022.

CONCLUSION

The 2022 Third Quarter Financial Report identified a forecast program levy operating deficit of \$68,900 with the Direct-Owned Community Housing Building Operations projected deficit of \$836,100 being mostly offset by Social Assistance (\$15,000) and Housing Programs (\$752,200).

Through the 2022 Fourth Quarter Financial Report, TBDSSAB incurred a program levy operating surplus of \$72,203 for the 2022 year. The chart below summarizes the change from Q3 estimates to Q4 actuals, by program.





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

**2022 FOURTH QUARTER
FINANCIAL REPORT**

Capital Budget



INTRODUCTION

On December 16, 2021, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) approved the 2022 Capital Budget which included 82 projects totaling \$4,237,900. This includes individual capital projects in the direct-owned community housing portfolio (\$4,172,900), and TBDSSAB Headquarters (\$65,000).

In 2022, the Capital Budget is financed from the Housing Portfolio Capital Reserve Fund, the Office Building Reserve Fund, the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI).

Also, subsequent to the 2021 year-end process, the Chief Administrative Officer (CAO) approved 32 capital projects, totaling \$1,372,087, from the 2021 Capital Budget to be carried forward and completed in 2022.

A financial report is prepared and reported to the Board quarterly to provide a comparison of year-to-date status of the various components of the approved Capital budget.

2022 FOURTH QUARTER CAPITAL BUDGET RESULTS

Reflecting results for the 12-month period ending December 31, 2022, this Report provides an indication of TBDSSAB's financial status in relation to the 2022 approved Capital Budget.

Overall, in 2022, TBDSSAB spent \$2,172,519 on capital projects (2022 Approved Capital Budget and Carryforward projects) and will carryforward \$3,326,980 (60 capital projects) into 2023.

A. Prior Year Carryforward Projects

Through the 2021 year-end process, the CAO approved the carryforward of 32 capital projects totaling \$1,372,087. At December 31, 2022, TBDSSAB had spent \$1,132,217 related to 2021 capital carryforward projects, completing 25 projects. Of the remaining seven projects:

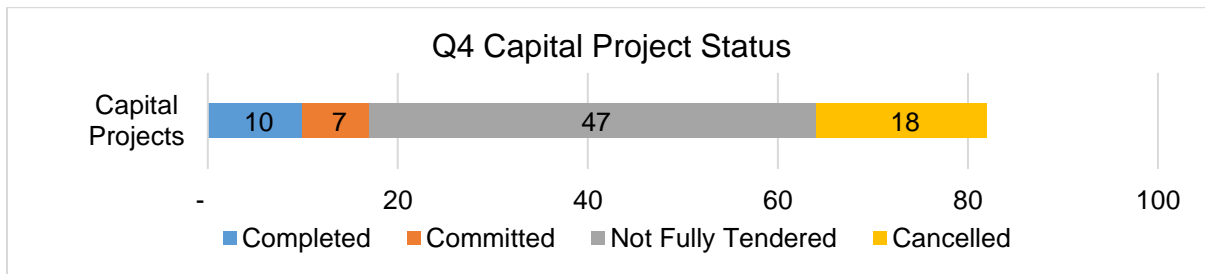
- Five have been awarded, with the work continuing into 2023;
- One was re-scoped with a new solution and will be tendered in 2023; and
- One was cancelled.

A total of \$99,144 has been carried forward into 2023.

B. 2022 Individual Capital Projects

The Board approved a total Capital Budget related to individual direct-owned housing portfolio projects and TBDSSAB’s Headquarters totaling \$4,237,900. Based on the approved list, each project was reviewed and scheduled throughout the year to maximize procurement efficiency and project completion based on the nature of the project.

At December 31, 2022, \$1,040,302 or 24.5% of the approved capital budget was spent against the approved projects. However, a further \$1,355,895 was committed to seven projects and carried forward to be completed in 2023. An additional \$102,911 (six projects) was committed for consulting or other aspects of certain projects. Forty-seven projects totaling \$1,769,030 had not been fully tendered, however it was determined the projects were required and have been carried forward to 2023.



Highlights of Completed Projects:

- North James – interior painting and installation of fiberglass reinforced panels;
- Limbrick – replacement of 22 sump pumps;
- McLaughlin Court – installation of bird netting on 12 balconies; and
- Headquarters Office Building – exterior painting.

Although significant work has been completed on the 2022 capital program, including preparation, and planning for the larger projects (elevators, generators, domestic hot water), due to various supply chain challenges and staffing vacancies, 54 of the projects will be carried into 2023.

CONCLUSION

At December 31, 2022, 31 of the 32 capital projects carried forward from the prior year were completed, in progress, or cancelled. Of the 82 projects approved in the 2022 Capital Budget, 41 were completed, in progress, or cancelled.



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

Fiduciary Responsibility Checklist

Year: 2022

[Supporting Documents](#)

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

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

04-Apr-23

Date

Chief Administrative Officer

04-Apr-23

Date

**The District of Thunder Bay Social Services Administration Board
Distribution of the 2022 Program Levy Operating Surplus by Municipality**

Municipality	2022 Weighted Assessment \$	(%)	Option 1 Distribution \$	Option 2 Distribution \$
Conmee	71,421,480	0.3582%	259	-
Dorion	51,809,201	0.2598%	188	-
Gillies	40,753,591	0.2044%	148	-
Greenstone	701,683,424	3.5188%	2,541	-
Manitouwadge	51,934,480	0.2604%	188	-
Marathon	163,809,903	0.8215%	593	-
Neebing	357,853,303	1.7945%	1,296	-
Nipigon	104,053,641	0.5218%	377	-
O'Connor	76,783,500	0.3850%	278	-
Oliver & Paipoonge	866,474,644	4.3452%	3,137	-
Red Rock	40,370,127	0.2024%	146	-
Schreiber	46,299,893	0.2322%	168	-
Shuniah	807,733,499	4.0506%	2,925	-
Terrace Bay	122,235,720	0.6130%	443	-
Thunder Bay	14,139,856,768	70.9077%	51,195	-
TWOMO	2,298,117,349	11.5245%	8,321	-
Total	19,941,190,523	100.0000%	72,203	-